

## **DRAFT MINUTES**

Wednesday, August 27, 2020

The meeting of the Equitable Food Oriented Development Work Group Subcommittee convened at approximately 10:00 a.m. on August 27, 2020. The meeting was held by electronic communication means due to the state of emergency issued by Governor Northam as a result of the novel coronavirus (COVID-19). The meeting was held using Cisco Webex Events. Commissioner Jewel Bronaugh called the meeting to order at 10:03 a.m.

### **SUBCOMMITTEE MEMBERS**

Jeanette Abi-Nader	Amy Rose Foll
Chelsi Bennett	Norm Gold
Shantell Bingham	Dr. Patricia Gould-Champ
Elizabeth Borst	Chad Martin
Michael Carter	Del. Delores McQuinn

### **ABSENT WORK GROUP MEMBERS**

None

### **STAFF PRESENT**

Heidi Hertz, Assistant Secretary of Agriculture and Forestry  
Jewel Bronaugh, Commissioner, Virginia Department of Agriculture and Consumer Services (VDACS)  
Katherine Coates, Administrative Coordinator, OPPr, VDACS  
Jennifer Perkins, Program Manager, Office of Agriculture and Forestry Development, VDACS  
Roz Stein, Administrative Assistant, Division of Marketing, VDACS

### **GUESTS**

Kay Hamlin, Value-added Agriculture Work Group, Black Family Land Trust

### **JEWEL BRONAUGH**

Commissioner Bronaugh welcomed the attendees and the group approved the minutes from the August 12, 2020 meeting, with suggested changes.

Commissioner Bronaugh reviewed the meeting agenda and began the discussion to review the Draft Guidelines for the Virginia Food Access Investment Fund (VFAIF).

#### **Program Overview**

Commissioner Bronaugh clarified the scope of the grant funded projects, stating that each project must have a retail component; grants will not cover projects that solely provide education and technical assistance. These grants funds are meant to cover construction, rehabilitation, equipment upgrades, or the expansion of a project. Grant funding cannot be used to purchase land. The Full Time Employee (FTE) who will be hired by VDACS to work this program will provide technical assistance to grantees; there will need to be additional discussion about how best to use this person's time in respect to training on business development and capacity building.

#### **Program Objectives**

Commissioner Bronaugh asked the group to discuss the VFAIF objectives as outlined in a bulleted list on the draft guidelines. The group addressed the need to tie the objectives back to

## EFOD Stakeholder Work Group – Subcommittee

August 27, 2020

Page 2

the EFOD model by adding language that clarifies the VFAIF program's commitment to increasing equity and justice. The group discussed adding an objective that focuses on "fostering innovative solutions" to the list, and they discussed concerns about focusing too much on innovation and scaring off potential applicants. The group debated the virtues of supporting existing businesses with the aim of allowing small programs to expand their good work through building capacity versus providing resources to new organizations or start-up businesses in order to bring new life into the work of food access and community development. The group discussed adding an objective that prioritizes "ASSESSING, SUPPORTING, and TRANSFORMING new and existing businesses that show potential to become sustainable community-based businesses."

The group also discussed whether there should be an objective around "uplifting and sharing" effective food retail project models that may be applicable to other communities and if a statewide assessment should be conducted to identify work already being done in the field. This would allow for fostering partnerships across the Commonwealth. This may be used as a metric for determining the success of this funding program.

### Community Development Financial Institution (CDFI)

There is a legislative requirement for the Department to work with a CDFI. The CDFI's work may use up to 10% of the budget. Commissioner Bronaugh clarified that the legislation dictates the role of the CDFI to provide assistance on the back-end of this program with such functions as marketing the proposal and assessing the success of the proposal. The CDFI for this program has not yet been identified. The CDFI does not need to be based in Virginia, but it must comply with the four statutory requirements listed below.

The CDFI must have:

1. a statewide presence in Virginia;
2. experience in food-based lending;
3. a proven track record of private and philanthropic funding; and
4. the capacity to dedicate sufficient staff to manage the program.

### Eligibility

The list of eligible business types in the first bullet should be expanded to include food hubs, CSAs, and farm stands.

Start-ups will be eligible for funding if they meet the criteria, but they must show a relationship with the community they serve.

Commissioner Bronaugh asked whether or not the review process should consider the types of products that a business is selling, specifically as it pertains to healthiness of the product. The group discussed the importance of being mindful of the cultural aspects of foods when considering community-building. It will be important not to put forth too narrow a definition of foods that are appropriate for funding because this may discourage projects from applying if they don't believe they fit into the program's goals. That said, this program can aim to promote the sales of more healthy food options in culturally appropriate ways by providing incentives for community businesses to adapt what they are selling to include more healthy options, which could play a role in halting the deterioration of health within their communities. These issues should be clarified and defined when composing a grant selection committee and training its members.

