

2 - SB 365 - EHEA - Health & Wellness Council - Lo

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Position: FAV

MARYLAND STATE ADVISORY COUNCIL ON HEALTH AND WELLNESS

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February 9, 2021

Senator Paul G. Pinsky
Chair, Senate Education, Health & Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

RE: Senate Bill 365 Neighborhood Business Development Program – Food Desert Projects – Business Retention - Letter of Support

Dear Chairman Pinsky:

The Maryland State Advisory Council on Health and Wellness (the Council) submits this letter of support for Senate Bill 365 (SB 365) titled: “Neighborhood Business Development Program – Food Desert Projects.”

SB 365 seeks to expand the scope of the Neighborhood Business Development Program (NBDP) in order to retain businesses that offer access to healthy foods in food deserts and areas that serve food deserts. The bill also seeks to increase the maximum amount of loans that may be provided to maintain access to healthy food in food deserts in addition to authorizing the Department of Housing and Community Development to provide such loans.

The Council supports SB 365 as an effective intervention to sustain local businesses and increase food security in Maryland. The onset of the COVID-19 pandemic has highlighted the importance of support to local food businesses. The closures of business and schools, along with job loss resulting from the coronavirus contributed to an increase of nearly 400% in Supplemental Nutrition Assistance Program (SNAP) applications in April 2020, as compared to the previous month. In June 2020, Maryland had the highest level of SNAP participants in the state's history with over 800,000 participants.¹

Lower food security is associated with a higher probability of major chronic diseases including hypertension, coronary heart disease, stroke, cancer, diabetes, arthritis, chronic obstructive pulmonary disease (COPD), and kidney disease.² Further, food-insecure individuals have approximately twice the risk of experiencing diabetes (95% CI: 1.1, 4.0), compared to food-secure individuals; diabetes was reported in 16% of individuals with severe food insecurity.³

New findings from December 2020 American Heart Association's Scientific Session reveal people with atherosclerosis, particularly those who earn a low income and have other socioeconomic disadvantages, were more likely to experience food insecurity (14.6%) than those without the condition. Among adults with

¹ County Hunger Profiles.

<https://www.mdcourthungerprofiles.org/uploads/2020/10/MD-County-Hunger-Profiles-2020.pdf>

² Food Security, Chronic Disease, and Health Among Working-Age Adults.. U.S. Department of Agriculture Economic Research Service. <https://www.ers.usda.gov/webdocs/publications/84467/err-235.pdf?v=653.9>

³ If MS. Food insecurity is associated with hypoglycemia and poor diabetes self-management in a low-income sample

with diabetes. *J Health Care Poor Underserved*. 2010 Nov;21(4):1227-33. doi: 10.1353/hpu.2010.0921

atherosclerosis, about 1 in 7 reported being food insecure compared with 9.1% among those without atherosclerosis.⁴

Food insecurity is linked to a greater estimated annual healthcare costs of \$1,863 per person, with higher costs among food insecure individuals with chronic conditions like hypertension, stroke, arthritis, and diabetes.⁵ The impact of food insecurity on health and health care costs can increase with age. Costs associated with hypertension, stroke, arthritis, and diabetes have been found to be higher for food-insecure older adults.⁶ Finally, food-insecure seniors were 2.33 times more likely to report being in fair or poor health, compared to food-secure seniors.⁷

The Council agrees with the following statements as they relate to the passage of SB 365:

- The establishment and retention of small businesses and other food-related enterprises that provide fresh fruits, vegetables, and other healthy foods can support more healthy food environments and address food security. The Council encourages recipients of these funds to implement The Dietary Guidelines for Americans, 2020-2025 when purchasing foods.⁸ The Council also encourages recipients to work with nutrition education programs like SNAP-Ed (Supplement Nutrition Assistance Program Nutrition Education) and WIC (Women, Infants and Children) to help customers understand how to incorporate healthy foods into the diet.
- SB 365 increases the allowed loan amount to \$100,000, permits loans for operation and equipment costs, and expands the program to both urban and rural communities. These changes represent powerful new incentives for healthy, affordable food access in Maryland communities now designated as food deserts.
- This legislation's loan forgiveness provisions, available only if a business remains in the same location for five years, will help sustain Maryland communities' food security through current and future economic difficulties.

The Council respectfully urges this Committee to approve SB 365 as a critical public health measure to help reduce food insecurity for people living with chronic disease in Maryland. This is especially critical during the time of a pandemic and economic challenges.

