

115TH CONGRESS  
2D SESSION

# H. R. 5017

To amend the Department of Agriculture Reorganization Act of 1994 to reauthorize the Healthy Food Financing Initiative, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 14, 2018

Ms. FUDGE (for herself, Mr. EVANS, and Ms. LEE) introduced the following bill; which was referred to the Committee on Agriculture

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## A BILL

To amend the Department of Agriculture Reorganization Act of 1994 to reauthorize the Healthy Food Financing Initiative, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Healthy Food Financ-  
5 ing Initiative Reauthorization Act of 2018”.

6 **SEC. 2. REAUTHORIZATION OF HEALTHY FOOD FINANCING**  
7 **INITIATIVE.**

8 Section 243 of the Department of Agriculture Reor-  
9 ganization Act of 1994 (7 U.S.C. 6953) is amended to  
10 read as follows:

1 **“SEC. 243. HEALTHY FOOD FINANCING INITIATIVE.**

2       “(a) PURPOSE.—The purpose of this section is to es-  
3 tablish an initiative to provide financial and technical as-  
4 sistance to healthy food producers and retailers, food  
5 hubs, and mid-tier value chains that serve healthy food  
6 retailers and other healthy food business enterprises—

7               “(1) to improve access to, and expand the sup-  
8 ply of, healthy food in low-income, underserved com-  
9 munities;

10              “(2) to create and preserve quality jobs and  
11 businesses;

12              “(3) to revitalize distressed rural, urban, and  
13 small town economies;

14              “(4) to support the development of local and re-  
15 gional food systems;

16              “(5) to increase the distribution of locally pro-  
17 duced agricultural products; and

18              “(6) to strengthen farm-to-consumer relation-  
19 ships.

20       “(b) DEFINITIONS.—In this section:

21              “(1) COMMUNITY DEVELOPMENT FINANCIAL IN-  
22 STITUTION.—The term ‘community development fi-  
23 nancial institution’ has the meaning given the term  
24 in section 103 of the Community Development  
25 Banking and Financial Institutions Act of 1994 (12  
26 U.S.C. 4702).

1           “(2) DISADVANTAGED BUSINESS ENTER-  
2           PRISE.—The term ‘disadvantaged business enter-  
3           prise’ has the meaning given the term in section  
4           26.5 of title 49, Code of Federal Regulations (as in  
5           effect on the date of enactment of the Healthy Food  
6           Financing Initiative Reauthorization Act of 2018).

7           “(3) FARMERS MARKET.—The term ‘farmers  
8           market’ means a common facility or area where sev-  
9           eral agricultural producers gather on a regular, re-  
10          curring basis to sell a variety of fresh fruits and  
11          vegetables and other locally grown farm products di-  
12          rectly to consumers.

13          “(4) FOOD ACCESS ORGANIZATION.—The term  
14          ‘food access organization’ means a nonprofit organi-  
15          zation with expertise in improving access to healthy  
16          food in underserved communities.

17          “(5) FOOD HUB.—The term ‘food hub’ means  
18          a commercial, cooperatively owned, or nonprofit en-  
19          terprise that actively manages the aggregation, dis-  
20          tribution, and marketing of source-identified food  
21          products primarily from local and regional producers  
22          to strengthen the ability of the producers to satisfy  
23          wholesale, retail, and institutional demand.

24          “(6) HEALTHY FOOD.—The term ‘healthy food’  
25          means a food or beverage that improves and main-

1 tains overall human health and reduces the risk of  
2 chronic disease, as described in the 2015–2020 Die-  
3 tary Guidelines for Americans of the Secretary of  
4 Health and Human Services and the Secretary.

5 “(7) HEALTHY FOOD BUSINESS ENTERPRISE.—  
6 The term ‘healthy food business enterprise’ means  
7 an entrepreneurial activity that improves access to  
8 healthy food in low-income and underserved commu-  
9 nities, such as a commercial kitchen or food business  
10 incubator.

11 “(8) HEALTHY FOOD PRODUCER.—The term  
12 ‘healthy food producer’ means a commercial, coop-  
13 eratively owned, or nonprofit enterprise that pro-  
14 duces agricultural commodities or adds value to ag-  
15 ricultural commodity products to create healthy food  
16 products.

