

The Florida Healthy Food Financing Initiative

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OPPAGA

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The Florida Healthy Food Financing Initiative

EXECUTIVE SUMMARY

In 2019, approximately 13.5% of Floridians lived in census tracts that were designated as both low income and low access (LILA), meaning that a significant share of residents live more than 1 mile (urban) or 10 miles (rural) from the nearest supermarket. The primary concern with LILA census tracts is that some residents may not be able to regularly obtain healthy foods because either the foods are not available where they live, or they do not have access to transportation to travel to places that sell healthy food.

The 2016 Legislature created the Florida Healthy Food Financing Initiative (HFFI) to provide financial assistance for the rehabilitation or expansion of grocery retail outlets located in LILA census tracts. To administer the HFFI program, the Department of Agriculture and Consumer Services (DACS) received a one-time appropriation of \$500,000 and contracted with the Florida Community Loan Fund (FCFL), a statewide Community Development Financial Institution. FCLF disbursed the \$500,000 to three recipients between December 2017 and April 2020: Evans Center, Fresh Choice Market, and Highpoint Food Rx Pharmacy.

OPPAGA found that DACS' contract with FCLF and program rules did not establish criteria that supported statutory goals. As a result, FCLF implemented a program that included interest-only forgivable loans, which was not contemplated by statute or rule and prevented reinvestment of state funds. In addition, DACS and FCLF reporting overstated program impact, and limited data collection prevented them from accurately evaluating the program.

While food access improved across the three communities where entities received program funding, economic viability of the recipients and value to the local communities varied. Evans Center offered several services in an area with low healthy food accessibility, but was not sustainable without continuing grants and donations. Fresh Choice Market offers a variety of food products in a previously underserved community, and customer feedback is generally positive. The Highpoint Food Rx Pharmacy benefits from co-locating with Evara Health Clinic; however, while the program has positive evaluations, only a small number of patients redeem vouchers for healthy food and the patient withdrawal rate is high.

If the Legislature wishes to fund the HFFI again, it may wish to consider several options that could improve program operations and effectiveness, including modifying program rules and allowing additional funding strategies and uses of program funding.

REPORT SCOPE

Section 500.81, *Florida Statutes*, directs OPPAGA to review the Healthy Food Financing Initiative and data collected from the Department of Agriculture and Consumer Services and to report to the Legislature seven years after program implementation. The statute requires that the report include, but not be limited to, health impacts of the initiative based on data collected by the state on diabetes, heart disease, and other obesity-related diseases, and other factors as determined by the department.

INTRODUCTION

To conduct this study, OPPAGA reviewed relevant state law; academic literature and national and state reports; interviewed key stakeholders at the national, state, and local levels; surveyed a sample of customers at two retail locations; conducted a food price analysis at two retail locations; and conducted field visits to the three entities who received state unding.

Access to Healthy Food

Low access to healthy food is generally defined as the absence of a supermarket healthy food source within a geographic area. Supermarkets are used to determine access because these stores are more likely to have lower costs and healthier food options than smaller stores. Access measures, such as the U.S. Department of Agriculture (USDA) Food Atlas, focus on areas that are both low income and low access (LILA).¹ Such areas are sometimes called food deserts. The USDA estimates that 11% to 27% of the U.S. population lives in a LILA census tract.

According to USDA data for 2019, approximately 13.5% of Floridians lived in census tracts that were designated as LILA census tracts. The primary concern with LILA census tracts is that some populations may not be able to regularly obtain healthy foods because the foods are not available where they live, or they do not have access to transportation to travel to places that sell healthy food.²

Even when healthy food is accessible, low-income people may not be able to buy it unless it is affordable. A USDA study of 121 Supplemental Nutrition Assistance Program (SNAP) participants from 12 states found that almost a third of the participants indicated that affordability of healthy food was a problem, and one-quarter of participants lacked transportation.³ In contrast, individual barriers to eating a healthy diet—like lack of knowledge about healthy eating, lack of cooking skills, lack of kitchen equipment, lack of time for cooking, and lack of time to acquire foods—were not found in a large proportion of the sample.

In addition to low prices, low-income populations need retail stores that accept SNAP benefits. Despite overall growth in the retail sector from June 2015 to March 2021, the number of Florida retail stores accepting SNAP benefits has declined, potentially making it more difficult for low-income populations to purchase food.⁴ Individual transportation options and public transportation systems are a central part of the food environment that may affect food access. Private vehicle access has a significant impact on food accessibility. For example, a study of Washington low-income residents found that among those who qualified for the Women, Infants, and Children (WIC) supplemental nutrition program and lacked reasonable access to a supermarket, 78% lacked access because they lacked a personal vehicle.⁵ For individuals without access to a private vehicle, concerns related to food access include the

¹ As measured by the USDA's Economic Research Services, low-income, low-access census tracts are where the poverty rate is greater than 20% or the median family income is less than or equal to 80% of the statewide median family income, or in metropolitan areas, 80% of the metropolitan family income; and a significant number or share of residents is more than 1 mile (urban) or 10 miles (rural) from the nearest supermarket.

² Ver Ploeg, Michelle, Paula Dutko, and Vince Breneman. "Measuring Food Access and Food Deserts for Policy Purposes†." *Applied Economic Perspectives and Policy* 37, no. 2 (June 2015): 205–225. <https://doi:10.1093/aep/ppy035>.

³ Gearing, Maeve et al. "Barriers that Constrain the Adequacy of Supplemental Nutrition Assistance Program (SNAP) Allotments: In-depth Interview Findings." Westat, Inc. for the U.S. Department of Agriculture, Food and Nutrition Service. June 2021. <https://www.fns.usda.gov/research-analysis>.

⁴ OPPAGA Research Memorandum. *Geographic Access to Healthy Food in Florida*. December 27, 2021.

⁵ McDermot, Dennis et al. "Assessment of Healthy Food Availability in Washington State—Questioning the Food Desert Paradigm." *Journal of Nutrition Education and Behavior* 49, no. 2 (February 1, 2017): 130–136. <https://doi.org/10.1016/j.jneb.2016.10.012>.

walkability of the route to food sources, having to rely on others for transportation, and navigating public transportation while carrying heavy groceries and caring for children.⁶

Beyond access to healthy food, the absence or presence of a healthy food retailer in a community can affect broad community outcomes, such as residents' diet, economic development, and community pride. LILA census tracts often have interrelated problems associated with poverty, which can affect food access and health outcomes. Problems faced by residents in a LILA area may both contribute to the reluctance of supermarkets to enter the market and be exacerbated by the lack of a supermarket.⁷ Supermarkets may act as an anchor for other commercial development and may increase local tax revenues; thus, areas without supermarkets are disadvantaged.⁸ Having access to higher-quality food retailers may also improve residents' perceptions of their neighborhood.⁹

Research shows that barriers to creating a better food environment include retail economics, low demand, and market domination by large grocery retailers.¹⁰ Retail grocers operate on a slim profit margin, and it often takes five to seven years to recover initial investments. Supermarkets are risk-averse when locating new stores and may be deterred from low-income low-access areas, which often do not attract higher-income customers, or, for rural areas, are not dense enough to sustain a food outlet. Further, in areas with market dominance by few retailers, it is difficult for smaller grocers and new entrants to the market to compete.¹¹ Small profit margins of grocery stores overall give larger stores the advantage of economies of scale.

Community support is an important consideration when encouraging healthy food retailers to locate in underserved communities. If the food retailer does not offer the food the community wants at an affordable price, it likely will not succeed. Another consideration is whether market forces will make new retailers unprofitable without continued incentives.

National Healthy Food Financing Initiative

The federal government operates a national program aimed at improving the national food retail supply chain. The federal Healthy Food Financing Initiative (federal HFFI) was authorized by the 2014 Farm Bill and reauthorized by the 2018 Farm Bill. The program supports projects that strengthen, expand, and innovate within the food retail supply chain by providing assistance and funding to for-profit businesses, cooperative businesses, nonprofit organizations, and state, local, and tribal governments and governmental agencies. To be eligible, projects must expand or preserve the availability of staple and perishable foods in underserved areas with low- and moderate-income populations and accept SNAP benefits if the project involves retail sales. In 2021, the program offered technical assistance and awarded at least \$4 million in grants ranging from \$20,000 to \$200,000 through a Targeted Small Grants Program. In 2022, the USDA announced that it had partnered with the Reinvestment Fund to invest \$22.6 in the program.¹²

⁶ Pitt, Erin et al. "Exploring the Influence of Local Food Environments on Food Behaviours: A Systematic Review of Qualitative Literature." *Public Health Nutrition* 20, no. 13 (September 2017): 2393–2405. <https://doi.org/10.1017/S1368980017001069>.

⁷ Crowe, Jessica et al. "Barriers to Food Security and Community Stress in an Urban Food Desert." *Urban Science* 2, no. 2 (May 31, 2018): 46. <https://doi.org/10.3390/urbansci2020046>.

⁸ OPPAGA Research Memorandum. *Geographic Access to Healthy Food in Florida*. December 27, 2021.

⁹ Tach, Laura et al. "Constrained, Convenient, and Symbolic Consumption: Neighborhood Food Environments and Economic Coping Strategies among the Urban Poor." *Journal of Urban Health* 92, no. 5 (October 2015): 815–34. <https://doi.org/10.1007/s11524-015-9984-x>.

¹⁰ OPPAGA Research Memorandum. *Geographic Access to Healthy Food in Florida*. December 27, 2021.

¹¹ In 2014, the Florida Community Loan Fund commissioned a market structure analysis, which found that Florida's major and minor metro areas are dominated by Publix and Walmart, which control the majority share of local consumer markets.

¹² The Reinvestment Fund is a federally certified, community development financial institution that works to ensure access to essential opportunities, such as access to nutritious food.

The USDA has increased support for the federal HFFI program. In 2023, the USDA expanded the initiative by allocating \$30 million to a new grant funding opportunity, the Local and Regional Healthy Food Financing Partnerships Program. The program is not for food retailers or food enterprises seeking funding for a capital project. The program offers grants to support partnerships between organizations from different sectors that will work together at the local, state, or regional level to improve access to fresh, healthy, affordable food by providing financial and technical assistance to eligible projects. Qualifying partnerships must be public-private partnerships; one entity must be a public entity such as a local, state, or tribal authority, government, or agency; the other(s) may be nonprofits, for-profit businesses, foundations, food policy councils, food systems, and food access organizations, among others. Eligible geographic areas are LILA census tracts, census tracts adjacent to LILA tracts with median family incomes equal to or less than 120% of the area median family income, and census block groups in limited supermarket access areas meeting one or more additional distress criteria. Program grants will range from \$200,000 to \$3 million.

Florida Healthy Food Financing Initiative

The 2016 Legislature created the state HFFI to provide financial assistance for the rehabilitation or expansion of grocery retail outlets located in LILA census tracts.¹³ The program's goal is to improve public health and well-being of low-income children, families, and older adults by increasing access to fresh produce and other nutritious foods at participating independent grocery outlets. Participating grocers are required to allocate at least 30% of retail space to the sale of perishable foods, which may include fresh or frozen dairy products, fresh produce, and fresh meats, poultry, and fish.

Administered by the Florida Department of Agriculture and Consumer Services (DACS), the program received a one-time appropriation of \$500,000 to be distributed among three recipients. Eligible projects must provide for the renovation or expansion of, including infrastructure upgrades to, existing independent grocery stores or supermarkets; or the renovation or expansion of, including infrastructure upgrades to, community facilities to improve the availability and quality of fresh produce and other healthy foods.¹⁴

DACS may contract with one or more qualified nonprofit organizations or Florida-based federally certified community development financial institutions to administer the program through a public-private partnership. Statute and DACS' rules establish requirements for the projects, DACS, and the contracted entity. (See Appendix A for additional information about program requirements.) DACS established a competitive bid process and awarded the contract to the Florida Community Loan Fund (FCLF), a statewide community development financial institution. Established in 1994 as a 501(c)(3), the FCLF is a nonprofit organization that provides various types of financing to meet the needs of nonprofit organizations and mission-based, for-profit organizations that develop affordable housing, supportive housing, community facilities, and economic development projects. The FCLF also finances the building, renovating, or rehabilitating of community facilities for food access projects.

FCLF evaluated applicants by assessing the alignment of potential projects with the criteria set forth in the Florida HFFI. FCLF loan officers gathered information from potential recipients and determined the financial needs of each project. FCLF also evaluated applicants on financial performance and risk, community benefit, community engagement and support, and ability to comply with program criteria.

¹³ Section [500.81](#), *F.S.*

¹⁴ *Ibid.*

Projects that were determined to align with both the Florida HFFI program’s criteria and FCLF’s lending criteria were presented to FCLF’s lending committee for approval.

FCLF disbursed the \$500,000 in available funding to three recipients between December 2017 and April 2020 and leveraged a total of \$1.39 million in addition to the state HFFI funds.^{15,16} The three recipients—Evans Center, Fresh Choice Market, and Highpoint Food Rx Pharmacy—were all located in USDA-designated LILA tracts at the time of selection, which met the criteria for low-income, limited-supermarket-access census tracts. The three funding recipients were diverse across tax status, type of food access provided, population served, and location. (See Exhibit 1.)

Exhibit 1

The Florida HFFI Recipients’ Business Models Were Diverse

	Evans Center	Fresh Choice Market	Highpoint Food Rx Pharmacy
Tax Status	Non-profit	For-profit	Non-profit
Type of Food Access	Retail store	Retail store	Food Pharmacy
Population served	African American low-income community	Predominantly white community with substantial Latino population	Food insecure patients with specified health conditions
Location	Palm Bay, Brevard	Fort Meade, Polk	Clearwater, Pinellas
City Population	129,234	5,193	117,027
Hours of Operation	7am-7pm Weekdays, 7am-4pm Saturdays, Closed Sundays	8am- 9pm Daily	8am-5pm Weekdays, Closed Saturdays, Closed Sundays
Number of Employees	10-12	12	2
Facility Square Footage	6,000	26,000	320

Sources: OPPAGA analysis of U.S. Census Bureau, Florida Division of Corporations, and funding recipient data.

FCLF’s Food Access program utilized funding from the Florida HFFI as well as the USDA’s HFFI to support each entity. FCLF also directly financed each entity. (See Exhibit 2.)

Exhibit 2

FCLF’s Food Access Program Used Several Sources to Fund Recipients

Funding Source	Evans Center	Fresh Choice Market	Highpoint Food Rx Pharmacy
Florida HFFI	\$150,000	\$150,000	\$200,000
Federal HFFI	\$150,000	\$150,000	
Direct FCLF Financing	\$400,000	\$400,000	\$200,000
Total	\$700,000	\$700,000	\$400,000

Note: Evara Health, the parent company of the Highpoint Food Rx Pharmacy, also received \$17 million in New Market Tax Credits as part of a larger construction and acquisition project. The Highpoint Food Rx Pharmacy was part of this project.

Source: OPPAGA analysis of Florida Community Loan Fund data.

¹⁵ Matching funds were sourced through federal HFFI award dollars as well as direct financing from FCLF.

¹⁶ Funding provided to the Highpoint Food Rx Pharmacy included \$17 million in federal New Market Tax Credits and was part of a larger acquisition and renovation project involving multiple Evara Health locations.