Sincerely,



Jessica Kiel, M.S., R.D., Chair, State Advisory Council on Health and Wellness

⁴ Mahajan, P, Grandhi, GR, Elizondo JV, Acquah I, Yahya T, Virani SS, DeBakey, ME, Blankstein R, Blaha MJ, Cainzos-Achirica M, Nasir K. 2438 - Prevalence and Sociodemographic Determinants of Food Insecurity Among Adults with Atherosclerotic Cardiovascular Disease in the United States. Presentation. 2020 American Heart Association Scientific Sessions. 2020 Nov 13.

https://www.abstractsonline.com/pp8/?ga=2.163795903.1679679606.1602008177-545131344.1565642004&gac=1.126052095.1601320366.CjwKCAjw5Kv7BRBSEiwAXGDElZrUAzO_MI9tz8GNh6qAGFAaOHOOUpKMR9AbuVuZqqVf08oIpg-8ohoCEPcQAvD_BwE#1/9144/presentation/40064

⁵ Berkowitz SA, Basu S, Meigs JB, Seligman HK. Food insecurity and health care expenditures in the United States, 2011-2013. *Health Serv Res.* 2018;53(3):1600-1620. doi:10.1111/1475-6773.12730

⁶ Garcia SP, Haddix A, Barnett K. Incremental health care costs associated with food insecurity and chronic conditions among older adults. *Prev Chronic Dis.* 2018;15:E108. doi:10.5888/pcd15.180058

⁷ Lee JS, Frongillo EA. Nutritional and health consequences are associated with food insecurity among U.S. elderly persons. *J Nutr.* 2001;13(5):1503-9.

⁸ Dietary Guidelines for Americans, 2020-2025 <https://www.dietaryguidelines.gov/resources/2020-2025-dietary-guidelines-online-materials>

MAND SB 365 - Support - Neighborhood Business Dev

Uploaded by: Brocato, Barbara

Position: FAV

MARYLAND ACADEMY OF NUTRITION AND DIETETICS



Date: February 9, 2021
Bill: SB 365 – Neighborhood Business Development Program – Food Desert Projects – Retention Program
Committee: Senate Education, Health and Environmental Affairs Committee
The Honorable Paul Pinsky, Chair
Position: Support

The Maryland Academy of Nutrition and Dietetics (MAND) is an organization representing approximately 1,200 licensed dietitians and nutritionists, dietetic interns, and students within the state of Maryland.

Senate Bill 365 will expand the purposes of the Neighborhood Business Development Program to include retaining certain businesses and enterprises in food deserts and certain areas that serve food deserts and increase to \$100,000 the maximum amount of a certain small loan that may be provided to an approved entity for assistance in providing or maintaining access to healthy food in certain food deserts.

Millions of people in the US and around the world live in food deserts areas where its hard or even impossible to find healthy foods. These deserts promote poor health outcomes and are a pull on our economy and reinforce the worst effects of racism.

Food deserts are known as areas without access to nutritious, high quality, affordable food. The USDA describes them as any area with a 20% or greater poverty rate, and where a third or more of the residents live more than a mile away from a supermarket.

Food deserts appear to be predominantly in areas of low income, areas where residents often don't have cars, and they are almost always communities of color. It's a sad public health concern in which health outcomes are worst for people of lower income. And on account of a legacy of racism, people of color are more likely to fall into low-income groups.

In fact, studies have illustrated that Black Americans are nearly 400% more likely than white Americans to live in a neighborhood or community that lacks a full-service supermarket.

Therefore there is a great need for **SB0365 - Neighborhood Business Development Program -Food Desert Project** to assist with the elimination of poor health outcomes due to lack of nutritious and affordable food and to right the wrong of systematic racism.

For these reasons we ask for a FAVORABLE report on SB365.

Dr. Glenda L. Lindsey , Dr. PH, MS, RDN, LDN
Public Policy Coordinator
Public Policy Panel

**Reference: From Food Deserts to Food Oases: Addressing Access to Healthy Food. food revolutions.org
Ocean Robbins. Sept 11, 2020. Retrieved Feb 3, 2021**

SB365_CBF_SUPPORT_RobinClark.pdf

Uploaded by: Clark, Robin Jessica

Position: FAV



CHESAPEAKE BAY FOUNDATION

Environmental Protection and Restoration
Environmental Education

Senate Bill 365

Neighborhood Business Development Program - Food Desert Projects - Business Retention

Date: February 9, 2021

To: Senate Education, Health, and
Environmental Affairs Committee

Position: Support

Contact: Carmera Thomas-Wilhite
Baltimore Program Manager
carmerathomas@cbf.org

Chesapeake Bay Foundation (CBF) **SUPPORTS** SB 365 which supports businesses providing access to healthy food in urban and rural food deserts. Local distribution of healthy foods can help reverse inequities in food distribution and reduce food waste that pollutes the Chesapeake Bay.

Ensuring local sources of healthy foods supports the health of Maryland residents

This legislation would include food desert projects as eligible for financial assistance from the neighborhood business development program alongside other microenterprise projects. It would increase the maximum amount of loans from the fund to \$100,000, and allow for their forgiveness after five years if the recipient maintains a business providing access to healthy food in an urban or rural food desert.