17 “(9) HEALTHY FOOD RETAILER.—

18 “(A) IN GENERAL.—The term ‘healthy  
19 food retailer’ means a commercial, cooperatively  
20 owned, or nonprofit seller of a healthy food, in-  
21 cluding—

22 “(i) a grocery store;

23 “(ii) a mobile food retailer;

24 “(iii) a farmers market;

25 “(iv) a cooperative;

1 “(v) a corner store;

2 “(vi) a bodega; and

3 “(vii) any other store that sells a full  
4 range of fresh and healthy foods, including  
5 any such store that sells nonhealthy foods.

6 “(B) INCLUSION.—The term ‘healthy food  
7 retailer’ includes a retail store in existence on  
8 the date of enactment of the Healthy Food Fi-  
9 nancing Initiative Reauthorization Act of 2018  
10 that upgrades to sell a full range of healthy  
11 foods after that date of enactment.

12 “(10) HISTORICALLY UNDERSERVED PRO-  
13 DUCER.—The term ‘historically underserved pro-  
14 ducer’ means a beginning, limited resource, urban,  
15 or socially disadvantaged farmer or rancher, as de-  
16 termined by the Secretary.

17 “(11) INCUBATOR.—The term ‘incubator’  
18 means a commercial, cooperatively owned, or non-  
19 profit enterprise that assists start-up businesses by  
20 providing support, resources, and business services  
21 and advice, normally in 1 physical location.

22 “(12) INITIATIVE.—The term ‘Initiative’ means  
23 the Healthy Food Financing Initiative established  
24 under subsection (c).

1           “(13) INITIATIVE FUNDS.—The term ‘Initiative  
2 funds’ means—

3           “(A) any Federal amounts that are made  
4 available to carry out this section; and

5           “(B) any other forms of financial assist-  
6 ance (including grants, loans, and equity invest-  
7 ments) that are raised by the National Fund  
8 Manager under this section.

9           “(14) LOW-INCOME.—The term ‘low-income’  
10 has the meaning given the term in section 103 of the  
11 Community Development Banking and Financial In-  
12 stitutions Act of 1994 (12 U.S.C. 4702).

13           “(15) MID-TIER VALUE CHAIN.—

14           “(A) IN GENERAL.—The term ‘mid-tier  
15 value chain’ has the meaning given the term in  
16 section 231(a) of the Agricultural Risk Protec-  
17 tion Act of 2000 (7 U.S.C. 1632a(a)).

18           “(B) INCLUSIONS.—The term ‘mid-tier  
19 value chain’ includes strategic business relation-  
20 ships with respect to production, aggregation,  
21 processing, storage, distribution, or marketing.

22           “(16) MODERATE-INCOME.—The term ‘mod-  
23 erate-income’ has the meaning given the term by the  
24 Bureau of the Census.

1           “(17) NATIONAL FUND MANAGER.—The term  
2           ‘National Fund Manager’ means a community devel-  
3           opment financial institution that is—

4                   “(A) in existence on the date of enactment  
5                   of the Healthy Food Financing Initiative Reau-  
6                   thorization Act of 2018;

7                   “(B) certified by the Community Develop-  
8                   ment Financial Institutions Fund of the De-  
9                   partment of the Treasury to manage the Initia-  
10                  tive; and

11                  “(C) designated by the Secretary under  
12                  subsection (d)(1) to manage the Initiative.

13           “(18) PARTNERSHIP.—The term ‘partnership’  
14           means a regional, State, or local collaborative entity  
15           that is organized to improve access to healthy foods  
16           by providing financial and technical assistance to  
17           projects.

18           “(19) PROJECT.—The term ‘project’ means a  
19           healthy food retailer, a food hub, a healthy food pro-  
20           ducer, or a healthy food business enterprise under a  
21           commercial, cooperatively owned, or nonprofit enter-  
22           prise that satisfies eligibility criteria for assistance  
23           under the Initiative established by the National  
24           Fund Manager in accordance with subsection (g)(1).

1           “(20) QUALITY JOB.—The term ‘quality job’  
2 means a job that includes three or more of the fol-  
3 lowing characteristics:

4           “(A) A living wage that—

5           “(i) is sufficient to support a decent  
6 standard of living; or

7           “(ii) exceeds the median wage offered  
8 within the applicable industry.

9           “(B) Basic benefits that increase economic  
10 security, improve health, and promote work-life  
11 balance for employees, including—

12           “(i) paid leave;

13           “(ii) health insurance; and

14           “(iii) a retirement savings plan, in-  
15 cluding the use of an employee stock own-  
16 ership plan.

