

113TH CONGRESS  
1ST SESSION

# H. R. 2343

To amend the Department of Agriculture Reorganization Act of 1994 to establish in the Department of Agriculture a Healthy Food Financing Initiative.

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## IN THE HOUSE OF REPRESENTATIVES

JUNE 12, 2013

Ms. SCHWARTZ (for herself, Ms. FUDGE, Mr. BLUMENAUER, and Ms. PINGREE of Maine) 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 establish in the Department of Agriculture a Healthy Food Financing Initiative.

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”.

6 **SEC. 2. FINDINGS.**

7 Congress finds that—

1 (1)(A) the United States faces an obesity epi-  
2 demic in which 30.5 percent of children ages 10  
3 through 17 are overweight or obese;

4 (B) the obesity epidemic contributes to increas-  
5 ing rates of chronic illness, including diabetes, heart  
6 disease, and cancer; and

7 (C) the obesity epidemic cost the United States  
8 \$147,000,000 in medical expenses in 2008, and this  
9 cost is expected to rise in the future;

10 (2) the Reinvestment Fund estimates that al-  
11 most 25,000,000 people in the United States live in  
12 low-income communities with limited access to su-  
13 permarkets and grocery stores;

14 (3) more than 130 studies show that—

15 (A) access to healthy food is particularly a  
16 problem in hundreds of low-income, rural, and  
17 urban communities, as well as communities of  
18 color in the United States; and

19 (B) the opportunity to access healthy food  
20 is linked to lower levels of obesity, diabetes, and  
21 other food-related chronic illnesses, leading to  
22 better health outcomes;

23 (4)(A) children from low-income families are  
24 twice as likely to be overweight as children from  
25 higher income families; and

1 (B) African-American and Hispanic children  
2 are more likely than Caucasian children to be obese;

3 (5) studies show that when healthy foods are  
4 available, people will increase consumption of fruits  
5 and vegetables;

6 (6) leading public health experts, including the  
7 Centers for Disease Control and Prevention, the  
8 American Heart Association, the Institute of Medi-  
9 cine, and the American Public Health Association,  
10 agree that providing improved access to super-  
11 markets and grocery stores is needed to improve  
12 public health and prevent obesity;

13 (7) developing high-quality fresh food retail out-  
14 lets creates jobs, expands markets for agricultural  
15 producers in the United States, and supports eco-  
16 nomic vitality in underserved communities;

17 (8)(A) supermarkets and grocery stores often  
18 face barriers to opening stores in food deserts;

19 (B) the supermarket industry operates on an  
20 historically thin profit margin;

21 (C) according to the 2011 National Grocers As-  
22 sociation Independent Grocers Survey, the average  
23 net profit margin before taxes for independent gro-  
24 cers in 2010 was 1.08 percent;

25 (D) urban operators face barriers, including—

1 (i) increased real estate costs or limited  
2 availability of suitable commercial real estate in  
3 the community;

4 (ii) increased employee training needs and  
5 costs;

6 (iii) elevated security expenses; and

7 (iv) often zoning restrictions;

8 (E) supermarkets and grocery stores in rural  
9 food deserts also face barriers, including increased  
10 food delivery costs due to distance from distributors,  
11 dispersed customer base, and low volume; and

12 (F) access to affordable capital is a significant  
13 problem for both rural and urban projects;

14 (9) by providing seed capital and technical as-  
15 sistance, the Federal Government, through time-lim-  
16 ited investments, can—

17 (A) attract private sector investment to  
18 create and retain much-needed jobs; and

19 (B) provide long-term, sustainable solu-  
20 tions to the decades-old problem of limited ac-  
21 cess to healthy food in underserved, low-income  
22 urban and rural communities; and

23 (10) legislation establishing a national fund  
24 modeled on the successful Pennsylvania Fresh Food  
25 Financing Initiative will help address the obesity epi-

1       demic while also creating much-needed jobs and eco-  
2       nomic revitalization, and solving the healthy food ac-  
3       cess problem in hundreds of communities across the  
4       United States.

5       **SEC. 3. HEALTHY FOOD FINANCING INITIATIVE.**

6       (a) IN GENERAL.—Subtitle D of title II of the De-  
7       partment of Agriculture Reorganization Act of 1994 (7  
8       U.S.C. 6951 et seq.) is amended by adding at the end  
9       the following new section:

10      **“SEC. 242. HEALTHY FOOD FINANCING INITIATIVE.**

11       “(a) PURPOSE.—The purpose of this section is to en-  
12       hance the authorities of the Secretary to support efforts  
13       to provide access to healthy food by establishing an initia-  
14       tive to improve access to healthy foods in underserved  
15       areas, to create and preserve quality jobs, and to revitalize  
16       low-income communities by providing loans and grants to  
17       eligible fresh, healthy food retailers to overcome the higher  
18       costs and initial barriers to entry in underserved areas.

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

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

1           “(2) INITIATIVE.—The term ‘Initiative’ means  
2 the Healthy Food Financing Initiative established  
3 under subsection (c)(1).