PROGRAM ADMINISTRATION FINDINGS: IMPLEMENTATION WAS NOT STATUTORILY COMPLIANT AND REPORTING TO THE LEGISLATURE WAS INACCURATE AND INCOMPLETE

The Florida Department of Agriculture and Consumer Services' contract with the Florida Community Loan Fund and program rules did not establish criteria that supported statutory goals. As a result, FCLF implemented a program that included interest-only forgivable loans, which was not contemplated by statute and which prevented the potential reinvestment of state funds. In addition, DACS and FCLF conducted limited monitoring and provided incomplete and inaccurate reporting to the Legislature.

DACS' contract with FCLF and program rules did not establish criteria that fully supported statutory goals

DACS' contract with FCLF did not clearly specify terms that would ensure financial accountability for public funds. First, specific interest rates and other loan terms for funding recipients were not required in the contract between DACS and FCLF. Second, s. 500.81(3)(b)1., *Florida Statutes*, specifies that if DACS contracts with a third-party administrator, funds shall be granted to the third-party administrator to create a revolving loan fund to finance projects that meet program criteria. However, in its bid proposal responding to the DACS' request for proposals, FCLF presented two funding strategies, only one of which met the statutory goal. FCLF's proposal requested Healthy Food Financing Initiative (HFFI) funding in the form of a grant and stated it would use the funding for a "revolving pool of loan capital for one to three projects." However, FCLF's proposal also referenced "provisions for debt forgiveness for a portion of total financing," but did not define debt forgiveness. While debt forgiveness was included in the proposal, the contract language does not present that it was offered as an alternative to the revolving fund. FCLF could have created a revolving loan fund with a debt forgiveness component; statute requires a revolving loan fund to be established but does not require that the entire \$500,000 be recovered in the revolving loan fund.

DACS did not establish adequate criteria to facilitate data collection and the assessment of program operations, as required by statute. Section 500.81(3)(b), *Florida Statutes*, required DACS to establish HFFI program guidelines, raise matching funds, promote the program statewide, evaluate applicants, underwrite and disburse grants and loans, and monitor compliance and impact. DACS staff reported that they established program guidelines by promulgating Ch. 5P-10, *Florida Administrative Code*, and that FCLF was responsible for the remaining statutory duties.¹⁷ FCLF reported promoting the program statewide through conferences, workshops, and presentations with industry contacts, community developers, potential borrowers, and other stakeholders.

Although the DACS' rules address contractor eligibility, program funds, reporting requirements, and applicant qualifications, the rules do not establish clear program criteria or performance measures. (See Appendix A for additional information about program requirements.) For example, while statute provides that funded projects should improve the availability of healthy food, DACS did not establish

¹⁷ Rule [5P-10](#), *F.A.C.*

a definition of “healthy food” in rule or in the contract with FCLF. Further, while both statute and rule require establishing a revolving loan fund, DACS did not create definitions or requirements for a revolving loan fund and did not require financial reports relevant to the projects, such as healthy food sales data or annual financial reports. In addition, while DACS required FCLF to report data on the number and types of jobs created in its contract, the department did not clarify how the data was to be calculated or over what period data should be collected. Consequently, DACS and FCLF had limited mechanisms to track whether state funds were being used appropriately and to accurately evaluate program performance.

FCLF’s forgivable loan program design was not specifically contemplated in statute or rule and prevented reinvestment of state funding

The FCLF ultimately established a forgivable loan process rather than a revolving pool of loan capital. As noted above, while debt forgiveness was included in FCLF’s proposal to DACS, it was not stipulated as an alternative to the revolving loan fund. The FCLF allocated the \$500,000 in HFFI funds as loans that will be forgiven after seven years of interest-only payments, following FCLF’s evaluation of each project. The FCLF evaluation will determine whether: 1) the borrower is and has maintained compliance with FCLF’s financial agreement; 2) the loans have been paid as agreed; and 3) the repayable portion is fully repaid or if FCLF has approved renewal and both parties are ready to execute renewal documents. If borrowers meet these criteria, all \$500,000 of the Florida HFFI grant funds will be forgiven at the end of the loan terms: December 1, 2024 (Evans Center), April 29, 2027 (Highpoint Food Rx Pharmacy), and December 14, 2024 (Fresh Choice Market).

In addition to using the revolving pool of loan capital, FCLF’s contract with DACS stipulated that it use loan interest payments to finance other eligible projects. The FCLF originally proposed that it would support all operating expenses without using state funds. However, the FCLF reported that it is keeping interest payments from the three funding recipients to help defray programmatic expenses. The three funding recipients received loan terms with interest-only payments at 1% of the original loan for seven years, which would total over \$46,900 for the seven-year period.¹⁸ FCLF staff stated that interest income is an essential aspect of their business model and the interest income is used to support lending program expenses.

When asked why the program design did not follow what was contemplated in statute and rule, FCLF reported that after conducting a market analysis, the fund determined a revolving loan pool was not sustainable. Specifically, FCLF determined that projects would require significantly larger resources than what was reasonably available to achieve the scale necessary to support small food retailers to expand access to healthy foods.

¹⁸ Per the contract with DACS, FCLF is allowed to use up to 10% of the funds granted by DACS for administrative and operational costs. FCLF did not keep any of the \$500,000 in funding.

DACS and FCLF reporting overstated program impact, and limited data collection prevented accurate evaluation of the program

DACS and FCLF did not submit all statutorily required reports. Statute requires FCLF to report to DACS annually, and rule requires FCLF to report to DACS quarterly.¹⁹ A final report from FCLF to DACS was due on June 30, 2023.²⁰ FCLF’s reports were to include details on projects funded, project geographic distribution, program costs, and program outcomes including the number and types of jobs created. DACS in turn used the reports from FCLF to provide required annual reports to the Legislature.

FCLF and DACS considered the projects complete in May 2021 when construction was completed for each recipient—although program operations and loan interest collection was ongoing and loan terms were not complete—and FCLF did not submit required quarterly reports to DACS after that time. Moreover, as of 2021, FCLF collected no additional performance information. FCLF’s final report submitted to DACS in 2023 was identical to the final quarterly report that FCLF submitted in 2021. According to both DACS and FCLF staff, no further reports were anticipated.

DACS submitted reports from 2017 through 2019 to the Legislature but did not report annually on the HFFI projects from 2020 through 2022, as was required by statute. When asked about the lack of reporting, current DACS staff was unsure why the reports for the years 2020 and 2021 were not completed but suggested that it was due to the COVID-19 pandemic. DACS staff reported that the department did not submit a 2022 report as they considered the projects complete and there was nothing to report. (See Exhibit 3.)

Exhibit 3
Program Reporting Lapsed Despite Continuing Program Activity

Required Report Type	Year Submitted						
	2017	2018	2019	2020	2021	2022	2023
FCLF Quarterly Reports to DACS	✓	✓	✓	✓	✓		
DACS Annual Reports to the Legislature	✓	✓	✓				✓

Sources: DACS and FCLF.

FCLF’s final report to DACS and DACS’ final report to the Legislature presented unverified data and lacked data required by statute; assertions of the HFFI program’s success are unsubstantiated. FCLF’s 2023 final report to DACS stated that the Florida HFFI program had a significant impact, but DACS and FCLF did not collect recent data to demonstrate current program outcomes. Instead, each entity presented impact data that was collected prior to initiating the funded projects and collected data inconsistently from each other and across funding recipients.

FCLF’s 2023 final report included inaccurate and inconsistently defined information. The final report used unverified outcome information that was projected prior to project implementation. The report stated that the HFFI program resulted in 69,253 square feet of added facility space, including 19,388 square feet of healthy retail; 58 permanent jobs created and retained; 38 temporary jobs associated

¹⁹ Section [500.81\(3\)\(b\)](#), F.S.; Rule [5P-10.003](#), F.A.C.

²⁰ Rule [5P-10.003](#), F.A.C.

with the projects' construction; and an estimated 28,581 people with increased access to healthy foods. OPPAGA's research yielded conflicting information.

- *Jobs.* One funding recipient was described as having created 45 permanent food retail, specialty food, and staffing jobs. However, this number varied considerably from the actual number of jobs the same funding recipient reported to OPPAGA. OPPAGA documented 12 staff as of February 2023, 9 of which were part-time. OPPAGA also noted data inconsistencies between jobs reported by DACS and the actual number of jobs created with the remaining two recipients.
- *Number of lives impacted.* In addition to presenting only estimates for this outcome, the FCLF report did not consistently calculate the outcome across recipients. One recipient based its estimates on people living within a one-mile radius of its facility. Another recipient based its estimates on the population of the city and the surrounding communities.²¹ The last recipient based its estimates on its program's projected initial capacity.

DACS' June 2023 final report to the Legislature thus used FCLF's projections rather than the actual outcomes, which were unknown. DACS did not require or collect financial reports relevant to the projects, such as healthy food sales data or annual financial reports. In addition, DACS did not collect some statutorily required performance information. The program statute requires OPPAGA to review the health impacts of the HFFI program based on data collected by DACS, but the department did not collect data on health outcomes, approximate health impacts, or healthy food sales.²²

DACS staff stated that the HFFI program was "very successful." However, DACS has not evaluated the program and has not received any evaluations from FCLF to make that determination. DACS representatives reported that no further documentation from FCLF will be required, and FCLF reported that it does not intend to provide any additional documentation to DACS.

FCLF staff reported several challenges in implementing the HFFI and determined that it is no longer a viable model

FCLF staff reported several challenges with administering the HFFI, including that

- local grocery stores face strong competition and have small profit margins, making it difficult for small operators to grow;
- the different eligibility requirements for state and federal HFFI programs made it difficult to leverage funding and find applicants that met the requirements of both the state and federal program;
- projects funded by the program did not create long-term equity, as the value of leasehold improvements and equipment degrades rapidly and initial inventory is quickly utilized; and
- qualified applicants were limited in number.²³

²¹ The final FCLF report states that this recipient impacted 23,000 lives while the population of the town it is in (Fort Meade, FL) was only 5,193 residents as of July 2022. Although the impact estimate was to include the population of surrounding communities as well, the FCLF report does not specify which surrounding communities, making it difficult to assess the accuracy of the estimate.

²² DACS representatives noted concerns with measuring health outcomes as it would require extensive resources and many factors beyond access to healthy food could affect these outcomes.

²³ FCLF reported that it prescreened some applicants before they applied.

FCLF no longer finds the Florida HFFI model viable. FCLF's original bid to become the contractor in 2016 stated that, while the HFFI funding amount was modest, the funds would have a significant effect and additional state funding would be welcomed. However, as of 2023, FCLF staff reported that receiving a second similar allocation would not be effective and that larger and more immediate subsidies would be needed to help underserved communities improve access to healthy foods. They reported that state HFFI funds did extend food availability, but the amount of funding was too small to effectively address access to healthy foods at a meaningful scale. FCLF staff also believed that providing forgivable loans with equity-like features did not provide a sufficient incentive to attract meaningful demand from small food retailers operating under tight margins in a difficult, competitive environment. As a result, FCLF staff reported that they were no longer funding the types of projects that the HFFI program envisioned.

CASE STUDY FINDINGS: FOOD ACCESS IMPROVED, BUT RECIPIENTS' ECONOMIC VIABILITY AND VALUE TO COMMUNITIES VARIED

Because HFFI funding recipients had diverse business models, OPPAGA presents information about each location individually to highlight unique experiences, challenges, and approaches to increasing healthy food access in Florida. OPPAGA analysts interviewed local stakeholders and visited each site to understand access, affordability, community buy-in, retail economics, and community outcomes and conducted customer surveys, price analyses, and onsite observations.

OPPAGA's customer survey at two retail locations—Evans Market and Fresh Choice Market—used a convenience sample, which means that participants were selected based on their availability and willingness to take the survey. During a two-hour period, OPPAGA analysts asked each customer exiting the two stores to take the survey. Because it was a non-probability sampling method, the results should not be construed to be generalizable to the entire customer population.²⁴

OPPAGA's food price analysis at the two retail locations sought to understand how much food costs relative to another place that customers could shop and relative to what customers in the southeast region of the U.S. pay in the same month. OPPAGA asked each customer they surveyed at each retail location which other store they would use and used the answer most frequently chosen for the retail comparison. OPPAGA then compared selected items from each store and from the U.S. Bureau of Labor Statistics Average Food and Energy Prices, South Region for January 2023 for a cost comparison.²⁵ (See Appendix B for additional information about the food price analysis.)

²⁴ Unlike probability sampling, non-probability sampling does not give each member of the population under consideration (in this case, all customers) equal probability of being selected to take the survey.

²⁵ The Consumer Price Index is a measure of the average change in prices over time in a fixed market basket of goods and services. Each month, prices are collected in 75 urban areas across the country from about 6,000 housing units and approximately 22,000 retail establishments. The South Region includes Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Evans Center: A non-profit with strong community ties but closed because of financial challenges

Evans Center, the entity that received the Florida HFFI loan, offered a variety of services to the surrounding area

The non-profit center is operated under Neighbor Up Brevard, which is a diverse group of individuals from Brevard County churches, businesses, and civic organizations that has a mission to revitalize impoverished communities in the county. In 2011, Neighbor Up Brevard conducted a community survey with over 400 responses and determined that residents wanted a new market at the site of the historic market.

The Evans Center (center), situated on the site of a 1960s-era, Black-owned market that was demolished by the city in 2012, is a 6,000-square-foot, non-profit facility that comprises a Federally Qualified Health Center (FQHC), a community center, and a market.²⁶ The market, a 3,178 square feet space, included a hot bar that served breakfast and lunch, and a variety of fresh produce, dairy products, meat, and seafood. (See Exhibit 4.) The center's purposes were to increase access to fresh food; help youth with job training; provide healthcare and wellness programs; and provide a community gathering place. The center is located between a predominantly black census tract and a predominantly white census tract. Residents and stakeholders described the area served by the center as high crime, low-income with many seniors and children. A center representative noted that the area was a place with resources such as churches and civic groups.

²⁶ FQHCs are safety net providers that primarily provide outpatient clinic services and include community health centers, migrant health centers, healthcare for the homeless health centers, public housing primary care centers, and health center program "lookalikes."

Exhibit 4

Evans Market Offered a Hot Bar and a Variety of Fresh Fruits and Vegetables



Source: OPPAGA photographs from site visit.

The FQHC, which rented 1,000 square feet of the center facility, has a food pharmacy program, offering \$20 in free fruits and vegetables to low-to-moderate-income patients facing food insecurity, elevated body mass index (BMI), hypertension, and diabetes. Evans Market was a Supplemental Nutrition Assistance Program (SNAP) electronic benefits transfer retailer and offered the Feeding Florida nutrition incentive program, Fresh Access Bucks. At retail outlets, the Fresh Access Bucks program provides SNAP recipients with \$1 toward fresh fruits and vegetables for each \$1 they spend with SNAP, up to \$10 per shopping trip.

