

**STOCKED FULL OF PRODUCE  
PROGRAM GUIDELINES AND PROCEDURES**

---

Many families rely heavily on corner stores, also referred to as convenience stores, for food purchases because they live in communities without supermarkets, farmers markets, or stores where fresh produce and healthy items are commonly sold nearby or within walking distance. Healthy corner stores have the power to positively impact the health of community members by providing easier access to healthy foods, such as fresh and frozen fruits and vegetables, whole grain snack items, and low-fat dairy products.

The City's Stocked Full of Produce addresses food insecurity by offering retail stores with grant funding to assist with needed infrastructure retrofits and upgrades to existing structures to promote the sale and storage of healthier fresh food options.

The City will leverage the existing partnership with Refresh San Joaquin. Refresh San Joaquin (SJ) is able to provide convenience stores with a wealth of technical assistance and marketing guidance with relation to topics such as store layout, signage and product placement. The City's Stocked Full of Produce Program provides funding assistance not currently available to retail operators under the existing Refresh SJ program. By collaborating with Refresh SJ, the City of Stockton is able to provide comprehensive programs to local convenience stores.

I. ADMINISTRATION

Administration of the City of Stockton's Stocked Full of Produce Program shall be the responsibility of the Director of the Economic Development Department, or designee, including promoting the program and processing all applications. The Stocked Full of Produce Program will be funded using Community Development Block Grant (CDBG), or other funds that may become available. Funding is approved each fiscal year during the budget process.

II. TYPES OF ASSISTANCE

A. Type of Assistance

The parameters of the various components of the Stocked Full of Produce Program are set forth below. The City will award grants up to \$10,000 per project. The following terms apply:

1. Only retail properties such as convenience stores or corner stores located within targeted areas of the City of Stockton (as shown in Attachment A) are eligible for this program. Properties outside of these areas will be reviewed on a case by case basis for eligibility in accordance with CDBG regulations.
2. Grants shall only be used for interior upgrades such as shelving or storage, cosmetic enhancements which improve the layout of the store and encourage

customers to purchase healthier food options, infrastructure improvements to the building, eligible equipment such as cold storage units, and labor for installation of improvements.

3. Properties are eligible for one grant under this program.

4. The property shall remain in compliance with all program guidelines and shall be maintained in a way consistent with the City of Stockton building and zoning codes. These grants are provided at the discretion of the Director of the Economic Development Department, or designee, based upon staff recommendation.

### III. ELIGIBILITY

#### A. Overall Eligibility

In order to be eligible for CDBG funding, each activity must qualify as meeting one or more of the three National Objectives of the Community Development Block Grant (CDBG) program, as set forth by the U.S. Department of Housing and Urban Development (HUD) in 24 CFR Part 570.208. Staff shall keep a written account of all project submissions and written documentation pertaining to all submissions and eligibility qualifications. These National Objectives are summarized as follows:

1. Low/Moderate Income Benefit – The assisted activity must benefit low and/or moderate-income persons in at least one of the four ways specifically defined by regulation. Low and moderate-income levels for the Stockton Metropolitan Statistical Area shall be determined by HUD.
2. Aid in the Prevention or Elimination of Slums and Blight – The assisted activity must address the prevention or elimination of slums or blight on either an area basis or a spot basis, or in an urban renewal area as further defined in the regulations. Assistance on the basis of spot blight is limited to the extent necessary to eliminate specific conditions detrimental to public health and safety (24 CFR Part 570.208 (b)(2)).
3. Meet an Urgent Need – An assisted activity must meet a community development need having a particular urgency where a serious and immediate threat to the health or welfare of the community is involved and no other sources of funding are available. An example would be rebuilding after a flood or earthquake.

#### B. Eligible Applicants

1. Eligible applicants are those persons who are owners of commercial retail property or businesses such as a convenience store or corner store located within targeted areas of the City of Stockton as shown in Attachment A.

2. Projects must be for the purpose of improving commercial real property in order to sale fresh, healthy food items and must contribute to the economic development and/or quality of life within targeted areas of the City of Stockton as shown in Attachment A.

3. Applicants will be required to enter into an agreement with the City committing to selling fresh produce and other healthy food options for a period of one-year or the grant funds must be repaid to the City.

4. Applicants will be required to complete at least 5 hours consultative work with Refresh SJ to ensure that the applicant has a solid understanding of technical, practical and safety requirements of stocking fresh produce. (No fee for this consultative work.)

