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Abstract

The Economic Development and Redevelopment Toolkit was designed to improve low-income community access to food by providing a fundamental understanding of economic development and redevelopment and how these tools can provide opportunities to increase food retailing in the community. These economic development strategies breakdown the type of economic revitalization based on business attractions, physical redevelopment and the community members. The toolkit discusses the advantages and challenges of specific food systems, including, supermarket development, small store development, mobile markets and farmer's markets. It further discusses tips on rebuilding community food markets to include healthy options and how local, state and federal governments take part in development programs to assist underserved areas.

Resource

Economic Development and Redevelopment

A Toolkit on Land Use and Health



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1 Introduction to this Toolkit

This toolkit is the second in a series exploring ways for advocates to create healthier communities by transforming the built environment. The first toolkit focuses on the use of general plans and zoning¹ – where success often means new language in a general plan or a revised zoning designation that allows community gardens, for example. But those types of changes in local ordinances may not translate to changes on the ground for many years, if at all.

In order to take the next step toward improved food access in low-income communities, you must look at the local economic landscape and consider how tools for enhancing that landscape can be applied. You must begin to consider economic development and redevelopment.

This toolkit is designed for nutrition and other public health advocates who need additional resources – beyond zoning and general plan revisions – to improve food access in low-income neighborhoods. It provides a fundamental, introductory understanding of the economic development and redevelopment tools available, and explores ways to effectively participate in decisions about their use. These tools offer opportunities that could include enhancing the offerings of retail outlets to include healthier foods, bringing in locally owned businesses that offer healthy foods, attracting full-service grocery stores, and developing farmers' markets and community gardens.

Section I provides a basic introduction to the connection between economic development and health. This section offers an overview of the concepts of economic development and identifies how economic development can be used as a tool to increase healthy food retailing in underserved communities.

Section II describes a variety of programs and resources that support economic development. These include programs administered at the federal, state, and local level, as well as nonprofit and other private resources.

Section III focuses on California redevelopment, which is a state-defined legal and financing structure for revitalizing blighted neighborhoods. This section explains the law, including how, where, and under what circumstances it can be applied. In addition to learning about redevelopment, you will find information about how to get involved in the creation of redevelopment areas as well as participating in decisions about existing areas.



Section IV discusses the types of data you will need to collect to make a case for change, how best to present that data, and how to identify partners and build coalitions for success.

Section V includes sample documents as well as a resource guide and bibliography to help you find more detailed materials on specific topics.

This toolkit is meant to be a living document. As food industry trends change and new economic development resources become available – and as advocates like you are successful in utilizing these tools to change the food environment in your communities – this toolkit will grow and change.

Updates and new materials will be posted on our website:

www.healthyplanning.org. Check frequently for new ideas!

¹ L. Feldstein, **GENERAL PLANS AND ZONING: A TOOLKIT ON LAND USE AND HEALTH**, Public Health Institute (2006).

2 The Connection Between Economic Development and Health

Obesity – caused by poor diet and physical inactivity – is arguably the leading public health challenge facing California today. Left unchecked, the impact of increasing obesity rates will be devastating in both public health and economic terms. In addition to the increased individual risk for heart disease, stroke, type-2 diabetes, and some cancers, the combined annual costs of obesity-related chronic disease risk factors in California reach \$21.68 billion a year, attributed to medical care (\$10.16 billion, of which \$2.28 billion, or 22.44 percent, is MediCal payments for low-income people), lost employee productivity (\$11.2 billion), and workers compensation (\$338 million):¹

Multiple factors have been associated with the recent obesity epidemic,² but the marked increase in the prevalence of obesity appears to be in large part attributable to environmental conditions that implicitly discourage physical activity while encouraging the consumption of greater quantities of energy-dense, low-nutrient foods.³ Leading environmental risk factors for diet-related disease include:

- ▶ **Lack of access to healthy foods:** Public health researchers document the lack of access to healthy foods as a major contributing factor to obesity and poor eating. According to a recent study by the University of North Carolina, the more supermarkets a neighborhood has, the more fruits and vegetables its residents eat.⁴ The Food Marketing Policy Center at the University of Connecticut found that in most cities, low-income people – especially those receiving public assistance – tend to live in areas that do not have supermarkets.⁵ California Food Policy Advocates notes:

While poverty is the main cause of malnutrition in California, lack of access to nutritious, affordable food is also a critical element. The flight of supermarkets to the suburbs, inadequate public transportation, and a paucity of healthy foods at corner stores are all factors that contribute to lack of healthy food access in low-income neighborhoods.⁶

- ▶ **Easy access to unhealthy foods:** The corollary to the lack of access to healthy foods is the all-too-easy access to unhealthy foods. While this problem is true in all communities regardless of income, low-income



Photo by Lisa M. Feldstein

communities have the fewest opportunities in their neighborhoods to choose healthy foods.⁷ Many low-income neighborhoods are saturated with small corner or convenience stores, selling food that is generally of poor quality at high prices.⁸ Research has implicated environmental influences on body weight (e.g., number and proximity of fast food restaurants) as a primary contributor to the development of the obesity epidemic.⁹

At one level this can be seen as a land use problem: the geographic location of different types of food outlets has a direct impact on public health. It's true that permissive land use regulation, particularly zoning, can make it possible for nutritious food to be sold in underserved communities and more difficult for unhealthy food to be sold (see the first book in this series, *General Plans and Zoning*). But no amount of land use control can force private businesses to locate in a given place or ensure that they will be successful if they do.

Most Americans get their food from private businesses, and the unequal food access that contributes to so many health problems is a result of the choices made by those private businesses. While land use tools are effective in preventing certain businesses from locating in specific locations, attracting businesses and influencing how they operate requires a different set of tools, often called *economic development*.

It may seem reasonable to expect that land use planners and economic development professionals would work closely together to optimize development in a community. Unfortunately, that is not always the case. Planners may envision whole communities that meet the needs of residents and will plan for a built environment that meets those criteria. At the same time, a few doors down, the economic development specialists are working hard to ensure that the local economy thrives. This often means working hard to attract business to the community to maximize jobs and taxes – businesses that may not reflect the vision of the land use planners (or the vision of public health professionals, for that matter).

Over the past few years, however, policy makers have increasingly come to realize that economic development policy has the potential to make a unique and powerful contribution to stimulating the development of healthy food retail options in underserved communities. In Philadelphia, for example, the city council convened a group of leaders from the supermarket industry, city government, and the public health sector who called for greater public sector involvement in food retailing. The recommendations included:

- ▶ The City should adopt food retailing as a priority for comprehensive neighborhood development.

- ▶ The City should employ innovative, data-driven market assessment techniques to highlight unmet market demand in urban neighborhoods.
- ▶ The City should identify targeted areas for supermarket development and promote them to real estate developers and the supermarket industry.
- ▶ The City should give priority to assembling land for supermarket development.
- ▶ The City should reduce regulatory barriers to supermarket investment.
- ▶ The City should market the available public incentives to maximize impact on supermarket site location decisions.
- ▶ City and State economic development programs should be made available to the supermarket industry.
- ▶ The Commonwealth of Pennsylvania should develop a business financing program to support local supermarket development projects.¹⁰

Across the country, local governments, private developers, and community groups have already begun to take such actions. For example, the Retail Chicago program has successfully attracted new grocery stores to long-underserved neighborhoods. In Gary, Indiana, Milwaukee, Wisconsin, and Washington, D.C., local governments are working to make state-of-the-art market analysis of the demand for food retail in their low-income neighborhoods available to the supermarket industry. In Pennsylvania, the state has allocated \$20 million, leveraged with \$60 million in private money, to create the Fresh Food Financing Initiative, a revolving loan fund that is available to finance supermarkets in underserved areas.¹¹ (See chapter 8 for more information about the Fresh Food Financing Initiative.)

There are additional links to be made between economic development and health. Communities that suffer from disinvestment often feature substandard housing, which can mean unabated toxins such as mold, rodents, cockroaches, and lead paint. Lower-income communities may also have disproportional amounts of toxic land, which remains undeveloped because of the cost of remediation. Road design and the location and siting of polluting industries can be impediments to new

Retail Chicago

Most large cities make some effort to attract new retailers, but few have focused on meeting the retail needs of underserved inner-city neighborhoods. One exception is the Retail Chicago program, launched in 1994 by Chicago's planning and development department in partnership with the Local Initiatives Support Corporation (LISC) and the Chicago Association of Neighborhood Development Organizations (CANDO).

Retail Chicago commissions economic profiles and analysis of selected neighborhoods, then draws on the results to produce promotional material to be distributed to retailers. It offers interested developers and retailers a single point of contact within city government for information and support with site planning, permitting, and access to incentive programs. The program publishes a quarterly newsletter and schedules regular tours to bring local retailers and elected officials together to look at development opportunity sites.¹²

Strong and visible support from the mayor has been essential to the program's ability to leverage the resources of other city departments and get things done quickly. Retail Chicago manages a strategic plan for neighborhood retail in Chicago and can educate other city staff about how the retail projects fit into other community priorities.

The results have been dramatic: many retailers, including several supermarkets, have located in the targeted neighborhoods.¹³

business development; they can also affect air quality and therefore rates of asthma and other lung diseases.

Many of the basic concepts and strategies in this toolkit can be used to address economic development responses to health impacts other than obesity. The focus in this toolkit is, however, obesity and access to food.

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3 Why Do So Many Communities Lack Access to Healthy Food?

Some History

There have always been neighborhoods that are less prosperous than others, but after World War II, rapid suburbanization greatly increased economic segregation. Before the war, most urban neighborhoods and smaller towns contained a mix of people living at very different income levels. But the new suburbs generally involved large tracts of nearly identically priced homes. As middle-income (generally white) families left older neighborhoods, prices often declined, creating further incentive for even more families to leave. Eventually, large sections of many American cities and rural communities came to be occupied by the poor alone.

With fewer people and lower incomes, it became harder and harder to maintain basic infrastructure. Declining tax revenues led many cities to cut basic services, which, predictably, led to further middle-class flight and lower property values. With property values declining, banks became reluctant to lend money. Without bank financing, it was virtually impossible to turn the situation around.

Meanwhile, trends in the supermarket industry have made it even harder for inner-city stores to succeed. Over the last 40 years, supermarket chains have made decisions to close inner-city stores.¹ While this disinvestment began with stores following out-migration to the suburbs, it also resulted in a new model of grocery store, one that required a much bigger store “footprint” and included such services as banking and pharmacies on-site, all surrounded by acres of parking. This new model worked well in terms of maximizing profits on a per-store basis and served suburban customers well. But it is not a model that fits into the built environment of cities.²

The out-migration of supermarkets has left many inner-city residents dependent upon corner markets for food purchases. Many of these stores, which in the pre-supermarket era carried a wide variety of foodstuffs, have become purveyors of primarily higher-profit goods such as

Redlining

Many of the economic problems evident in low-income urban neighborhoods today stem from difficulty accessing capital. While laws such as the Community Reinvestment Act and the Home Mortgage Disclosure Act have made it much easier for inner-city residents to obtain loans, credit access problems still hinder economic development efforts, and the legacy of several decades of systematic disinvestments is still evident in many neighborhoods.

The practice of systematically denying credit to certain neighborhoods based largely on residents' race and income profile is called *redlining*. The practice was actively promoted by the federal government beginning in the late 1930s. The Federal Housing Administration required home mortgage lenders to produce maps that identified neighborhoods with high concentrations of African Americans or low-income residents, factors that were thought to contribute to unstable property values. (Many of these maps outlined these areas in red, thus the term *redlining*.)

This inability to obtain mortgage financing became a key factor leading to decline in these very areas. Without access to bank loans, home prices fell, many homes were not properly maintained, and small businesses were unable to grow. It was not until 1970 that federal law made redlining illegal and began to require banks to undertake efforts to ensure equal access to credit.

alcohol, cigarettes, and nonperishable foods of limited nutritional value. In addition, because small stores must maximize the profit on each product in order to remain viable, prices tend to be much higher in these corner stores than in larger markets.³ Neighborhoods are also deprived of employment opportunities, and low-income people must travel out of their neighborhood (and sometimes their city) to secure a healthy diet for their family.

Current Challenges

In recent years, many long-neglected communities have been coming back. Since the late 1970s, the Community Reinvestment Act has required banks to make credit available in all communities, which has led to new investment, new housing, and in many places, new retail activity. Growing numbers of retailers – including many major supermarket chains and independent fresh food stores – have begun to recognize the market potential of lower-income communities. New full-service stores have opened, existing small groceries have expanded their inventory of healthy foods, and farmers’ markets have brought fresh food into neighborhoods that for decades had no alternatives.



These efforts still face a number of very significant challenges. Advocates who hope to improve local food access must understand many of these challenges in order to develop effective strategies.

It's clear that not everyone has equal access to quality food stores. Many lower-income communities have no stores that sell healthy food. The Urban and Environmental Policy Institute at Occidental College issued a report in 2002 that included the finding that middle- and upper-income neighborhoods in Los Angeles had 2.26

times as many supermarkets per capita as low-income neighborhoods did.⁴

It might be tempting to conclude that the reason for this disparity is that low-income households don't have enough money to support a profitable local supermarket, but a number of recent supermarket projects developed in low-income urban neighborhoods have proven to be among the most profitable in their regions.⁵ Many lower-income areas offer significant advantages, including convenient central locations, lower land costs, fewer retail competitors, and higher household densities, all of which should make them attractive locations for food retailers.

Since low-income neighborhoods have so much to offer, why don't they all have convenient food shopping options? Unfortunately, there are a number of factors, each complex in its own right. Some of these issues are problems of perception or result from bias or simple misunderstandings on the part of

retailers and financial institutions, while others are real challenges that must be addressed for any business to succeed in a low-income community.

Food access challenges in low-income communities are only one symptom of the broader economic development challenge that many communities face. Any market-based solution to food access issues in these areas has to be part of a more comprehensive effort to overcome bias and improve broader economic and social conditions.

Challenge #1: Spending Power

Some claim that the primary reason low-income communities have fewer retail opportunities is that they have less money to spend. While it is clearly true that low-income households have less discretionary income than higher-income households, it does not necessarily follow from this observation that food retailers in low-income neighborhoods will experience lower sales volumes. There are a number of reasons for this:

- ▶ **Concentrated buying power:** Low-income communities often spend far more than the average community due to *concentrated buying power*. Many urban communities are built at higher densities than their suburban counterparts, which means there are more total households per square mile. More households means more spending power within a store's *trade area*. (A store's trade area is the geographic area surrounding a store from which customers are drawn.) Historically, retailers have looked at an area's average household income as an indicator of market strength, but this approach underestimates the real economic power of many communities. A better approach involves looking at the aggregate spending in a given area.
- ▶ **Food spending:** While lower-income households have less money available to spend in general, most prioritize spending on food (along with housing) over other items. A survey conducted by the Initiative for a Competitive Inner City and PricewaterhouseCoopers found that inner-city residents actually spent \$10 to \$20 more each month on groceries than the average American household, even when their total incomes were significantly below average.⁶
- ▶ **Undocumented income:** Most retailers rely on public demographic data to evaluate the market potential of a proposed store. This data is generally based on the U.S. Census conducted every ten years and the annual Consumer Expenditure Survey. Both sources tend to underrepresent the economic potential of low-income neighborhoods. The Census Bureau acknowledges that the decennial census systematically undercounts the population of many communities; this undercount is more pronounced in low-income communities and especially in communities with high

immigrant populations. In addition, many low-income households earn undocumented (often legal but unreported) income from activities like babysitting and day laboring. Government statistics overlook this very real source of spending power. (See chapter 16 for a discussion of companies that have developed innovative methods for accurately calculating the spending power in low-income communities.)