Supporting businesses providing healthy foods to residents currently living in “food deserts” supports the health of those residents. Healthy foods might include produce, meats, and grains that serve as the raw ingredients for low-cost and nutrient-rich home-cooked meals. Increasing access to healthy foods will help build stability for residents.

This legislation may help build a network of local food production, including community-centered urban agriculture

This legislation may also help local food producers, such as community-centered urban agriculture to maintain their green print in urban and rural areas. Urban agriculture food hubs can re-purposes vacant lots in developed areas and bring increased vitality to neighborhood life.¹

CBF supports local food purchases through its Buy Fresh Buy Local Chesapeake program which helps consumers, sustainable farms, and businesses find each other and support efforts to protect and restore the Chesapeake Bay. Supporting local distribution of healthy foods is imperative to feeding growing populations, reducing food waste and increasing food system values.

CBF urges the Committee’s FAVORABLE report on SB 365

¹ Institute of Medicine and National Research Council. 2009. [The Public Health Effects of Food Deserts: Workshop Summary](#) Washington, DC: The National Academies Press.

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SB0365 Written Testimony from EBDI - FINAL.pdf

Uploaded by: Daniels, Antonia

Position: FAV



east baltimore development inc.

Community. Business. Opportunity.

February 9, 2021

Senator Paul G. Pinsky, Chair
Senator Cheryl C. Kagan, Vice Chair
Education, Health, and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

Re: Written Testimony Supporting Senate Bill 365 (Neighborhood Business Development Program - Food Desert Projects - Business Retention)

Dear Senators Pinsky, Kagan and members of the Committee:

On behalf of East Baltimore Development, Inc. (EBDI), I welcome the opportunity to submit to the record written testimony **in support** of Senate Bill 365 (SB 365). SB 365 would expand the objectives of the Neighborhood Business Development Program to include retaining certain businesses in food deserts and would provide financial assistance to businesses providing access to healthy food in food deserts. EBDI is acutely aware of the impact food deserts can have on a community and enthusiastically supports any efforts to minimize food insecurity.

EBDI was established in 2003 by community, government, institutional and philanthropic partners to stabilize and revitalize an 88-acre community in East Baltimore, which had suffered from years of disinvestment, blight, and crime. East Baltimore families and children have consistently experienced some of the worst outcomes in Baltimore's basic quality of life indicators, such as employment, health, educational achievement, adequate housing, and crime and safety. At EBDI, our charge is to execute an ambitious plan to transform the neighborhood into a healthier, thriving community, now called Eager Park. Since redevelopment has begun, Eager Park now includes over 400 completed mixed-income homeownership and rental housing units; over one million square feet of new commercial office, lab, and retail space; a hotel; a community learning campus with an early childhood center and a public K-8 school; and a new 5-acre park. When completed, the project will include 1,600 total units of housing and additional retail, life sciences, research and office space.

Despite the overwhelming success EBDI has had in redeveloping Eager Park, the community has suffered from food insecurity for decades. EBDI, in partnership with Baltimore Development Corp., is striving to attract a grocer to Eager Park or an adjacent East Baltimore community. However, according to the latest market study EBDI procured in June 2020, securing a permanent grocery store within the project area is likely years ahead. In the meantime, the residents of Eager Park and its surrounding neighborhoods continue to struggle to access fresh food options in and near their communities. To make matters worse, in September 2020, one of the last grocery stores within the vicinity of the project area closed its doors.

The lack of a grocery store has negatively impacted Eager Park residents, many of whom have limited or no access to transportation to travel to other grocery stores. EBDI is working closely with the Eager Park Neighborhood Association to explore alternatives to grocery stores, including food co-ops and a farmer's market, but these opportunities will not satisfy the full need of Eager Park and our neighboring communities. Thus, EBDI considers it critical to attract and retain businesses of all sizes to Eager Park and East Baltimore that work to eliminate food insecurity.

I hope that you will move for a favorable report of SB 365. Thank you for the opportunity to share my written testimony in support.

Sincerely,

Cheryl Washington
President & CEO

SB 365- Neighborhood Business Development Program

Uploaded by: Dorrien, Erin

Position: FAV



Maryland
Hospital Association

February 9, 2021

To: The Honorable Paul G. Pinsky, Chair, Senate Education, Health & Environmental Affairs Committee

Re: Letter of Support - Senate Bill 365 - Neighborhood Business Development Program - Food Desert Projects - Business Retention

Dear Chair Pinsky:

On behalf of the Maryland Hospital Association's (MHA) 60 member hospitals and health systems, we appreciate the opportunity to comment on Senate Bill 365.

