

Date of Hearing: May 13, 2026

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Buffy Wicks, Chair

AB 2213 (Lee) – As Amended April 16, 2026

Policy Committee: Human Services

Vote: 7 - 0

Urgency: No

State Mandated Local Program: No

Reimbursable: No

SUMMARY:

This bill creates the California Healthy Food Financing Initiative (CHFFI) Council (Council) and establishes the CHFFI Fund within the State Treasury to expand access to healthy food in underserved communities, support programs that connect agriculture products to food assistance systems and eliminate food deserts in California.

Specifically, this bill:

- 1) Creates the Council in the State Treasurer' Office (STO), chaired by the California State Treasurer and further composed of the Secretary of Food and Agriculture (CDFA), the Director of Social Services (CDSS), and the Secretary of the Labor and Workforce Development Agency, or their designees.
- 2) Requires the Council to implement the CHFFI to expand access to nutritious foods in underserved, urban, suburban, tribal, and rural communities, to support programs that connect agricultural products to food assistance systems, and to eliminate food deserts and hunger in California, and specifies the duties of the Council in this regard.
- 3) Requires the Council to establish, maintain, and periodically update an internet website, as prescribed, with information, including actions taken by the Council, available funding sources, interagency activities, and resources and hyperlinks to sites with information on food deserts.
- 4) Requires CDFA, by July 1, 2027, and in coordination with CDSS to prepare recommendations to the Legislature regarding actions needed to promote food access and develop strategies to align healthy food financing projects with food assistance programs to improve food affordability and food availability among underserved communities.
- 5) Authorizes CDFA, in coordination with CDSS, to establish an advisory group, not to exceed 21 members, to assist in developing recommendations, pursuant to item 4, above.
- 6) Establishes the CHFFI Fund in the State Treasury to consist of federal, state, philanthropic, and private funds, for the purposes of the initiative, and requires moneys in the fund to be expended, upon appropriation by the Legislature, to leverage other funding, as specified.

FISCAL EFFECT:

- 1) Ongoing General Fund (GF) costs to the STO, of an unknown amount, but likely in the low-to mid-hundreds of thousands of dollars annually to establish and chair the Council, establish and maintain a Council website, provide staff to participate in the duties of the Council, and manage the CHFFI Fund.
- 2) CDFA estimates GF costs of \$135,000 in year one and \$128,000 in year two for one half-time position for two years to convene the expert committee, research, and write the final report by the July 1, 2027, deadline. CDFA indicates it would need funding beginning July 1, 2026.
- 3) GF costs to CDSS of an unknown amount but likely in the mid-hundreds of thousands of dollars annually for additional staff to carry out the functions of the Council and prepare the final report by the July 1, 2027, deadline.
- 4) Costs to the Labor and Workforce Development Department are unknown at this time.

The Legislative Analyst's Office recently warned of General Fund structural deficits of around \$35 billion per year in the 2027-28 fiscal year and ongoing.

COMMENTS:

- 1) **Purpose.** According to the author:

As Washington abandons working families, California will step up to strengthen safety nets for families. California is the breadbasket of the nation, but thousands struggle to access nutritious and affordable food within view of vineyards and fields. In the face of direct federal assaults on our social services, the CHFFI will provide much-needed investments for food security, strengthening crucial safety nets for families and farmers statewide.

- 2) **Background.** Healthy food financing initiatives (HFFIs) are public-private financing programs designed to increase access to healthy foods in underserved communities by supporting the development, expansion, and renovation of grocery stores, food cooperatives, farmers' markets, and other healthy food retail outlets.

HFFIs typically leverage public funding to attract private investment through gap financing, credit enhancements, tax credits, or loan guarantees that reduce the risk to lenders and investors. Many programs also leverage philanthropic funding and private lending to multiply the impact of public funds.

California previously established the CHFFI through AB 581 (Pérez), Chapter 505, Statutes of 2011, modeled after the federal HFFI and successful programs in other states. AB 581 also created a CHFFI Fund within the State Treasury, to be comprised of federal, state, philanthropic, and private funds. The program was never funded and was scheduled to sunset on July 1, 2017. The sunset date was extended until July 1, 2023, to give CHFFI more time to achieve its goals, but the program was ultimately repealed on January 1, 2024.

This bill re-establishes the Council and CHFFI Fund within the STO and seeks to operationalize the original initiative, but with expanded goals and reporting and transparency requirements.

- 3) **Related Legislation.** AB 2535 (Gallagher), of this legislative session, requires specified state agencies, among other things, to identify opportunities and strategies to improve farm-to-fork infrastructure, and to support increased access to and use of California locally grown and raised food in public programs, particularly school meals and other nutrition initiatives. AB 2535 is pending in this committee.

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