17           “(C) Career-building opportunities that  
18 help employees develop the skills, networks, and  
19 experiences necessary to launch a career or ad-  
20 vance along a career path, including—

21           “(i) formal and informal training and  
22 mentorship; and

23           “(ii) avenues for advancement within  
24 the company.



1           “(D) Wealth-building opportunities that  
2           enable and provide incentives for an employee  
3           to build the assets that the employee needs to  
4           manage financial emergencies and achieve long-  
5           term financial security for the employee and the  
6           family of the employee, including through em-  
7           ployee ownership, such as an employee stock  
8           ownership plan or a cooperative.

9           “(E) A fair and engaging workplace that  
10          balances the priorities and well-being of employ-  
11          ees with the needs of the business, including—

12                   “(i) flexible and predictable schedules;

13                   “(ii) treating employees with respect  
14                   and dignity;

15                   “(iii) actively soliciting ideas from em-  
16                   ployees to improve the business; and

17                   “(iv) helping employees understand  
18                   how their work contributes to the success  
19                   of the business.

20          “(21) RURAL; RURAL AREA.—The terms ‘rural’  
21          and ‘rural area’ have the meanings given those  
22          terms in section 343(a) of the Consolidated Farm  
23          and Rural Development Act (7 U.S.C. 1991(a)).

24          “(22) STAPLE FOOD.—

1           “(A) IN GENERAL.—The term ‘staple food’  
2 means food that is a basic dietary item.

3           “(B) INCLUSIONS.—The term ‘staple food’  
4 includes—

5                   “(i) bread;

6                   “(ii) cereal;

7                   “(iii) flour;

8                   “(iv) fruit;

9                   “(v) vegetables;

10                  “(vi) meat; and

11                  “(vii) dairy products.

12           “(23) UNDERSERVED COMMUNITY.—

13           “(A) IN GENERAL.—The term ‘under-  
14 served community’ means a food desert, as de-  
15 fined by the Community Development Financial  
16 Institutions Fund of the Department of the  
17 Treasury, including a distressed geographical  
18 area described in subparagraph (B), that is—

19                   “(i) within a census tract that is de-  
20 scribed as a food desert on the food access  
21 research atlas of the Secretary;

22                   “(ii) within a census tract that—

23                           “(I) is adjacent to a census tract  
24 described in clause (i); and

1           “(II) has a median family income  
2           that is less than or equal to 120 per-  
3           cent of the applicable area median  
4           family income; or

5           “(iii) a geographic unit (as described  
6           in section 1805.201(b)(3)(ii)(B) of title 12,  
7           Code of Federal Regulations (as in effect  
8           on the date of enactment of the Healthy  
9           Food Financing Initiative Reauthorization  
10          Act of 2018)) that—

11           “(I) individually meets at least  
12           one of the criteria described in section  
13           1805.201(b)(3)(ii)(D) of title 12,  
14           Code of Federal Regulations (as in ef-  
15           fect on the date of enactment of the  
16           Healthy Food Financing Initiative Re-  
17           authorization Act of 2018); and

18           “(II) meets the criteria for hav-  
19           ing low access to a supermarket or  
20           grocery store through a methodology  
21           that has been adopted for use by a  
22           State or unit of local government or  
23           philanthropic healthy food initiative.

24           “(B) DISTRESSED GEOGRAPHICAL AREA  
25          DESCRIBED.—A distressed geographical area

1 referred to in subparagraph (A) is a geo-  
2 graphical area where a substantial number or  
3 share of residents has low access to a super-  
4 market or large grocery store.

5 “(c) ESTABLISHMENT.—The Secretary shall estab-  
6 lish within the Department an initiative, to be known as  
7 the ‘Healthy Food Financing Initiative’, to achieve the  
8 purpose described in subsection (a) in accordance with this  
9 section.