Access to healthy food is essential to achieve optimal health and ensure health equity for all Marylanders. Hospitals support Senate Bill 365, which would close the gap in food access and help eliminate food deserts.

The legislation would double the maximum eligible loan amount under the Maryland Department of Housing and Community Development's Neighborhood BusinessWorks program. It also would provide financing to small businesses, such as grocery stores and nonprofits, in food deserts that offer fresh, healthy foods and grant forgiveness for some costs if the business or nonprofit operates in the same location for five years.¹

The COVID-19 pandemic dramatically increased food insecurity statewide. Widespread job losses, financial hardships, and school closures contributed to a surge of Marylanders seeking food assistance. In June, three months after the start of the pandemic, a record-setting 14% of the state's population received assistance—with every county impacted.² The Maryland Food Bank served 43 million meals between March and December—an 89% increase from the same period in 2019.³ Black and Hispanic families were twice as likely to be food insecure compared with white families.⁴ These statistics are alarming, but even more concerning is the potential impact on the health of these Marylanders.

¹ Maryland Department of Housing and Community Development. (January 20, 2016). "[Annual Report to Senate Budget & Taxation Committee, Senate Education, Health & Environmental Affairs Committee, House Appropriations Committee & House Environmental Matters Committee on Neighborhood Business Development Program's Actions in Food Deserts](#)"

² Maryland Hunger Solutions. (n.d.). [2020 Maryland County Hunger Profiles](#).

³ The Maryland Food Bank. (n.d.). "[The Maryland Food Bank's COVID-19 Response](#)."

⁴ Harvard School of Public Health. (2020). "[Nearly four in 10 Black, Hispanic Families Facing Food Insecurity During Pandemic](#)."

Food insecurity prevents people from consuming a balanced diet and harms overall health. Unhealthy diets contribute to chronic diseases like diabetes and malnutrition if a person's food intake is insufficient. Malnutrition can lead to diseases like hypertension and behavioral health issues like depression or anxiety.⁵ For children, food insecurity may lead to developmental problems. Studies show children from food insecure households have two to four times more health problems than children from low-income households who are food secure.⁶ Black and Hispanic households and low-income and immigrant populations are disproportionately affected and more likely to live in food deserts.⁷

Access to healthy and affordable food options are essential to food security—a major social determinant of health. A person's food selection and spending are likely influenced by the accessibility and affordability of food retailers—including distance, selection, and price.⁸ For low-income communities, for example, lack of transportation could make it difficult to travel to a grocery store. As a result, people in the community may go to smaller stores that are closer to their home but lack affordable, healthy food options.⁹

Maryland hospitals support SB 365 because it incentivizes businesses to improve and maintain access to healthy food where the need is greatest, in both urban and rural areas of the state. Many states across the country rely on similar financing models to overcome store access barriers.¹⁰ This is essential to close the gap in food access, improve food security, and advance the health of communities.

For these reasons, we request a *favorable* report on SB 365.

For more information, please contact:
Erin Dorrien, Director, Government Affairs & Policy
Edorrien@mhaonline.org

⁵ American Hospital Association. (June, 2017). "[Social Determinants of Health Series: Food Insecurity and the Role of Hospitals.](#)"

⁶ Ibid.

⁷ USDA, Economic Research Service. (January 6, 2021). "[Trends in U.S. Food Security.](#)"

⁸ USDA, Economic Research Service. (September 24, 2020). "[Food Access.](#)"

⁹ USDA, Economic Research Service. Economic Information Bulletin Number 209. (May 2010). "[Understanding Low-Income and LowAccess Census Tracts Across the Nation: Subnational and Subpopulation Estimates of Access to Healthy Food.](#)"

¹⁰ Ibid.

SB0365 - 02.09.21 --Food Deserts Project Business

Uploaded by: Fry, Donald

Position: FAV



POSITION STATEMENT

TESTIMONY PRESENTED TO THE SENATE EDUCATION, HEALTH, & ENVIRONMENTAL AFFAIRS COMMITTEE

SENATE BILL 365 – NEIGHBORHOOD BUSINESS DEVELOPMENT PROGRAM – FOOD DESERT PROJECTS - BUSINESS RETENTION

Sponsor: Senator McCray

February 9, 2021

DONALD C. FRY
PRESIDENT & CEO

GREATER BALTIMORE COMMITTEE

Position: Support

The Greater Baltimore Committee (GBC) supports Senate Bill 365, which expands the purposes of the Neighborhood Business Development Program to include retaining and not just creating small businesses and other food-related enterprises that provide fresh, healthy food to those residing in a food desert. It also increases the maximum loan amount to \$100,000. Finally, the bill requires a loan for operating costs to be forgiven after five years provided the loan recipient maintains continuous operations at the same location during that time.

