

KAY IVEY
GOVERNOR



KENNETH W. BOSWELL
DIRECTOR

STATE OF ALABAMA

December 1, 2021

MEMORANDUM

TO: All Interested Parties

FROM: Kenneth W. Boswell
Director

A handwritten signature in black ink, reading "Kenneth W. Boswell". To the right of the signature, the letters "Erf" are written in a smaller, cursive script.

SUBJECT: Healthy Food Financing Program

The Alabama Legislature has provided the Alabama Department of Economic and Community Affairs (ADECA) with \$200,000 in the fifth round of Healthy Food Financing Program funds for the program year 2021. ADECA will distribute these funds through a one-time statewide competition to projects that meet legislative intent to increase availability of fresh and nutritious food in underserved communities. This Memorandum serves to inform the interested parties to apply or assist potential or eligible vendors and nonprofits to apply to ADECA by the application deadline of February 15, 2022. The attached policies and procedures explain the specific qualifying requirements and provides an application form to be completed along with a list of attachments to be submitted with the application.

For elected officials, nonprofits, and other interested parties familiar with the existence of food deserts in their communities, this program offers an excellent opportunity to address those needs. Potential projects may comprise of grocery stores, expansion or renovation of grocery stores, installation of cold/freezer equipment in existing stores, mobile grocery vans and delivery, food banks, farmers markets, and other venues that will help to bring healthy foods to families in food desert areas. The financial feasibility and long-term sustainability of the project will drive the funding decision.

If there are any questions about this program, please call Tammy Perdew at (334)353-3266 or Shabbir Olia at (334)242-5468.

KWB:SAO:mew

Attachments

Healthy Food Financing Program Alabama



Alabama Department of Economic and Community

Affairs 401 Adams Avenue Suite 592

Post Office Box 5690

Montgomery, Alabama

36104

Telephone (334) 242-0492

www.adeca.alabama.gov

Applications are due by February 15, 2022, by 4:00 pm.

Policies and Procedures
HEALTHY FOOD FINANCING PROGRAM
(PY2022)

Purpose

The Healthy Food Financing Act of 2015 provided for the establishment of a statewide program to provide financing to retailers to open, renovate, or expand grocery stores in low and moderate-income areas to increase the availability of fresh and nutritious food, including fruits and vegetables, in underserved communities in Alabama. The Act further required the Alabama Department of Economic and Community Affairs (ADECA) to administer the Healthy Food Financing Program.

Definitions

“ADECA” means the Alabama Department of Economic and Community Affairs, a state agency designated by the Act to administer the Healthy Food Financing Program.

“Financing” means loans or grants.

“Grocery Store” means a for-profit or nonprofit self-service retail establishment that primarily sells meat, seafood, fruits, vegetables, dairy products, dry groceries and household products and includes other healthy or fresh food retailers/vendors.

“Low Income Area” means a census tract, as reported in the most recent decennial census, that has a poverty rate of at least 20 percent or in which the median family income does not exceed 80 percent of the greater of statewide or metropolitan median family income.

“Moderate Income Area” means a census tract in which the median family income is greater than 80 percent but less than 95 percent of the median family income for the state or metropolitan area.

“Underserved Community” means a census tract determined to be an area with low supermarket access by either the U.S. Department of Agriculture’s Food Access Research Atlas or through a methodology adopted by another governmental or philanthropic healthy food initiative.

“Healthy Food Financing Fund” means the Fund comprised of federal, state, or private grants or loans, federal tax credits, or other type of financial assistance for the construction or expansion of grocery stores to expand access to fresh produce and other nutritious foods in underserved communities.

Healthy Food Financing Fund

The Healthy Food Financing Fund (hereafter referred to as the Fund) is established to assist retailers with the construction or expansion of grocery stores to expand access to fresh

produce and other nutritious foods in underserved communities. At least 25 percent of the monies in the Fund will be expended in the form of grants or forgivable loans. Also, up to 10 percent of the monies in the Fund may be used for administrative and operational costs.

The Healthy Food Financing Fund was capitalized with an initial allocation of \$300,000 from the Governor and the Legislature in 2018. An additional annual \$200,000 was provided in each of PY2019, PY2020, and PY2021. In addition, ADECA encourages foundations and other governmental, nonprofit, and philanthropic organizations to provide grants, contributions, and donations as well as leverage, as much as possible, private investment.