10 “(d) DUTIES OF THE SECRETARY.—The Secretary  
11 shall—

12 “(1) once every 5 years, designate a National  
13 Fund Manager through a competitive process from  
14 among community development financial institutions  
15 that have qualifications and a demonstrated record  
16 of success and effectiveness in—

17 “(A) raising significant amounts of private  
18 funds and managing healthy food financing pro-  
19 grams that provide grants, loans, and tax cred-  
20 its to improve access to, and the supply of,  
21 healthy foods in low-income, underserved com-  
22 munities;

23 “(B) developing and managing programs  
24 that provide financial and technical assistance  
25 to healthy food retailers, healthy food pro-

1           ducers, food hubs, farmers markets, and other  
2           healthy food business enterprises that serve  
3           low-income, underserved communities;

4           “(C) partnering with food access organiza-  
5           tions or other nonprofit organizations with ex-  
6           pertise in improving food access in low-income,  
7           underserved communities in the implementation  
8           of healthy food financing programs;

9           “(D) investing in rural communities di-  
10          rectly or in partnership with other rural eco-  
11          nomic development organizations;

12          “(E) building the capacities of other com-  
13          munity development financial institutions and  
14          building a network of collaboration across food  
15          access programs and food systems programs;

16          “(F) engaging—

17                  “(i) rural, Tribal, and disadvantaged  
18                  business enterprises; and

19                  “(ii) businesses that serve low-income  
20                  populations and support local or regional  
21                  food systems and supply chains;

22          “(G) developing performance goals and  
23          metrics to track and report the impact of  
24          healthy food financing programs;

1           “(H) making and servicing grants, loans,  
2           loan loss reserves, tax credits, and other financ-  
3           ing tools that are needed to effectively imple-  
4           ment the Initiative;

5           “(I) financing and investing public and pri-  
6           vate funds in projects to improve access in low-  
7           income urban and rural communities;

8           “(J) administering multiple contracts and  
9           subcontractors;

10          “(K) providing or contracting for the pro-  
11          vision of technical assistance; and

12          “(L) managing large capital pools;

13          “(2) determine whether to approve—

14               “(A) the eligibility criteria developed by  
15               the National Fund Manager under subsection  
16               (e)(2)(A);

17               “(B) the program strategy and budget for  
18               the Initiative submitted by the National Fund  
19               Manager under subsection (e)(1)(E); and

20               “(C) the outcome metrics developed by the  
21               National Fund Manager under subsection  
22               (e)(3)(A);

23          “(3) develop and make publically available an-  
24          nual progress reports and financial audits of the Ini-

1 initiative to determine the effectiveness and impact of  
2 the Initiative; and

3 “(4) ensure that Initiative funds are used ap-  
4 propriately and efficiently.

5 “(e) DUTIES OF THE NATIONAL FUND MANAGER.—

6 The National Fund Manager shall carry out the following  
7 duties under the Initiative:

8 “(1) ASSISTANCE.—The National Fund Man-  
9 ager shall—

10 “(A) raise private funds to be used under  
11 the Initiative;

12 “(B) leverage and encourage the use of  
13 other Federal funds from the Department and  
14 other Federal agencies;

15 “(C) provide loan and grant awards to  
16 partnerships and projects in accordance with  
17 paragraph (2);

18 “(D) consider providing to partnerships  
19 and projects financial assistance other than  
20 awards described in subparagraph (C), subject  
21 to the conditions that the financial assistance  
22 shall—

23 “(i) conform to all applicable laws (in-  
24 cluding regulations) and best industry  
25 practices; and

1                   “(ii) be approved by the Secretary be-  
2                   fore the financial assistance is provided;

3                   “(E) submit to the Secretary a program  
4                   strategy and budget for the Initiative for ap-  
5                   proval under subsection (d)(2)(B); and

6                   “(F) provide appropriate technical assist-  
7                   ance to partnerships and projects that are seek-  
8                   ing or have received funding under the Initia-  
9                   tive, such as—

10                   “(i) business planning;

11                   “(ii) project feasibility analysis;

12                   “(iii) market studies;

13                   “(iv) pipeline development;

14                   “(v) community engagement; and

15                   “(vi) local hiring practices.

16                   “(2) AWARDS PROCESS.—The National Fund  
17                   Manager shall—

18                   “(A) with respect to partnerships—

19                   “(i) establish eligibility criteria for as-  
20                   sistance under the Initiative;

21                   “(ii) review each partnership applica-  
22                   tion to ensure that the application is com-  
23                   plete and the partnership is eligible to be  
24                   considered for an award;



1           “(iii) establish a competitive award  
2 process that considers—

3                   “(I) the lack of access to healthy  
4 food items in the community of a  
5 partnership;

6                   “(II) the amount of local funds  
7 and other resources pledged by a part-  
8 nership to match or leverage Initiative  
9 funds;