Food deserts have persisted for decades as an issue across the United States and Maryland. A food desert is an area with limited access to affordable and nutritious food. In 2010, the United States Department of Agriculture reported that 23.5 million people lived in food deserts. The Department defines a food desert as areas where urban residents live more than a mile from a supermarket and rural residents live 10 miles or more from a supermarket. According to a 2015 report conducted by Johns Hopkins University, the Baltimore Mayor's office, the Baltimore Health Department, and the Baltimore Development Corporation, 25% of Baltimore residents and 30% of school-aged children live in food deserts.

Food deserts have a significant negative effect on health, and by extension, the economy. Citizens without access to affordable foods with high nutritional value are more likely to purchase processed foods with high sugar and fat content. Thus, there is an increased risk of developing diabetes, obesity, and other diseases impacted by diet. This has a substantial adverse effect on the workforce; employers pay higher life insurance and worker's compensation premiums, and employees miss more work days due to short term absences, long term disability, and premature death. The Harvard School of Public Health predicted that if current trends continue unchecked, obesity related medical costs alone could rise to \$66 billion annually nationwide.

Senate Bill 365 provides an important tool to not only incentivize businesses to locate in food deserts, but also to stay. It not only supports small business, but it also helps to ensure healthy, nutritious food options to Marylanders who reside in food deserts, thereby decreasing health disparities and reducing the negative health burdens on the economy.

SB 365 is consistent with the Greater Baltimore Committee's [2021 Legislative Priorities](#), which outlines the GBC's organizational focus on advancing racial equity and social justice by considering the impacts of legislation on small and minority owned businesses, minority populations, and economically disadvantaged residents. SB 365 supports these populations, while fostering opportunity for small business and supporting a resilient economic development ecosystem.

For these reasons, the Greater Baltimore Committee urges a favorable report on Senate Bill 365.

The Greater Baltimore Committee (GBC) is a non-partisan, independent, regional business advocacy organization comprised of hundreds of businesses -- large, medium and small -- educational institutions, nonprofit organizations and foundations located in Anne Arundel, Baltimore, Carroll, Harford, and Howard counties as well as Baltimore City. The GBC is a 66-year-old, private-sector membership organization with a rich legacy of working with government to find solutions to problems that negatively affect our competitiveness and viability.

GREATER BALTIMORE COMMITTEE

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(410) 727-2820 • www.gbc.org

MD Catholic Conference_FAV_SB0365.pdf

Uploaded by: Kraska, MJ

Position: FAV



ARCHDIOCESE OF BALTIMORE † ARCHDIOCESE OF WASHINGTON † DIOCESE OF WILMINGTON

February 09, 2021

SB 365

Neighborhood Business Development Program - Food Desert Projects - Business Retention

Senate Education, Health, and Environmental Affairs

Position: Support

The Maryland Catholic Conference (“Conference”) represents the public-policy interests of the three Roman Catholic (arch) dioceses serving Maryland: the Archdiocese of Baltimore, the Archdiocese of Washington, and the Diocese of Wilmington.

Senate Bill 365 expands the purpose of the Neighborhood Business Development Program to include retaining certain businesses and enterprises in food deserts and certain areas that serve food deserts; increasing to \$100,000 the maximum amount of a certain small loan that may be provided to an approved entity for assistance in providing or maintaining access to healthy food in certain food deserts.

U.S. bishops reiterated that a primary goal of food and agricultural policy should be providing basic food and nutrition for all. In *Food Policy in a Hungry World*, the bishops called for strengthening the domestic food assistance programs to ensure that no one in America goes hungry or suffers malnutrition. *"When the economy fails to provide the jobs and income necessary to prevent hunger and malnutrition, the various local, state, and national food assistance programs must be funded and expanded to provide food to all in need"*. Thus, Senate bill 365 seeks to promote the basic right to enough food to sustain a life with dignity. The poverty and hunger that diminish the lives of millions in our own land and in so many other countries are fundamental threats to human life and dignity and demand a strong policy response.

For this reason the Conference appreciates your consideration and urges a favorable report for Senate Bill 365.

SB 365 Testimoy EHEA.pdf

Uploaded by: McCray, Cory

Position: FAV

CORY V. McCRAY
Legislative District 45
Baltimore City



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Budget and Taxation Committee
Capital Budget Subcommittee
Health and Human Services Subcommittee

THE SENATE OF MARYLAND
ANNAPOLIS, MARYLAND 21401

Vote Yes on Senate Bill 365

Bill Title: Neighborhood Business Development Program - Food Desert Projects - Business Retention

Hearing Date: February 9, 2021 – Education, Health, and Environmental Affairs

Chair: The Honorable Paul Pinsky; Vice Chair: The Honorable Cheryl Kagan

I write to you in **support** of Senate Bill 365. Food deserts and food insecurity continue to be an environmental issue affecting many Marylanders. Traditionally, those impacted are minorities, low-income persons, and those living in urban and rural areas. Living in a food desert increases the risk of weight-related diseases and conditions such as diabetes, heart disease, and strokes.