C. Eligible Projects

Projects must be for the purpose of improving commercial real property and must contribute to the economic development and quality of life within targeted areas of the City of Stockton as identified in Attachment A. Current targeted areas must fall within a designated Food Desert Census Tracts as defined by USDA standards AND be within Stockton City Limits. The Food Desert Census Tracts are identified on the map in Attachment A. Additional targeted areas may be included periodically as determined by the City Manager and/or Economic Development Director.

1. Eligible Grant projects shall include the following:

- Improvements to real property which will promote the storage and sale of fresh, healthy food items. Improvements shall include items such as installation of cold storage refrigeration, electrical or other infrastructure improvements to accommodate such cold storage, shelving or other food storage and cosmetic improvements to the structure to improve overall store layout which increases visibility of healthier food options thereby encouraging customer purchases. Labor completed at the property shall adhere to prevailing wage requirements.

D. Ineligible Projects

1. Ineligible activities shall include the following:

- Expenses incurred prior to the grant approval, completion of the environmental review, and contract execution.
- Any assistance to religious entities to the extent that the structures are used for inherently religious activities as outlined in 24 CFR Part 570.200(j). Funds may be used for rehabilitation of structures only to the extent that those structures are used for eligible activities as authorized under 24 CFR Part 570.201-570.206.

- Any activity which is not authorized under 24 CFR Part 570.201-570.206 or that is expressly stated as ineligible under 24 CFR Part 570.207 2. Properties under consideration for development projects and/or acquisition by the City are not eligible without prior approval by the City Manager or designee.

IV. GRANT APPROVAL

Grants in amounts below the current City Council threshold shall be approved by the Economic Development Director or designee, upon staff review and recommendation. With respect to grants over the approved Council threshold, approval action by the City Manager shall be in the form of a recommendation to the City Council.

V. GRANT REQUIREMENTS

A. Maximum Grant Amount

The maximum grant amount to be expended for commercial improvements under this program may not exceed \$10,000. The Economic Development Director shall have discretionary authority to reduce or increase funding for a project based upon specific criteria such as remaining funds, impact on surrounding neighborhoods, community benefit, and financial need.

VI. GRANT APPLICATIONS

A. Applications

Applicants may submit one application per property/business. A property/business owner who owns more than one retail location can qualify for additional grant funding only after a previous grant under this program has been successfully completed and fully operational.

B. Change of Ownership

Properties previously awarded a grant under this program may qualify for a new grant upon a change of ownership, subject to funding limitations and only if additional infrastructure improvements are required to expand the existing offerings of healthier food options. The change of ownership must represent a complete change in owners and not a name change or partner substitution.

VII. GRANT APPLICATION FEES

A. No application fee to participate in this program at this time.

VIII. DISBURSEMENT OF FUNDS

Upon submission and review of required labor compliance documentation if any onsite labor was conducted (i.e., electrical upgrades, construction, etc.) and project invoices, funds will be authorized to the contractor and/or vendor. Final payment is subject to all

required documentation completed satisfactorily, and the submittal of mechanic's/workman's lien releases. Labor compliance documentation is still required for the non-City funded work.

XIII. CERTIFICATION AND COMPLIANCE REQUIREMENTS

A. Environmental Review Requirements

All projects shall be subject to a preliminary assessment of potential environmental impacts.

B. Davis-Bacon Federal and/or State Wage Rate Requirements

Because federal and/or local funds are used, Davis-Bacon and/or State prevailing wage rates must be paid to onsite laborers or mechanics employed by contractors or subcontractors when the **total onsite construction cost is greater than \$2,000**. Davis-Bacon and/or State wage rates will apply to an entire project whenever that project is financed "in whole or in part" by federal or local funds. Use of volunteer labor is not allowed.

C. Conformance to Codes

All rehabilitation activities must conform with City of Stockton building and zoning codes and be performed by a licensed general contractor or subcontractor. The grant awardee is responsible for any and all building permits or other permits that may be necessary.

D. Competitive Bid

The applicant must submit a minimum of two competitive bids for the project as defined. The project grant amount will be based on the lowest acceptable bid as determined by the assigned Program Administrator. Prior to the soliciting of bids, the borrower is required to provide the City with a written scope of work to be performed. From that scope of work, the City's Labor Compliance Consultant will obtain the current prevailing wage determination for each labor trade involved, if applicable.