Evans Center was located in a three-tract, low-income and low-access area with poor bus access and worse diet-related health outcomes than the county as a whole

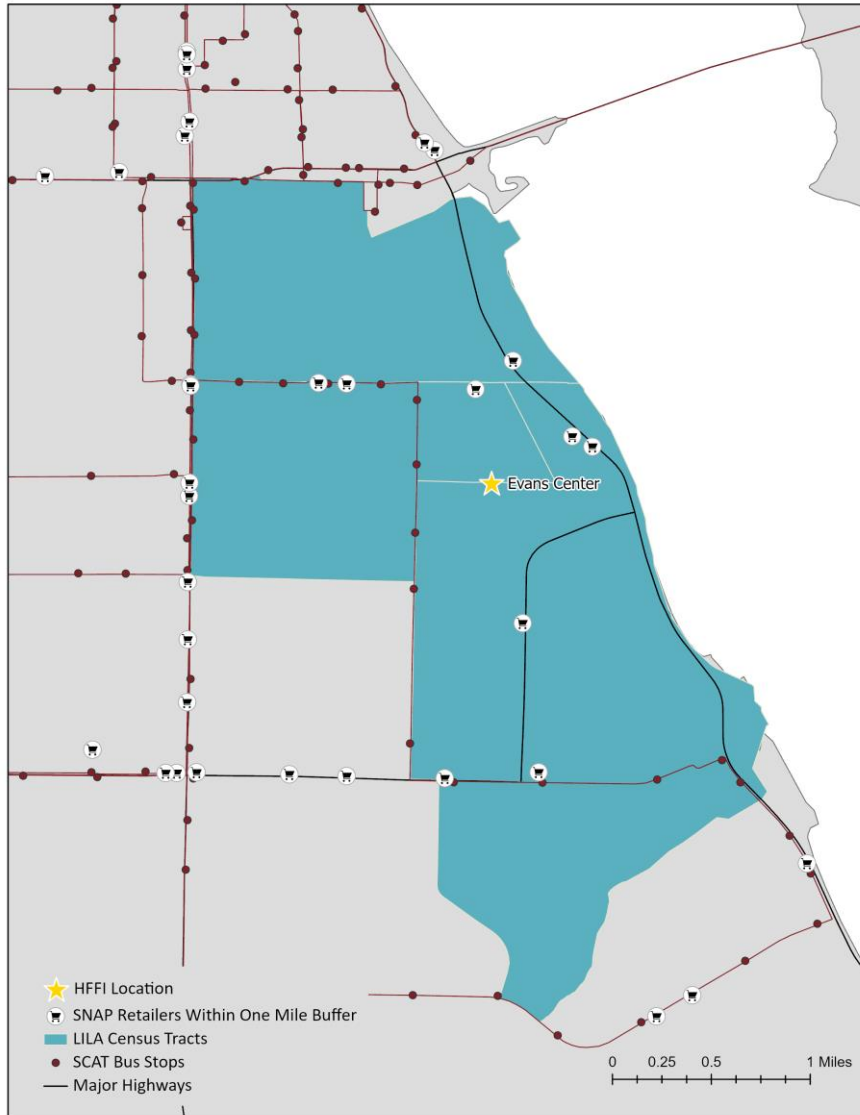
The center was located in Brevard County between two USDA-designated LILA tracts; there was a third LILA tract adjacent on the north side, forming a three-tract cluster.²⁷ While there is limited food access within the two LILA tracts, Walmart Neighborhood Market is on the western boundary of the middle

²⁷ The center was located in an Enterprise Zone and a Community Redevelopment Area.

LILA tract, Publix is within one mile of the three-tract LILA cluster, and multiple smaller SNAP retailers (e.g., convenience stores and dollar stores) are within the tracts.

The LILA three-tract cluster has varying levels of public bus service, with the two northern tracts having better accessibility than the southernmost tract where the center is located. Nearly all areas within the two northern tracts are within a half mile of a bus stop, and one of these tracts is low-vehicle access.²⁸ Approximately one-half of the southern tract is within a half mile of a bus stop. (See Exhibit 5.)

Exhibit 5 Evans Market Improved Food Access in a Previously Underserved Community in Brevard County



Source: OPPAGA analysis.

People who lack access to grocery stores with healthy foods have a higher risk of health conditions like heart disease, diabetes, obesity, and lower life expectancies relative to people who do have access to healthy foods. From 2015 to 2019, both LILA tracts where the Evans Market was located had higher

²⁸ As measured by the USDA Economic Research Service, low-vehicle access tracts are areas in which at least 100 households have no access to a vehicle and are more than 1/2 mile from the nearest supermarket, or at least 500 people or 33 percent of the population live more than 20 miles from the nearest supermarket, regardless of vehicle access.

rates of death by coronary heart disease and diabetes than the rates for Brevard County as a whole; the LILA tract south of the center also had higher rates of stroke deaths than that of the county as a whole. Available data for local diet-related health outcomes do not show statistically significant changes over time. Health data regarding chronic disease death rates is only available at the census-tract level through 2019. Diabetes deaths increased for the five-calendar-year period between 2015 and 2019 as compared to the period between 2010 and 2014 in both census tracts, and were higher than county averages. Coronary heart disease and stroke deaths increased in the census tract south of Evans Center for the period between 2015 and 2019 as compared to the period between 2010 and 2014, but decreased in the census tract north of Evans Center during the same period. Coronary heart disease and diabetes deaths in both census tracts were greater than those for the county as a whole.²⁹ (See Appendix C for additional information about health impacts.)

Evans Market was not sustainable without continuing grants and donations

Evans Market received funding from a variety of sources. The FCLF awarded the center \$150,000 in HFFI funding as a forgivable loan if conditions of the loan agreement were met; other funding included a forgivable \$150,000 loan from the federal HFFI and an additional \$400,000 loan for total funding of \$700,000.³⁰ Evans Center also received individual donations and grants and found a contractor to build at cost. In addition, the Palm Bay Bayfront Community Redevelopment Agency awarded a one-time \$250,000 grant for permanent improvements to the property. The loan terms for the state HFFI funds included interest-only payments at a 1% interest rate. The center used the HFFI financing for construction of the building.

Despite receiving funding from numerous sources, Evans Market did not receive the funds it needed to remain open, and closed in August 2023. A center representative reported that as a small store with low margins (to keep products affordable) located in the heart of a neighborhood rather than a major corridor and serving people with limited means, the market is not a business model that can be successful without additional funds from grantors and donors. According to an Evans Center representative, the market would have needed an additional \$150,000 to cover the costs into early 2024. The center raised 42% of needed funds as of May 18, 2023, but it was not enough to continue operating the store. Although the market closed, the center will continue to house its community room for programming and will continue to provide space to the Brevard Health Alliance.

A center representative reported that a financial challenge for the market was finding food distributors that offer competitive prices. The lack of an affordable food distributor meant that market staff often did not increase food prices over what they bought wholesale to keep products affordable. The representative reported that distributors charge more for low-volume orders than larger orders and that one major distributor, United Natural Foods, Inc., requires a minimum order of \$500,000 per week, although the market only needs that much food per month.³¹

FCLF reported that it will consider all available options over the next few months, including forgiving all or part of the loan at the end of the loan term or recouping as much of the center's outstanding principal as possible. Although the center has not reached the forgiveness period, FCLF believes that Evans Market operated in good faith to provide healthy food retail options for the community and thus

²⁹ A food retailer's contribution to health outcomes in these census tracts cannot be determined relative to that of other factors such as access to health care, poverty, and insurance status.

³⁰ The \$300,000 loan will be eligible for forgiveness on December 1, 2024.

³¹ United Natural Foods, Inc. is the largest publicly traded wholesale distributor in the United States and Canada.

could merit early forgiveness. If FCLF recoups funds, it intends to use them to support larger food distribution to nonprofit-sponsored projects such as food banks.

Evans Market increased access to healthy but more costly food and provided jobs

Market customers who OPPAGA surveyed tended to be frequent shoppers, averaged 9 minutes to get to the market, and estimated an average of 10 minutes to travel to a different grocery store.³² Fifteen of 23 survey respondents reported that they ate a greater or much greater amount of healthy food

“We do have a bus that comes through, but the bus route is better than a half of a mile away. Some of us aren’t able to walk that far. But Evans being right there in the community, means that they don’t have to walk that far. They can go to Evans and get what they need.”

-Interview respondent

since they began shopping at the market. Customers reported most frequently that there was nothing the center could do to increase their interest in buying additional healthy food and for those who did have a recommendation, the most frequently mentioned was that the store should offer more options.

The market also provided customers with a cost savings for some items. According to OPPAGA’s cost analysis, the market is 24% more expensive overall than the closest full supermarket (Walmart) across a number of staple food items. However, the market was less expensive for poultry (almost 10%). When comparing the market to the average retail food prices from the 2023 Consumer Price Index (CPI) for cities in the South Region, OPPAGA found that the center was almost 7% less expensive across all the staple

food items. From 2020 to 2023, SNAP sales comprised 24.6% of overall center sales, on average, indicating that some low-income residents are accessing healthy food that they would otherwise not receive or would have to travel further to receive. (See Appendix B for additional information about the food price analysis.)

A center representative reported that most staff in the market were from the community, including 18 first-time employed students. The market employed 10-12 staff members; 2 were full-time and received benefits. A center representative reported that the market was one of the few places where individuals who lived in the community, but who did not have a vehicle could work.

According to customers and stakeholders, Evans Market benefitted the neighborhood served

Customers reported that the market is convenient for neighborhood residents. A representative of Evans Center told us that the vast majority of customers were from the local neighborhoods.³³ Stakeholders reported that while many people in the neighborhoods do not have vehicles or only have one vehicle, some walk, ride bikes, or take the bus. Among Evans Market customers who took OPPAGA’s survey, the average time to travel to the store was almost nine minutes and the most frequently reported time was five minutes (five customers), suggesting that many customers lived in close proximity to the store. In addition, customers’ most frequent response (10 of 23) to the question

³² OPPAGA surveyed 23 Evans Market customers who were in the center during a site visit.

³³ An Evans Market survey conducted in 2022 of 51 customers found that 29% heard about the market through living in the neighborhood.

of how having the store in the community affected them personally was that the store's proximity benefited them as it was convenient.

Customers were satisfied with the market's healthy food offerings and with the market itself.

Of the 23 customers OPPAGA surveyed, most found the amount, quality, variety, and cost of the healthy food provided to be good or very good and market staff, cleanliness, and safety to be good or very good.³⁴ All stakeholders who were asked stated that the market increases access to healthy food.³⁵ Three stakeholders who were asked reported that residents of the neighborhoods adjoining the market liked the prepared food from the hot bar.

Customers appreciated benefits that extended beyond providing access to healthy food. Four out of five stakeholders reported that the center's benefits extend beyond providing healthy food to enhancing the community by providing a community hub and events and fostering partnerships with other entities that can provide services. Three stakeholders reported that the center created jobs for the community. Similar to what stakeholders said, market customers who responded to OPPAGA's survey reported that the center has made the local community better or much better (22 of 23).³⁶ In addition, several community stakeholders reported that the market was responsive to their input.

Fresh Choice Market: A viable for-profit grocery store that provides improved food access in a rural community

Fresh Choice Market offers a variety of food products in a previously underserved community; impact on local health outcomes cannot be determined

The market is located in Fort Meade in Polk County. The demographics of the two surrounding census tracts are predominately White, yet have a Hispanic population that is above the state and county averages. The census tract where the market is located has a Black population that is above the state and county averages.

Fresh Choice offers a variety of food products in a grocery store setting. The Fresh Choice Market (market) is a 26,000 square feet, for-profit grocery store that offers a variety of food items including fresh produce, dairy, meat, seafood, and poultry products. (See Exhibit 6.) Meat, seafood, and poultry sales comprise 36% of total gross sales, produce comprises 7%, and dairy comprises 5%. The market is open daily from 8 a.m. to 9 p.m. and currently employs 12 people, 9 of whom are part-time employees.

³⁴ Fewer than three customers rated the center as fair or poor for any of these items, except for the amount of healthy food, which three customers rated as fair or poor.

³⁵ Stakeholders for Evans Center include a representative from the City Council, an education nonprofit, the Community Redevelopment Agency, a FQHC, and a neighborhood watch organization; three of these stakeholders were also residents of the neighborhoods that Evans Market serves.

³⁶ One respondent did not rate this item as they said they did not live in the community.

Exhibit 6
Fresh Choice Market Offers a Variety of Meat, Dairy and Produce Options



Source: OPPAGA photographs from site visit.

Fresh Choice Market is current on its loan payments. In December 2017, the market received \$150,000 in state HFFI funding as part of a \$790,000 loan from FCLF. The additional financing was provided from FCLF's private capital as well as funding sourced from the U.S. Department of Treasury's HFFI. The loan terms for the state HFFI funds included interest-only payments at a 1% interest rate. This funding was utilized for building renovations, refrigeration equipment, and initial inventory. The market opened in October 2018.

A center representative reported that the FCLF loan helped the market achieve its goals by providing enough startup funds to buy needed inventory. The most significant challenge for the market is finding food vendors or other food supply sources that offer competitive prices, as the owner reported that local food vendors' prices for wholesale delivery are often higher than the retail prices at some major grocery stores. The owner reported that the market is current on its loan payments and expects to repay the loan. FCLF confirmed that \$300,000 of the total loan, including the \$150,000 from Florida HFFI funding, is projected to be forgiven (converted to capital equity) in December 2024. FCLF also confirmed that the market has made interest payments as scheduled with no instance of delinquency. Thus, the market is performing per the terms of respective loan agreements and is not in default.