Challenge #2: Higher Operating Costs

Supermarket operators report that inner-city stores cost more to operate. These stores face higher costs for security, property taxes, insurance, and even payroll. (Low-income consumers are less likely to own cars and therefore tend to make more frequent but smaller purchases, which means inner-city stores need to hire more checkers to serve the same number of households.)

Challenge #3: Safety Concerns

Many low-income communities face crime and safety problems, both real and perceived. Safety concerns affect a retailer's bottom line in two distinct ways. Stores in higher-crime areas experience greater losses due to theft and greater costs associated with security. At the same time, even where actual crime statistics are not particularly high, the perception of crime poses a very real problem for retailers. Retailers understandably fear that customers will not frequent stores located in areas that are considered unsafe, even though these perceptions are often the result of historical crime rates or outright prejudice. While many retailers have been accused of exaggerating the importance of safety concerns, grocery operators with successful track records of operating in low-income communities succeed in part by paying close attention to safety and report that increased expenditure on security, lighting, and employee training are a cost of doing business in many of these locations.

Challenge #4: Access to Capital

Historically, business owners and developers have found it difficult to obtain the necessary financing for retail centers located in low-income neighborhoods due to lenders' unwillingness to invest in certain neighborhoods. Many banks refused, both formally and informally, to make loans in neighborhoods that were considered unstable. (See "Redlining," page 3-1.) The passage of the Community Reinvestment Act in 1977 created a federal requirement that all banks make credit available to all portions of whatever region they serve. CRA requires banks to seek investment opportunities in low-income neighborhoods. Nonetheless, many communities still experience serious challenges in accessing capital.

Challenge #5: Site Issues

Two site-related challenges facing retail developers in urban communities are the shortage of appropriate sites and the cost of “legacy uses.”

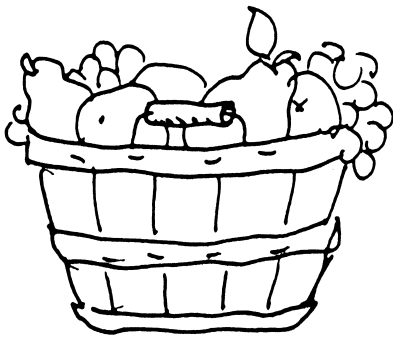
- ▶ **Lot size:** Most urban areas built before the 1970s were designed to accommodate many small individual properties. Before the advent of the automobile, most people walked or took trains or streetcars to get to work and to shop. To make walking feasible, people built their houses closer together on smaller lots. Neighborhood retail districts were generally made up of many small shops, side by side.

With the use of cars becoming more widespread and the subsequent migration from cities to suburbs, people began to shop in larger and larger stores. Both retailers and consumers began to prefer large-store formats with lots of free parking; this was especially true for food retailers. Through the 1950s, grocery stores tended to be between 5,000 and 15,000 square feet; by the 1970s supermarkets of 30,000 to 40,000 feet had become the norm. Today the average full-service supermarket is around 48,000 square feet, but new stores opened by major chains can be as large as 70,000.⁷ More and more consumers are doing their grocery shopping in supercenters like WalMart, which can be as big as 150,000 square feet.⁸

Larger stores require larger sites. The typical supermarket has five parking spaces for every 1,000 square feet.⁹ A 40,000-square-foot store will have approximately 200 spaces, or more than an acre of parking.

Because most supermarkets are now developed as part of larger strip shopping centers, their site requirements are driven up further. Supermarkets are relatively low-margin businesses; their profits are very tight, and most cannot afford high rents. But a name-brand supermarket will draw large numbers of consumers on a regular basis, and other retailers will pay a high premium to locate next to a supermarket. Recognizing this reality, developers are reluctant to build a center with only a supermarket tenant: they prefer instead to build a full shopping plaza with the supermarket as an anchor and a dozen or more “in-line” tenants who will generally pay much higher rents. A community shopping center with a supermarket anchor will generally include 65,000 to 150,000 square feet of retail space. While a supermarket alone might require less than two acres of land, a community shopping center might require five to ten acres.¹⁰ In urban areas, supermarket developers often have to assemble a suitable site by purchasing land from multiple landowners, adding significant transaction costs to the project.

► **Cost of “legacy uses”:** Unlike suburban development, urban real estate development projects generally involve rebuilding sites that have previously been used for some other type of activity. These historical uses make urban development more expensive than suburban “greenfield” development for three main reasons. First, there is a direct cost related to demolishing existing buildings and preparing a site for new construction. Second, many (but not all) urban sites have experienced some level of environmental contamination. These so-called “brownfield” sites can be costly to clean up, and even when they are cleaned, the risk of future lawsuits creates an additional expense. (The California Environmental Quality Act (CEQA) can have the effect of creating additional hurdles for the development of urban sites, which means that even clean urban sites may be more expensive to develop than comparable suburban or rural sites.)¹¹ Third, many under-utilized urban sites are nonetheless occupied by some kind of business or residential use that has to be relocated. A site that is currently occupied as a parking lot might better serve the community if it were redeveloped as a supermarket, but because the parking lot earns revenue, buying the site will cost significantly more than vacant land would. Also, many government-funding sources will require that developers pay relocation costs for existing tenants, in addition to paying the property owner for the land. Combining several smaller parcels into a single site large enough for a supermarket will also add costs. These are all necessary and appropriate costs of redevelopment – but they make appropriate sites expensive to acquire, even in economically depressed areas.



Challenge #6: Competition

Most supermarkets, because of their size, have to draw customers from a fairly large area – generally larger than a single neighborhood. Even well-off urban neighborhoods may not be able to support a full-service supermarket without pulling in customers from surrounding areas. This means that not every neighborhood can have its own supermarket. In urban areas, neighborhoods compete with one another for retailers. If the next area over has a supermarket, your neighborhood may be less likely to attract one. In rural areas, smaller towns compete in the same way.

Low-income communities are at a disadvantage in this competition. Both retailers and customers perceive low-income communities as less safe and less attractive. A supermarket located in a middle-class area might count on drawing in customers from nearby low-income areas, while the reverse may not be true. One result is that low-income people and people of color often have to travel further to reach a supermarket.¹²

In some places, overcoming this phenomenon requires changing people’s perceptions of the whole neighborhood. In order for a full-service super-

market to succeed, a community may need to undertake a whole range of activities designed to improve its appearance, address safety concerns, and market itself as a safe and desirable place to shop. Some communities may choose to pursue other strategies to increase access to healthy food – for example, by working with existing small food retailers to enhance offerings or by developing farmers’ markets.

- 1 E. Bolen et al., *supra* note 6 in chapter 2, at 4 (citing James O’Connor and Barbara Abell, SUCCESSFUL SUPERMARKETS IN LOW-INCOME INNER CITIES, U.S. DEPARTMENT OF AGRICULTURE, at 6 (1992), and Amanda Shaffer, THE PERSISTENCE OF L.A.’S GROCERY GAP: THE NEED FOR A NEW FOOD POLICY AND APPROACH TO MARKET DEVELOPMENT, Center for Food and Justice, at 6 (2002)).
- 2 The economic development issues presented by low-income rural areas are equally complex, but the problems are more closely related to the relatively small number of dollars available when low-income people are sparsely spread out over substantial geographic areas.
- 3 Brookings Institution, FROM POVERTY, OPPORTUNITY: PUTTING THE MARKET TO WORK FOR LOW-INCOME FAMILIES, *available at* www.brook.edu/metro/pubs/20060718_PovOp.htm (last visited 8/28/06).
- 4 E. Bolen et al. *supra* note 6 in chapter 2, at 4 (citing Amanda Shaffer, THE PERSISTENCE OF L.A.’S GROCERY GAP: THE NEED FOR A NEW FOOD POLICY AND APPROACH TO MARKET DEVELOPMENT, Center for Food and Justice, at 6 (2002)).
- 5 Initiative for a Competitive Inner City, THE CHANGING MODELS OF INNER CITY GROCERY RETAILING (July 2002) *available at* www.icic.org (last visited 6/16/06).
- 6 Initiative for a Competitive Inner City & PricewaterhouseCoopers, SECOND ANNUAL INNER-CITY SHOPPER SURVEY: INNER-CITY SHOPPERS MAKE CENTS (AND DOLLARS), at 13 (October 2000) *available at* www.icic.org (last visited 6/16/06).
- 7 Food Marketing Institute, SUPERMARKET COMPANIES SEEK COMPETITIVE EDGE WITH NICHE MARKET STORES AND SPECIALTY SERVICES, ACCORDING TO NEW FMI STUDY, 3/20/06, *available at* www.fmi.org/media/mediatext.cfm?id=803 (last visited 6/22/06).
- 8 R. King et al., AGRICULTURAL ECONOMIC REPORT #839: SUPERMARKET CHARACTERISTICS AND OPERATING COSTS IN LOW-INCOME AREAS, U.S. Department of Agriculture, Economic Research Service (December 2004).
- 9 SUPERMARKET ACCESS IN CAMBRIDGE: A REPORT TO CAMBRIDGE CITY COUNCIL, COMMUNITY DEVELOPMENT DEPARTMENT, 12/19/94, at 4, *available at* www.ci.cambridge.ma.us/CDD/cp/zng/super/super_report.pdf (last visited 6/22/06).
- 10 S. Nax, *Selma Square Work Begins; Retail Project is the Latest of Many in the City*, FRESNO BEE, 8/23/98 (Home Edition), at G1.
- 11 For more information about CEQA, *see* appendix 3; *see also* L. Feldstein, GENERAL PLANS AND ZONING: A TOOLKIT ON LAND USE AND HEALTH, Public Health Institute (2006).
- 12 In some cases, residents of low-income neighborhoods may be unwilling to cross certain psychological barriers such as freeways or neighborhood boundaries, even when supermarkets located in higher-income communities are physically nearby.

4 Developing a Strategy

There are a number of very different approaches to the challenge of improving access to healthy food in underserved communities. This chapter explores issues around developing supermarkets, small stores, corner stores, mobile markets, and farmers' markets. The approaches differ in the level of effort, start-up capital, and other required resources, and no one approach will be appropriate for every community. However, all of the strategies described in this chapter are market-based; they all attempt to build self-sustaining businesses that meet local health needs by taking advantage of local spending power.

Supermarket Development

In many communities that face food access problems, the first priority has been to develop a new full-service supermarket. Many urban and rural communities have identified real opportunities for supermarkets and successfully marketed their locations to both major supermarket chains and independent operators. (Note that it is often possible to obtain public subsidies to make an appropriate site more attractive to potential operators.)

A number of urban supermarkets have capitalized on the support of community-based organizations (CBOs), foundations, and other private funding sources to overcome the challenges of locating in the inner city. Some of the most successful projects have involved partnerships with CBOs, which have unique expertise that can help create the conditions in which private investors and entrepreneurs will invest, especially regarding site development, community relations, and workforce development.

Community development corporations (CDCs) – nonprofit organizations established to coordinate the economic revitalization of low-income communities – often have expertise navigating the permitting and zoning processes. They may also be major players in neighborhood redevelopment processes. Some CDCs, notably the Bed-Stuy Restoration Corporation in Bedford Stuyvesant, New York, and the New Community Development Corporation in Newark, New Jersey, have not only participated in the development process but also taken on lead roles as owners of the retail facility in which the new supermarkets locate. These cooperative management

Identifying Sites for New Stores

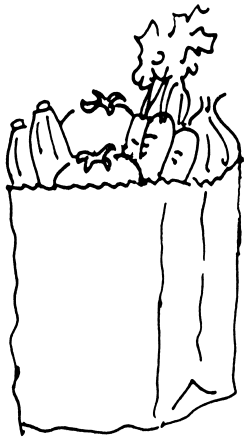
Different supermarket companies have slightly different site requirements, but some of the more important issues include:

- ▶ **Size:** Most companies operate stores in several “formats,” but the trend over the past several decades has been toward larger and larger stores. The average store is now 48,175 square feet, and most stores are developed as part of retail centers that require seven to ten acres of buildable land.¹
- ▶ **Traffic:** Supermarkets tend to locate on high-traffic streets.
- ▶ **Adjacent uses:** Ideally supermarkets sit adjacent to other retail uses, which can benefit from the spillover of shoppers. Also, some residential neighbors will be affected if a supermarket locates directly adjacent to residential uses.
- ▶ **Truck access:** Trucks must have adequate access to the back of the site. There are many large sites in urban areas that can't accommodate this need due to traffic configuration or concerns of adjacent residential properties.

structures help distribute the risk associated with new developments and cultivate a strong sense of community ownership and pride.

Advantages

- ▶ Most people do most food shopping in supermarkets
- ▶ Large supermarkets often have the lowest prices
- ▶ High volume makes it easier for large stores to stock fresh produce
- ▶ Supermarkets draw customers from a large area and generate economic activity that can spill over to support other neighborhood businesses



Challenges

- ▶ Many communities that face food access challenges do not have appropriate sites for full-scale supermarkets
- ▶ Real estate development at this scale can be extremely expensive and risky: supermarket projects in underserved areas may require millions of dollars of public subsidy, funds that could be used for other purposes
- ▶ This may be an “all or nothing” strategy: where communities succeed in recruiting a supermarket, their food access issues are generally reduced – but if years of effort do not result in a supermarket, the community may not have anything to show for the effort
- ▶ Given current store formats, every neighborhood can’t expect to have its own supermarket: large stores need to draw customers from several neighborhoods (or rural communities), and the desire for a supermarket may keep advocates from pursuing other strategies that may have greater potential for success²
- ▶ Some supermarket development projects may be opposed because they are likely to generate increased traffic and demand for parking or contribute to litter problems³
- ▶ A new supermarket may be perceived as creating additional competition for certain existing small businesses, making it harder for some to survive

Partners Through Food

Rochester, New York

The Upper Falls community, located in the northeast quadrant of Rochester, New York, is home to 5,000 of Rochester's 219,000 residents. The majority of Upper Falls residents are African American or Puerto Rican and low-income.⁴

From 1970 to 1995, the number of supermarkets in the Rochester metropolitan area dropped steadily from 42 to a meager eight, and in 1992, the last supermarket in the Upper Falls neighborhood burned down. With the loss of the grocery in Upper Falls, people from the community were forced to walk over a freeway to get their groceries, sometimes in perilous weather conditions.