E. Contractor Requirements

1. For improvement project grants the City, at its option and depending on the work to be done, may authorize the use of contractors licensed to perform specialized tasks.
2. Under federal and state law, all contractors working on projects utilizing federal and/or local funds must pay prevailing wage rates. Established hourly prevailing wage rates shall be paid to all employees performing work on the project site. The current Davis Bacon and/or State prevailing wage determination will be obtained by the Labor Compliance Consultant prior to the bidding of each job. All contracts and subcontractors selected will pay prevailing wage rates and provide the City with the necessary supporting documentation

required by federal and state law. No payment will be authorized until the required paperwork has been turned into the City and the City is satisfied that the contractor is in full compliance with federal and state law. Applicant is responsible for ensuring that contractor and all subcontractors are aware of and are paying prevailing wage rates. Noncompliance with this requirement is grounds for default.

3. The contractor shall comply with Equal Employment Opportunity (EEO) provisions relative to Executive Order 11246 and related acts, rules and regulations. The contractor shall not discriminate against any employee or applicant for employment because of race, color, religion, sex or national origin. All bidders are required to complete the City's Affirmative Action forms.

#### XIV. INTERNAL ADMINISTRATIVE PROCEDURES

##### A. Pre-Application Conference

City staff will meet with prospective applicants to determine eligibility based on adherence to all specified guidelines and provide information about the City's Stocked Full of Produce Program. Applications shall be submitted in writing and include all required documentation prior to Staff consideration. Incomplete applications will not be assessed until all required documentation is submitted.

##### B. Grant Application and Detailed Scope of Work

The applicant must submit a complete application and detailed scope of work, including estimated cost. No grant application will be processed by City staff until all required documents have been submitted. The Labor Compliance Consultant will request the appropriate wage rate determinations based upon the submitted scope of work and a ballpark estimate of cost, if applicable.

##### C. Determination of Eligibility

Grant applicants will be reviewed by Economic Development Department staff regarding the location and eligibility of the proposed property and conformance of the project with program guidelines. City staff shall conduct an initial inspection of the property.

##### D. Bidding Process

The applicant is required to submit at least two bids from minority or woman owned (MBE/WBE) firms for each component of work to be completed or document the Good Faith Efforts attempted. City staff will provide information on locating MBE/WBE firms to the applicant. A minimum of two competitive bids are required for all work to be performed.

##### E. Bid Review and Evaluation of Proposed Project Costs

The assigned program administrator shall review all bids for consistency to the detailed scope of work and shall evaluate the proposed project costs to ensure that the bids are fair and equitable.

F. Grant Approval

Based on the analysis of the information obtained, a grant decision will be made by the Economic Development Director or designee. Staff will confer with grantee either in person or via written communication to outline the process of receiving the grant funding and steps of the grant making process. Staff will provide grantee with a written checklist of compliance requirements and contract for the grant proceeds

G. Pre-Construction Conference

The City's Economic Development Department staff and Labor Compliance Consultant shall conduct a Pre-Construction Conference with the applicant and all contractors and sub-contractors to ensure understanding of and compliance with the prevailing wage requirements and reporting responsibilities, if onsite labor is conducted and exceeds \$2,000. Federal Labor Standards Provisions, required prevailing wages and documentation, and Affirmative Fair Marketing Guidelines will be provided to the applicant during the preconstruction meeting.

H. Construction Documents

Prior to funds being disbursed, copies of construction contracts, approved construction plans, building permits, verification of insurance and any other required documentation will be submitted to the program administrator at the Economic Development Department, as applicable.

I. Inspection of Property/Disbursement of Funds

City staff will inspect the property to ensure compliance with program guidelines and that the submitted work invoices represent the work completed. Staff shall also conduct ongoing inspections throughout the construction process and may conduct periodic inspections after the completion of work to ensure continued compliance with program guidelines. Staff and/or the City's Labor Compliance Consultant may perform project site interviews with laborers as required to ensure payment of prevailing wages and shall inspect to ensure that the proper bulletin notices are posted. Funds for CDBG and/or other sources funded commercial activities will be disbursed in the form of periodic payments according to a prearranged schedule of payments. Payments will be made upon the completion and inspection of various components of the project by the assigned program administrator. Funds will only be disbursed upon completion of the required work and the submission of any necessary documentation regarding Federal Labor Standards and Prevailing Wage Rates