The legislation requires that the retail component of a project accept SNAP and Virginia Fresh Match; SNAP-eligible foods are eggs, bread, meat, cheese, fresh fruits and vegetables and plants you can eat; Virginia Fresh Match covers fresh fruits and vegetables and plants you can eat. A business must sell produce in order to meet SNAP and Virginia Fresh Match requirements, but they can also sell other things. SNAP, at this time, does not cover prepared foods; the group discussed the fact that some people must purchase prepared foods because they have neither the skill nor the capacity to cook. Again, the legislation for this program does not limit a business to only selling fresh product, but, because of the SNAP / Virginia Fresh Match requirement, fresh product must be among their offerings.

#### Funding Requirements

The funding requirements listed here will also be used as the points of evaluation. The group agreed that, for clarity's sake, the list of bulleted criteria should be split into two lists of "required" and "desired" criteria, as outlined below.

##### **Required:**

- Have a retail component where consumers can purchase fresh meats, seafood, dairy, and produce
- Be owned or substantially run by BIPOC leadership
- Serve one of the VFAIF target areas that include 212 identified Opportunity Zones and/or cities and counties identified in Appendix A as being food deserts and/or areas with high food insecurity levels
- Accept Supplemental Nutrition Assistance Program (SNAP) benefits and offer Virginia Fresh Match incentives
- Purchase a minimum of 25% of fresh products from Virginia's small, beginning, limited resource, socially disadvantaged farmers and ranchers (as designated by USDA/ERS [ers.usda.gov](http://ers.usda.gov))

##### **Desired:**

- Integrate community culture and artistic expression in the business model
- Demonstrate a history of work in the community
- Develop new markets and enterprises, creating real and sustainable economic opportunities
- Provide a path for financial sustainability and positive outcomes to the community, including education and youth development
- Demonstrate community engagement and support for the project

Commissioner Bronaugh stated that the Virginia-grown purchase requirement is starting at 25% with the aim of increasing the percentage as the program learns more about where to source products.

The guidelines will be updated to add a bullet under "desired" that addresses how a project provides access to its products for its customers, whether bringing customers to products or bringing products to customers.

#### Application Process

Commissioner Bronaugh stated that the project could eventually open the grant application process on a rolling basis, which will make the grants the most accessible; for the first run,

## **EFOD Stakeholder Work Group – Subcommittee**

**August 27, 2020**

**Page 4**

however, it will be an extended grant period with a start and an end date. She asked the group for their thoughts on the capped amount of \$40K each year for two years. The goal is to fund enough projects to show success in order to help ensure future funding, which means the funding has to be at a high enough level to promote success early in the program. For each project, there would be funding the first year, followed by an assessment that leads into funding for the second year. The group considered adopting a range of funding levels, rather than a cap, which would allow applicants to determine what they need and justify those needs with a proposed budget; the final funding level would then be determined by the selection panel based on the project's input and the funds that are available.

The application review process will be staffed by VDACS staff, according to the legislation, but Commissioner Bronaugh would like to expand that participation and input in order to be true to the EFOD process. The group considered work done by the Castanea Fellowship, a cohort of leaders from across different states working toward creating a more equitable and sustainable food system, which offered guidelines for project selection, including:

- Develop a BIPOC grant selection committee to review applications and develop a community member board to be involved in reviewing proposals, as part of the effort to develop new selection processes that reflect EFOD values; this group would work with VDACS staff on the application review process.
- Develop integrated metrics that are concurrent with our goals for a CDFI to implement.
- Always model transparency in how funds are used.
- Compensate community members for their time so as to not exacerbate inequities by taking advantage of people; program funds would not be available to pay community members for their participation, but there may be other options beyond state monies to provide this compensation.

The group discussed the appropriate amount of funding that should be available for the project and determined that there should be a pot of \$400K for the first year; applicants can apply for support within a range of \$5K to \$75K. It will be important to acknowledge to applicants that this funding is not designed to support the entirety of their project, but it is meant to be one resource among many that may be available for assistance.

### **JENNIFER PERKINS**

#### Targeted Areas

Ms. Perkins set the targeted areas using the 212 identified Opportunity Zones, which are based on census tracts, and the forty-two cities and counties that have been designated as food deserts or food insecure by FeedVA. It will be helpful to show the percentage of the state that these designations cover.

#### Evaluation Criteria

Ms. Perkins will send the draft Evaluation Criteria to Subcommittee members for their review with a request for feedback on the criteria that are listed on the document. In particular, consideration of and feedback on how to measure some of the more “esoteric” requirements would be very helpful.

### **NEW BUSINESS**

No new business was introduced.

**EFOD Stakeholder Work Group – Subcommittee**

**August 27, 2020**

**Page 5**

**PUBLIC COMMENT**

Kay Hamlin commented on the use of Opportunity Zones as targeted areas, stating that these may not be appropriate targets given that land purchase will not be funded through these grants. She would also like to encourage the group to consider using these funds to cover gaps between other funding sources to “make whole” purchases of equipment.

**FUTURE BOARD MEETINGS**

The next subcommittee meeting will take place on September 10, 2020, 10:00 – 12:30 pm. This meeting will also be open to public comment.

**ADJOURNMENT**

There being no further business, the Work Group adjourned at approximately 12:19 p.m.

Respectfully submitted,

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Jewel H. Bronaugh, Ph.D.  
Commissioner