After the fire, Upper Falls residents formed the "Grocery Group" and began meeting in 1992 to brainstorm solutions.

"There was a core group that started the ball rolling," says Hank Herrera, a neighborhood resident who took on a lead organizing role. "After a series of early meetings, we began to reach out to the community." The group quickly attracted residents affected by the absence of neighborhood grocery outlets, as well as outside advocates for food access in low-income areas.

The group rapidly snowballed into a strong collaborative of different interests. The Ibero-American Action League – a Hispanic American advocacy group – set up a meeting at a neighborhood church, invited everyone who was interested, and made introductions among all the groups.

That's where the Grocery Group and the Community Development Block Grant (CDBG) Coalition, a group organized to prioritize CDBG fund recipients,⁵ met and began working together. From that point the groups worked collectively to organize around the need for grocery and actually incorporated into a nonprofit organization, Partners Through Food.

The collaboration was not yet complete, however. Partners Through Food held community meetings, advertising through neighborhood preservation clubs and housing projects to solicit participation. The Coalition of Northeast Associations and the Regional Food Bank also served as valuable community partners – engaging residents to participate in community meetings as well as building political clout for the effort, which was critical for eventually obtaining buy-in from city government.

Partners Through Food and its community volunteers began working to attract a supermarket to the area. They created market studies showing the leakage of money⁶ spent outside the neighborhood for groceries and did outreach to the grocery chains in Rochester.

From the beginning, Partners Through Food invited the city government to attend its meetings and become involved in the grocery project. Initially, these invitations led to a parallel process within the city government, which did not attend meetings but began its own initiative to bring a grocery store to the Upper Falls neighborhood. But about a year after Partners Through Food was created, the mayor, local government officials, and the community groups began working collaboratively.

After five years, the collaboration between Partners Through Food and the mayor's office finally convinced TOPS, a major grocery chain, to build a shopping plaza and full-service supermarket in the neighborhood. The financing of the project was realized through a collaboration of actors as well. The federal Department of Housing and Urban Development (HUD) had designated the city of Rochester an *enterprise community*, making public funds available for revitalization.⁷ Those funds, along with funding from Community Development Block Grants, provided \$6 million for the community to invest in the project, along with a donation of a four-acre plot of land by the city. TOPS invested \$28 million of its own money, contracting with the Regional Economic Development Corporation (REDCO), a nonprofit managed by the city, to develop the site and build out the space according to TOPS' specifications. (Although Partners Through Food's work was largely complete once the grocery agreed to locate on the site, members of the organization continued to work as advisory members to the project during development.)

The project has had positive repercussions beyond the obvious value of bringing a grocery store to an area that badly needed increased food security. "The physical transformation of the corner on which TOPS located is dramatic," says the city's redevelopment manager, describing the change brought to what had been a vacant four-acre lot. "The plaza is full, and all the stores are thriving." In fact, TOPS is doing so well in that location that it opened another store in the southeast portion of the city, which has similar demographics.

Residents say the retail area has transformed the neighborhood. They now have a store within safe walking distance that offers a wide variety of affordable food options. And the mayor's office has taken its experience with Partners Through Food and transformed it into a city-run program, Neighbors Building Neighborhoods (NBN), bringing communities into planning processes that affect them and identifying priorities for their own neighborhoods.

Small Store Development

While not every community has an appropriate site and the market strength to support a large supermarket, many have convenient access to fresh, healthy food through smaller neighborhood grocery stores or produce markets.

In spite of the national trend toward larger and larger stores, many independent markets still succeed in 10,000- to 20,000-square-foot formats. In addition, a growing number of chains are opening smaller, limited-selection grocery stores in this size range. Many urban neighborhoods also have independent ethnic markets that specialize in the sale of fresh produce and target certain ethnic groups' needs. These smaller stores can be difficult to operate and more expensive than supermarkets, but they can also be incorporated more easily into the existing neighborhood fabric.

Communities concerned about food access can make a concerted effort to attract and retain small food stores, even offering economic incentives such as below-market loans or storefront and tenant improvement grants to help these stores succeed in underserved locations.



Photo by Lisa M. Feldstein

Advantages

- ▶ Most neighborhoods have sites that could accommodate a small-format food store
- ▶ Small stores require a smaller trade or market area than a supermarket to make them financially viable, providing additional food access options to neighborhoods that could not support a supermarket
- ▶ The cost of developing and opening a smaller store is much lower than the cost of a new supermarket
- ▶ Smaller stores are more often owned by local entrepreneurs

Challenges

- ▶ Small stores often have higher prices than large supermarkets, which can take advantage of volume purchasing
- ▶ Some consumers prefer larger stores, which offer a greater selection of products
- ▶ Some neighborhood grocery stores are really surviving on the sale of liquor and tobacco
- ▶ Jobs at small independent stores are likely to pay less
- ▶ Even successful small stores don't generate the kind of spillover economic benefit that a full-service supermarket can
- ▶ There may be cultural and language barriers (between store owners and advocates, as well as between store owners and the surrounding community): for example, corner stores are often owned by immigrants who are accustomed to self-financing their businesses and may be wary of receiving government support

City Produce

San Francisco, California

Mercy Housing, a national nonprofit affordable housing developer, created the Rose Hotel as an affordable residential project for special-needs populations in San Francisco, one of the most expensive housing markets in the country. The site was located on Sixth Street in one of the city's toughest neighborhoods, which is filled with bars and liquor stores and very little other retail.

Mercy was required to develop the project as a mixed-use building with retail tenants on the ground floor. Because the project was being developed to house a special-needs population, many of whom were trying to overcome addiction issues, Mercy felt it was important that its retail tenants offer a healthier alternative. "We were interested in bringing in a commercial tenant that would help with the revitalization of the neighborhood," says Nancy Conover, the project developer. "It was important to attract foot traffic and benefit the neighborhood." In addition, whatever business went into the space would need to pay enough rent to cover Mercy's costs.

Although a grocery tenant was not specifically targeted, Mercy thought City Produce would be a better fit than the other businesses interested in the space, including a café and a cell phone retailer. In addition to bringing affordable grocery items to an extremely underserved neighborhood, the market owners made a commitment not to sell alcohol.

Mercy required that the merchant produce a business plan for the new store and was able to arrange for free assistance through Urban Solutions, a local nonprofit business assistance organization. Because the project was in a redevelopment area, the city's redevelopment agency provided a great deal of the funding for the project. In this case the agency didn't mandate that all of its money go to the residential portion, which allowed Mercy to use \$35,000 to \$40,000 of redevelopment funds to build out improvements (electric panels and HVAC venting) in the commercial space. Beyond those components, the commercial space was undeveloped to allow tenants to build it out according to their needs.

Once Mercy leased the space to the two tenants – City Produce and a pizzeria – the redevelopment agency worked with them to offer small business improvement loans of \$12,000 each. In the case of City Produce, the store owner put in the rest for equipment and build out, amounting to approximately \$75,000. "The redevelopment agency was extremely generous in

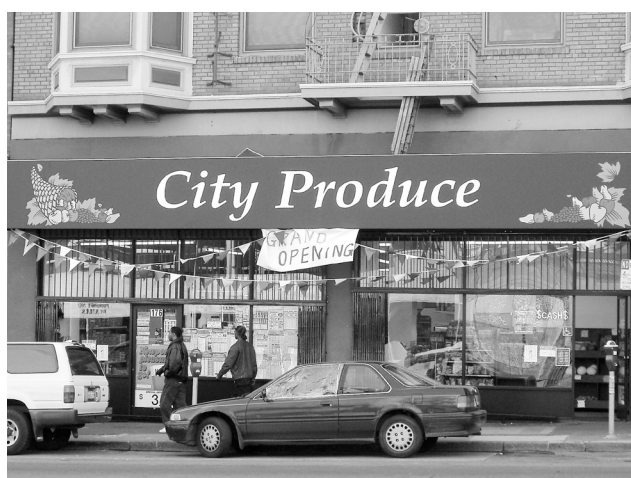


Photo courtesy of Urban Solutions

this case,” says Conover. “They weren’t interested in exactly what tenant we chose, but they did want the entire project to be successful, and they worked with us to ensure that everything worked out to allow that to happen.”

Eventually, it did happen – though a few challenges arose along the way. During build out Mercy had to work directly with the merchant to ensure the necessary permits and inspections, a process that was unusually time-intensive because, due to language barriers, it had to be done in person rather than through phone calls or emails. Additionally, during build out and the initial months of operation, City Produce wasn’t able to pay its full rent; Mercy wrote off some of it to allow the store to get a foothold in the area.

Now in its third year of operation, the store is stably functioning. It sells very affordable grocery items at or below the cost of large grocery outlets, and although it does not have a great deal of produce, the refrigerated shelf offers some of the only fresh fruits and vegetables available in the neighborhood. The store has loyal customers in the building’s residents and its neighbors; the owner has integrated himself as a community member as well. Mercy remains pleased with the contribution City Produce offers its project and the Sixth Street neighborhood.

Corner Store Improvement

Many low-income urban residents do much of their food shopping at corner stores. Unlike small grocery stores, which are typically 10,000 to 20,000 feet or larger, corner stores tend to be 2,500 feet or smaller. Many corner stores sell primarily liquor, cigarettes, and certain prepackaged food items; few offer fresh produce.

A number of health advocates in California have experimented with programs designed to help these corner stores provide a greater range of healthy food. In 2000, California Food Policy Advocates (CFPA) developed a pilot corner store improvement project working with School Market, a corner store located in Oakland's Fruitvale neighborhood. Through a combination of technical assistance, training, and equipment, CFPA helped the store owner offer fresh produce to his customers. The nonprofit purchased a refrigerated display case and hired an experienced produce vendor to provide one-on-one technical assistance to the store owner on purchasing, handling, and displaying fresh produce. The technical assistance also included extensive support in marketing the produce to neighborhood customers and changing community perceptions of the store, which had previously sold primarily liquor.



The pilot, which cost CFPA less than \$25,000, led to a dramatic increase in the sales of healthy food in the store, which continued to provide the store owner with a new source of income for some time after the end of the pilot. Unfortunately, the pilot was not sustained or expanded, and the store eventually stopped selling fresh produce.

In 2006 the California legislature approved AB 2384, the Healthy Food Purchase Pilot Program, designed to provide incentives to corner store owners in selected low-income communities to increase their sale of fresh fruits and vegetables. The pilot program has a rigorous evaluation component.

Corner store conversion is certainly not going to be successful for every corner store. Here are some factors to consider when deciding whether a particular store is ready:

- ▶ **Merchant's motivation:** Changing the product mix of any existing business can be challenging, and introducing healthy foods into corner stores that survive primarily on the sale of liquor and tobacco requires a merchant with considerable motivation and an open mind. The retailer will have to take real financial risks and spend valuable time learning how to handle and sell produce. You may wish to reach out to a local small grocers'

association (for example, the Korean American Grocers Association or the Yemeni Grocers Association) to identify motivated merchants.

- ▶ **Space:** Every corner store could probably accommodate some mix of healthy food. But to be successful, a storeowner will have to dedicate a significant amount of highly visible space to the sale of produce. Many corner store improvement projects have involved making space for a refrigerated display case as well as some adjacent shelf space.
- ▶ **Distribution:** Identifying a distributor for fresh food can be a challenge for small stores. It might be accomplished through a co-op of corner stores to increase buying power and security. A study by Bay Area Economics found that the collective power of at least 50 stores would be required to offer customers prices comparable to full-service supermarkets, which might be challenging in cities with relatively low corner store density.⁸ Advocates should also begin to think about how local (fresh and seasonal) foods could be procured by connecting corner store operators to existing farmers' collaboratives/markets. This model was used by the Literacy for Environmental Justice (LEJ) store conversion ("Good Neighbor") program in Bayview Hunters Point.⁹
- ▶ **Marketing and design:** Some corner store improvement projects provide marketing funds and technical assistance to help merchants generate demand for their new product line. Marketing fresh foods and improving a corner store might include interior and exterior "façade improvements," such as new signs or a special display case (near a well-trafficked area of the store) with brochures on healthy food choices. One innovative aspect of LEJ's Good Neighbor program was a requirement that participating stores remove tobacco signage from the outside of their stores. Since stores are paid by tobacco companies to display these signs, this obviously represents a potential financial trade-off for the store, but LEJ was able to help pay for new signs promoting healthy foods instead.
- ▶ **Funding:** Economic development resources for improvements to an existing store will likely be somewhat different from those available for super-market development. Partners could include local public health agencies, city business improvement/development programs, and tobacco control funders, as well as redevelopment agencies (especially for external façade improvements). Be prepared to assemble enough money to provide not only initial investments in infrastructure (coolers, signage, display cases), but also longer-term support for marketing and potentially subsidizing the purchase of fresh food (or guaranteeing that "spoiled" fresh food will be reimbursed).

Note: Distributors offer businesses other benefits, including assistance with display, merchandising, and in some cases, access to health insurance. In the 1990s, advocates in Connecticut experimented with cooperatively purchasing health insurance for small store owners as a hook for selling healthier produce.

Advantages

- ▶ Helping an existing business expand its product line is generally far less expensive than opening a new store
- ▶ Corner or convenience stores are common in most low-income neighborhoods; improving them not only increases food access, but can also help reduce some of the social problems associated with these businesses (e.g., intoxication, loitering, drug sales)
- ▶ Fresh produce can help corner store operators reduce their dependence on the sale of alcohol and tobacco products
- ▶ Because low-income consumers are already frequenting these stores, adding access to healthy food makes it easy for people to make healthier food choices without changing their shopping patterns
- ▶ Corner store development builds the capacity of local businesses

Challenges

- ▶ It is not clear from any experiments to date whether the changes are financially sustainable without continued subsidy
- ▶ It is difficult to require that the businesses continue to offer healthy food after the assistance ends
- ▶ At best, corner stores can offer only a very small selection of healthy food; most people will still need access to a grocery or supermarket to maintain a healthy diet
- ▶ Corner stores may not have access to efficient distribution systems for produce and other healthier options
- ▶ It may be difficult to offer produce and other healthier products at affordable prices when the volume is low

Mobile Markets

Mobile markets are trucks that bring fresh produce into low-income communities to sell directly to consumers. A handful of programs have shown that this approach can make produce accessible to people with few other options.