Below is a listing of projects approved to date:

Name	City	Project Location	Activity	Amount
Africatown Community Development Corporation	Mobile	Africatown - also serves Plateau and several Mobile neighborhoods	Provide site prep, equipment upgrades, and startup costs for an open-air market with vendor booth rentals	\$50,000
Chesteen's Family Grocery	Cherokee	Cherokee	Purchase initial stock and repair/update equipment for new grocery store	\$50,000
Children of the Village Network, Inc. (COTV)	Livingston	Sumter County	Purchase cargo van for mobile food pantry serving Sumter County	\$25,000
City of Birmingham	Birmingham	Birmingham	Establish a market stand adjoining the BJCTA central station	\$50,000
Jones Valley Teaching Farm	Birmingham	Woodlawn High School, Downtown Birmingham	Construct permanent produce stand with equipment	\$17,850
West Alabama Food Bank, Inc.	Northport	Hale, Greene, Pickens, Sumter, Bibb, Fayette, Lamar, Marion, and Tuscaloosa Counties	Purchase and retrofit a truck with equipment to make mobile grocery store	\$47,150
Wright's Markets Inc.	Opelika	Opelika	Purchase two refrigerated delivery vehicles for Wright 2 U Online Shopping and Delivery program	\$60,000
Tombigbee Development Group, LLC	York	205 2nd Ave, York	Replace POS system and two scales; repair equipment, HVAC, and refrigeration; and purchase stock for newly re-opened Piggly Wiggly	\$40,000

Community Care Development Network	Birmingham	Two lots on 3rd Avenue South between 78th Street & 79th Street South in Eastlake	Phase I of the Eastlake Community Revitalization Project which includes a community garden	\$40,000
Phenix Food Service, Inc.	Phenix City	318 General Colin Powell Parkway, Phenix City	Upgrade existing food distribution facility to increase area by 23% and healthy food by 120%	\$40,000
Oakwood University dba Healthy Campus 2020	Huntsville	7000 Adventist Blvd., Huntsville	Develop a traveling Farmers Market and Health Education mobile unit	\$40,000
Uniontown Superfoods, LLC	Uniontown	353 Water Ave, Uniontown	Renovate old clothing store into a grocery store to include equipment and startup inventory	\$10,000
Cahaba Medical Care Foundation	Centreville	195 Hospital Drive, Centreville	Renovate Community Center to include commercial kitchen, expanded food pantry, and addition of a teaching kitchen	\$10,000
Montgomery Area Food Bank	Montgomery	521 Trade Center Street, Montgomery	Renovate and equip two new warehouses (in Montgomery and Selma) to store produce and other food to distribute to local food banks in 35 counties	\$100,000
Project Hopewell Inc.	Birmingham	4817 Jefferson Avenue, Birmingham	Purchase equipment to update the existing kitchen to better serve Senior Citizens and children through the existing Nutrition Program	\$100,000
Central Alabama Regional Planning and Development Commission	Montgomery	430 S Court St, Montgomery	Provide funds for planning and implementing the 4th Annual Healthy Foods, Healthy Economics Summit that educates and trains farmers, officials, economic developers, etc., throughout the state	\$20,000
Alabama Childhood Food Solutions	Sylacauga	114 Canyon Ridge Road, Sylacauga	Purchase equipment for food distribution	\$50,000
City of Aliceville Farmers Market	Aliceville	419 Memorial Parkway East, Aliceville	Expand Farmers' Market	\$40,000

City of Refuge Global Ministry, Inc.	Pine Level	1 Pine Level Loop, Ramer	Purchase equipment for AWHHC Food Pantry	\$58,000
Compassion & Hope Food Basket	Brent	1728 Main Street, Brent	Purchase equipment for food ministry program	\$20,000
The Pantry @ Central Presbyterian	Mobile	1260 Dauphin Street, Mobile	Purchase equipment for The Pantry to expand food distribution	\$44,000

Administration and Guidelines

As soon as the PY2022 program is in place, ADECA will start receiving applications for assistance. ADECA through websites and other means will reach out to nonprofits, local governments and other interested parties to work with existing or potential grocery vendors to identify the needs for healthy foods in underserved communities (<http://adecagis.alabama.gov/cmvmaster/viewer/index.html>) and develop projects to serve those needs. Depending upon the size and nature of the projects, multiple sources of funds may be necessary. The Small Business Development Centers may also become useful in assisting and developing viable projects.