Fresh Choice Market is the only supermarket in the census tract; the market has improved food access to an underserved community. The market is located in the city of Fort Meade (population 5,193) in a census tract that was determined to be a LILA tract at the time the market opened in 2018. As of 2019, the census tract was no longer considered a LILA tract by the USDA. The market's presence has had a positive impact on the census tract no longer being considered an underserved community.³⁷

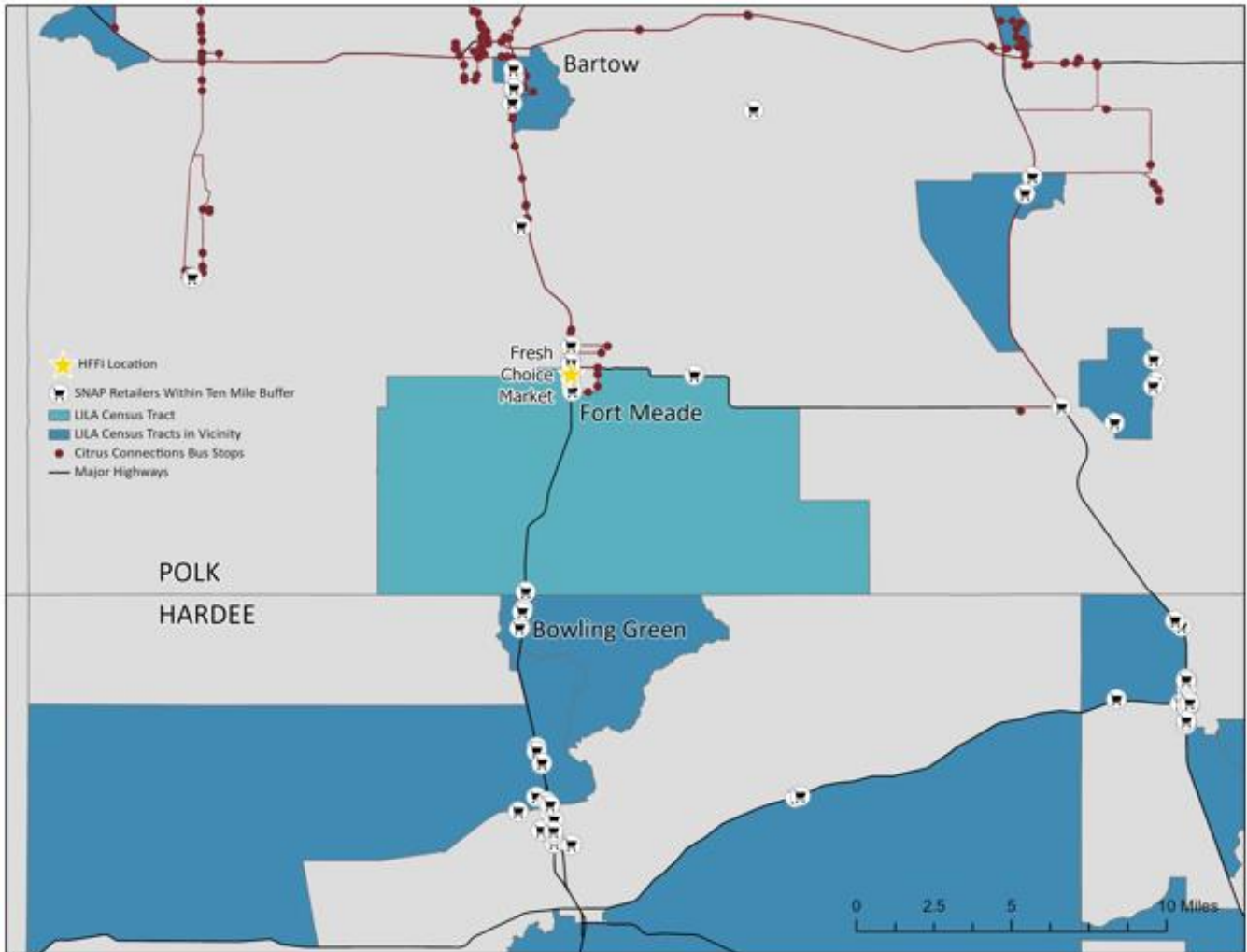
An adjacent census tract with a population of 2,809 is still designated as low access. The nearest grocery stores are in nearby towns, over 10 miles away. The census tract where the market is located is well served by public bus with all areas of the tract within .5 miles of a bus stop, including a bus connection to Bartow. The south adjacent LILA tract has five bus stops in the Fort Mead area, though a substantial portion of Fort Meade is located in the LILA tract and does not have a bus stop within .5 miles. Fort Meade is the only U.S. Census Bureau-recognized community in the predominately rural tract, the vast majority of which is not served by bus. (See Exhibit 7.) Local stakeholders reported that the market is walkable for residents.³⁸

³⁷ Per s. 500.81(1)(f), *F.S.*, an "underserved community" means "a distressed urban, suburban, or rural geographic area where a substantial number of residents have low access to a full-service supermarket or grocery store."

³⁸ Local stakeholders are representatives from a local food pantry and from the Fort Meade Community Redevelopment Agency.

Exhibit 7

Fresh Choice Market Provides Improved Food Access in a Previously Underserved Community in Polk County



Source: OPPAGA analysis.

From 2015 to 2019, LILA tracts around Fresh Choice Market had lower rates of death by coronary heart disease and stroke than from 2010 to 2014. However, rates of death from diabetes increased during this timeframe and were higher than the countywide diabetes rates of death. The market's impact on local health outcomes cannot be determined; available data do not show statistically significant changes over time. (See Appendix C for additional information about health impacts.)³⁹

Available sales data demonstrate that Fresh Choice Market provides food access to the community; customer feedback was mixed but generally positive

The market increases access to healthy food at affordable prices, which are lower than nearby markets and other cities. For calendar years 2021 and 2022, SNAP and Women, Infants, and Children supplemental nutrition program sales comprised over 21% of market sales, indicating that low-income residents are accessing healthy food that they may not otherwise access or may have to travel further

³⁹ Updated community health data for both the 2016-2020 and 2017-2021 timeframes are not available. The Florida Department of Health is currently updating the data to include revised 2020 Census tracts but does not have an estimated timeframe for when this will be available. Health data regarding chronic disease death rates from the Florida Department of Health Bureau of Vital Statistics are only available at the census tract-level through 2019.

to access. Stakeholders reported that the market has increased food access for the local community because it is the only grocery store in town, with the nearest alternate grocery stores being 10 miles away. Stakeholders also reported that the market has increased food access by remaining operational for five years, including through the COVID-19 pandemic and a recent major hurricane. The market's food prices for beef and pork were significantly lower than a nearby major supermarket and the CPI for cities in the South Region. Total market prices were 1.4% lower than the nearby major supermarket and 26.7% lower than the CPI. Additionally, local stakeholders and customers reported that the market has good customer service but also noted concerns over the freshness of some food options. (See Appendix B for additional information about the food price analysis.)

Customers are generally satisfied with the healthy food offerings, the market itself, and the proximity of the market. Among market customers who took OPPAGA's survey, most reported that the amount (11 of 16), quality (10 of 16), and variety (9 of 16) of healthy food was good or very good.⁴⁰ Alternately, most (10 of 15) responded that the price of healthy food was fair to very poor. Market staff reported that finding an affordable distributor for groceries other than meat was an obstacle to offering affordable prices. Most survey respondents reported that the hours of operations (14 of 16), market safety (10 of 16), cleanliness (13 of 16), and staff (12 of 16) were good or very good. Most customers (11 of 16) reported that the market has made their local community better or much better and (7 of 12) that the market's proximity has benefited them the most.

Customers reported that the market has made their local community better but over half did not report increasing healthy food consumption. Most customers who took OPPAGA's survey (11 of 16) reported that the market has made their local community better or much better, but over half (8 of 15) of customers surveyed said that there was no change in their healthy food consumption as a result of shopping at the market. Several (3 of 8) reported that there was nothing the market could do to increase their interest in buying additional healthy food.

"The Fresh Choice Market has helped. I buy groceries here every day and don't have to travel 20 minutes to buy healthy food."

"I wouldn't be able to go to a grocery store if this wasn't here."

Highpoint Food Rx Pharmacy: Partnerships create sustainability; reported outcomes are positive but few patients served

The Highpoint Food Rx Pharmacy aims to improve patient health and reduce food insecurity

The Highpoint Food Rx Pharmacy (Highpoint Food Rx) provides prescriptions for free healthy food to patients with specified conditions who are experiencing food insecurity. The Highpoint Food Rx is located within the Evara Health Highpoint Clinic Building. It is approximately 320 square feet and

⁴⁰ OPPAGA surveyed 16 customers who were in the market during an onsite visit.

houses food shelves and refrigerators. (See Exhibit 8.) In addition to providing free healthy food, the Highpoint Food Rx is intended to teach patients how to eat for and manage their chronic disease.

Exhibit 8

The Highpoint Food Rx Offers Shelf-Stable Foods and Purchased Refrigerators for Produce



Source: OPPAGA photographs from site visit.

Patients eligible for the Highpoint Food Rx have been identified as food insecure and diagnosed with chronic diabetes, hypertension, and/or high BMI. Enrolled patients receive a “food prescription” issued by an Evara healthcare provider in the form of a food voucher. Patients can choose from a prescribed set of healthy food options at the Food Rx or at Feeding Tampa Bay’s (FTB) Groceries on the Go bus that parks at various locations through the week.⁴¹ Food prescriptions are valid for six months and may be extended for a second six months by a doctor. Patients can redeem vouchers every two weeks and each voucher is worth an estimated \$50 in groceries.

Food navigators provide patients with free support to make healthy food choices; these staff also help patients apply for SNAP benefits. Patients are also encouraged to meet with the nutritionist to discuss diet and its effect on their health condition. Depending on the patient, they may meet two or three times with the nutritionist. Additionally, Evara staff helps patients choose among healthy food options

⁴¹ Selection options include fresh and canned fruit, fresh and canned starchy and non-starchy vegetables, canned chicken and tuna, canned and dried beans, healthy breakfast cereals, whole grain bars, whole wheat pasta, brown rice, chicken and vegetable broth, peanut butter, olive oil, and seasonings.

in the Highpoint Food Rx and can help patients apply for SNAP and WIC food benefits. Patients receive recipe cards in their Food Rx packages to help them prepare the healthy foods at home.

The Highpoint Food Rx benefits from co-locating with Evara Health Clinic and participating in a multi-stakeholder effort to establish and expand food pharmacies in Pinellas County

The Highpoint Food Rx is located in Clearwater (Pinellas County) and is operated by Evara Health, a comprehensive healthcare provider that serves uninsured and underinsured patients and offers a sliding fee scale. Evara serves approximately 60,000 patients by providing primary care, pediatrics, OB/GYN, dental, pharmacy, behavioral health, food pharmacy, and nutrition services. Evara has 14 standalone locations and two mobile health centers in Pinellas County. The Highpoint Food Rx is one of three food pharmacy locations run by Evara Health, with a fourth Food Rx underway.⁴²

Evara Health's Food Rx Pharmacy pilot program (Evara Food Rx Program) was initially funded by the Humana Foundation as a partnership between Feeding Tampa Bay, Evara Health, and the University of South Florida (USF) Center for Advancement of Food Security and Healthy Communities. The pilot's goal was to explore ways to help food-insecure individuals manage their health through reliable access to nutritious foods. The pilot began at two Evara clinics: Pinellas Park and Lealman (St. Petersburg). Highpoint was subsequently added as a third food pharmacy location.

Funding for the creation of the Highpoint Food Rx was part of Evara's \$17.3 million expansion and renovation project to increase health services for Pinellas County residents. The project included the acquisition and renovation of the Highpoint Clinic location.⁴³ The Florida Community Loan Fund awarded \$200,000 in HFFI funding and an additional \$200,000 as part of its Food Access Program. The overall FCLF funding package included \$17 million in federal New Market Tax Credits.⁴⁴

Given that Evara's expansion and renovation project included multiple sources of funding, OPPAGA could not isolate the unique effect of the state's HFFI funding contribution. However, according to Evara staff, the combined \$400,000 HFFI and FCLF Food Access funding was used to establish the Highpoint Food Rx, including purchasing refrigerators, shelving, and furniture. Evara Health matched the loan funds with company operational dollars to cover the cost of a nutritionist and food navigators. Development of the Highpoint Food Rx created two permanent jobs and five temporary jobs.

Feeding Tampa Bay (FTB) is the sole source of food for the three Evara Food Rx Program locations, including Highpoint. FTB has funding from individuals, corporations, and foundations, in addition to public funding. FTB also has a procurement team that sources low-cost food through relationships with food brokers, suppliers, and farmers. Because of donations and procurement relationships, while FTB does not donate food, it is able to supply food at a lower cost.

As a program of Evara Health, the Highpoint Food Rx benefits from Evara resources including its facility, staff, and operational funding. For example, the Highpoint Food Rx utilizes staff from the greater clinic to assist patients in selecting food. Evara currently buys all food for the Highpoint Food Rx at a reported cost of around \$2,000/month. Evara Health's management and board of directors are committed to the Evara Food Rx Program and are actively seeking funding to expand. As of June 2023,

⁴² In addition to Highpoint, Evara has Food Rx Program locations at the Pinellas Park and Lealman clinics.

⁴³ The project also included construction of a new dental center and renovation of two other Evara location.

⁴⁴ The New Markets Tax Credit provides an incentive for investment in low-income communities. The U.S. Department of the Treasury competitively allocates tax credit authority to intermediaries that select investment projects. Investors receive a tax credit against their federal income tax.

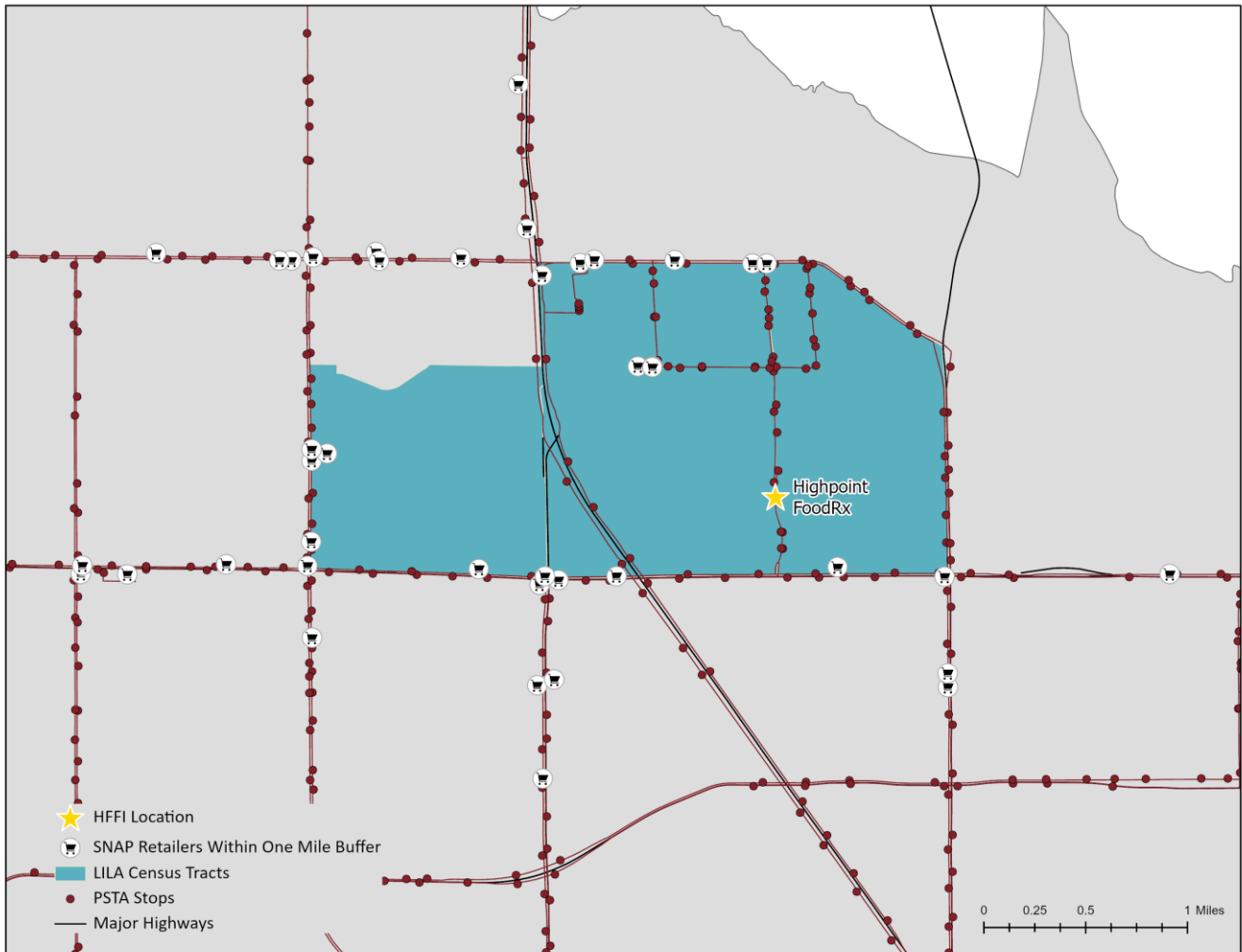
Evra and FTB both had pending grants to cover the non-food costs of operating the three Evra Food Rx Program locations in addition to covering food costs at the Highpoint Food Rx location.