In Oakland, for example, approximately 30 Mexican American street vendors (*fruteros*) have for years run mobile carts selling fresh fruits and vegetables, hot corn on the cob, and hot tamales. Fruteros were originally seen as a nuisance by city police and a potential public health threat by the local public health department. Because the city did not offer mobile vending business licenses, the fruteros were not considered legitimate food retail vendors, so

their carts were subject to police citation and even seizure. Eventually – through a partnership between the county public health department, a community-based organization, and the University of California at Berkeley School of Public Health – the street vendors organized, formed a mutual aid corporation, and obtained a jointly operated commercial kitchen. The fruteros also purchased approved push carts and lobbied the city of Oakland to create an ordinance to allow street vending. This creative and interdisciplinary partnership has allowed the fruteros to operate legitimately under city code, improved their economic status, and increased the availability of their products.¹⁰

Generally, a mobile market will make stops throughout a community on a weekly schedule. Residents come out to meet the truck and buy their weekly produce. In Baltimore, Maryland, horse cart vendors known as *arabbers* sell produce and other food in low-income, primarily African American neighborhoods. The horse-cart vending tradition almost disappeared in Baltimore, however, when the stables where arabbers had boarded their ponies were condemned, and disputes arose between some animal rights activists and others who objected to ponies walking city streets. Recognizing that arabbing is an important cultural tradition, the city has now set aside public funds to build a center that would include stables, cart storage, and repair space, as well as a museum that would welcome school groups and others interested in learning more about the history of arabbing.

While mobile markets are relatively inexpensive to operate, it is not clear that the proceeds from sales can cover the operating costs. Many existing programs rely on ongoing grant funding, which may not be sustainable.

Advantages

- ▶ This approach can immediately improve access to fresh produce in even the most economically distressed community
- ▶ Advocates concerned about fresh food access can focus on that issue alone without having to address all of the many other aspects of retail development

Challenges

- ▶ Revenue from sales tend not to be enough to support operating costs
- ▶ While grant funding has supported limited demonstrations of this concept, these funders are not likely to finance expansion to other communities
- ▶ These programs tend to offer only fruits and vegetables; healthy diets generally require convenient access to a greater range of food products

People's Grocery

Oakland, California

Three Oakland residents created the People's Grocery in 2002 in response to a lack of grocery stores in the neighborhood of West Oakland. In addition to providing fresh produce and healthy snacks, the project has helped get the community involved in contributing to its own food security, built community networks, increased residents' investment in the neighborhood, and spread an understanding of sustainable food systems.¹¹

When the project began, only one supermarket served the 25,000 residents of West Oakland. Many of these primarily low-income residents lacked their own transportation and had to make their trips to the grocery store by foot and public transit. Such trips were time consuming and limited the amount of food residents could purchase during each trip, as well as the frequency of the trips themselves. For residents with special needs, it sometimes prevented their ability to grocery shop at all.



Many residents turned to the neighborhood's 36 convenience and liquor stores to meet their daily needs. These stores carry basic products such as toiletries and packaged foods, but only three sell fresh produce or adequate food for a balanced meal. The prices at all of these convenience stores are also 30 to 100 percent higher than at supermarkets. Due to the high prices coupled with high unemployment and poverty, a quarter of West Oakland residents depended on emergency programs for much of their food.

The project organizers decided that a small-scale effort could not only increase access to fresh foods, but also raise awareness of the nutritional benefits of fresh and organic foods and the methods by which sustainable food access could be created within the community. The People's Grocery project focused primarily on building a local food system, rather than bringing large-scale providers into the community.

The founders created and began volunteering in a community garden hosted by the YMCA, growing the produce they intended to sell throughout the community. They wrote grants to private foundations to support the project. They also posted flyers in the neighborhood, recruiting volunteers to help grow and sell food.

Both the fundraising and outreach efforts were successful. Within a year, the People's Grocery received tax-exempt status and enough funding to purchase a van, stocking it with produce to sell throughout West Oakland. With additional funding and staff time, the organization was able to expand both its garden and its programmatic capacity.

The initial goal behind the People's Grocery was to create a youth-run gardening program that fed a youth-run neighborhood grocery. But the organizers quickly found out such a large endeavor was not immediately feasible. Instead, they focused on a program that trained youth to grow produce and

then sell it in the mobile market van. This project, called "Collards to Commerce," quickly expanded through partnerships with West Oakland schools and community organizations. The partnerships were mutually beneficial, providing the People's Grocery with volunteers to plant and harvest while involving the host organizations' youth constituents in programs on gardening, health awareness, and entrepreneurship.

The mobile market traveled three days a week to four or five sites, depending on the day, serving approximately 400 residents with an average of 30 customers each day. The youth volunteers



Photo by Gregory Dicum

began running the program and making decisions about which products to carry, according to sales and member feedback. The proceeds from sales came to support about 10 to 12 percent of total operations, with the rest of the funding coming from donors and private foundations. As the People's Grocery grew in size and capacity (from \$15,000 in the first year to \$300,000 three years later), media coverage increased, sparking additional awareness of the project within the community and among food advocacy and funding circles.

The mobile market was on hiatus at the time of this writing (November 2006). But the People's Grocery continues to work toward creating a neighborhood-based cooperative grocery store.

Farmers' Markets

Weekly outdoor farmers' markets offer an inexpensive way to make high-quality fresh, local, often organic produce available in just about any neighborhood. Farmers' markets don't need special buildings, and they don't have difficult site requirements; they can be organized in a parking lot or even in a street that is closed for the market.

In order for the market to succeed, however, the farmers must sell enough produce to make participation worth their time – so the market has to be located in a convenient, safe place and held at a convenient time of the week. Markets that don't draw enough customers can be closed or relocated fairly quickly.

Farmers' markets that serve low-income communities should look for ways to accept food stamps and other public benefits, an important source of local spending power. Accepting food stamps and other public benefits not only helps low-income families access fresh, local, nutritious foods, it can also create new income sources for farmers. With the recent move to Electronic Benefit Transfer (EBT) instead of paper food stamps, retailers must have point-of-sale terminals. Many farmers' markets allow shoppers to electronically redeem food stamps for "scrip" (reusable tokens that can be made from hard-to-counterfeit wood or plastic) at a central location and use them for purchases at any market merchant.

To help establish these systems, the California Department of Social Services (DSS) provides farmers' markets with EBT machines and transaction services at no cost.¹² A "wired" EBT machine requires electricity and a telephone connection (landline or cellular), but new technology is also making wireless, battery-operated EBT terminals available. Generally, DSS provides wireless EBT machines to farmers' markets that are located in a low-income area and average at least \$100 in food stamp sales per month. However, EBT machine requests are evaluated on a case-by-case basis and may take other factors into account.

The Ecology Center, a nonprofit organization that promotes environmentally sustainable practices, provides information on EBT and California farmers' markets on its website, including sample record-keeping forms and administrative as well as marketing resources.¹³ Marketing to low-income communities is critical to ensure participation in a farmers' market's EBT program. It is important to connect with the local county welfare office to ensure that food stamp recipients find out about participating farmers' markets. Marketing efforts can also include putting up posters at the farmers' market and



producing bilingual fliers, or conducting cooking demonstrations or “tastings” that emphasize the nutritional and taste benefits of local produce.

Advantages

- ▶ Farmers’ markets can immediately improve access to fresh, local produce in most neighborhoods
- ▶ While they may not succeed in some locations, the low start-up cost makes it easy to experiment
- ▶ Farmers’ markets provide economic benefits to small farmers in addition to improving food access in underserved communities
- ▶ Farmers’ markets can become vibrant community gathering places that connect urban consumers with regional agriculture
- ▶ Farmers’ markets can offer fresher produce at lower prices than supermarkets

Challenges

- ▶ It can be difficult to cover operating costs, especially with small markets
- ▶ While grant funding has supported limited demonstrations of this concept, these funders may not finance expansion to other communities
- ▶ Farmers’ markets tend to offer primarily fruits and vegetables; healthy diets generally require convenient access to a greater range of food products
- ▶ The number of farmers interested in market sales may not be sufficient to support a regular farmers’ market, or – in areas with many markets – the farmers may be stretched thin
- ▶ If you organize a small neighborhood market, it’s important to match the products offered to local demands: you may need to work with interested farmers in advance of the growing season to plan culturally appropriate foods
- ▶ Some neighbors or local small businesses may oppose farmers’ markets because they generate traffic, parking problems, and litter, or because they are perceived as competing with local stores

Del Paso Heights Community Farmers' Market

Sacramento, California

Del Paso Heights, a diverse low-income neighborhood in Sacramento, does not have a large grocery store – and until a coalition of community members developed a farmers' market in 2005, the neighborhood lacked venues for buying fresh produce.

A community coalition, called FEED (Food, Education, Equity, and Diversity), built on existing community resources to develop a neighborhood-serving market. FEED grew out of a group partnership including the local nonprofit Health Education Council, the Sacramento office of the federal WIC program, the Sacramento County Department of Human Assistance, and the local nonprofit Soil Born Farm, as well as local elected officials, government agencies, and community-based organizations. The coalition's vision was to increase access to fresh, healthy food in the community.

Developing a neighborhood farmers' market was the first project FEED decided to undertake. Unlike most farmers' markets, which rely on regional farmers, the Del Paso Heights farmers' market looked for urban, low-income farmers to be the primary vendors. The Sacramento County WIC office had already led an effort to start community gardens and now led the outreach to identify community members who could farm and sell produce at a market. FEED secured five farmers, as well as half- and one-acre farm plots either owned by the farmers or "leased" from the landowners at no cost. The farmers, who were all Hmong immigrants, came from a strong cultural tradition of farming and grew culturally specific specialty crops, as well as vegetables and fruits that cater to a broad range of cultural preferences.

Initially, the funding to set up the farmers' market came from the state health department through a California Nutrition Network (CNN) grant, which paid for tents, signs, and other costs of organizing the market. The farmers' market is held in the parking lot of a community center, which does not charge rent. FEED in turn does not charge farmers to sell at the market.

In the first year, the farmers had their crops planted by April and were selling at the farmers' market by early July. Now the farmers' market runs weekly between June and the end of October. Along with the farmers, students from a local high school sell plants, salsa, pasta sauce, and flowers. The Sacramento Natural Foods Co-op sells dried grains and beans. To boost the amount and variety of fruit at the market, one vendor sells fruit that has been purchased wholesale.

In addition to selling fresh produce, Soil Born Farm oversees nutrition education activities at the farmers' market and runs the market's Electronic Benefit Transfer (EBT) system to redeem food stamps. The Del Paso Heights Com-

munity Farmers' Market is the only certified farmers' market in Sacramento County that accepts EBT. In its second season of operation, the market did over \$4,000 in business from food stamps, WIC benefits, and Senior Farmers' Market checks alone.

A critical component of this market's efforts, including those related to accepting EBT, has been community outreach. Marketing and nutrition education (supported by further funding from CNN) helps to increase demand for the market's products. Members of the FEED coalition conduct outreach through cooking demonstrations and nutrition education two to three times a week during the market season. They have mailed information directly to community residents and recruited neighborhood kids to hang fliers on doors. Through a recent grant from The California Endowment, one member organization is looking into developing a program where residents who participate in a nutrition education activity can receive a coupon for free produce from the market.

The farmers' market seeks not only to serve the community by increasing access to fresh produce, but also to help develop local farmers' income and capacity. Soil Born Farm provides training and technical assistance to the farmers, which includes helping the farmers understand the nutritional benefits of their crops. In addition to selling at the farmers' market, some farmers sell their produce to neighborhood corner stores, and one farmer sells specialty herbs to an ethnic restaurant.

Communities looking to develop a farmers' market should assess local needs and resources when planning the initial scope of their offerings, suggests Melissa Guajardo, a program director at the Health Education Council and one of the founders of the Del Paso Heights market. "Know that you can start small," she says.¹⁴ FEED members and community residents are now thinking about ways to expand their market by adding more vendors and selling, for instance, meat, poultry, and prepared foods.

- 1 SUPERMARKET COMPANIES SEEK COMPETITIVE EDGE WITH NICHE MARKET STORES AND SPECIALTY SERVICES, ACCORDING TO NEW FMI STUDY, Food Marketing Institute, March 20, 2006 (available at www.fmi.org/media/mediatext.cfm?id=803 (last visited 6/22/06).
- 2 A 2002 study found that supermarket shuttles may be an economically feasible method of increasing supermarket access for low-income residents. See SUPERMARKET SHUTTLE PROGRAMS: A FEASIBILITY STUDY FOR SUPERMARKETS LOCATED IN LOW-INCOME, TRANSIT-DEPENDENT, URBAN NEIGHBORHOODS IN CALIFORNIA, available at <http://socialmarketing-nutrition.ucdavis.edu/Downloads/ShuttleReport.pdf>.
- 3 Community Benefits Agreements, or CBAs, are legally enforceable contracts signed by community groups and developers that stipulate how development will benefit the community. CBAs could be a tool to mitigate negative impacts (such as increased traffic) and increase positive impacts (such as local hiring).
- 4 Interview with Hank Herrera, Partners Through Food (2/10/06); See also Manal J. Aboelata, THE BUILT ENVIRONMENT AND HEALTH: 11 PROFILES OF NEIGHBORHOOD TRANSFORMATION, The Prevention Institute, at 10-14 (July 2004) available at www.preventioninstitute.org/builtenv.html (last visited 6/15/06).
- 5 See appendix 3 for more information on the Community Development Block Grant (CDBG) program.
- 6 See chapter 16 for more information on leakage.
- 7 See appendix 3 for more information about enterprise communities.
- 8 Bay Area Economics, SOUTH VALLEJO ETHNIC FOOD STORE FEASIBILITY STUDY, 1996.
- 9 See www.lejyouth.org/youth_envision.php4#gnp.
- 10 L. Vitale, *Fruteros organizing project: An innovative approach to reducing an environmental health hazard by using principles of asset-based community development*, American Public Health Association, available at http://apha.confex.com/apha/132am/techprogram/paper_89734.htm (March 2006).
- 11 Interview with Malaika Edwards, founder of People's Grocery (2/10/06).
- 12 See the California Department of Social Services' Electronic Benefit Transfer Project, Farmers' Market Information: www.ebtproject.ca.gov/farmers.asp (last visited 11/06/2006).
- 13 The Ecology Center, CALIFORNIA FARMERS' MARKET ELECTRONIC BENEFITS TRANSFER (EBT) IMPLEMENTATION AND PROMOTION PROJECT, available at www.ecologycenter.org/ebt (last visited 11/06/2006).
- 14 Interview with Melissa Guajardo, Health Education Council (11/06/2006).

5 What Is Community Economic Development?

Community economic development programs aim to improve economic conditions for an existing community of people. This might involve any combination of a number of different types of programs, including job placement and training, small business support, affordable housing development, or increased access to retail services.

Regardless of the specific program, the overall objective is to better integrate low-income communities into the mainstream economy and to help low-income families access the economic opportunities that other Americans take for granted.