The purpose of the Bill is to expand the objectives of the Neighborhood Business Development Program to include retaining certain businesses in food deserts. Further, it would increase the maximum amount of a certain small loan to \$100,000 to an approved entity for assistance in providing access to healthy food in certain food deserts. Lastly, it would require the Department of Housing and Community Development to forgive a certain loan after a certain number of years if an entity meets loan forgiveness criteria.

In efforts to reduce the amount of food deserts and decrease the level of food insecurities, we hope that you will move for a **favorable** report of Senate Bill 365.

Respectfully submitted,

A handwritten signature in blue ink, appearing to read "Cory V. McCray".

Cory V. McCray
State Senator

SB0365_BDC.pdf

Uploaded by: Mehu, Natasha

Position: FAV



The Honorable Paul G. Pinsky and Committee Members
Maryland Senate Education, Health and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

February 9, 2021

Dear Senator Pinsky and Committee Members,

The City of Baltimore Development Corporation (BDC) is the city's economic development agency. Our mission is to grow the city's economy in an inclusive manner by retaining, expanding and attracting businesses, and promoting investment to create jobs for residents. I am writing today in support of SB0365 - Neighborhood Business Development Program – Food Desert Projects – Business Retention to allow for business retention efforts within food deserts (aka Healthy Food Priority Areas, HFPA), increasing the loan amount and making loans forgivable in certain cases.

Over a decade ago, the City of Baltimore initiated an inter-agency food policy initiative – of which BDC is a participant - to bring awareness to the connection between chronic disease and lack of access to healthy food for some residents, and develop and implement solutions. The initiative has focused on addressing a lack of food access as a complicated constellation of factors relating to poverty, lack of transportation, systemic racism and market conditions.

Despite political and programmatic priority for healthy food access in the city, BDC has consistently heard from grocery stores it has only grown more difficult to operate in the last decade. Policies with broad support such as the stormwater management fee, bottle tax, and plastic bag ban have continued to impact the bottom line of grocery stores, an industry with razor thin margins already. Security costs increase with the need for more private security, and difficulty in retaining staff - a challenge in retail not unique to the city - along with nearly double city personal and real property tax rates versus surrounding jurisdictions, and the increase in the minimum wage all contribute to an increasingly challenging business model in the traditional brick and mortar format.

With the additional funding to support operating expenses, especially forgivable loans, SB0365 could potentially help retain grocery stores in the city, particularly in areas that need them the most.

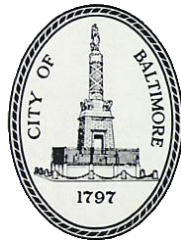
Sincerely,

Colin Tarbert
President & CEO

SB0365-EHEA-FAV.pdf

Uploaded by: Mehu, Natasha

Position: FAV



BRANDON M. SCOTT
MAYOR

*Office of Government Relations
88 State Circle
Annapolis, Maryland 21401*

SB 0365

February 9, 2021

TO: Members of the Senate Education, Health and Environmental Affairs Committee
FROM: Natasha Mehu, Director of Government Relations
RE: Senate Bill 365– Neighborhood Business Development - Food Desert Program – Business Retention

POSITION: SUPPORT

Chair Pinsky, Vice Chair Kagan, and Members of the Committee, please be advised that the Baltimore City Administration (BCA) **supports** Senate Bill (SB) 365.

SB 365 provides much needed support to businesses in the areas of Baltimore City that would benefit most from retaining and attracting high quality food retail. This bill increases the loan amount up to \$100,000 from \$50,000, making the program more meaningful to food retail operators in Baltimore City, where many of the operating costs are higher than in surrounding counties. Providing forgivable loans after five years helps to provide retailers with the support they need and serve as a retention strategy, creating longer-term investment in Baltimore’s food desert communities.

In Baltimore City, food deserts are called Healthy Food Priority Areas and the City issued its most recent Healthy Food Priority Area map in 2018. These areas are based on four factors and are geographic areas of the city where residents face compounded barriers to accessing healthy food. Nearly 24% of Baltimore City residents live in Healthy Food Priority Areas, however, 31% of Black residents live in Healthy Food Priority Areas compared to only 9% of white residents. Children and older adults are also disproportionately affected.

The Department of Planning’s Food Policy and Planning Division, with the leadership of the City’s Food Policy Director, guide the City’s food work in partnership with other agencies. This includes the Baltimore Development Corporation’s strong work on food retail attraction and retention. This bill will support our eight-point Healthy Food Environment strategy that acknowledges that there are many components to a thriving and vibrant food environment, including supermarkets, small food retail like corner and convenience stores, public markets, and other innovative microenterprises that provide food access points.