The Highpoint Food Rx is located in an area with food retailers that are accessible by bus, but more than half of patients do not live within a five-mile radius; the number of patients living in the LILA tract is unknown

The Highpoint Food Rx is located in an area with food retailers that are accessible by bus. The Highpoint Food Rx is located in mid-Pinellas County in an area called South Highpoint. The facility is on the border of two low-income, low-food-access tracts with a third LILA tract adjacent on the west side, forming a three-tract cluster. While there is limited food access within the LILA tract cluster, there is a Walmart Supercenter and multiple smaller SNAP retailers on the perimeter, as well as two Publix stores and smaller SNAP retailers within one mile of the three LILA tracts. The LILA tract cluster has reasonable access to public buses and almost all areas of the cluster are within half a mile of a bus stop. (See Exhibit 9.)

Exhibit 9

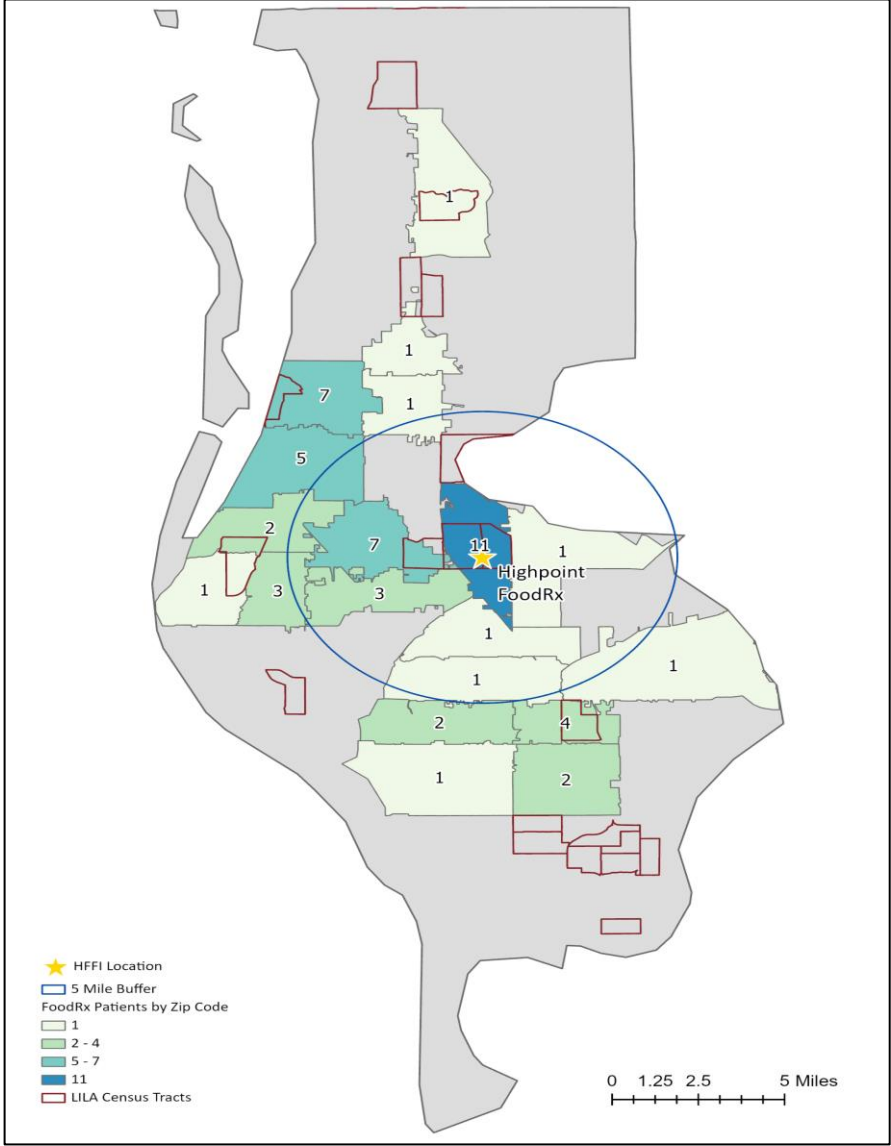
Though Patients Live Throughout Pinellas County, the Highpoint Food Rx Is Located in a LILA Tract



Source: OPPAGA analysis.

Patients served by the Highpoint Food Rx most commonly live in the Highpoint Clinic zip code area, with more than half living farther than five miles from the clinic. OPPAGA’s spatial analysis of patient zip codes for the Highpoint Food Rx showed that 20% of patients lived in the Highpoint Clinic zip code.⁴⁵ While the Highpoint Food Rx is located in a LILA census tract area, it is unclear how many patients who live in the Highpoint zip code live in a LILA tract. This is because zip code areas are larger than census tracts, so zip codes that have LILA tract areas also have areas that are not LILA. While the Highpoint Food Rx program can serve patients living anywhere in Pinellas County, Evara staff reported that patients typically access a health clinic within a five-mile range of their home. OPPAGA’s analysis found that 56.4% of patients lived farther than five miles from the Highpoint Clinic. (See Exhibit 10.) Overall, patients resided in 19 different zip codes, covering a substantial portion of Pinellas County.

Exhibit 10
More Than Half of Highpoint Food Rx Patients Live in a Zip Code Farther Than Five Miles From the Clinic



Source: OPPAGA analysis.

⁴⁵ Patients served as of March 2023.

Transportation may be a barrier to patients using the Highpoint Food Rx, but the Highpoint Clinic facilitates healthy food access by offering transportation alternatives. Evara staff report that transportation is often a barrier to patients. Similarly, 30% of Evara Food Rx Program patients who participated in USF’s evaluation of the Evara Food Rx Program reported not having access to a vehicle.⁴⁶ Additionally, OPPAGA’s analysis of Highpoint Food Rx patient zip codes found that more than

“My cabinets are never full. But I have full cabinets. It’s taken a while to get that way. But well stocked for hurricane foods and things like that. And that’s a blessing. You know, sometimes I just open the door of my pantry and look at it. You know, it sounds kind of ridiculous, but it’s scary when you’ve got two cans of green beans left. And that’s it. So, this Food Rx program has helped me a great deal.”

-USF Survey respondent

half lived farther than five miles from the clinic. According to Evara staff, it is common for patients to take the bus. In response to the distance and patients’ low vehicle access, Evara began providing Uber rides for patients to pick up food as well as a home delivery program for some patient population areas. However, not all patients are aware of home delivery or Uber ride options. Participants in USF’s second evaluation of the three Evara Food Rx Program locations, including Highpoint, did not mention Uber as a known option for picking up their food when discussing their transportation difficulties or concerns.

The Evara Food Rx Program has positive evaluations but only a small number of patients access healthy food at the Highpoint Food Rx

Nationally, food prescription programs have shown some success for individuals who are both food insecure and struggle with chronic diet-related diseases. Positive impacts included increased fruit and vegetable consumption and improved food security. A meta-analysis of 13 studies of food prescription programs concluded these programs may be beneficial in increasing consumption of fruit and vegetables and modestly reducing BMI and blood sugar levels, which are both considered risk factors for cardio-metabolic disease.⁴⁷ One study of a food prescription program in Miami concluded that easier access to healthy foods and regular health education have the potential to promote healthier attitudes toward foods like fruits and vegetables, though the study’s findings regarding participant vegetable and fruit consumption were not conclusive.⁴⁸

Evaluations of the three Evara Food Rx Program sites show positive patient outcomes for a small number of clients. As part of Evara Health’s partnership with USF, the university conducted two evaluations of the Evara Food Rx Program.⁴⁹ Positive conclusions of the studies included that Evara Food Rx Program patients who participated in the evaluation experienced improvements in food

⁴⁶ USF’s second-year evaluation of Evara’s Food Rx Program included all three Food Rx Program locations.

⁴⁷ Bhat, Saiuj, Daisy H. Coyle, Kathy Trieu, et al. “Healthy Food Prescription Programs and their Impact on Dietary Behavior and Cardiometabolic Risk Factors: A Systematic Review and Meta-Analysis.” *Advances in Nutrition* Volume, 12. Issue 5 (September 2021): 1944-1956. <https://doi.org/10.1093/advances/nmah039>.

⁴⁸ Oliveira, Jessica B., Lennie To, Yasmine De La Cruz, et al. “Prompting a Fresh Start for Adults With Food Insecurity and Increased BMI: A Case Series of Four Patients in a Food Prescription Program.” *Cureus* 13(3): e13857. <https://www.cureus.com/articles/44700-prompting-a-fresh-start-for-adults-with-food-insecurity-and-increased-bmi-a-case-series-of-four-patients-in-a-food-prescription-program#!/>.

⁴⁹ OPPAGA was unable to survey Highpoint Food Rx patients as none were present in the clinic at the time of OPPAGA’s site visit. Thus, OPPAGA is using USF evaluations to provide patient outcomes and perspectives.

security and key health indicators; overall, patients expressed satisfaction with the program. These studies did not distinguish among Evara Food Rx Program locations.

The first USF evaluation was conducted between September 2020 and August 2021 and included patients from Evara's Pinellas Park and Lealman Food Rx locations. Interviews and surveys assessed the impact of the Evara Food Rx Program on participants' physical, emotional, and social health. The evaluation concluded that the program resulted in improvements in food security and modest improvements in key health indicators among patients who participated in the evaluation.

- Forty-four percent of individuals showed improvement in their food security after participating in the program for 6 to 12 months.
- Nearly 40% of participants who live with Type 2 diabetes saw a 10% improvement in their hemoglobin A1c levels. Those who met the target goal redeemed vouchers more often compared to those who did not meet the target goal; an average redemption rate of 59% compared to 28%, respectively.
- Forty-one percent of participants enrolled in the program for 6 to 12 months reduced their BMI by 5%.
- Approximately half of the participants living with hypertension saw a reduction in blood pressure.

The second USF evaluation, published in March of 2023, included patients from Evara's Pinellas Park, Lealman, and Highpoint Food Rx locations. Interviews, surveys, and field visits focused on perceptions of program performance and participant satisfaction. Qualitative results showed a high level of participant satisfaction, including that

- the food they receive helps them manage health conditions;
- they tried new recipes using the food received;
- the food delivery/pickup options free up their time to do other things;
- they often use the money saved by being enrolled in the program on other expenses; and
- they experienced improvements to overall health, including higher nutritional levels, lower blood pressure and blood sugar levels, improved diabetes management, and weight loss.

Evara patient program participation data for the Highpoint Food Rx reflect a small number of patients, low food voucher redemption rates, and a high withdrawal rate, which likely affect Food Rx program outcomes. Evara staff reported that during a recent one-year period, an average of 20 patients per month were served at the Highpoint Food Rx. During that period, 49 patients utilized the Highpoint Food Rx, redeeming 516 vouchers, a 40.5% redemption rate.⁵⁰ The initial USF evaluation of the Evara Food Rx Program corroborated the finding that food voucher redemption rates were low, with patients redeeming roughly 20% to 25% of vouchers received. The evaluation found that nearly 10% of patients enrolled in the Evara Food Rx Program never redeemed a food voucher. When considering only participants who redeemed a food voucher at least once and were actively enrolled for at least 90 days, the average redemption rate was 41%, although variability was high with some redeeming less than 10% of the time and a couple of patients redeeming 100% of the time. Participant demographics revealed that those who were under age 35 and employed had lower redemption rates.

⁵⁰ OPPAGA estimated the number of vouchers issued for 49 patients, every two weeks, over 12 months.

When individuals were asked why they had not redeemed vouchers more often, responses included family stressors, lack of time, health issues, lack of transportation, and lack of knowledge about the program.

During the 12-month period of the USF study, 19% of participants withdrew from the program.⁵¹ Reasons cited for withdrawal were similar to those preventing participants from redeeming vouchers. Nearly half of the individuals (43.3%) cited work and mobility issues as the reason they withdrew. For these participants, traveling to the clinic or mobile sites was too time consuming, transportation was lacking, or their work schedule conflicted with program times. Similar to the study's findings related to redemption rates, participants under 50 years of age were more likely to withdraw from the program.

Several state healthy food financing initiatives use different approaches to funding improved food access

OPPAGA examined five state healthy food financing initiatives: California, Kansas, Michigan, Minnesota, and Pennsylvania.⁵² OPPAGA's review of these programs found that states incorporate a broad range of funding and have wide variation in eligibility and funding criteria, categories of recipients, and funding structures. Some state programs provide technical assistance in addition to funding, and some have conducted program evaluations.

Some state programs operate on a large scale and incorporate a broad range of investors

The California FreshWorks program was launched in 2011 with an initial \$30 million commitment from the California Endowment. The program was structured as three different funding pools. First, a \$125 million limited liability company focused on providing loans to healthy food retail outlets.⁵³ Second, investors committed \$120.5 million to invest in New Market Tax Credit projects related to healthy food access. Third, a pool of \$20.4 million in flexible debt and grant funding was used to fund higher-risk, innovative business models related to healthy food. California FreshWorks continues to provide lending to food enterprises that primarily serve LILA communities, including micro-loans (under \$50,000) and larger loans up to \$3 million. Pennsylvania's Fresh Food Financing Initiative also provides distinct financing services to healthy food retailers. The program includes a bank-syndicated supermarket loan fund, the federal New Markets Tax Credit program, a Core Loan Fund, and direct grants to operators and developers. Pennsylvania's Fresh Food Financing Initiative launched in 2004 with \$30 million in state funds allocated over three years. By 2010, the Reinvestment Fund, which administers the program, had matched the \$30 million grant with \$146 million in additional investment. Pennsylvania allocated an additional \$1 million to the program in 2018.

⁵¹ Some attrition may have been due to Covid-19 as the study was conducted during that time.

⁵² These states' programs were identified by The Food Trust as promising initiatives for addressing access to healthy food. The Food Trust supports states applying for the federal HFFI.

⁵³ The limited liability company included lenders such as JP Morgan Chase, Morgan Stanley, and Bank of America.

State HFFI programs vary in multiple aspects of program administration; compared to other states, Florida’s program is smaller with fewer recipients, does not allow funding flexibility, and does not provide technical assistance

Other state programs have established a wide variety of eligibility and funding criteria. For example, the Kansas Healthy Food Initiative has five primary eligibility criteria: a commitment to healthy foods, serving a low-resource area, serving an area underserved by healthy food retail outlets, experienced management, and community fit. To determine community fit, the Kansas Healthy Food Initiative conducts interviews with community stakeholders to evaluate characteristics such as community impact and local support. California’s FreshWorks program includes a supplemental scoring system for potential projects. In addition to meeting funding criteria, projects must score at least 10 points across 12 categories to be eligible for funding; higher-scoring projects are given priority. Categories include creating or retaining quality jobs in the community, having community support, and not selling cigarettes.

Some state programs OPPAGA reviewed specify a range of eligible recipients beyond retail outlets, which was the only category of recipient specified in Florida. The Kansas Healthy Food Initiative allows many different types of applicants to apply for funding, including grocery store developers and owners (national chain, regional chain, singular retail outlet, or small neighborhood store), food distributors, local food producers, innovative food access entrepreneurs, non-profit organizations, city or county governmental bodies, and alternative food projects such as farmers’ markets or food hubs.⁵⁴ The Michigan Good Food Fund expanded its scope to include not only healthy food retailers, but also restaurants serving low-to-moderate-income communities.