One theme that runs through most community economic development programs is the goal of rebuilding failed neighborhood economies. Most of the economic challenges that communities face are the result of the failure of one kind of economic market or another. When housing prices are artificially low in a conveniently located neighborhood, it can be seen as a failure of the *housing market* to recognize the real value of that area. When people who want to (and can afford to) improve their homes are unable to obtain loans because of their zip code, that can be seen as a failure of the *capital market*: if the market were working effectively, someone would recognize that lending to that family was an opportunity. When people with money to spend can't find stores in their neighborhoods, that represents a failure in the *retail market*: if the market were functioning effectively, someone could make money by opening a store to serve those people.

Community economic development programs attempt to rebuild these broken markets. An economic development program does not need to provide financing for every home improvement project in a community – it only needs to finance the first few to show private lending institutions that profitable loans can be made. A job program does not need to create a new job for every unemployed person in a community – by successfully placing some residents into quality jobs, the program can create a stronger connection to the regional labor market that can benefit the entire community.

Rebuilding the Market for Healthy Food

Food retailing is risky, even in proven locations. Investors generally expect higher returns in exchange for taking higher risk. In historically underserved communities, the risks – both real and perceived – may be significantly greater.

Once the market is proven, retailers may compete for opportunities to locate there. But to get to that point, someone needs to take a real risk and invest large amounts of capital without any guarantee of success. While potential profits offer retailers some inducement to take on this risk, the profits may not always be enough to justify the risks involved – especially in the low-profit margin business of food retail.

Many communities have found that, by sharing some of the costs and risks, they can improve their chances of attracting retailers and farmers' markets to underserved locations and improve the odds that those businesses will succeed. Imagine a supermarket considering a location in a low-income community with low land costs but potentially higher labor and security costs. The store can't know in advance what the extra security and labor costs will be. The store might open and find that its fears about theft were exaggerated, so the total profit could be much higher than expected. On the other hand, if security costs turned out to be much higher than expected, the store might be forced to close.

In this situation, if the local government were able to buy this site and make the land available at an even lower cost for an extended period of time, it would be easier for the store to choose to locate in the low-income community and improve the chances that it would stay open there. Eventually the company would pay full rent on the land, but in the meantime, the success of this initial store might spur further development in the neighborhood. In the same way, a low-interest loan or grant for building rehabilitation from a local government might be the key factor that helps a small business overcome the high start-up costs associated with doing business in an underserved area.

Local, state, and federal governments have developed a variety of economic development programs to help communities support the development of new businesses in underserved areas. (These programs are discussed in more detail in chapter 6.) But while economic development programs have great potential to improve food access in underserved communities, advocates should be aware of two important caveats about their use: oversubsidy and displacement.

Assessing the Economic Gap

Subsidy from local or state government is often the deciding factor that makes retail development in historically disinvested communities possible. Still, communities need to be sure that they are only investing local resources to the extent necessary to make development possible, and only in proportion to the potential benefits that the community will realize from development.

Retailers and developers who exaggerate the risks or overlook the economic potential of low-income communities will overestimate the subsidy necessary to make these projects work financially. If the public provides more subsidies than necessary, the business owners will earn excess profits without taking extra risk while decreasing the amount of public dollars available for other worthwhile projects.

Government staff, elected officials, and community advocates need to closely study the economics of a potential development project before deciding on the appropriate level of public subsidy to make the project attractive to retailers and private real estate developers.

Protecting Against Displacement

Communities need to be conscious of the reality that development is not always beneficial to low-income people. Local economic development agencies and redevelopment agencies sometimes fall into the trap of measuring progress in terms of property values. In this view, any action that increases property values is considered “economic development.” While increased property values can create broad community benefits (for example, by helping to pay for schools and parks), they can also lead to higher rents and ultimately to the displacement of low-income households.

But economic development does not have to lead to displacement. The distinctions can be difficult to draw, but different kinds of development benefit different people, and communities can be careful to pursue improvements that strengthen the existing community and avoid those that threaten it. Any improvement is likely to raise property values, but depressed property values can rise without leading to runaway land speculation.

Consider the difference between the development of a supermarket and the development of art galleries. The supermarket will provide a service to local residents and may lead to new businesses moving into the area to serve the same consumers. Art galleries could help attract an entirely new group of much wealthier people to the area and lead to rapid changes in property values and wholesale displacement of lower-income residents.

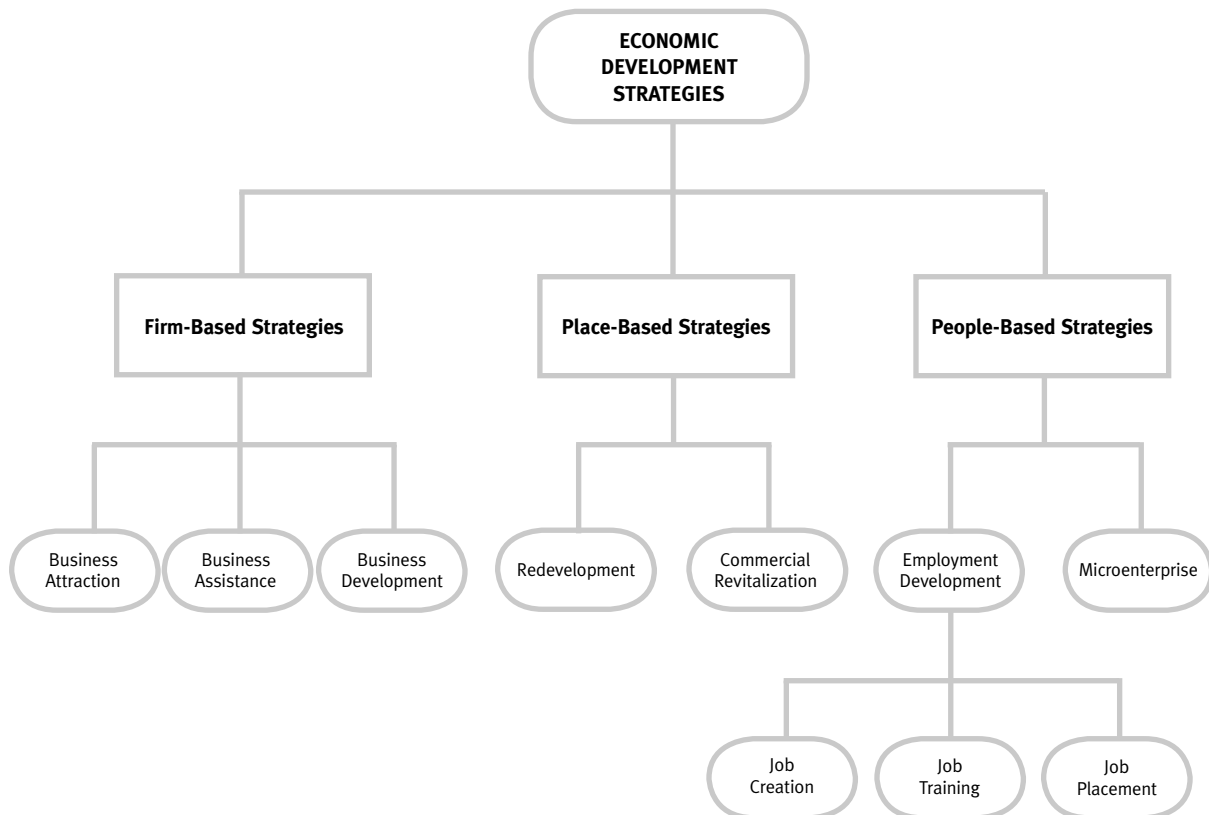
On the other hand, while the successful development of a supermarket can certainly increase property values and may attract some slightly higher-income families to the area, the impact is likely to be gradual and modest. Similarly, the development of moderately priced homeownership opportunities can strengthen a poor community by increasing the income mix, while the development of luxury condos can threaten the existing community's existence while offering it very few benefits.

6 Types of Community Economic Development Programs

Economic development programs generally take one of three approaches:

- ▶ A **firm-oriented** approach, in which individual businesses receive assistance to help them grow and ultimately benefit the entire community
- ▶ A **place-based** approach, in which a declining or at-risk area receives targeted investment to prevent or counteract long-term disinvestment
- ▶ A **people-oriented** approach, in which certain disadvantaged or at-risk populations are targeted for job development or skills training

Within each general approach, there are many individual programs. These programs can be used in tandem as well.



Firm-Based Strategies

Business Attraction

Business attraction refers to efforts to encourage businesses to locate within a city or neighborhood. This is done through a number of strategies designed to help a city compete with other locations the business may be considering. These strategies range from tax abatements to infrastructure improvements to marketing schemes designed to reinforce a positive image for the area.

Business attraction strategies can be tailored to appeal to a variety of businesses, from large corporations to individually owned small businesses. It can involve general efforts to promote an area for any business, or it can focus on specific businesses that are most likely to make a positive contribution to the existing community. For example, many programs (like Retail Chicago, described in chapter 2) focus on attracting grocery retailers to underserved neighborhoods.

Business Assistance

Business assistance attempts to support existing businesses and help them grow. Business assistance programs try to connect small businesses with technical resources such as financial planning, marketing, product development, and accounting services. Many programs also coordinate business expansion financing for assisted businesses. Small business assistance is usually offered through local government actors such as the small business commission, the chamber of commerce, or the economic development or community development department of the city government. The federal Small Business Administration works through many of these local programs to offer financing and training to many small businesses.

Business Development

Business development programs ease the entry of small businesses into a community, making it more likely that new businesses will be successful. Many programs offer assistance in developing start-up business and marketing plans or acquiring start-up financing. (For example, in Holyoke, Massachusetts, an organization called Nuestra Raices offers a small commercial kitchen to entrepreneurs who are building food-related businesses. One of these entrepreneurs now owns his own artisanal bakery and employs several community members.)¹ Microenterprise programs (see *People-Based Strategies*) provide these same services to low-income individuals starting very small businesses.

Place-Based Strategies

Redevelopment

Redevelopment typically involves the physical and/or economic rebuilding of disinvested neighborhoods. In most cases this means the removal of blighted, abandoned, or even contaminated properties, the construction of new housing or commercial facilities, and the reconstruction of basic infrastructure such as streets, sewers, and sidewalks.

In California, state law authorizes the creation of local redevelopment agencies that are given certain special powers enabling them to bring about this kind of large-scale physical transformation. Among these powers is the ability to force the sale of private property through the power of eminent domain and the ability to utilize tax increment financing to pay for improvement efforts. Section III of this toolkit goes into more detail about how California's redevelopment law has helped communities attract and retain grocery stores.

Commercial Revitalization

Commercial revitalization programs attempt to bring economic life back to struggling commercial districts or corridors. The businesses in these commercial corridors have traditionally been small businesses primarily owned by and employing neighborhood residents. They allow convenient access to daily essentials for all community members and contribute to a vibrant neighborhood economy.

Commercial revitalization programs focus on developing districts where businesses can locate successfully and increasing the ability of businesses to provide jobs and entrepreneurial opportunities for local residents. They accomplish these goals by improving the appearance of the streetscape (street, sidewalk, and building façades), strengthening safety and maintenance, attracting new businesses, and promoting the area to potential customers.

Oftentimes, local government will work in collaboration with community groups to spearhead these efforts, organizing and attracting public and private investment until a neighborhood-based collaboration can manage the program independently. For example, when a new supermarket opened in the Jamaica Plain neighborhood in Boston, the city's economic development officials worked with the supermarket company to fund façade improvements and other forms of technical assistance as part of a comprehensive commercial revitalization strategy.



People-Based Strategies

Microenterprise

Microenterprise programs target entrepreneurs who face difficulty accessing traditional capital for assistance and loans to start small (often in-home) businesses and improve their economic condition. Microlending agencies are most commonly private nonprofits initiated by community-based organizations or neighborhood groups. The loan recipients are generally low-income and have little or no collateral to put down against the loan they receive. The loans are very small, and they are often coupled with business training intended only to allow the recipient's business to attain a level of success necessary to obtain mainstream financial products.

Employment Development

Job creation programs aim to create new jobs for workers in certain targeted categories. Some programs invest public money in new businesses or, more often, in facilities for businesses that create new jobs for difficult-to-employ individuals. The federal government offers tax credits to employers for hiring certain difficult-to-employ workers.² There are also state programs, such as the California Enterprise Zone Hiring Tax Credit, which offer tax deductions for employers that hire workers from targeted groups. Local governments sometimes offer job creation incentives similar to those described above.

Job training programs try to give workers the skills they need in order to receive high-quality employment opportunities. Such training often targets skill-building applicable to industries that demand a great deal of labor in that community and can employ a large number of graduates from training programs. California's One-Stop Career Centers often link potential participants with the training programs run in their area by either private or public agencies. Additionally, some government programs offer incentives to employers to provide on-the-job training to employees that would otherwise not be hired. The Private Industry Council of San Francisco's On-the-Job Training financial assistance program and customized training subsidy is one such program.

Job placement programs connect employers with employees who have needed skills but may not know about work opportunities. These programs can be private or public efforts and depend greatly on the job placement institution's ability to establish a trusting relationship with the employing institution. In California, two statewide programs attempt to place employees. The One-Stop Career Centers collaborate with employment-training providers in the community and provide a one-stop resource for employers and job

seekers to find one another through their Career Link Centers.³ The other statewide program, Cal Jobs, allows job seekers to enter their skills and experience into a résumé database for employers to view.

¹ See <http://nuestras-raices.org> (last visited 11/3/06).

² Examples include the Welfare to Work tax credit (a federal income tax credit for employers who hire long-term welfare recipients) and the Work Opportunity Tax Credit (a federal income tax credit for employers who hire employees from targeted groups including high-risk youth, ex-offenders, and people who receive food stamps, Temporary Assistance for Needy Families, or Supplemental Security Income).

³ See www.picsf.org/about/career_link.htm (last visited 11/28/06).

7 Economic Development Institutions

Economic development work is carried out in local communities by a number of institutions. The specific roles of each vary quite a bit from one community to the next, but some of the more common types of organizations are described in this chapter.

Local Government Economic Development Agencies

Most cities and counties have some kind of economic development program. Large cities may have a large and well-staffed economic development department. Smaller communities may include economic development within a broader community development department or even a planning department.

Many communities have more than one department with significant economic development responsibilities. (In San Francisco, for example, the Mayor's Office of Economic and Workforce Development, the Mayor's Office of Community Development, and the San Francisco Redevelopment Agency all manage economic development programs.) Local port authorities and specially created economic development corporations might also operate important economic development programs.

Local governments often coordinate financing and tax incentive programs designed to help attract new businesses and help existing businesses expand. While these programs are often available to any business that has the potential to create jobs, some communities operate special programs targeting specific industries such as biotech. Other communities operate programs specifically focused on attracting and supporting retail businesses and even supermarkets. In addition, local governments frequently operate or provide funding for job training and placement, small business technical assistance, commercial district revitalization, and similar programs.