Baltimore seeks to build a resilient and diverse food retail environment and this bill provides a program that can support various types and sizes of food businesses. Expanding the Neighborhood Business Development Program through SB 365 will create more robust opportunities to support existing retailers and direct new enterprises to the areas that need them most.

We respectfully request a **favorable** report on Senate Bill 365.

MRHA SB365 - Neighborhood Business Development Pro

Uploaded by: Orosz, Samantha

Position: FAV



Statement of Maryland Rural Health Association

To the Education, Health, and Environmental Affairs Committee

February 9, 2021

Senate Bill 365 Neighborhood Business Development Program - Food Desert Projects - Business Retention

POSITION: SUPPORT

Chair Pinsky, Vice Chair Kagan, Senator McCray, and members of the Education, Health, and Environmental Affairs Committee, the Maryland Rural Health Association (MRHA) is in SUPPORT of Senate Bill 365 Neighborhood Business Development Program - Food Desert Projects - Business Retention.

MRHA supports this legislation that would increase the maximum amount of a certain small loan that may be provided to an approved entity for assistance in providing or maintaining access to healthy food in certain food deserts.

Rural and underserved communities face a host of challenges related to providing accessible and affordable food due to disadvantages in infrastructure, transportation, and economic development. This legislation would provide the necessary financial boost in these communities to alleviate these challenges to consistently providing healthy and equitable food options for all rural residents.

MRHA's mission is to educate and advocate for the optimal health and wellness of rural communities and their residents. Membership is comprised of health departments, hospitals, community health centers, health professionals, and community members in rural Maryland.

Rural Maryland represents almost 80 percent of Maryland's land area and 25% of its population. Of Maryland's 24 counties, 18 are considered rural by the state, and with a population of over 1.6 million they differ greatly from the urban areas in the state.

And while Maryland is one of the richest states, there is great disparity in how wealth is distributed. The greatest portion of wealth resides around the Baltimore/Washington Region; while further away from the I-95 corridor, differences in the social and economic environment are very apparent.

MHRA believes this legislation is important to support our rural communities and we thank you for your consideration.

Lara Wilson, Executive Director, larawilson@mdruralhealth.org, 410-693-6988

CareFirst Testimony in Support of SB 365.pdf

Uploaded by: Rivkin, Deborah

Position: FAV

Deborah Rivkin
Vice President
Government Affairs – Maryland

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SB 365 – Neighborhood Business Development Program – Food Desert Projects – Business Retention

Position: Support

Thank you for the opportunity to provide written comments in support of Senate Bill 172. This bill doubles the amount of small business loans (from \$50,000 to \$100,000) that the Department of Housing and Community Development (“the Department”) may award to an entity for assistance in providing or maintaining access to healthy food in urban or rural food deserts. In addition to loans for refrigerators, freezers, and other equipment, the bill would also allow loans for operating costs incurred in providing access to healthy food in urban or rural food deserts. Finally, the bill requires the Department to forgive a loan for such operating costs after five years if the loan recipient maintains continuous operations at the same location during that time.

As part of our mission, CareFirst is committed to driving transformation of the healthcare experience with and for all our members and communities, with a focus on quality, equity, affordability, and access to care. According to the Institute for Clinical Systems Improvement, health care only accounts for 20% of the overall external influence on a person’s health, but socioeconomic factors, physical environment, and healthy behaviors such as diet (i.e. social determinants of health) contribute to 70% of that influence. Senate Bill 172 seeks to meaningfully address one of the most impactful social determinants of health—access to healthy food—to improve health outcomes and reduce existing health disparities in traditionally underserved communities, where food deserts typically exist.

CareFirst has committed \$10 million in regional funding to address diabetes and its upstream social determinants of health, in six targeted communities, including West Baltimore and Prince George’s County, where many Maryland residents experience issues with food insecurity due to the presence of food deserts. We are also deploying place-based strategies to guide our community investment in social determinants of health and improve community health outcomes.

CareFirst strongly supports the policy goals advanced by Senate Bill 172. We look forward to partnering with legislators, health departments, public health groups, and other stakeholders to advance health equity, as we deploy targeted strategies outside and within our own organization to ensure the health and wellbeing of our members, employees, and communities.

We urge a favorable report.