Unlike the Florida program, all state programs OPPAGA reviewed offer grants in addition to loans. For example, the Pennsylvania Fresh Food Financing Initiative provides grants, loans, and other funding tools depending on the project’s funding needs. Under the program’s most recent funding allocation, typical eligible projects can qualify for up to \$50,000 in grant funding. Minnesota’s Good Food Access Program provides grants between \$2,500 and \$50,000 for equipment and physical improvement, as well as loans and other types of financial assistance to small food retailers. The Kansas Healthy Food Initiative provides loan/grant mixes composed of 85% loans and 15% grants.

In addition, the state programs OPPAGA reviewed provide or fund technical assistance as well as funding the cost of startup, expansion, or capital improvement. Florida’s HFFI program statute does not specifically provide for technical assistance, though it does allow for “other purposes as determined” by DACS or the third-party administrator.⁵⁵ None of Florida’s three HFFI recipients received funding for technical assistance. However, other state programs make technical assistance a central part of their program. For example, the Kansas Healthy Food Initiative provides technical assistance associated with funding for grocery store improvements, wholesale distribution contacts, produce and food safety, information for media outlets, and point-of-sale technology. In addition, the Michigan Good Food Fund provides assistance to food and farm businesses including business planning, financial management, food-safety compliance, marketing, and operations management.

Other states OPPAGA reviewed and Florida have conducted evaluations of healthy food financing initiatives. An analysis of three stores funded by the California FreshWorks program found that the stores paid over \$9 million to employees annually, \$8 million of which went to employees living in low-to-moderate-income communities. In addition to the economic impact of initial construction and renovation, the analysis found that the three stores would have an estimated annual economic impact

⁵⁴ The USDA defines a food hub as a centrally located facility with a business management structure facilitating the aggregation, storage, processing, distribution, and/or marketing of locally/regionally produced food products.

⁵⁵ Section [500.81](#), F.S.

of \$33 million and an additional \$8 million in federal, state, and local taxes. A separate analysis of stores funded through California FreshWorks found that many shoppers reported that the stores provided greater access to fresh produce and culturally relevant foods in comparison to other stores. An analysis of Pennsylvania's Fresh Food Financing Initiative found that supermarkets funded through the program had a positive impact on property values in the surrounding area, in addition to increasing jobs and wages.

CONCLUSIONS

The Florida Healthy Food Financing Initiative provided less funding with fewer recipients than some other states' programs. In contrast to some other states, Florida does not give grants as well as loans and does not provide recipients with technical assistance. The Florida Community Loan Fund distributed funding to three recipients but did not meet several statutory and contractual requirements and program impacts are unknown. However, funded projects increased access to healthy food in underserved areas, and customers and stakeholders were generally satisfied with the services offered by the funding recipients. Recipients noted challenges to remaining viable and the need for ongoing funding or technical assistance; FCLF staff did not find the program sustainable.

Other state programs have key features that resulted in greater impact compared to Florida's program: higher funding, more recipients, access to grants as well as loans, and the provision of technical assistance. Florida's one-time \$500,000 appropriation and its statutory limitation to three recipients resulted in a much smaller program than the five other states OPPAGA reviewed. Comparatively, since 2018, the Kansas Healthy Food Initiative funded 63 projects totaling nearly \$4.0 million in loans and grants. Even modest reoccurring annual appropriations can have meaningful impacts on community food access over time. The Minnesota Good Food Access Program has received consistent annual appropriations since 2017 ranging from \$233,750 to \$420,697. In Fiscal Year 2022, Minnesota awarded \$364,140 in competitive grants to 18 projects, with awards ranging from \$10,000 to \$32,500.

Florida's HFFI offered loans while all other states reviewed offer grants and loans. According to a national study of community development investments focused on increasing access to healthier and more affordable food, grants are a key part of the funding package and are often the critical incentive.⁵⁶ Given the barriers to accessing capital for under-represented communities, small grants can have a big impact on some projects.

Further, Florida's HFFI does not fund technical assistance, though all state programs OPPAGA examined make technical assistance part of their programs. For example, Minnesota's Good Food Access Program makes grant funding available to assist nonprofit organizations and public agencies with providing technical assistance to eligible grocery stores and small food retailers. Applicant organizations commit to contributing at least 25% of estimated total project costs through cash or in-kind contributions. Priority is given to proposals that demonstrate a collaborative, regional approach to technical assistance.

The FCLF distributed funding to three eligible recipients, but several statutory and contractual requirements were not met and program impacts are unknown. FCLF established a forgivable loan process that was not contemplated by the HFFI program statute or rule. DACS did not create

⁵⁶ The Food Trust. *Community Development and Healthy Food Access in New Jersey; Lifting Up Nationwide and Local Models That Promote Nutrition and Health Equity*. Lang, Brian, Harries, Caroline, et al. 2022. <https://thefoodtrust.org/resources/publications/>.

adequate program guidelines and did not monitor compliance or outcomes. In addition, FCLF has not required recipients to provide annual documentation as stipulated in HFFI loan agreements, and FCLF's final report that DACS submitted to the Legislature did not include outcome information. As a result, DACS did not accurately assess the impact of the HFFI program.

Funded projects increased access to healthy food in underserved areas; customers and stakeholders were generally satisfied with the services offered by the funding recipients. The three HFFI-funded projects are located in LILA census tracts and provide increased access to healthy food. To date, Fresh Choice Market and the Highpoint Food Rx Pharmacy are still in operation, while Evans Market closed. In addition to increasing their access to healthy food, Fresh Choice Market and Evans Market customers also reported that the markets made their local community a better place. The Evara Food Rx Pharmacy Program evaluations conducted by USF found that patients experienced improved food security and modest improvements in key health indicators; overall, patients were satisfied with the program.

Recipients noted challenges to remaining viable and the need for ongoing funding or technical assistance; FCLF staff did not find the program sustainable. While Fresh Choice Market is financially self-sustaining, Evans Market closed because dependency on donor support made it financially untenable. The Highpoint Food Rx Pharmacy is dependent on its parent organization, Evara Health, for operational funding, staffing, and facility costs; thus its long-term viability is contingent on the support of Evara Health's management and board of directors, community partnerships, and continued grant funding.

National experts say that one of the biggest challenges for small food retailers is competing with larger corporate food retailers. Fresh Choice Market and Evans Market staff reported difficulties finding wholesalers or distributors that provided good prices and/or delivery services. Both markets could have benefitted from assistance with sourcing additional distribution channels.

FCLF staff also reported several challenges to implementing the HFFI program and determined that the program is no longer viable for them. For example,

- Florida HFFI's funding was inadequate to enable small food retailers to compete with larger food retailers;
- different eligibility requirements for the state and federal HFFI programs made it difficult to leverage funding and find applicants;
- projects funded by the program did not create long-term equity; and
- qualified applicants were limited in number.

POLICY OPTIONS

Should the Legislature wish to fund the Healthy Food Financing Initiative in the future, it may wish to consider several changes that could improve program operations and effectiveness. To identify statutory improvements, the Legislature may wish to direct the Department of Agriculture and Consumer Services to use its Food Security Advisory Committee to provide recommendations on modifying applicable laws and rules and improving oversight for the HFFI program. Additionally, the committee, with membership across food security stakeholders throughout Florida, could advise DACS about Florida's state, regional, and community needs and identify funding priorities, as well as partnership and funding opportunities.

To improve the program's impact, the Legislature could also consider the following options.

- **Revise statute or direct DACS to revise its rules and contract with an administrator to clarify program guidelines to ensure program compliance and impact are monitored effectively.** Clarifications could include defining the terms “healthy food” and “revolving loan fund” and developing specific reporting parameters and monitoring requirements. Contractual performance metrics for the program that allow for flexibility to address variations in retailer types and community needs could be established. These performance metrics include community outcomes, other funding leveraged, and economic measures, such as affordability and the amount of healthy food sales.⁵⁷
- **Utilize funding to support technical assistance.** Florida statute allows HFFI funding to be used for other purposes as determined by DACS or a third-party administrator, which could include technical assistance; however, state law does not explicitly authorize using funds for technical assistance. While other states make technical assistance a central part of HFFI programs, Florida has not used funding for this purpose. Using HFFI funds for technical assistance services could expand the number of applicants and improve outcomes for funding recipients. Giving tailored technical assistance is also a way of using funding to be responsive to local context and individual funding recipients' needs. Technical assistance can include services such as
 - market analysis;
 - business planning;
 - wholesale distribution;
 - produce and food safety;
 - food access information for media outlets;
 - point of sale and technology issues;
 - food policy council connections; and
 - connections with other local stakeholder groups and projects.

⁵⁷ As noted above, measuring the impact a location has on the health outcomes of the local population is not feasible, as social and economic factors such as poverty, homelessness, disability, and access to healthcare all affect health risks and outcomes.

- **Align state HFFI requirements with federal HFFI requirements to allow additional funding to be leveraged and a greater number of qualified applicants.** Applicants would be required to meet a single set of criteria rather than two sets of criteria. Federal HFFI requirements are more expansive, so using consolidated criteria would broaden the array of eligible entities to include food enterprisers and wholesalers that will cater to smaller food retailers.^{58,59}
- **Expand HFFI’s impact by increasing funding, offering grants, and providing recurring funding.** Florida’s HFFI provided less financing than other states’ food financing programs and was utilized by fewer recipients than other states’ food financing programs, thus benefiting fewer residents. If the Legislature wished to expand the impact of Florida’s program, the Legislature could consider
 - increasing funding to allow more recipients or provide more resources to recipients;
 - offering grants in addition to loans to address capital needs of independent grocers and small retailers who struggle with accessing capital;
 - providing recurring funding to create a multi-year pipeline, with each loan having a payback period long enough for the retailer to become economically self-sustaining; or
 - staggering recurring funding among different entities over time rather than funding only three entities for a seven-year period.

AGENCY RESPONSE

In accordance with the provisions of s. 11.51(2), *Florida Statutes*, a draft of OPPAGA’s report was submitted to the Department of Agriculture and Consumer Services. The department’s written response has been reproduced in Appendix D.

⁵⁸ The federal HFFI defines food enterprises as businesses or organizations along the food supply chain such as food hubs; food producers, distributors, processors, and manufacturers; commercial kitchens and food business incubators; mobile markets; and other direct-to-consumer markets.

⁵⁹ Wholesalers buy groceries and related products from manufacturers or processors, and resell these products to retailers, institutions, and other businesses.

APPENDIX A

Healthy Food Financing Initiative Requirements

The Department of Agriculture and Consumer Services (DACS) is allowed to contract with one or more qualified nonprofit organizations or Florida-based, federally certified community development financial institutions to administer the Healthy Food Financing Initiative (HFFI) through a public-private partnership. Statute and DACS' rules establish requirements for the projects, DACS, and the contracted entity. (See Exhibit A-1.)

Exhibit A-1

State Law and DACS' Rules Establish Several Requirements for the Florida HFFI

Project Specifications	
Project Eligibility	<p>Section 500.81, F.S.</p> <ul style="list-style-type: none"> • Located in an underserved community • Primarily serves low-income communities • Provides for the renovation or expansion of, including infrastructure upgrades to, existing independent grocery stores or supermarkets; or the renovation or expansion of, including infrastructure upgrades to, community facilities to improve the availability and quality of fresh produce and other healthy foods.
Allowable Project Purposes	<p>Section 500.81, F.S.</p> <ul style="list-style-type: none"> • Site acquisition and preparation • Construction and build-out costs • Equipment and furnishings • Workforce training or security • Predevelopment costs, such as market studies and appraisals • Energy efficiency measures • Working capital for first-time inventory and startup costs • Acquisition of seeds and starter plants for the residential cultivation of fruits, vegetables, herbs, and other culinary products; only 7% of the total funds expended in any one project under this section may be used for such acquisition • Other purposes as determined by the DACS or a third-party administrator
Allowable Types of Project Applicants	<p>Section 500.81, F.S.</p> <p>A for-profit entity, including a convenience store or a fueling station, or a not-for-profit entity, including, but not limited to, a sole proprietorship, partnership, limited liability company, corporation, cooperative, nonprofit organization, nonprofit community development entity, or private university, may apply for financing.</p>
Project Considerations	<p>Section 500.81, F.S.</p> <p>When determining which qualified projects to finance, DACS or the third-party administrator must</p> <ul style="list-style-type: none"> • give preference to local Florida-based grocers or local business owners with experience in grocery stores and to grocers and business owners with a business plan model that includes written documentation of opportunities to purchase from Florida farmers and growers before seeking out-of-state purchases; • consider the level of need in the area to be served; • consider the degree to which the project will have a positive economic impact on the underserved community, including the creation or retention of jobs for local residents; • consider the location of existing independent grocery stores, supermarkets, or other markets relevant to the applicant's project and provide the established entity the right of first refusal for such project; and • consider other criteria as determined by the department.
DACS Specifications	
DACS Contracting	<p>Section 500.81, F.S.</p> <ul style="list-style-type: none"> • The department may contract with one or more qualified nonprofit organizations or Florida-based, federally certified community development financial institutions to administer the program through a public-private partnership. <p>Rules 5P-10.002 and 5P-10.003, F.A.C</p> <ul style="list-style-type: none"> • Through competitive bidding pursuant to Ch. 287, F.S., the department will contract with an eligible entity to administer the HFFI. • Funds shall be granted to the third-party administrator to create a revolving loan fund for the purpose of financing projects during the term of the contract.

Contractor Specifications

Section 500.81, F.S.

- To become a third-party administrator, eligible community development financial institutions must be able to demonstrate
 - prior experience in healthy food financing;
 - support from the Community Development Financial Institutions Fund of the U.S. Department of the Treasury;
 - ability to successfully manage and operate lending and tax credit programs; and
 - ability to assume full financial risk for loans made under this initiative.

Contractor
Eligibility

Rule 5P-10.002, F.A.C

- The third-party administrator must be a
 - financially sound nonprofit with at least 10 years of experience in offering financing for other nonprofits, community development organizations, or public-serving for-profit projects and at least 2 years of experience offering financing for projects designed to increase accessibility to healthy foods in low-income or underserved communities; and
 - Florida-based federally certified Community Development Financial Institution able to demonstrate the requirements listed in s. 500.81(3)(a)1.-4., F.S.

Section 500.81, F.S.

- The department may contract with a third-party administrator to
 - establish program guidelines;
 - raise matching funds;
 - promote the program statewide;
 - evaluate applicants;
 - underwrite and disburse grants and loans; and
 - monitor compliance and impact.
- The third-party administrator shall report to the department annually.

Contractor
Responsibilities

Rules 5P-10.003 and 10.004, F.A.C

- The third-party administrator is authorized to make loans with terms that are amortized for a period in excess of seven (7) years.
- The third-party administrator must report to the department quarterly on the projects funded, the geographic distribution of the projects, the costs of the program, and the outcomes including the number and types of jobs created with a final report due June 30, 2023.
- If an applicant proposes a project within 1,000 feet of an established independent grocery store, independent supermarket, convenience store, or other community facility relevant to the applicant's project, the third-party administrator must provide a right of first refusal to the existing entity for such project.