ADECA's assistance will be in the form of grants or forgivable loans and will be in the amount and for the purposes necessary to carry out the project for for-profit businesses and other providers. The ceiling will be generally limited to \$50,000 per project unless the project has significant reach and scope. ADECA encourages funds from other sources, or assistance in other forms that may enhance the scope of the project.

The projects will be submitted through a formal application process and must meet eligibility requirements as follows:

1. Financing request must be for construction of new grocery stores, renovation or expansion of 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, non-profit, or governmental 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. If debt is involved, the proforma shall demonstrate ability to repay debt.
6. For grocery stores, at least for a period of five years, applicant agrees to allocate no less than 30 percent of retail space for the sale of perishable foods including fresh or frozen dairy, fresh produce, whole grains, fresh meats, poultry and fish.

As much as possible, the project must hire local residents.

Healthy Food Financing Funds can be used for following purposes:

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

The project financing decision will include the following considerations:

1. Level of need in the area
2. Degree to which the project requires an investment of public financing
3. Degree to which the project will have a positive economic impact including new or retained jobs for local residents
4. Degree to which the project will participate in state and local health department initiatives to educate consumers on nutrition and healthy eating habits

ADECA Director may provide a waiver from any requirements or ceilings when so warranted to impact the program's effectiveness and sustainability.

The applicant for ADECA assistance must complete the attached application form and enclose the following information:

1. Business Plan
2. Financial statements for last 3 years
3. Tax returns for the last 3 years
4. Personal financial statements
5. Evidence of commitment for other sources of funds
6. Articles of Incorporation, if applicable

All projects receiving assistance from ADECA will be subject to monitoring and accountability requirements.



Healthy Food Financing Program PY2022 Business Loan/Grant Application

(Applications are due February 15, 2022, by 4:00 pm)

Date of Application:		Date Business Started/New Business:		Form of Business (check one): <input type="checkbox"/> For-Profit Corporation <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Partnership <input type="checkbox"/> Non-Profit Corporation <input type="checkbox"/> Other: _____													
Name of Business:																	
Street Address:																	
City:		County:															
State: <div style="text-align: center;">AL</div>		Zip Code:		Federal Tax ID or SSN:													
CEO:			Phone No.:		Email Address:												
CEO Address (if different from above):																	
Contact Person and Title:			Phone No.:		Email Address:												
Contact Person Address (if different from above):																	
Briefly Describe Business:																	
<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 30%;">Business Owner(s): Name</th> <th style="width: 40%;">Address</th> <th style="width: 30%;">Ownership Interest (%)</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td></tr> </tbody> </table>						Business Owner(s): Name	Address	Ownership Interest (%)									
Business Owner(s): Name	Address	Ownership Interest (%)															
Total Cost of Project: \$		Amount Requested (<i>Not to Exceed 50% of Total Cost</i>): \$		Other Funds: \$													
Source of Other Funds:																	
# of Employees Before Loan/Grant:			Projected # of Employees 1 Year After Loan/Grant:														

The undersigned hereby certifies that the information contained in this application and attached materials are true and correct. The undersigned affirms that ADECA is authorized to request credit information on business(es), principal(s) and others associated with this application.

_____ Signature	_____ Printed Name	_____ Title	_____ Date
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Project Summary:

*Please describe in detail the full scope of the project including the proposed use of grant funds.
Attach additional pages as necessary.*

Please include the following list of attachments with the application:

- 1. Business Plan**
- 2. Financial Statements for last 3 years**
- 3. Tax Returns for last 3 years**
- 4. Personal Financial Statements**
- 5. Evidence of Commitment for Other Sources of Funds**
- 6. Articles of Incorporation, if Applicable**

Please send this application with attachments to:

Kenneth Boswell, Director
Alabama Department of Economic & Community Affairs
Healthy Food Financing Program
Post Office Box 5690
Montgomery, Alabama 36103