4           “(3) NATIONAL FUND MANAGER.—The term  
5 ‘national fund manager’ means a community devel-  
6 opment financial institution that is—

7                   “(A) in existence on the date of enactment  
8 of this section; and

9                   “(B) certified by the Community Develop-  
10 ment Financial Institution Fund of the Depart-  
11 ment of Treasury to manage the Initiative for  
12 purposes of—

13                           “(i) raising private capital;

14                           “(ii) providing financial and technical  
15 assistance to partnerships; and

16                           “(iii) funding eligible projects to at-  
17 tract fresh, healthy food retailers to under-  
18 served areas, in accordance with this sec-  
19 tion.

20           “(4) PARTNERSHIP.—The term ‘partnership’  
21 means a regional, State, or local public-private part-  
22 nership that—

23                   “(A) is organized to improve access to  
24 fresh, healthy foods;

1           “(B) provides financial and technical as-  
2           sistance to eligible projects; and

3           “(C) meets such other criteria as the Sec-  
4           retary may establish.

5           “(5) PERISHABLE FOOD.—The term ‘perishable  
6           food’ means a staple food that is fresh, refrigerated,  
7           or frozen.

8           “(6) QUALITY JOB.—The term ‘quality job’  
9           means a job that provides wages and other benefits  
10          comparable to, or better than, similar positions in  
11          existing businesses of similar size in similar local  
12          economies.

13          “(7) STAPLE FOOD.—

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

16                 “(B) INCLUSIONS.—The term ‘staple food’  
17                 includes—

18                         “(i) bread;

19                         “(ii) flour;

20                         “(iii) fruits;

21                         “(iv) vegetables; and

22                         “(v) meat.

23          “(c) INITIATIVE.—

1           “(1) ESTABLISHMENT.—The Secretary shall es-  
2           tablish an initiative to achieve the purpose described  
3           in subsection (a) in accordance with this subsection.

4           “(2) IMPLEMENTATION.—

5           “(A) IN GENERAL.—

6           “(i) IN GENERAL.—In carrying out  
7           the Initiative, the Secretary shall provide  
8           funding to entities with eligible projects, as  
9           described in subparagraph (B), subject to  
10          the priorities described in subparagraph  
11          (C).

12          “(ii) USE OF FUNDS.—Funds pro-  
13          vided to an entity pursuant to clause (i)  
14          shall be used—

15                  “(I) to create revolving loan pools  
16                  of capital or other products to provide  
17                  loans to finance eligible projects or  
18                  partnerships;

19                  “(II) to provide grants for eligi-  
20                  ble projects or partnerships;

21                  “(III) to provide technical assist-  
22                  ance to funded projects and entities  
23                  seeking Initiative funding; and

24                  “(IV) to cover administrative ex-  
25                  penses of the national fund manager

1 in an amount not to exceed 10 per-  
2 cent of the Federal funds provided.

3 “(B) ELIGIBLE PROJECTS.—Subject to the  
4 approval of the Secretary, the national fund  
5 manager shall establish eligibility criteria for  
6 projects under the Initiative, which shall include  
7 the existence or planned execution of agree-  
8 ments—

9 “(i) to expand or preserve the avail-  
10 ability of staple foods in underserved areas  
11 with moderate- and low-income populations  
12 by maintaining or increasing the number  
13 of retail outlets that offer an assortment of  
14 perishable food and staple food items, as  
15 determined by the Secretary, in those  
16 areas; and

17 “(ii) to accept benefits under the sup-  
18 plemental nutrition assistance program es-  
19 tablished under the Food and Nutrition  
20 Act of 2008 (7 U.S.C. 2011 et seq.).

21 “(C) PRIORITIES.—In carrying out the Ini-  
22 tiative, priority shall be given to projects that—

23 “(i) are located in severely distressed  
24 low-income communities, as defined by the  
25 Community Development Financial Insti-

1 tutions Fund of the Department of Treas-  
2 ury; and

3 “(ii) include 1 or more of the fol-  
4 lowing characteristics:

5 “(I) The project will create or re-  
6 tain quality jobs for low-income resi-  
7 dents in the community.

8 “(II) The project supports re-  
9 gional food systems and locally grown  
10 foods, to the maximum extent prac-  
11 ticable.

12 “(III) In areas served by public  
13 transit, the project is accessible by  
14 public transit.

15 “(IV) The project involves  
16 women- or minority-owned businesses.

17 “(V) The project receives funding  
18 from other sources, including other  
19 Federal agencies.

20 “(VI) The project otherwise ad-  
21 vances the purpose of this section, as  
22 determined by the Secretary.

23 “(d) AUTHORIZATION OF APPROPRIATIONS.—There  
24 is authorized to be appropriated to the Secretary to carry

1 out this section \$125,000,000, to remain available until  
2 expended.”.

3 (b) CONFORMING AMENDMENT.—Section 296(b) of  
4 the Department of Agriculture Reorganization Act of  
5 1994 (7 U.S.C. 7014(b)) is amended—

6 (1) in paragraph (6), by striking “or” at the  
7 end;

8 (2) in paragraph (7), by striking the period at  
9 the end and inserting “; or”; and

10 (3) by adding at the end the following new  
11 paragraph:

12 “(8) the authority of the Secretary to establish  
13 and carry out the Health Food Financing Initiative  
14 under section 242.”.

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