Source: Section [500.81, F.S.](#) and Rule Chapter [5P-10, F.A.C.](#)

APPENDIX B

Food Price Analysis

OPPAGA analyzed food prices collected during site visits at Evans Market and Fresh Choice Market. These prices were compared with the prices for comparable food products at local supermarkets that survey respondents identified as alternate local retail food locations. The prices were also compared with the average food prices listed in the Consumer Price Index (CPI), provided by the U.S Bureau of Labor Statistics.

Each food category in Exhibits B-1 and B-2 are categories established in the CPI. At each retailer, OPPAGA identified the lowest-priced items within the CPI categories. These items are detailed below.

- *Cereals and bakery products* include flour, rice, spaghetti/macaroni, white bread, and whole wheat bread.
- *Beef and veal* include ground chuck, ground beef, chuck roast, round roast, round steak, sirloin steak, and beef for stew.
- *Pork* includes bacon, chops, and ham.
- *Poultry* includes whole chicken, chicken breast, and chicken legs.
- *Eggs* include large grade A eggs.
- *Dairy products* include milk, American cheese, and cheddar cheese.
- *Fresh fruit and vegetables* include bananas, oranges, lemons, strawberries, potatoes, lettuce, and tomatoes.
- *Processed fruits and vegetables* include orange juice concentrate and dried beans.
- *Other foods* include ground coffee and sugar.

OPPAGA then calculated an average percentage difference by category. OPPAGA's analysis found that Evans Market had average food prices that were 24% higher than a nearby supermarket, with food prices in the cereals and bakery category being 42% higher. However, food prices in the poultry category were 10% lower. The analysis found that Evans Market had food prices that were 7% lower than the CPI, with food prices in the poultry category being 107% lower. (See Exhibit C-1.)

Exhibit B-1

Evans Market's Food Prices Are 24% Higher Than a Competing Supermarket and 7% Lower Than the CPI¹

Food Category	Food Price Comparison to Competing Supermarket, Percentage Difference	Food Price Comparison to the CPI, Percentage Difference
Cereals and bakery products	41.59%	-4.11%
Beef and veal	4.92%	-27.79%
Pork	21.82%	-12.36%
Poultry	-9.90%	-106.56%
Eggs	33.24%	-36.82%
Dairy products	30.78%	-6.06%
Fresh fruits and vegetables	-0.89%	-30.92%
Processed fruits and vegetables	N/A ²	-27.73%
Other foods	38.15%	37.41%
Total Percentage Difference	24.18%	-6.84%

Note: Negative percentages mean the cost is lower at Evans Market.

¹The CPI is the January 2023 average for retail food prices in the South Region: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

²A price comparison for this category was not available during the OPPAGA site visit.

Source: OPPAGA analysis of data from the U.S Bureau of Labor Statistics and data gathered during onsite visits.

OPPAGA's analysis found that Fresh Choice Market had average food prices that were 1% lower than a nearby supermarket, with food prices in the pork category being 71% lower. However, food prices in the processed fruits and vegetables category were 53% higher. The analysis found that Fresh Choice Market had food prices that were 26% lower than the CPI, with food prices in the pork category being 91% lower. (See Exhibit C-2.)

Exhibit B-2

Fresh Choice Market's Food Prices Are 1% Lower Than a Competing Supermarket and 26% Lower Than the CPI

Food Category	Food Price Comparison to a Competing Supermarket	Food Price Comparison to the CPI
Cereals and bakery products	34.85%	12.51%
Beef and veal	-41.89%	-42.29%
Pork	-71.18%	-91.08%
Poultry	3.20%	-36.16%
Eggs	41.25%	-25.99%
Dairy products	38.02%	0.31%
Fresh fruits and vegetables	7.47%	-24.87%
Processed fruits and vegetables	53.22%	43.49%
Other foods	35.10%	-15.80%
Total Percentage Difference	-1.42%	-26.72%

Note: Negative percentages mean the cost is lower at Fresh Choice Market.

*The CPI is the January 2023 average for retail food prices in the South Region: Alabama, Arkansas, Delaware, the District of Columbia, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia.

Source: OPPAGA analysis of data from the U.S Bureau of Labor Statistics and data gathered during onsite visits.

APPENDIX C

Health Impacts

While access to nutritious food has an impact on health outcomes, numerous factors affect a community's health. Per the U.S. Department of Health and Human Services, people who lack access to grocery stores with healthy foods have a higher risk of health conditions like heart disease, diabetes, obesity, and lower life expectancies relative to people who do have access to healthy foods. However, other factors, such as education, income, transportation, and housing also play a role in health outcomes. The Florida Department of Agriculture and Consumer Services (DACS) did not collect data on health outcomes, approximate health impacts, or healthy food sales for the Florida Health Food Financing Initiative (HFFI). DACS staff stated that many factors beyond access to healthy food could affect these outcomes. This lack of data limits OPPAGA's ability to report on the health impacts associated with the initiative.

Without additional data from DACS, OPPAGA analyzed available data related to changes in health trends at the census tract-level for Evans Center and Fresh Choice Market.⁶⁰ These health trends do not show statistically significant changes at the census tract-level. Because many Highpoint Food Rx Pharmacy patients lived outside the census tracts surrounding the HighPoint Clinic, this review does not present census tract health trends for Pinellas County. For all three funding recipients, comparisons with county and state rates are included, as applicable.

Health data regarding chronic disease death rates from the Florida Department of Health Bureau of Vital Statistics is only available at the census tract-level through 2019, further limiting OPPAGA's ability to determine health outcomes related to the HFFI program. Exhibits C-1 through C-9 are included to show available data for health trends corresponding to diet-related diseases in the three communities where the HFFI funding recipients are located.⁶¹ This data does not directly correlate with the health impacts related to the HFFI program.

⁶⁰ Census tracts are the preferred unit of analysis compared to zip codes. They are designed to have a homogenous population with an average of 4,000 people. The tracts are established as consistent blocks of geography that remain stable over a 10-year period. Data in this appendix uses 2010 census tract boundaries.

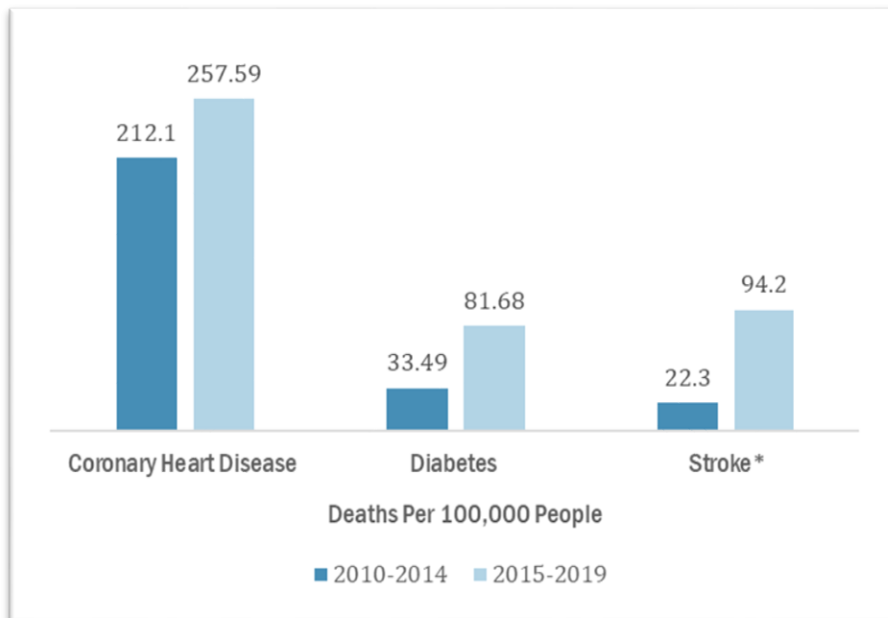
⁶¹ People who do not eat healthy diets have an increased risk for serious health conditions, including diabetes, coronary heart disease, and stroke.

Evans Market

The Evans Market is located in Brevard County in Census Tract 651.23 and is near Census Tract 651.24, which is also a low-income and low-access (LILA) tract. To understand changes in health trends, changes in health outcomes for these tracts are compared from the years 2010-2014 to the years 2015-2019. (See Exhibits C-1 and C-2.) Coronary heart disease and diabetes death rates for these census tracts were higher than countywide averages. (See Exhibit C-3.)

Exhibit C-1

Death Rates Increased for Census Tract 651.23 in Brevard County



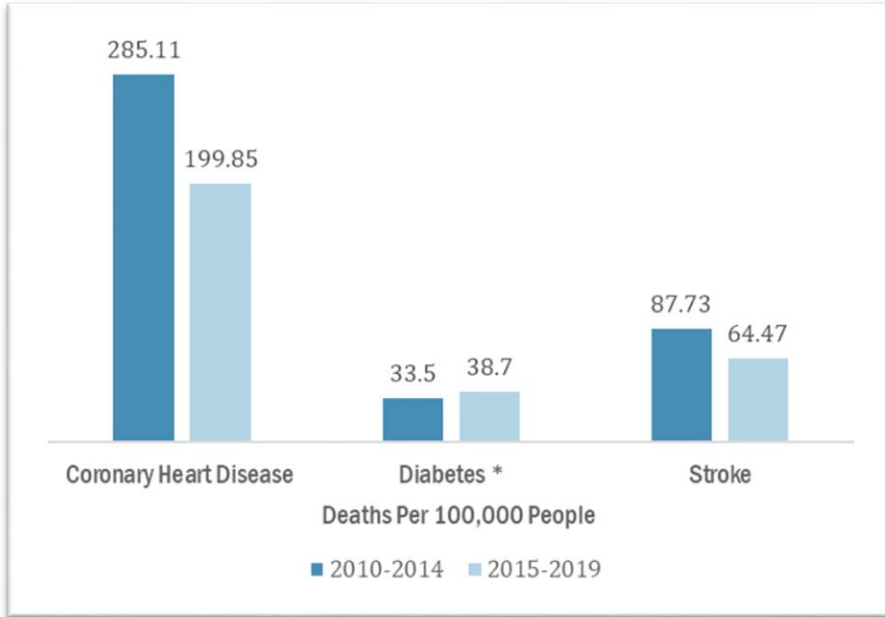
*Statistical significance could not be calculated because of small numbers.

Note: The differences in counts between the two five-year periods are not statistically significant.

Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-2

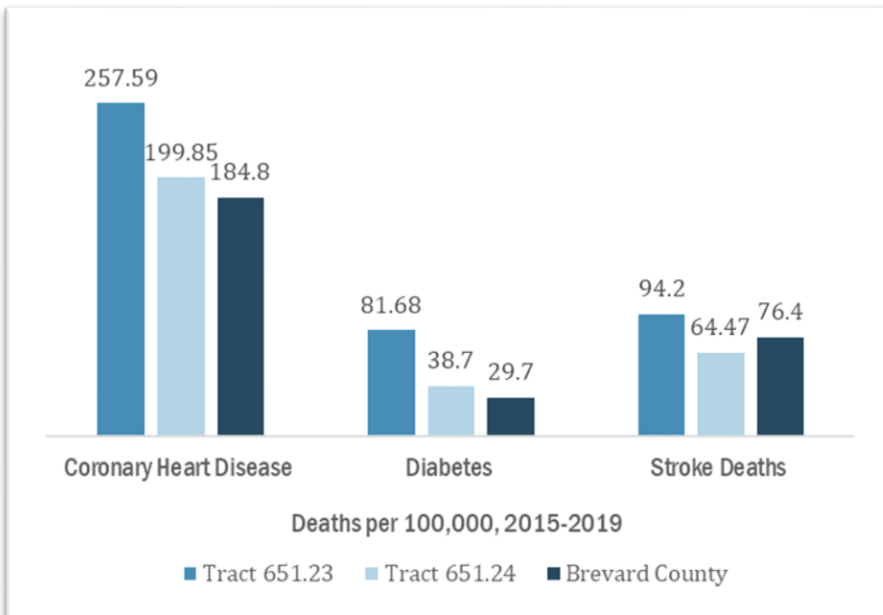
Coronary Heart Disease and Stroke Death Rates Decreased for Tract 651.24 in Brevard County



*Statistical significance could not be calculated because of small numbers.
Note: The differences in counts between the two five-year periods are not statistically significant.
Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-3

Coronary Heart Disease and Diabetes Death Rates for the LILA Census Tracts Were Higher Than Brevard County Averages



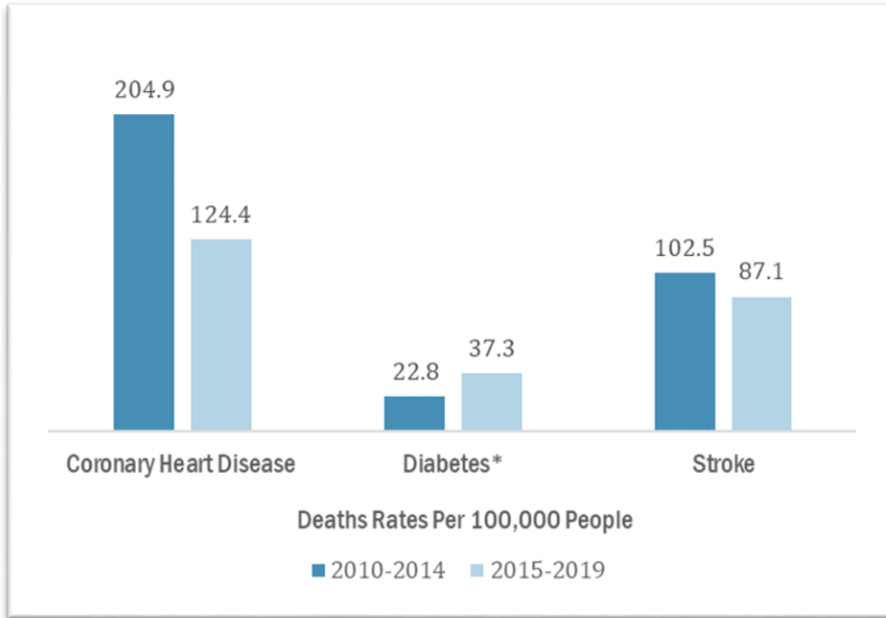
Source: Florida Department of Health Bureau of Vital Statistics.

Fresh Choice Market

The Fresh Choice Market is located in Polk County in Census Tract 160.02 and is near Census Tract 160.03, which is also a LILA tract. To understand changes in health trends, changes in health outcomes are compared from the years 2010-2014 to the years 2015-2019. (See Exhibits C-4 and C-5.) Diabetes death rates for these census tracts were higher than countywide averages. (See Exhibit C-6.)