Small Business Assistance Agencies

Small business development centers, business development corporations, and other nonprofit agencies working in close coordination with local government often provide direct financial and technical assistance to local small business operators. These agencies often administer programs supported

by the federal Small Business Administration as well as local city or county programs. Some of these agencies operate loan programs; others offer loan packaging services, which involves meeting with business operators and evaluating their capital needs, and then helping them pull together all the material an independent financial institution will need to make a loan decision. Most small business assistance agencies also offer classes and one-on-one counseling to help businesses develop business plans, marketing strategies, personnel plans, and technology strategies, and to address other key issues.¹

Economic Development Corporations

Many local governments have established quasi-independent economic development corporations to manage their various business incentive programs and coordinate business attraction efforts. Some of these corporations serve a single jurisdiction, while others are regional in scope and receive funding from several towns or counties.²

Community Development Corporations

Community development corporations (CDCs) are nonprofit organizations established to coordinate the economic revitalization of low-income communities. CDCs generally focus on a specific geographic area, which might be as small as a single urban neighborhood or as large as several rural counties. Many CDCs operate programs involving small business assistance, job training and placement, neighborhood safety, community organizing or neighborhood planning initiatives, and the like.

Most CDCs also play an active role in real estate development. Many develop affordable housing and other community facilities, pulling together private and public capital to buy land and finance the construction of new homes, apartments, child care centers, health clinics, and sometimes retail stores. Because real estate development is both risky and expensive, successful CDCs have staff with specialized skills and experience.

Job Training and Placement Agencies

Most communities have one or more agencies that operate job training and placement programs. These organizations frequently offer one-on-one career counseling, testing, and basic training on job search skills. Many also offer training in general skills like computer/word processing or workplace English as a second language. Some offer career-specific training to prepare clients for specific jobs in growth occupations.

Some organizations help match clients to employers and, in some cases, even act as temporary staffing agencies. Some offer services for all job seekers, while others focus on the needs of a specific target population such as welfare recipients, limited English speakers, or people with disabilities.

Generally these programs are operated by nonprofit organizations. Many job programs are run by small community-based (or faith-based) organizations, while others are run by large multistate employment development nonprofits. Job training programs may be run by local CDCs. A growing number of employment programs are being run by for-profit companies under contract with local or state governments.

Business Organizations

Local chambers of commerce, merchants' associations, and business councils often operate economic development programs as well. In some areas, the grocers' association will play a role in advocating for policies that promote economic development. Often these entities focus on public policy initiatives that support economic growth, but they sometimes also lead business attraction efforts (promotional activities designed to strengthen the business environment) as well as other cleanup and safety programs.

¹ The Small Business Administration maintains a list of local partner agencies throughout the country at www.sba.gov (last visited 6/15/06).

² The California Association for Local Economic Development maintains a list of economic development corporations at www.caled.org/03_corps.shtml (last visited 6/15/06).

8 Financing Sources

Local Government

City and county governments often administer programs for economic development. Sometimes these programs are funded with local resources; in other cases, local agencies receive block grants of state or federal funds, which they can then invest in local projects. Check with your government's economic or community development department to find out what programs are offered in your area.¹

Some of the more common local programs are listed below. See appendix 3 for more information about each of these programs.

Community Development Block Grant (CDBG) Program One of the most common sources of funding for local economic development projects, CDBG is a federal program administered by the U.S. Department of Housing and Urban Development (HUD). It provides funds to state and local agencies to invest in local projects.

Section 108 Loan Program Local governments can make very low interest, federally guaranteed loans to economic development projects through this program, which is also administered through HUD.

Tax Increment Financing A local redevelopment agency can finance a project by borrowing money against future tax income that is likely to be generated as the designated redevelopment area improves. (See chapter 11.)

Community Facilities Districts A local government can establish a special tax district and assess a tax against all property in the district to pay for capital improvement projects, such as sewer and water systems.

Tax-Exempt Bonds/Industrial Development Bonds Local governments can issue bonds to finance community or industrial facilities. Investors in these bonds receive tax-free interest, which allows the government agency to lend money to the projects at very low interest rates.

Business Improvement Districts Property owners or merchants in a given business district can vote to impose a small tax on businesses within that

district. The tax is collected by local government, but the proceeds are managed by local stakeholders and spent on façade improvements, cleanup, safety, marketing, and other activities intended to improve business conditions in a very targeted area.

State Government

The State of California offers a wide range of financing tools designed to help local communities meet their economic development goals. State programs offer loans, grants, loan guarantees, tax credits, and other business incentives as well as technical assistance for economic development projects. State retirement funds also offer equity investments for qualified real estate development projects. The state also administers several federal programs such as CDBG and Section 108 (briefly described earlier in this chapter) on behalf of the state's smaller communities.²

Some of the more common state programs are listed below. See appendix 3 for more information about each of these programs. (In general, the majority of these programs are most appropriate for larger supermarket development projects.)

Tax-Exempt Bond Financing States can issue tax-exempt bonds to help finance large-scale projects. A bond is issued as long-term debt, and the proceeds from the sale of this debt are channeled into projects that the state deems necessary. There are several types of tax-exempt bonds – including **general fund bonds**, which are issued to support ongoing programs or government activities and are repaid from the state's general tax receipts, and **revenue bonds**, which are used to finance specific projects with repayment proceeds generated by the project itself. For example, bonds issued to finance a bridge might be repaid from toll revenue.

Enterprise Zones The State of California has designated 39 state enterprise zones. Businesses that locate in these economically disadvantaged areas are eligible for a number of special tax benefits.

Public Employee Pension Funds State employee pension funds are managed by quasi-independent entities that invest the funds in a range of short- and long-term investments, including community economic development projects, that meet their financial goals. These investments can be loans offering low- or market-interest rates, or equity investments generating high rates of return.

Pennsylvania Fresh Food Financing Initiative

In 2004 and again in 2005, the Pennsylvania legislature approved \$10 million to launch the Fresh Food Financing Initiative, a program to increase the number of supermarkets or other grocery stores in underserved communities across Pennsylvania.

The initiative was created in response to a campaign led by The Food Trust, a Pennsylvania nutrition advocacy organization. The Food Trust built public concern over the issue by involving leaders from the supermarket industry, local government, and the public health community in a task force charged by city council with developing public sector responses to the problem.

The state of Pennsylvania has partnered with three nonprofits to manage the initiative: The Food Trust, the Reinvestment Fund, and the Greater Philadelphia Urban Affairs Coalition. The fund provides loans for new supermarkets or real estate development projects that include supermarkets or other fresh food retailers. The initiative also makes grants of up to \$250,000 to supermarket operators in underserved communities where infrastructure costs and credit needs cannot be filled solely by conventional financial institutions. The initiative also provides technical assistance and workforce services to its borrowers and grantees.

As of September 2006, the initiative had committed \$7.3 million in grants and loans to finance 14 supermarket projects.³

Federal Government

The federal government has several programs administered through federal departments that are meant to aid in the revitalization of struggling communities and businesses. Most of these programs offer large amounts of money appropriate for large projects. Many federal programs prioritize job creation as a requirement for receiving funding. In some cases, projects with strong support from local congressional offices are more likely to receive federal funding.

Federal funds can take the form of loans, grants, or technical assistance, sometimes a combination of two of these. Many times federal funds are block-granted to state or local governments, which then make smaller investments in local projects.⁴

Some of the more popular federal programs are listed below. See appendix 3 for more information about each of these programs.

New Markets Tax Credits (NMTC) These tax credits are distributed by the U.S. Treasury Department to specially designated community development entities (CDEs) in return for their investment in nonresidential development projects in low-income areas. These investments generally take the form of low-interest loans or equity investments in projects located in low-income census tracts.

Historic Tax Credits The federal government allows developers to claim a tax credit worth either 10 percent of the cost of rehabilitation for buildings built before 1936 or 20 percent of the cost for buildings on the federal register of historic places.

Economic Development Administration (EDA) This unit of the U.S. Department of Commerce manages several programs designed to support projects that create job opportunities in economically distressed communities. Over \$250 million was available through EDA grant programs in 2006.

Office of Community Services (OCS) The OCS Urban and Rural Community Economic Development program offers grants of up to \$700,000 for business development or commercial real estate projects that are likely to result in the creation of new jobs for low-income people.

U.S. Department of Housing and Urban Development (HUD) HUD manages several programs that make grants and loans to local economic development projects, including the Community Development Block Grants program, Brownfields Economic Development Initiative, federal Enterprise/Empowerment Zone programs, and special Congressional grants.

Small Business Administration (SBA) The SBA operates a number of programs designed to facilitate financing for small businesses.

Community Development Financial Institutions

CDFIs are socially motivated lenders that exist to provide financing for projects with clear social benefits that would have difficulty accessing traditional financing. Most CDFIs offer lower interest rates and more flexible loan terms than traditional banks. CDFIs are frequently willing to provide loans that are “secondary” to a traditional bank loan, meaning they are repaid only after the bank is paid off in full.

National nonprofit intermediaries are nonprofit organizations that provide financing and intensive technical assistance to local organizations working to improve their communities.

Community loan funds are local nonprofits that generally seek funds from socially motivated investors and lend the money to nonprofit-sponsored projects in their local community.

Community development banks are private, for-profit banks chartered specifically for the purpose of financing the revitalization of distressed or underserved communities. Chicago’s South Shore Bank is the largest and oldest community development bank, but a number of smaller local banks have been established throughout the country on a similar model, including Oakland’s Community Bank of the Bay.

Private Foundations

Some urban grocery store redevelopment projects have received funding of one sort or another from local or national charitable foundations. For the most part, foundations don’t solicit funding proposals for commercial real estate projects per se. Instead, most end up financing a project because of a long-standing relationship with the project sponsor (or sometimes a nonprofit tenant) and a recognition of the impact the project is likely to have on an issue that is important to the foundation. For example, a foundation interested in youth development issues might be more likely to fund a building that included youth programs, while another funder with an interest in economic development might be more likely to fund a retail project.

Foundations can provide outright capital grants to help pay development costs, grants for predevelopment expenses, or funds for staffing or consultants to coordinate project development. Some foundations offer program-related investments (PRIs), which are generally very low interest loans for projects that further the foundation’s program mission.

In addition to many local foundations, a number of larger national foundations – including the Ford Foundation, the Fannie Mae Foundation, the Rockefeller Foundation, the Surdna Foundation, and the Calvert Foundation –

have invested in nonprofit-sponsored commercial development projects.⁵ In California, the Jacobs Foundation made a very substantial investment in Market Creek Plaza, a supermarket-anchored neighborhood shopping center in San Diego.⁶

Private Banks

Private banks and other types of depository institutions (banks, credit unions, etc.) are required by a federal law, the Community Reinvestment Act (CRA), to invest in the communities they serve, including moderate- and low-income neighborhoods within their service areas. The government periodically evaluates each institution's performance in this effort, rewarding them for increasing their activities in economically distressed communities and investing in community development financial institutions. Institutions with poor community reinvestment track records face difficulty when they apply for expansions or mergers.

Because of this, all local banks commit money for CRA investments, which typically go to economic revitalization projects in low- and moderate-income areas and take the form of both loans and grants. Every major bank has a CRA officer to whom inquiries about the bank's CRA projects and the availability of CRA funds should be directed.

1 The U.S. Department of Commerce maintains a list of local economic development agencies at www.eda.gov/AboutEDA/Edevdirectory.xml (last visited 6/15/06).

2 The state treasurer's office compiles an annual overview of state programs that support community revitalization. For more information, see www.treasurer.ca.gov/cdiac/tools/2005tools.htm (last visited 6/15/06).

3 The Food Trust, PENNSYLVANIA FRESH FOOD FINANCING INITIATIVE, available at www.thefoodtrust.org/pdf/FFFI%20Program%20Guidelines%20with%20Applications.pdf (last visited 6/8/06).

4 For more information about these and many other federal funding programs, see www.federalgrantswire.com or www.grants.gov (last visited 6/15/06).

5 For a database of grants, see the Grantsmanship Center at www.tgci.com or the Foundation Center at www.fdncenter.org (both last visited 6/15/06).

6 See www.marketcreekplaza.com for a description of the role of the Jacobs Family Foundation in the development of Market Creek Plaza (last visited 10/30/06).

9 Overview of Redevelopment Law

While a vast number of economic development tools and financing sources exist, many are controlled by distant federal or state agencies and are difficult to access. In California, *redevelopment agencies* – created and administered by local cities and counties – are among the most significant potential sources of support for food access projects.

Redevelopment agencies have access to unique financing mechanisms that are otherwise not available to cities and counties. The most important of these is *tax increment financing*, which allows the redevelopment agency to use the increased property taxes that result from redevelopment projects to repay debts incurred in financing such projects (see chapter 11). This, together with other powers that state law grants to redevelopment agencies, makes redevelopment one of the strongest tools available to increase food access in low-income communities.

Redevelopment agencies have great flexibility. They can, for example, provide land, grants, or investment capital to induce the development of supermarkets. They can provide business financing to support small store improvement projects, or they can provide operating grants to support farmers' markets.¹

But redevelopment agencies have many competing priorities, and most agencies have not placed a strong emphasis on improving food access. Health advocates may need to actively engage agency staff, elected officials, and the broader public in order to secure agency support for important food access projects.

This chapter provides a detailed overview of California redevelopment law in order to give health and nutrition advocates a broad enough background to be effective in advocating for food access as a priority for local redevelopment agencies.

What Is Redevelopment?

State law allows each city and county within California to establish a redevelopment agency to oversee the redevelopment of urban, blighted areas within that community. While the governing body for redevelopment agencies

typically consists of the local city council/board of supervisors, and such agencies are typically staffed by city/county personnel, the agency itself is technically considered an independent state agency.

Redevelopment agencies, which have been established by most cities and roughly half the state's counties, have broad authority over redevelopment. They exercise that authority largely through the adoption and implementation of redevelopment plans that identify blighted "project areas" in need of improvement.

In enacting the community redevelopment law that governs such agencies, the California legislature has implicitly recognized the importance of access to healthy food for improving such neighborhoods. The law explicitly states that one of the defining characteristics of blight is "a lack of necessary commercial facilities that are normally found in neighborhoods, including grocery stores."²

How Did We Get Here?

A Brief History of Redevelopment Law in California

California's Community Redevelopment Act (CRA) was enacted in 1945 to address blight and decay in California cities. In the postwar era, public officials at the federal, state, and local levels were greatly concerned about the condition of the existing housing stock, the lack of housing for returning soldiers, and urban blight.³

The CRA authorized cities and counties in California to establish redevelopment agencies, gave these agencies the authority to address urban decay, and enabled the agencies to apply for grants and loans from the federal government.

It also gave the agencies tools with which to address blight, which included:

- ▶ The authority to acquire real property, including, if necessary, the power to use eminent domain
- ▶ The prerogative to develop the property acquired (however, agencies are not permitted to construct buildings themselves)
- ▶ The authority to sell real property without bidding, unlike most public sales
- ▶ The right – and the obligation – to relocate owners and tenants of property acquired by the agency
- ▶ The ability to finance their operations by borrowing from federal or state governments and by selling bonds

- ▶ The power to impose land use and development controls pursuant to a comprehensive plan of redevelopment

In 1951, the CRA was codified and renamed the Community Redevelopment Law.⁴ At the same time, the authority for tax increment financing was added, although it was dependent upon the approval of a state constitutional amendment, which was granted by the voters in 1952.

