

Healthy Food Financing Program



Alabama Department of Economic and Community Affairs

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Applications are due June 30, 2026, by 12:00 pm.

Policies and Procedures

HEALTHY FOOD FINANCING PROGRAM

Purpose

The Healthy Food Financing Act of 2015, codified in Ala. Code § 41-23-150 *et seq.*, provides for a state grant program to assist in funding construction or expansion of grocery stores to increase access to fresh produce and other nutritious foods in underserved communities. The program is administered by the Alabama Department of Economic and Community Affairs (ADECA).

The Healthy Food Financing Fund was capitalized with an initial allocation of \$300,000 in 2018. Additional allocations of \$200,000 have been provided in each subsequent year. In addition, ADECA encourages foundations and other governmental, nonprofit, and philanthropic organizations to provide grants, contributions, and donations as well to leverage, as much as possible, private investment.

Administration and Guidelines

ADECA will reach out to nonprofits, local governments, and other interested parties to work with grocery stores to identify the need for healthy foods in underserved communities in low- and moderate-income areas, as defined by the [U.S. Department of Agriculture](#), and develop projects to address their needs. Depending upon the size and nature of the projects, multiple sources of funds may be needed. The U.S. Small Business Administration's Office of Small Business Development Centers may be useful in assisting and developing viable projects.

Individual projects are limited to \$50,000 unless the applicant can establish that the project will have exceptional reach and scope. Up to 10 percent of the Fund may be used for administrative and operational costs.

Each proposed project will be submitted through a formal application process and must meet the following eligibility requirements:

1. The financing request must be for construction of new grocery stores, renovation or expansion of grocery stores, infrastructure upgrades, or other such activities that improve the availability and quality of fresh produce and other healthy foods.
2. An applicant may be a for-profit or nonprofit entity, including, but not limited to, a sole proprietorship, partnership, limited liability company, corporation, cooperative, nonprofit organization, nonprofit community development entity, university, or government entity.
3. The project must be in a low or moderate income area and must serve an underserved community.
4. The applicant must demonstrate the capacity to successfully implement the project and further demonstrate that the project will be economically self-sustaining.
5. The applicant must agree, for a period of at least five years, to (i) allocate at least 30 percent of retail space for the sale of perishable foods that include fresh or frozen

dairy, fresh produce, whole grains, fresh meats, poultry and fish; (ii) comply with all data collection, monitoring, reporting, and accountability requirements established by ADECA; and (iii) promote the hiring of local residents.

Healthy Food Financing Funds may be expended for the following purposes:

1. Pre-development costs such as market studies and appraisals.
2. Site acquisition and preparation.
3. Construction and build-out costs.
4. Equipment and furnishings.
5. Workforce training or security.
6. Energy efficiency measures.
7. Working capital for first-time inventory and startup costs.

ADECA's project funding decisions will include, but are not limited to, the following considerations:

1. The degree to which the project requires an investment of public financing to move forward, create impact, or be competitive, and the level of need in the area to be served.
2. The degree to which the project will have a positive economic impact on the underserved community, including by creating or retaining jobs for local residents.
3. The degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition and promote healthier eating.

The applicant must complete the application form and enclose the following information with the application form:

1. The applicant's itemized project budget.
2. The applicant's financial statements for previous 3 years.
3. The applicant's tax returns for the previous 3 years.
4. The applicant's personal financial statements, if applicable.
5. Evidence of financial commitment from other sources of funds, if applicable.
6. The applicant business's articles of incorporation, if applicable.