Exhibit C-4

Coronary Heart Disease and Stroke Death Rates Decreased for Tract 160.02 in Polk County



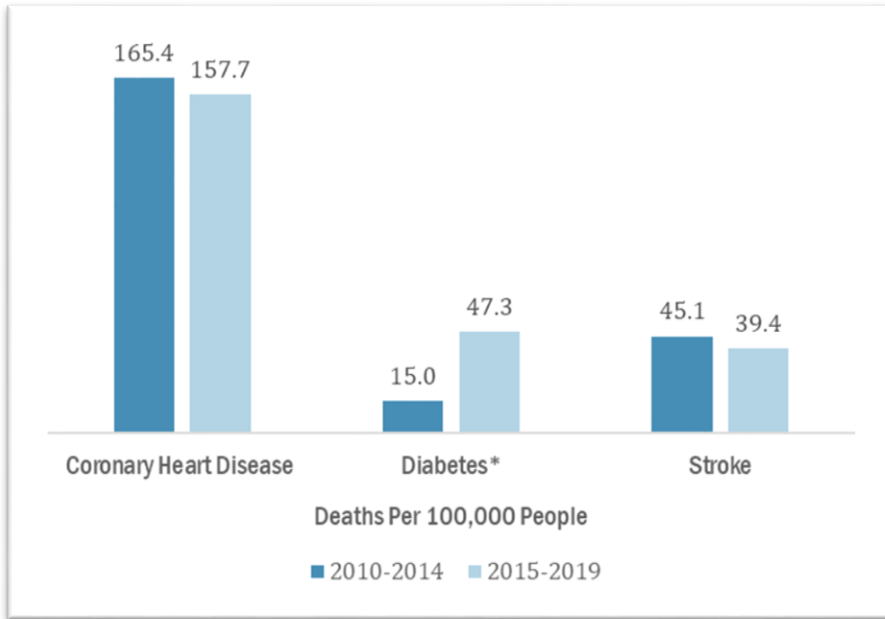
*Statistical significance could not be calculated because of small numbers.

Note: The differences in counts between the two five-year periods are not statistically significant.

Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-5

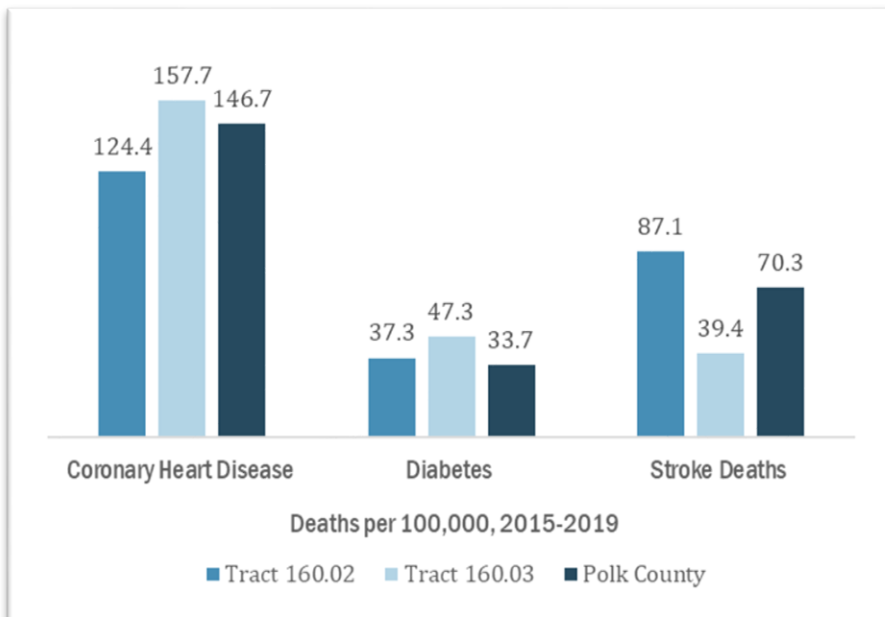
Coronary Heart Disease and Stroke Death Rates per 100,000 People Decreased for Tract 160.03 in Polk County



*Statistical significance could not be calculated because of small numbers.
Note: The differences in counts between the two five-year periods are not statistically significant.
Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-6

Coronary Heart Disease and Diabetes Death Rates for Census Tract 160.03 Were Higher Than Polk County Averages

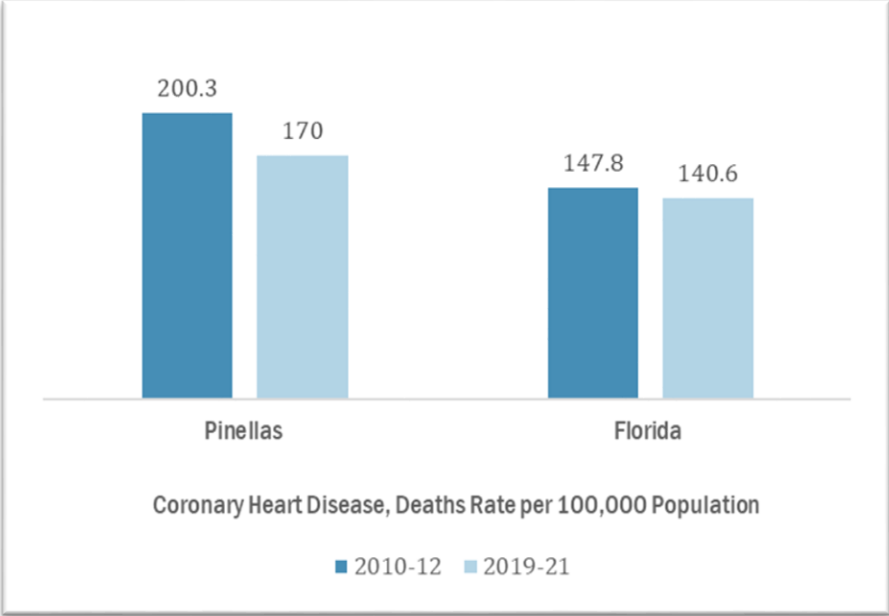


Source: Florida Department of Health Bureau of Vital Statistics.

Highpoint Food Rx Pharmacy

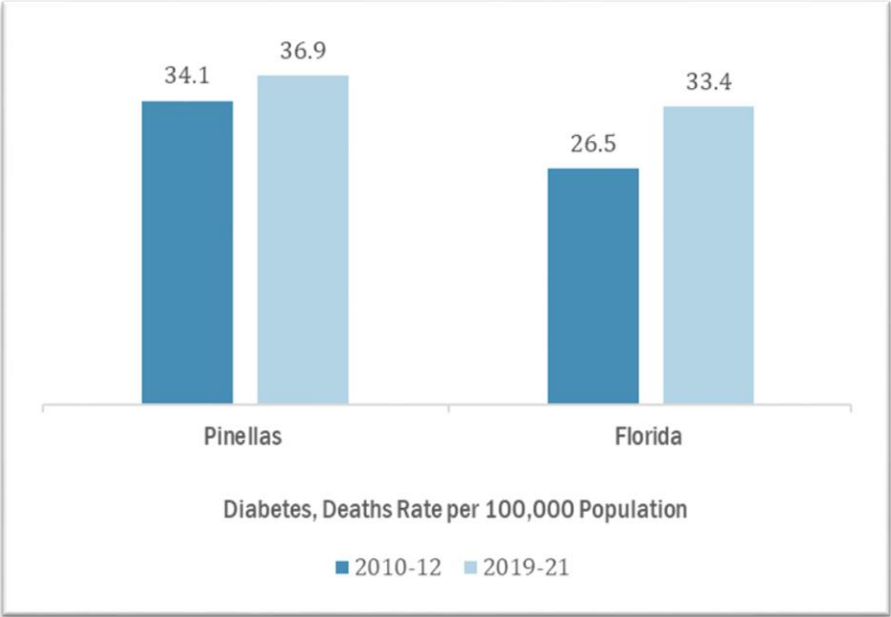
The Highpoint Food Rx Pharmacy is located in Pinellas County. Because the Highpoint Food Rx serves a small number of patients, many of whom live outside the census tracts surrounding the Highpoint Clinic, changes in countywide health outcomes are shown over time and are compared with statewide averages. (See Exhibits C-7, C-8, and C-9.)

Exhibit C-7
Coronary Heart Disease Death Rates Decreased in Pinellas County and Were Higher Than Statewide Averages



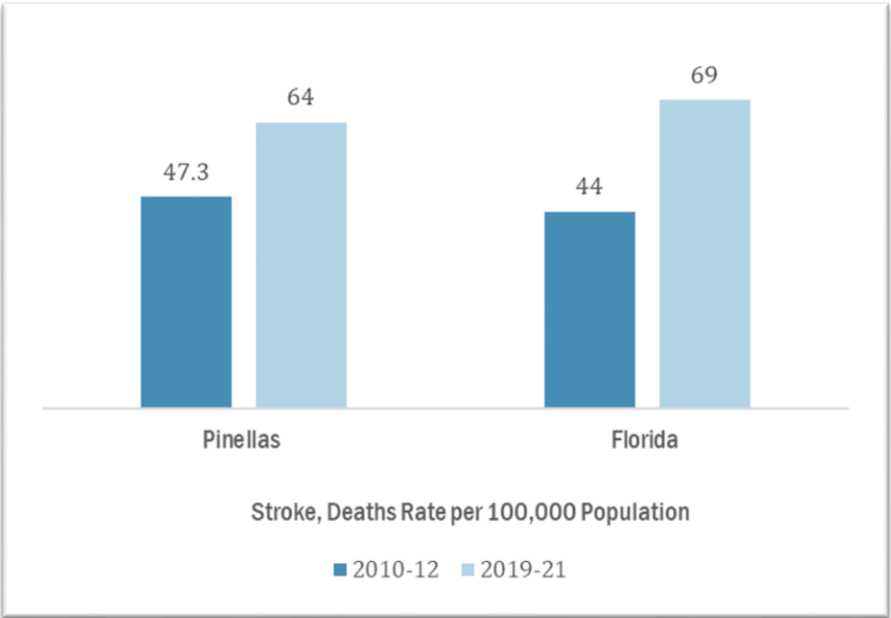
Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-8
Diabetes Death Rates Increased in Pinellas County and Were Higher Than Statewide Averages



Source: Florida Department of Health Bureau of Vital Statistics.

Exhibit C-9
Stroke Death Rates Increased in Pinellas County and Were Lower Than Statewide Averages



Source: Florida Department of Health Bureau of Vital Statistics.

APPENDIX D

Agency Response

DIVISION OF FOOD, NUTRITION AND WELLNESS
1-800-504-6609
(850) 617-7402 FAX



THE HOLLAND BUILDING, SUITE 120
600 SOUTH CALHOUN STREET
TALLAHASSEE, FLORIDA 32399-0001

FLORIDA DEPARTMENT OF AGRICULTURE AND CONSUMER SERVICES COMMISSIONER WILTON SIMPSON

September 28, 2023

PK Jameson
Office of Program Policy Analysis
and Government Accountability
Pepper Building
111 W. Madison Street
Tallahassee, FL 32399

Dear Ms. Jameson:

The Florida Department of Agriculture and Consumer Services (FDACS) is in receipt of the draft report from the Office of Program Policy Analysis and Government Accountability (OPPAGA) regarding analysis of the Health Food Financing Initiative (HFFI). We are disappointed by the extremely short and arbitrary deadline for a Department response to the 46-page report. Although we asked for an additional week to respond, we were unfortunately denied. Therefore, this letter of response will not address the numerous issues of disagreement. Should additional time be provided, we would be happy to work with your staff or legislative staff to address many areas of concern on both the substance of the report and the manner in which this project was conducted.

The contract reviewed by OPAGGA was executed in 2016. Under the review by the current administration, it is evident that the FDACS contract did not meet the requirements set forth in statute. The program received one appropriation in 2016 and no subsequent funds. FDACS was authorized to distribute funds through grants and loans. The prior administration chose to issue only grants. While this did not fulfill the statutory requirement to set up a revolving loan program, the intent of FDACS was to offer a product (of the two options) that was most desirable to the intended recipients and most practical given the level of appropriation.

FDACS realized early on that there were challenges with the program's viability. In 2019, FDACS proposed SB 1646 to repeal HFFI, due to non-recurring appropriation and other concerns. In 2022, the legislature proposed SB 1450 and HB 1311 to substantially revise the requirements of HFFI. The same was proposed by the legislature with SB 292 and HB 307 this past session. Unfortunately, none of the legislative proposals passed.

The program reviewed by OPPAGA has received no additional funding since inception and requires significant statutory changes should the legislature want to continue the program.

Under Commissioner Simpson, we stand ready to assist policy makers with practical improvements that reflect the actual needs of the intended recipients. We would also suggest clarity in the reporting as many of the statutory requirements are unclear or impossible to collect.

Finding: DACS' contract with FCLF and program rules did not establish criteria that fully supported statutory goals

Response: The contract between FDACS and the third party, the Florida Community Loan Fund (FCLF), did contain all of the criteria that fully supports all of the statutory goals, however FDACS did not enforce all of the provisions of the contract.

Finding: FCLF's forgivable loan program design was not specifically contemplated in statute or rule and prevented reinvestment of state funding

Response: FDACS acknowledges that FCLF did not establish a revolving loan fund.

Finding: DACS and FCLF reporting overstated program impact, and limited data collection prevented accurate evaluation of the program

Response:

FDACS acknowledges that it did not submit statutorily required reports to the legislature during 2020, 2021, and 2022. Due to administrative oversight, the reports were not submitted, although FCLF tendered its reports during those years.

FDACS acknowledges that it did not establish clear consistent criteria regarding the collection of data on the three projects. Additionally, FDACS acknowledges it did not collect recent data to demonstrate current program outcomes.

September 28, 2023

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FDACS interprets Section 500.81(4), F.S., to require OPPAGA to review health impacts based on data collected by the state, not the Department, which is defined as the Department of Agriculture and Consumer Services in statute. It is FDACS' understanding that it would be OPPAGA's responsibility to collect the health-related data from other state agencies, such as the Florida Department of Health. Therefore, FDACS did not collect or require the collection of health-related data by the FCLF as it did not determine the obligation to do so.

Finding: FCLF staff reported several challenges in implementing the HFFI and determined that it is no longer a viable model

Response: FDACS agrees with the concerns raised by FCLF.

Sincerely,

A handwritten signature in blue ink that reads "Vianka Colin". The signature is written in a cursive, flowing style.

Vianka Colin
Director
Division of Food, Nutrition and Wellness

cc: Kathy Mears, Assistant Commissioner
Alan Edwards, Deputy Chief of Staff
Angela Roddenberry, Inspector General

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OPPAGA

Office of Program Policy Analysis and Government Accountability

OPPAGA provides performance and accountability information about Florida government in several ways.

- Reports deliver program evaluation and policy analysis to assist the Legislature in overseeing government operations, developing policy choices, and making Florida government more efficient and effective.
- Government Program Summaries (GPS), an online encyclopedia, provides descriptive, evaluative, and performance information on more than 200 Florida state government programs.
- PolicyNotes, an electronic newsletter, delivers brief announcements of research reports, conferences, and other resources of interest for Florida's policy research and program evaluation community.
- Visit OPPAGA's website.

OPPAGA supports the Florida Legislature by providing data, evaluative research, and objective analyses that assist legislative budget and policy deliberations. This project was conducted in accordance with applicable evaluation standards. Copies of this report in print or alternate accessible format may be obtained by telephone (850/488-0021), by FAX (850/487-3804), in person, or by mail (OPPAGA Report Production, Claude Pepper Building, Room 312, 111 W. Madison St., Tallahassee, FL 32399-1475).

Project supervised by Emily Leventhal (850/717-0525)
Project conducted by Daphne Holden (850/717-0546), Michelle Ciabotti, Joseph Crupi, and Chris Hilliard
PK Jameson, Coordinator