The CRA has been amended regularly since 1951, with major changes made in 1978 after the passing of Proposition 13, again in 1994, and most recently in 2006. However, the rationale (to address urban blight) and the mechanism (the establishment of an agency with special financing authority) have not changed.

Over time, the establishment of redevelopment agencies has become common in California. By 1976, redevelopment project areas had been established in every major urban area of the state.⁵ In 1994, there were a total of 385 redevelopment agencies in California; in 2002, that number had increased to 413.⁶ Of the 152 cities with populations over 50,000, 92 percent had active redevelopment agencies, and 137 cities with populations under 25,000 had such agencies as well.⁷

1 Note that tax increment financing cannot be used to provide operating grants for farmers' markets.

2 CAL. HEALTH & SAFETY CODE § 33031(b)(4) (2006).

3 D. Beatty et al., REDEVELOPMENT IN CALIFORNIA, at 1 (Solano Press 2004).

4 CAL HEALTH & SAFETY CODE §33000 et seq. (2006).

5 D. Beatty et al., *supra* note 3, at 6.

6 *Ibid.*

7 *Ibid.*

10 Legal Requirements for Redevelopment

Redevelopment law in California is extremely complex. One way to break it down into more manageable sections is to think about the three components of the law: the requirements for establishing a redevelopment agency, the establishment of a redevelopment area (including a redevelopment plan), and the implementation of a redevelopment plan. Each of these processes is described in this chapter.

Note that different rules apply, depending on when the agency was established, when a specific redevelopment plan area was established, and so on. This is necessarily a general overview. For more detailed information, several good resources exist; see appendix 3 for more information.

What Are the Legal Requirements for a Redevelopment Agency?

California's Community Redevelopment Law (CRL) – the CRA as made a part of state law – authorizes cities and counties to establish redevelopment agencies. To do so, the jurisdiction's legislative body must adopt an ordinance declaring that there is a need for a redevelopment agency to function in that jurisdiction.¹

The primary function of the redevelopment agency is to adopt and oversee the long-term implementation of a redevelopment plan to revitalize blighted and deteriorating areas of neighborhood and business districts.

Because the authority to establish a redevelopment agency – and the authority for a redevelopment agency to function as an agency, adopt a redevelopment plan, and implement the plan – is granted by state law,² redevelopment agencies are creations of the state, though they operate at a local level. This is important, because it means that the actions, scope, and authority of a redevelopment agency are set by the state. A redevelopment agency is a separate legal entity from the community within which it operates, even though its geographic jurisdiction is the same. Its powers come from the state. The redevelopment agency and the city (or county) are entirely separate and distinct legal entities.

Another way to look at this is to understand that a redevelopment agency is a public body that exercises governmental functions and has the powers prescribed in the CRL. Therefore, direct or implied authority for its actions must be found within the CRL. A redevelopment agency is “*an agency of the state* [italics added] for the local performance of governmental or proprietary function within limited boundaries.”³ This means that changes to the scope of authority of the redevelopment agency can only be achieved by amending state law. It also means that amendments will affect all redevelopment agencies, not just one specific local agency.

A legislative body (such as a city council or board of supervisors) that is establishing a redevelopment agency has three options. It may:

- ▶ Establish itself as the governing body of the redevelopment agency⁴
- ▶ Establish a separate governing body of the redevelopment agency⁵
- ▶ Establish a community development commission

In practice and in general, larger cities and those with older redevelopment agencies have separate governing bodies, while newer and/or smaller agencies are governed by the local legislative body. (The third option, the establishment of a community development commission, allows the legislative body or a separate appointed body to function jointly as a redevelopment agency and a housing authority. Few, if any, jurisdictions in California utilize this third option.)⁶

If a separate governing body is established, the mayor (if a city) or the chairperson of the board of supervisors (if a county) appoints, with the approval of the legislative body, either five or seven members to the agency.⁷

Once a redevelopment agency has been established, the state continues to define what the agency can do, as well as the procedures it must implement to carry out its mission and operations.

What Can a Redevelopment Agency Do?

Broadly speaking, a redevelopment agency may engage in the following activities:

- ▶ Prepare and carry out plans for the improvement, rehabilitation, and redevelopment of blighted areas
- ▶ Receive and spend property tax revenues from the increase in assessed value that has occurred after adopting a redevelopment project (this is called *tax increment financing*, discussed in greater detail in chapter 11)

- ▶ Acquire property within a plan area, when the plan adoption process has begun (see the end of this chapter)
- ▶ Exercise the full authority granted by the CRL within (and in certain cases, outside of) the project area once a plan has been adopted
- ▶ Hire consultants

In addition, redevelopment agencies are authorized to have access to the services and facilities of the various departments and offices of the community.⁸ While large agencies often have their own staffs and hire consultants, most smaller agencies rely on city or county staff, who charge their time to the redevelopment agency.

State public meeting laws (the Brown Act) apply to redevelopment agencies and commissions. This means that all meetings must be publicly noticed, and all meetings must provide opportunities for public comment.

If an agency has not conducted any redevelopment activities (including entering into a contract) within two years after being established, the legislative body may dissolve the agency by declaring in an ordinance that no need for the agency exists.⁹ If the agency has outstanding financial obligations or current contracts, the jurisdiction can dissolve the agency so long as it assumes the agency's outstanding obligations. The dissolution ordinance is subject to referendum.

What Are the Legal Requirements for a Redevelopment Plan?

A redevelopment plan is the fundamental document governing a redevelopment agency's activities. Redevelopment plans are typically very general documents, providing the agency with maximum flexibility in achieving its goals.

There are detailed statutory requirements – many of which outline procedural prerequisites – that must be met before and during the adoption of a redevelopment plan. Many of these requirements are far more detailed than the requirements governing either general plans or zoning ordinances.⁹

These include:

- ▶ Before a plan may be adopted, the jurisdiction must have a planning agency established pursuant to law or charter¹¹
- ▶ The jurisdiction must have a general plan conforming to the requirements of state law,¹² including a certified housing element
- ▶ The redevelopment plan must conform to the general plan¹³
- ▶ The local legislative body must adopt a redevelopment plan

- ▶ The redevelopment plan must meet the requirements of the California Environmental Quality Act (CEQA)

In addition, there are content requirements for plans, which include:

- ▶ A legal description of the boundaries of the project area¹⁴ (explained later in this chapter)
- ▶ A description and diagram showing planned uses for the land within the redevelopment area¹⁵
- ▶ A general description of the proposed methods of financing, such as federal funds, city advances, and tax increment financing¹⁶
- ▶ A limitation on the amount of indebtedness that the agency may have outstanding at any one time¹⁷
- ▶ A list of specific public improvements to be provided by the redevelopment agency in connection with the redevelopment plan¹⁸
- ▶ A description of the agency's program to acquire property by eminent domain

There are numerous other content requirements, including additional provisions relating to financing, the provision of affordable housing and/or replacement housing, and more.

The redevelopment plan itself establishes long-term planning goals as well as implementation policies and procedures for the redevelopment of a designated project area. Plans typically set forth their basic objectives in very broad terms. In addition to serving as the land use planning document and charter for a redevelopment area, it serves as a financing plan by authorizing the agency's use of particular financing tools to implement projects and policies.

Once adopted, a redevelopment plan functions like a "charter," setting forth the basic authority for, and limits on, a redevelopment agency's activities over a long period of time (e.g., 30 years).¹⁹

Some redevelopment plans will incorporate by reference the specific goals, policies, and objectives set forth in the jurisdiction's general plan in order to identify the specific vision and goals that will frame land uses within redevelopment project areas. Even where the redevelopment plan does not reference the general plan, however, it still must be consistent with the jurisdiction's general plan.²⁰

What Are the Legal Requirements for Establishing a Redevelopment Project Area?

Part of the process of creating a redevelopment plan is the establishment of a redevelopment project area. Redevelopment project areas are the geographic regions within a jurisdiction in which the redevelopment agency addresses blight. State law prescribes the process for establishing these areas, which is often highly political and can be very emotional.

Survey Area

The first planning step in determining whether a redevelopment project is feasible is the designation of a *survey area*. The jurisdiction's legislative body does this via resolution.²¹ The resolution must include a *finding*²² that the area requires study to determine if a redevelopment project is feasible within that area. It must also include a description of the area's boundaries.

The designation of the survey area is important because the final project area for the redevelopment plan must be within the boundaries of the survey area. It is not difficult to amend a survey area. But the final project area cannot exceed the boundaries of the survey area, as originally adopted or as amended.

It is important to note that the designation of a survey area has no legal impact on the properties within the survey area, and survey areas do not necessarily lead to the adoption of a plan. Nonetheless, residents, property owners, and business owners may be very concerned about the establishment of a survey area and its potential implications for their interests in the community.

In determining the boundaries of a project area (and its predecessor, the survey area), there are some prerequisites that must be met. The two most important are that the area must be *blighted*, and it must be *urbanized*.

Blight

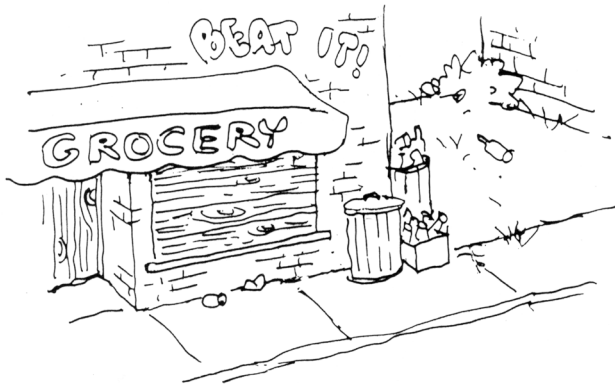
Redevelopment exists in California law for the express purpose of eliminating blight. Eliminating blight is the legal justification for the use of the extraordinary powers granted under redevelopment law. Because redevelopment is structured as the local application of state policy, a community that eliminates blight through the use of redevelopment is carrying out state policy through its redevelopment agency.

The state defines two kinds of blight: physical and economic. Physical blight might be evidenced by unsafe or unhealthy buildings, or incompatible land uses that prevent economic development of the area. Economic blight might be evidenced by depreciated or stagnant property values, the presence of

Note: Underutilization of land is not the same as blight. For example, an area may be zoned for a higher density of uses than are present. If the existing uses are in good condition, community businesses are stable, and other indicators of blight are not evident, the fact that the land could sustain more intense use does not mean it is blighted.

hazardous waste, high business vacancies or vacant lots, a lack of commercial facilities that are normally found in neighborhoods (including grocery stores, drug stores, and banks), residential overcrowding, high crime, or a high concentration of bars and liquor stores.²³ Both kinds of blight must be present in order to create a redevelopment area.²⁴

It is important to understand that the courts have interpreted the concept of blight to mean that it applies to an area as a whole, not necessarily to particular properties within that area.²⁵ In other words, each individual property within the project area does not need to meet the definition of blighted; rather, it is an aggregate calculation.



How much of the property in the area must be blighted to meet the definition of blight? There is no simple metric with which to answer that question. In general, the courts have tended to err on the conservative side. The legislative definition of blight has become more restrictive over time, and more recent court decisions have imposed upon redevelopment agencies a greater burden of proof of the conditions constituting blight than was formerly required. Thus, over time, the bar to finding blight has been raised.

As noted earlier, the law does not require that every property within a project area meet the definition of blight. But non-blighted properties may be included only if their inclusion is necessary for the effective redevelopment of the area of which they are a part. In other words, they may not be included simply for the purpose of obtaining tax increment revenues; the jurisdiction must be able to provide substantial justification for their inclusion.

Predominantly Urbanized

A project area must meet the definition of predominantly urbanized, which means that not less than 80 percent of all of the land in the project area either has been or is developed for urban uses, or is an integral part of one or more areas developed for urban uses that are surrounded (or substantially surrounded) by parcels that have been or are developed for urban uses.²⁶

There are some very limited circumstances under which agricultural land can be included in redevelopment areas, but the standard is very difficult to meet.

What Are the Legal Requirements for Implementing a Redevelopment Plan?

As with other phases of redevelopment, plan implementation is regulated by state legislation. A few key requirements are described here.

Project Area Committee

If the adopted plan includes public projects that will displace a substantial number of low- and/or moderate-income residents – or if a substantial number of low- and/or moderate-income persons reside in the project area and the plan authorizes the agency to acquire, through eminent domain, any residence – the legislative body must support the formation of a project area committee (PAC).²⁷ The residents and community organizations within the project area form the PAC.

There are complex rules about PAC formation. Some highlights:

- ▶ The agency must publicize the formation of the PAC and the opportunity to join with written notice to every person and entity within the project area
- ▶ The agency must hold a properly noticed public meeting to explain the PAC formation process
- ▶ Represented organizations must appoint members to the PAC; the legislative body and the redevelopment agency may not appoint any of the committee members
- ▶ Subsequent to this process, an election must be held to determine the final membership of the PAC
- ▶ PACs must comply with public meeting laws
- ▶ The legislative body must provide sufficient funding to the PAC for it to carry out necessary operations (needed resources include office space, staff, legal counsel, and supplies)

The PAC plays an advisory role to the redevelopment commission, and reviews the plan before it is adopted. As a citizen body with substantial authority for oversight of the plan area, the PAC presents an ideal opportunity for nutrition advocates to guide plan implementation to incorporate projects that will improve access to healthy food and opportunities for physical activity.

Owner Participation

In a vein similar to the PAC requirements, the law explicitly requires that redevelopment plans provide for the participation of property owners in plan implementation, so long as they agree to participate in a way that conforms to the plan.

Implementation Plans

Agencies are required to adopt implementation plans every five years.²⁸ Implementation plans can combine more than one project area, and must contain the agency's specific goals and objectives for the project area(s) and identify specific programs, including estimated expenditures, to be made during the five-year period. In addition, the implementation plan must explain how these activities will eliminate blight. (There are also housing-specific issues that must be addressed.)

Health and nutrition advocates might use the occasion of the adoption of a new implementation plan as an opportunity to raise the issue of food access and push for prioritization of activities that address access to healthy food.

1 CAL. HEALTH & SAFETY CODE § 33101. (2006). Note that this ordinance is subject to referendum.

2 CAL. HEALTH & SAFETY CODE § 33000 et seq.

3 *Kehoe v. City of Berkeley* (1977) 67 Cal. App. 3d 666, 673.

4 CAL. HEALTH & SAFETY CODE § 33200 (2006).

5 CAL. HEALTH & SAFETY CODE § 33110 (2006).

6 There are a number of legal differences specific to jurisdictions that establish a community development commission. For example, while the legislative body can opt to serve as the commission or can appoint a commission, in either instance two seats must be added to the commission, to be held by tenants of the housing authority.