10                  “(III) the degree of State, local,  
11 or Tribal government support of the  
12 partnership;

13                  “(IV) the capacity of the partner-  
14 ship to successfully develop and man-  
15 age loan and grant programs;

16                  “(V) the capacity of the partner-  
17 ship to successfully develop, provide,  
18 or contract for technical assistance  
19 and business development services for  
20 healthy food retailers, healthy food  
21 producers, food hubs, or other healthy  
22 food business enterprises;

23                  “(VI) the capacity of the partner-  
24 ship—

1                   “(aa) to market and pro-  
2                   mote the Initiative; and

3                   “(bb) to support disadvan-  
4                   tagged business enterprises or his-  
5                   torically underserved producers;

6                   “(VII) the capacity of the part-  
7                   nership to collect data and monitor  
8                   and track program outcomes;

9                   “(VIII) the degree of community  
10                  engagement and participation in, or  
11                  benefits from, projects to be financed  
12                  by the partnership; and

13                  “(IX) the contribution of the  
14                  partnership to the overall geographical  
15                  diversity of the Initiative;

16                  “(iv) provide awards to each of—

17                         “(I) a State, Tribal, or unit of  
18                         local government or a quasi-public  
19                         State or local government agency;

20                         “(II) a food access organization  
21                         or an organization similarly com-  
22                         mitted to improving access to healthy  
23                         foods; and

24                         “(III) a community development  
25                         financial institution or other organiza-

1                   tion that can administer a loan and  
2                   grant program in accordance with this  
3                   section; and

4                   “(v) enter into a loan or grant agree-  
5                   ment, as applicable, with each partnership  
6                   to which the National Fund Manager pro-  
7                   vides an award; and

8                   “(B) with respect to projects—

9                   “(i) establish eligibility criteria for as-  
10                  sistance under the Initiative in accordance  
11                  with subsection (g)(1);

12                  “(ii) review each application to ensure  
13                  that the application is complete and the  
14                  project is eligible to be considered for an  
15                  award;

16                  “(iii) evaluate each application and  
17                  provide awards to projects in accordance  
18                  with the priorities described in subsection  
19                  (g)(2), on a rolling basis, that—

20                         “(I) are consistent with this sec-  
21                         tion; and

22                         “(II) demonstrate the need for  
23                         assistance under the Initiative; and

24                         “(iv) based on a review of the use of  
25                         Initiative funds described in paragraph

1                   (3)(C)(v)(II), ensure that a reasonable  
2                   amount of Initiative funds are used to sup-  
3                   port nonretail projects.

4                   “(3) POST-AWARD ACTIVITIES.—The National  
5                   Fund Manager shall—

6                   “(A) recommend to the Secretary for ap-  
7                   proval under subsection (d)(2)(C) outcome  
8                   metrics for evaluating the effectiveness and im-  
9                   pact of the Initiative, including—

10                   “(i) the location, type, and number  
11                   of—

12                   “(I) businesses assisted by the  
13                   Initiative;

14                   “(II) businesses created or ex-  
15                   panded by the Initiative;

16                   “(III) rural businesses assisted  
17                   by the Initiative; and

18                   “(IV) disadvantaged businesses  
19                   assisted by the Initiative;

20                   “(ii) demographic characteristics of  
21                   the populations and communities served by  
22                   the Initiative, such as income, race, and  
23                   ethnicity;

1 “(iii) jobs created and retained by  
2 very low- and low-income persons as a re-  
3 sult of the Initiative;

4 “(iv) the job quality of jobs created by  
5 the Initiative;

6 “(v) funds leveraged by the Initiative;

7 “(vi) project participation in—

8 “(I) the supplemental nutrition  
9 assistance program established under  
10 the Food and Nutrition Act of 2008  
11 (7 U.S.C. 2011 et seq.);

12 “(II) the special supplemental  
13 nutrition program for women, infants,  
14 and children established by section 17  
15 of the Child Nutrition Act of 1966  
16 (42 U.S.C. 1786); and

17 “(III) other nutrition benefit pro-  
18 grams;

19 “(vii) project participation in, and of-  
20 fering of, job training programs targeting  
21 low-income populations;

22 “(viii) project participation in pro-  
23 grams to promote healthy food choices and  
24 increase the affordability of healthy food  
25 by low-income populations, such as—

