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HOUSE BILL NO. 1509**AMENDMENT IN THE NATURE OF A SUBSTITUTE**

(Proposed by the Senate Committee on Finance and Appropriations
on March 2, 2020)

(Patron Prior to Substitute—Delegate McQuinn)

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 Food Access Investment Program and Fund.*

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 FOOD ACCESS INVESTMENT PROGRAM AND FUND.****§ 36-156.3. Definitions.**

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 Agriculture and Consumer Services.

"Fund" means the Virginia Food Access Investment Fund.

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

"Grocery store" means a for-profit or not-for-profit self-service retail establishment that primarily sells meat, seafood, fruits, vegetables, dairy products, dry groceries, household products, and sundries.

"Innovative food retail project" means an innovative project, including a mobile market or a delivery model, that addresses food access issues in an underserved community.

"Program" means the Virginia Food Access Investment Program.

"Small food retailer," also referred to as a small-scale store, neighborhood store, small grocery, farmer's market, or bodega, means a small retail outlet of under 2,500 square feet that sells a limited selection of foods and other products.

"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 Food Access Investment Fund.

There is hereby created in the state treasury a special nonreverting fund to be known as the Virginia Food Access 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 projects with public and private sector partners to improve food access in Virginia. The Fund shall be used to provide funding for the construction, rehabilitation, equipment upgrades, or expansion of grocery stores, small food retailers, or innovative 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 Commissioner of the Department of Agriculture and Consumer Services.

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

A. The Department shall establish a Program to provide grants funding the construction, rehabilitation, equipment upgrades, or expansion of grocery stores, small food retailers, or innovative food retail projects in underserved communities. The Department shall select and work in collaboration with a CDFI to assist in administering the Program and carrying 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. Working with the selected CDFI, the Department shall establish monitoring and accountability mechanisms for projects receiving funding and shall report annually the number of projects funded; the geographic distribution of the projects; the costs of the Program; and the outcomes, including the number and type of jobs created, and health initiatives associated with the Program.

B. The Program shall:

- 60 1. Identify food access projects that include grocery stores, small food retailers, and innovative food
61 retail projects;
- 62 2. Provide grants for the purposes described in subsection A;
- 63 3. Require that grant recipients (i) accept expenditures of benefits provided under the supplemental
64 nutrition assistance program in accordance with the federal Food Stamp Act (7 U.S.C. § 2011 et seq.)
65 and (ii) participate in a program that matches or supplements the benefits identified in clause (i), such
66 as Virginia Fresh Match;
- 67 4. Provide technical assistance; and
- 68 5. Bring together community partners to sustain the Program.
- 69 C. The Department shall develop guidelines to carry out the Program to meet the intent of the Fund.
70 Up to 10 percent of the moneys in the Fund may be designated for the CDFI's administrative and
71 operations costs to assist in administering and managing the Program, unless those costs are provided
72 for in other budgets or in-kind resources.
- 73 **§ 36-156.6. Annual reports.**
- 74 On or before December 1 of each year, the Department shall report to the Secretary of Commerce
75 and Trade, the Governor, and the Chairmen of the House Committee on Appropriations and the Senate
76 Committee on Finance and Appropriations on such other matters regarding the Fund as the Department
77 may deem appropriate, including the amount of funding committed to projects from the Fund, or other
78 items as may be requested by any of the foregoing persons to whom such report is to be submitted.
- 79 **2. That the Department of Agriculture and Consumer Services shall establish an Equitable Food**
80 **Oriented Development stakeholder work group to develop recommendations for design elements**
81 **for the Virginia Food Access Investment Program created by this act.**
- 82 **3. That the provisions of this act shall not become effective unless an appropriation effectuating**
83 **the purposes of this act is included in a general appropriation act passed in 2020 by the General**
84 **Assembly that becomes law.**