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SENATE BILL NO. 1189

Offered January 9, 2019

Prefiled January 3, 2019

A *BILL to amend the Code of Virginia by adding in Title 36 a chapter numbered 10.2, consisting of sections numbered 36-156.3 through 36-156.6, relating to the Virginia Grocery Investment Program and Fund.*

Patron—Dance

Referred to Committee on Finance

Be it enacted by the General Assembly of Virginia:

1. That the Code of Virginia is amended by adding in Title 36 a chapter numbered 10.2, consisting of sections numbered 36-156.3 through 36-156.6, as follows:

CHAPTER 10.2.**VIRGINIA GROCERY INVESTMENT PROGRAM AND FUND.****§ 36-156.3. Definitions.**

A. As used in this chapter, unless the context requires a different meaning:

"CDFI" means a community development financial institution that provides credit and financial services for underserved communities.

"Department" means the Department of Housing and Community Development.

"Fund" means the Virginia Grocery Investment Fund.

"Funding" means loans, forgivable loans, and grants made from the Fund.

"Grocery store" means a self-service retail establishment that maintains an inventory of various food products that are primarily sold for consumption off premises.

"Innovative food retail project" means a project that addresses the need for improving food access in underserved communities and supports local agriculture.

"Program" means the Virginia Grocery Investment Program.

"Small food retailer," also known as a small-scale store, neighborhood store, corner store, small grocery, or bodega, means a grocery store with a retail space of less than 2,500 square feet.

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

§ 36-156.4. Virginia Grocery Investment Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Grocery Investment Fund. The Fund shall be established on the books of the Comptroller. All funds appropriated for such purpose and any gifts, donations, grants, bequests, and other funds received on its behalf shall be paid into the state treasury and credited to the Fund. Interest earned on moneys in the Fund shall remain in the Fund and be credited to it. Any moneys remaining in the Fund, including interest thereon, at the end of each fiscal year shall not revert to the general fund but shall remain in the Fund. Moneys in the Fund shall be used solely for the purposes of establishing collaborative and cooperative programs with public and private sector partners to improve food access in Virginia. Through a selected CDFI, the Fund shall provide funding for the construction, rehabilitation, equipment upgrades, or expansion of grocery stores or innovative small food retail projects in underserved communities. Expenditures and disbursements from the Fund shall be made by the State Treasurer on warrants issued by the Comptroller upon written request signed by the Executive Director of the Department of Housing and Community Development.

§ 36-156.5. Selection of CDFI; Program requirements; guidelines for management of the Fund.

A. The Department shall select and work in collaboration with a CDFI to carry out the purposes of the Fund. The CDFI selected by the Department shall have (i) a statewide presence in Virginia, (ii) experience in food-based lending, (iii) a proven track record of leveraging private and philanthropic funding, and (iv) the capability to dedicate sufficient staff to manage the Program. The selected CDFI shall establish monitoring and accountability mechanisms for projects receiving funding. It shall report annually to the Department the number of projects funded; the geographic distribution of the projects; the costs of the Program; the outcomes, including the number and type of jobs created; and the health initiatives associated with the Program.

B. The Program shall:

1. Identify food access projects that include grocery stores, small food retailers, and innovative food

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59 *retail projects;*

60 *2. Provide technical assistance; and*

61 *3. Bring together community partners to sustain the Program.*

62 *C. The Department shall develop guidelines to carry out the Program to meet the intent of the Fund.*

63 *Up to 10 percent of the moneys in the Fund may be designated for the CDFI's administrative and*
64 *operations costs to manage the Program, unless those costs are provided for in other budgets or in-kind*
65 *resources.*

66 ***§ 36-156.6. Annual reports.***

67 *On or before December 1 of each year, the Department shall report to the Secretary of Commerce*
68 *and Trade, the Governor, and the Chairmen of the House Committee on Appropriations and the Senate*
69 *Committee on Finance on matters regarding the Fund as the Department may deem appropriate,*
70 *including the amount of funding committed to projects from the Fund, or other items as may be*
71 *requested by any of the foregoing persons to whom such report is to be submitted.*