1                   “(I) nutrition education under  
2                   the Food and Nutrition Act of 2008  
3                   (7 U.S.C. 2011 et seq.); and

4                   “(II) the food insecurity nutrition  
5                   incentive program under section 4405  
6                   of the Food, Conservation, and En-  
7                   ergy Act of 2008 (7 U.S.C. 7517);  
8                   and

9                   “(ix) the degree of collaboration  
10                  among local partners;

11                  “(B)(i) collect data from partnerships and  
12                  projects awarded funding under the Initiative;  
13                  and

14                  “(ii) compile the data for the approved  
15                  outcome metrics described in subparagraph (A);  
16                  and

17                  “(C) submit to the Secretary—

18                         “(i) with respect to partnerships and  
19                         projects awarded funding under the Initia-  
20                         tive, periodic reports on approved outcome  
21                         metrics described in subparagraph (A)  
22                         using data collected and compiled under  
23                         subparagraph (B);

- 1           “(ii) the percentage of the number of  
2           partnerships and projects funded for each  
3           fiscal year that are located in a rural area;
- 4           “(iii) the percentage of the number of  
5           partnerships and projects funded for each  
6           fiscal year that are located in—
- 7                   “(I) low-income communities;  
8                   and
- 9                   “(II) moderate-income commu-  
10                  nities;
- 11           “(iv) a copy of—
- 12                   “(I) the Community Development  
13                  Financial Institutions Fund annual  
14                  certification for the National Fund  
15                  Manager; and
- 16                   “(II) the data collection report  
17                  form submitted to the Department of  
18                  the Treasury by the National Fund  
19                  Manager; and
- 20           “(v) an annual report that includes—
- 21                   “(I) a synopsis of each partner-  
22                  ship and project receiving funding  
23                  under the Initiative; and

1                   “(II) a description of the use of  
2                   Initiative funds for the applicable  
3                   year.

4                   “(4) OUTREACH.—The National Fund Manager  
5                   shall contract with a national food access organiza-  
6                   tion (and may contract with regional or local food  
7                   access organizations)—

8                   “(A) to publicize the Initiative to target  
9                   communities and priority populations; and

10                   “(B) to organize and build the capacities  
11                   of partnerships, potential applicants for funding  
12                   under the Initiative, and peer organizations to  
13                   ensure that resources are directed to commu-  
14                   nities most in need of funding under the Initia-  
15                   tive.

16                   “(5) ALIGNMENT.—To maximize the impact of  
17                   the Initiative, the National Fund Manager shall seek  
18                   to align the Initiative with—

19                   “(A) other programs of the Department,  
20                   such as—

21                   “(i) the food insecurity nutrition in-  
22                   centive program under section 4405 of the  
23                   Food, Conservation, and Energy Act of  
24                   2008 (7 U.S.C. 7517); and



1                   “(ii) the Farmers’ Market and Local  
2                   Food Promotion Program under section 6  
3                   of the Farmer-to-Consumer Direct Mar-  
4                   keting Act of 1976 (7 U.S.C. 3005); and  
5                   “(B) other Federal nutrition programs.

6                   “(f) DUTIES OF PARTNERSHIPS.—A partnership that  
7                   receives an award from the National Fund Manager shall  
8                   carry out financing and other activities to implement and  
9                   maximize the effectiveness of the Initiative, as described  
10                  in the grant or loan agreement, as applicable, with the  
11                  National Fund Manager under subsection (e)(2)(A)(v), in-  
12                  cluding—

13                   “(1) conducting marketing and outreach to  
14                   communities, the grocery industry, and others—

15                   “(A) to solicit applications from projects in  
16                   underserved communities;

17                   “(B) to build an understanding of the eco-  
18                   nomics of the local food retail market; and

19                   “(C) to identify opportunities in the target  
20                   area;

21                   “(2) reviewing applications from projects for  
22                   funding under the Initiative;

23                   “(3) underwriting and disbursing Initiative  
24                   funds to projects;

1           “(4) providing technical assistance and business  
2 development services to projects;

3           “(5) submitting an annual financial and pro-  
4 gram report to the National Fund Manager that de-  
5 scribes—

6                   “(A) the activities of the partnership;

7                   “(B) the expenditure of Initiative funds;  
8 and

9                   “(C) any success in meeting approved out-  
10 come metrics described in subsection (e)(3)(A)  
11 and satisfying such other terms and conditions  
12 as are specified in the grant or loan agreement;  
13 and

14           “(6) expending reasonable administrative costs,  
15 which shall not exceed 10 percent of the amounts  
16 provided to the partnership under the Initiative.