About CareFirst BlueCross BlueShield

In its 83rd year of service, CareFirst, an independent licensee of the Blue Cross and Blue Shield Association, is a not-for-profit healthcare company which, through its affiliates and subsidiaries, offers a comprehensive portfolio of health insurance products and administrative services to 3.4 million individuals and employers in Maryland, the District of Columbia and Northern Virginia. In 2019, CareFirst invested \$43 million to improve overall health, and increase the accessibility, affordability, safety, and quality of healthcare throughout its market areas. To learn more about CareFirst BlueCross BlueShield, visit our website at www.carefirst.com and our transforming healthcare page at www.carefirst.com/transformation, or follow us on [Facebook](#), [Twitter](#), [LinkedIn](#) or [Instagram](#).

BDCTestimony_SB0365_Feb2021.pdf

Uploaded by: Tarbert, Colin

Position: FAV



Baltimore

Development Corporation

The Honorable Paul G. Pinsky and Committee Members
Maryland Senate Education, Health and Environmental Affairs Committee
2 West, Miller Senate Office Building
Annapolis, MD 21401

February 9, 2021

Dear Senator Pinsky and Committee Members,

The City of Baltimore Development Corporation (BDC) is the city's economic development agency. Our mission is to grow the city's economy in an inclusive manner by retaining, expanding and attracting businesses, and promoting investment to create jobs for residents. I am writing today in support of SB0365 - Neighborhood Business Development Program – Food Desert Projects – Business Retention to allow for business retention efforts within food deserts (aka Healthy Food Priority Areas, HFPA), increasing the loan amount and making loans forgivable in certain cases.

Over a decade ago, the City of Baltimore initiated an inter-agency food policy initiative – of which BDC is a participant - to bring awareness to the connection between chronic disease and lack of access to healthy food for some residents, and develop and implement solutions. The initiative has focused on addressing a lack of food access as a complicated constellation of factors relating to poverty, lack of transportation, systemic racism and market conditions.

Despite political and programmatic priority for healthy food access in the city, BDC has consistently heard from grocery stores it has only grown more difficult to operate in the last decade. Policies with broad support such as the stormwater management fee, bottle tax, and plastic bag ban have continued to impact the bottom line of grocery stores, an industry with razor thin margins already. Security costs increase with the need for more private security, and difficulty in retaining staff - a challenge in retail not unique to the city - along with nearly double city personal and real property tax rates versus surrounding jurisdictions, and the increase in the minimum wage all contribute to an increasingly challenging business model in the traditional brick and mortar format.

With the additional funding to support operating expenses, especially forgivable loans, SB0365 could potentially help retain grocery stores in the city, particularly in areas that need them the most.

Sincerely,

Colin Tarbert
President & CEO

SB365 Written Testimony - Senate (2-9-2021).pdf

Uploaded by: Pickels, Hunter

Position: INFO

DATE: February 9, 2021

BILL NO.: Senate Bill 365

COMMITTEE: Senate Committee on Education, Health, and Environmental Affairs

TITLE: Neighborhood Business Development Program - Food Desert Projects - Business Retention

SPONSORS: Sen. McCray

Letter of Information

Description of Bill:

Senate Bill 365 would require the Department of Housing and Community Development's Neighborhood Business Works small business lending program to provide loan forgiveness to certain business entities that provide access to fresh foods in designated food deserts, and increase the amount of funding eligible for this forgiveness to \$100,000.

Background:

The ability for a local jurisdiction to designate a food desert within a Priority Funding Area was created by the Department's Fresh Food Financing Initiative in 2014. While food deserts are a significant problem, we believe that there was not sufficient enough incentive for local governments, or fresh food businesses that may be interested in locating in a de facto food desert, to pursue the designation and associated loan support for fresh food activities. This bill seeks to address that by enhancing the incentives for jurisdictions to designate food deserts and for businesses to apply for funding.

While the Department has no way of assessing whether this bill creates an attractive enough incentive, we would like to point out that loan forgiveness is generally considered taxable income by the Internal Revenue Service, and a recipient of this loan forgiveness would be liable for any taxes due on the amount of the forgiven loan in the tax year in which forgiveness occurs. For the maximum \$100,000 loan eligible for forgiveness under this bill, a business may be liable for up to 37% in federal taxes if they are a pass through entity, or up to 21% if they pay corporate taxes. State taxes would also be owed unless specifically exempted. These tax payments would either be due quarterly or upon annual filing.

Also, this bill would either have a significant negative impact on the Department's small business lending capacity or would result in a significant increase in General Funds. Senate Bill 365 allows for operating expenses to be an allowable purpose of the financial assistance provided to an eligible business. The Neighborhood Business Works program is funded primarily through GO Bonds, plus Special Funds resulting from repayment of program loans. GO Bonds are not eligible to be used for operating expenses, therefore any funding from this program would have to come from Special Funds or General Funds. If

Special Funds are used, the Special Fund balance will be depleted as a result of the loan forgiveness, and will render the program unable to offer financial assistance for business operations, including for this incentive. If General Funds are intended to be used, the Department would require an appropriation of General Funds commensurate with expected program assistance.