17           “(g) PROJECTS.—

18                   “(1) ELIGIBILITY.—To be eligible to receive an  
19 award under the Initiative, a project shall—

20                           “(A) be located in a low-income area or a  
21 moderate-income area;

22                           “(B) be located in or serve an underserved  
23 community;

24                           “(C) expand or preserve the availability of  
25 staple food;

1           “(D) demonstrate the need for funding  
2 under the Initiative;

3           “(E) in the case of a healthy food re-  
4 tailer—

5                 “(i) accept benefits under the supple-  
6 mental nutrition assistance program estab-  
7 lished under the Food and Nutrition Act of  
8 2008 (7 U.S.C. 2011 et seq.); or

9                 “(ii) develop mid-tier value chains  
10 that expand the availability of healthy food  
11 in underserved communities;

12           “(F) in the case of a food hub or healthy  
13 food producer—

14                 “(i)(I) sell healthy food items to food  
15 retailers that serve an underserved area;  
16 and

17                 “(II) accept benefits under the supple-  
18 mental nutrition assistance program estab-  
19 lished under the Food and Nutrition Act of  
20 2008 (7 U.S.C. 2011 et seq.); or

21                 “(ii) sell or donate healthy food items  
22 to an institution, such as a hospital,  
23 school, food bank or pantry, social service  
24 agency, community center, or religious or-

1           ganization, that serves low-income, under-  
2           served communities; and

3           “(G) in the case of a healthy food business  
4           enterprise, train or employ individuals from  
5           low-income, underserved communities.

6           “(2) PRIORITIES.—In making awards to  
7           projects under the Initiative, priority shall be given  
8           to a project that—

9           “(A) is located in an area that meets at  
10          least one of the criteria described in section  
11          1805.201(b)(3)(ii)(D) of title 12, Code of Fed-  
12          eral Regulations (as in effect on the date of en-  
13          actment of the Healthy Food Financing Initia-  
14          tive Reauthorization Act of 2018); and

15          “(B)(i) is located in or serves a rural area;

16          “(ii) supports rural economic development;

17          “(iii) includes mid-tier value chains that  
18          use agricultural producer business and coopera-  
19          tive ownership models;

20          “(iv) involves a disadvantaged business en-  
21          terprise or historically underserved producer;

22          “(v) participates in a job training or work-  
23          force development program that targets low-in-  
24          come individuals and underserved communities;

1           “(vi) commits to hiring low-income resi-  
2 dents from the community that the project  
3 serves;

4           “(vii) will create or retain quality jobs in  
5 the community that the project serves;

6           “(viii) is supported by the community  
7 served by the project, based on the factors of  
8 store quality, affordability, site location, and co-  
9 ordination with local community plans or other  
10 programs promoting community and economic  
11 development;

12           “(ix) supports regional food systems and  
13 locally grown foods;

14           “(x) is associated with a transit-oriented  
15 development project;

16           “(xi) is accessible by public transit, if pub-  
17 lic transit is available in the area;

18           “(xii) receives funding from other Federal  
19 agencies or is part of another Federal program  
20 or initiative;

21           “(xiii) involves veteran-owned businesses or  
22 veteran farmers and ranchers (as defined in  
23 section 2501(e) of the Food, Agriculture, Con-  
24 servation and Trade Act of 1990 (7 U.S.C.  
25 2279(e))); or

1           “(xiv) participates in other food assistance  
2           and nutrition education programs of the De-  
3           partment.

4           “(h) FUNDING.—

5           “(1) AUTHORIZATION OF APPROPRIATIONS.—

6           There is authorized to be appropriated to the Sec-  
7           retary to carry out this section \$125,000,000, to re-  
8           main available until expended.

9           “(2) ALLOCATION.—Of amounts appropriated  
10          under paragraph (1)—

11          “(A) not less than 75 percent shall be used  
12          to fund projects of healthy food retailers; and

13          “(B) not more than 25 percent shall be  
14          used to fund projects of food hubs, healthy food  
15          producers, and healthy food business enter-  
16          prises.

17          “(3) ADMINISTRATIVE COSTS.—Not more than  
18          10 percent of amounts appropriated under para-  
19          graph (1) shall be used for administrative costs.”.

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