7 *Ibid.*

8 CAL. HEALTH & SAFETY CODE § 33128 (2006).

9 CAL. HEALTH & SAFETY CODE § 33140.

10 For a detailed discussion of these requirements, see D. Beatty et al., *supra* note 3 in chapter 9, at 29-71.

11 CAL. HEALTH & SAFETY CODE § 33301 (2006).

12 CAL. HEALTH & SAFETY CODE § 33302 (2006).

13 CAL. HEALTH & SAFETY CODE § 33302 and § 33331 (2006).

14 CAL. HEALTH & SAFETY CODE § 33332 (2006).

15 CAL. HEALTH & SAFETY CODE § 33333 (2006).

16 CAL. HEALTH & SAFETY CODE § 33334 (2006).

17 CAL. HEALTH & SAFETY CODE § 33334.1 (2006).

18 CAL. HEALTH & SAFETY CODE § 33445 (2006).

19 *County of Santa Cruz v. City of Watsonville*, 177 Cal. App. 3d 831, 837 (1985).

20 CAL. HEALTH & SAFETY CODE § 33331 (2006).

21 Unusually, the statute does not require notice or a public hearing for the adoption of the resolution. However, most jurisdictions don't have a mechanism for adopting resolutions outside of a public hearing, and the potential for political fallout from taking such an action behind closed doors is great, so the resolution designating a survey area will, in practice, nearly always occur in a public meeting.

22 A finding is the basis for a public body to take an action; it is a recitation of the issue identified or problem to be solved.

23 CAL. HEALTH & SAFETY CODE § 33031 (2006).

24 CAL. HEALTH & SAFETY CODE § 33030 (2006).

25 *Berman v. Parker* 348 US 26, 35 (1954).

26 CAL. HEALTH & SAFETY CODE § 33320.1 (2006). Note also that military base redevelopment projects are treated differently under the law and are exempt from the urbanization requirement; see CAL. HEALTH & SAFETY CODE § 33492.3.

27 CAL. HEALTH & SAFETY CODE § 33385 (2006).

28 CAL. HEALTH & SAFETY CODE § 33490 (2006).

11 Introduction to Tax Increment Financing

What Is Tax Increment Financing?

Tax increment financing (also known as TI financing or TIF) allows redevelopment agencies to receive and spend property tax revenues from the increase in assessed value that has occurred after adopting a redevelopment project. When redevelopment was first developed as a legal tool in California, TI financing was intended to provide the matching funds required under the federal urban renewal programs. Over time, however, TI financing has become a powerful tool in and of itself, one upon which many jurisdictions rely to fund affordable housing and other resources that improve low-income communities.

One of the attractions of TI financing is that it supports urgently needed urban revitalization without raising local taxes or requiring voter approval. TI financing uses the future growth in property tax values generated within a redevelopment project area to finance the redevelopment program, which in theory is responsible for generating the bulk of the increase in property values.

When an agency adopts a redevelopment plan, the total assessed value of property within the project area is established as the base assessed value, or *frozen base*.¹ For up to the next 45 years, most of the property tax revenues generated from subsequent increases in assessed property values above the frozen base will be allocated to the redevelopment agency.

These revenues are called the *tax increment*, and in most cases, redevelopment agencies will issue bonds against this property tax increment to fund the implementation of the redevelopment plan. The tax revenues received from the TI will be used to pay off those bonds. TI financing, however, can generally only be used to finance capital improvements, infrastructure, and the like. It cannot be used to finance ongoing operation and maintenance costs.

Redevelopment agencies are also eligible to receive funds from a variety of other sources, including state and federal Community Development Block Grants (CDBG), the Urban Mass Transit Program, and various federal housing programs. Unfortunately, funding for most of these programs has decreased

steadily over the last decade and is likely to continue to do so for the foreseeable future.

Most of the dollars generated through TI financing must be spent in the project area, though there are some narrow exceptions to this (generally related to housing). Thus, TI financing is not a tool that can be used to shore up depleted general fund coffers.

There are additional requirements regarding TI financing. These include:

- ▶ 20 percent of TI funds must be spent to increase and improve housing for low- and moderate-income persons (unless certain limited exceptions are met)²
- ▶ Redevelopment plans are required to contain limits on the total amount of TI that could be received, the total amount of outstanding bonded debt that could be repaid with TI, and a time period within which debt could be incurred
- ▶ The agency must file regular reports with the state
- ▶ Important agency decisions – including the sale of TI bonds, land disposition, and annual budgets and work programs – must be reviewed by the legislative body

City Without a Supermarket

East Palo Alto, California

On a Sunday afternoon in March 2005, a group of East Palo Alto churches concerned about the area's lack of access to fresh healthy food organized a prayer vigil at City Hall – across the street from a vacant lot where the city's last full-service supermarket had closed 20 years earlier. The pastors and others who spoke urged the city of East Palo Alto to take action to secure a new supermarket development for this site at the corner of University and Bay.

Since the grocery store on this site closed in the 1980s, the city of East Palo Alto has had no full-service supermarket. Members of the community have been advocating for a supermarket ever since. Residents of the largely low-income area now have to travel to another city for groceries.³

While the city and its redevelopment agency acknowledge the pressing need for a supermarket, no such project has been attempted – despite the city's success in attracting hundreds of millions of dollars in new retail development over the past decade. In fact, the redevelopment of the city's University Circle redevelopment area led to the closure of an independent grocery. The store, which had been the only outlet for fresh produce in the city, was closed and replaced with an office building and a Four Seasons Hotel.



The city of East Palo Alto hopes to attract a supermarket to the vacant lot at the corner of University and Bay.

On an adjacent site, the East Palo Alto Redevelopment Agency supported the development of a retail center that included tenants such as a Home Depot EXPO Design Center as well as Good Guys and Best Buy consumer electronics stores. In 2001, the agency was receiving proposals for the final phase of that project. One developer proposed a mix of uses, including a supermarket – but the city elected to support a proposal to build a 300,000-square-foot IKEA furniture store instead.

Some advocates argue that the city has pursued development that serves out-of-town upscale consumers over projects that serve the unmet needs of the city's lower-income residents. The reality is somewhat more complex, and it illustrates the competing demands that pull many redevelopment projects in different directions.

The decision to welcome IKEA rather than a supermarket was the subject of an extensive debate. Advocates for the city's lower-income residents faced a difficult choice. While the supermarket would have served an important need,

many argued that the IKEA would serve two other pressing needs: jobs and tax revenue.

The IKEA project was expected to generate 550 new jobs. The coordinator of a local job training center was quoted in the paper raving about IKEA's "awesome" benefits package, which included health benefits and a tuition reimbursement plan.⁴ In addition, IKEA guaranteed the city a minimum of \$1 million in annual sales tax revenue and projected as much as \$1.8 million. East Palo Alto faced serious fiscal challenges and at that point was unable to pay \$2 million in raises for police officers that had been approved by voters but not funded.⁵ Planners argued that IKEA tax revenue would pay for new storm sewers and repaved streets.⁶

While many supermarket advocates were not persuaded by these arguments, in the end, a majority of East Palo Alto voters approved the IKEA deal in March of 2002.

Now that the more desirable sites along the 101 freeway have been built out, the vacant lot at University and Bay remains the only development site in East Palo Alto large enough to accommodate a supermarket. National supermarket chains have been unwilling to open there, however, in part because the site is far from the freeway.

In 1994, the city sold the land to a developer who promised to build a supermarket shopping center there. After several failed attempts to develop the site, the owners offered the site for sale. The city was negotiating to provide financial assistance to another buyer who had secured a commitment for a 50,000-foot Rancho San Miguel Supermarket when, in May 2006, the site was sold to yet another developer with plans to build a high-rise condo project.

The city is insistent that the site include a supermarket, and the new owner is reportedly willing to incorporate one into the project. But any project is still years away, and the final outcome is far from certain.⁷

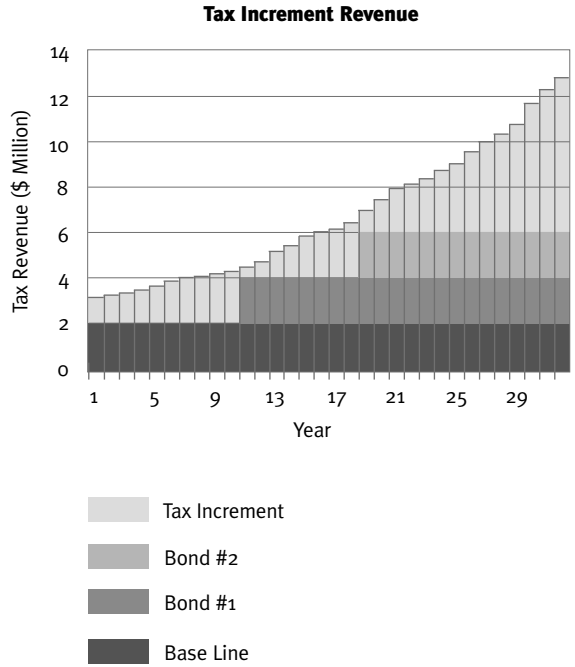
**How Does Tax Increment Financing Work?
A Hypothetical Scenario**

The town of Sanoville has designated a new redevelopment area. In the year that the redevelopment plan is established, property taxes for all property located within the area total \$3 million. Over time, we can expect these taxes to increase, especially if the redevelopment agency is successful in improving the area.

Suppose that, after one year, the total taxes had risen to \$3.15 million. The county, school district, and other local taxing entities would split the baseline amount (\$3 million) as they had in the past, and the increase (\$150,000, known as the *tax increment*) would go to the redevelopment agency. This increment might not be much in the first few years – but after ten years, if the total tax revenues have risen to \$4.88 million, the redevelopment agency will receive \$1.88 million in annual tax increment.

Once the agency has a reliable stream of tax increment coming in annually, it might choose to borrow money by issuing bonds that it will repay with its tax increment revenue. This strategy allows the agency to “front-load” its investment by spending more in the early years of the project and making capital investments that should, in turn, result in greater tax increment over time.

If the Sanoville Redevelopment Agency were to issue bonds in Year 10 of the project, it could promise its \$1.88 million in annual tax increment revenue for repayment of the bonds, which would mean that it could borrow approximately \$16 to \$20 million, depending on interest rates and other terms. Several years later, the agency might have generated even more tax increment, which it could pledge toward a second set of bonds, raising additional capital for further improvements.



1 *See, e.g., Redevelopment Agency v. County of San Bernardino*, 21 Cal. 3d 255, 259 (1978); D. Beatty et al., *supra* note 3 in chapter 9, at 209-18.

2 Redevelopment law includes substantial requirements regarding housing. These include:

- ▶ The agency must locate or provide housing for residents displaced by the agency's activities
- ▶ Low- and moderate-income housing units that are destroyed or removed must be replaced
- ▶ At least 20 percent of the TI funds allocated to an agency must be used to increase, improve, or preserve the community's supply of low- and moderate-income housing

▶ Market-rate housing built within project areas is subject to requirements for substantial inclusionary housing (affordable units included with the development of the market-rate housing)

3 *No East Palo Alto Market in Sight*, OAKLAND TRIBUNE, 5/17/06.

4 *Ikea Wins Initial Victory*, PALO ALTO WEEKLY, 8/31/01.

5 *Measure C Would Pave the Way for IKEA in East Palo Alto*, SAN FRANCISCO CHRONICLE, 2/22/02.

6 *Construction Underway on Controversial East Palo Alto IKEA*, STANFORD DAILY, 9/30/02.

7 *East Palo Alto's Grocery Store Hopes in Limbo*, SAN JOSE MERCURY NEWS, 5/17/06.

12 Introduction to Eminent Domain

What Is Eminent Domain?

In the United States, governments (local, state and federal) have the power to acquire property when needed to further a legitimate governmental purpose, so long as the owner of the property is justly compensated. This authority is granted in the Fifth Amendment of the U.S. Constitution, which states: “No person shall be ... deprived of ... property, without due process of law; nor shall private property be taken for public use, without just compensation.”¹ This clause of the Constitution is commonly called the “takings clause,” because the authority it grants is called takings² authority.

When referring to the taking of real property (land and/or buildings) by the government to further its purpose, this is called the power of *eminent domain*. The power of eminent domain is one of the most powerful tools available to redevelopment agencies in California.

In practical terms, the power of eminent domain allows a redevelopment agency to buy property – whether or not the owner wants to sell. However, the redevelopment agency can’t simply seize the property. Rather, it must purchase the property – it must provide “just compensation” to the owner.

Just Compensation

To provide the just compensation that’s legally required for the taking of property, the value of the property being acquired must be determined. This is not always easy to do, and property owners often feel that their property was undervalued.

There may be a number of reasons for the common impression that governments “underpay” for property taken by redevelopment agencies exercising their eminent domain authority. Two stand out. One is that the declaration of blight (see chapter 10) generally reduces property values in the short term, so the appraised value of the property is likely lower than it was prior to the finding of blight. (This is one of the reasons that property owners may fight against the creation of a redevelopment project area.) The second reason is that redevelopment frequently requires particular parcels of land to realize plans; multiple parcels may be assembled for a large project such as a

shopping center. Recognizing that the proposed project relies on a particular parcel, people logically conclude that the necessity of that parcel raises its value. However, for reasons that are beyond the scope of this toolkit, this assumption is inaccurate.³

The Changing Landscape

Governments may only use their eminent domain power to acquire property to further a direct and tangible governmental purpose. For example, blighted houses might be acquired and demolished, with the redevelopment agency financing the construction of new housing for the low-income population that was displaced. In California, for example, cities are only permitted to take land for economic development purposes in blighted areas.⁴

In 2005, the city of New London, Connecticut, moved to take some private homes through eminent domain with the intent of transferring the property to a private developer, who would use the land as part of a larger plan to redevelop a section of New London and attempt to shore up its ailing economy. The property owners sued, claiming that this was not a legitimate use of the redevelopment agency's eminent domain authority because it would result not in furthering a governmental purpose, but in enriching the developer.



The case went all the way to the U.S. Supreme Court, which handed down a decision in 2005. In *Kelo vs. New London*, the Supreme Court sided with the city, finding that the intended use of the property qualified as a “public use” within the meaning of the takings clause, and that the property was being developed as part of a plan which was not adopted to benefit anyone in particular. The court felt that even though the developer stood to profit from the venture, the city was furthering a legitimate interest by creating an opportunity to produce tax revenue. It also felt that the overall plan for revitalization was a “public use,” even if private parties who might also benefit from the redevelopment were carrying it out.

The New London case has created a great deal of anxiety among private citizens, who believe this ruling means that local government can take their property at will, without what they might feel is a “legitimate” purpose.⁵ This has prompted several state governments to introduce or pass legislation limiting the power of eminent domain.

In 2006, at least partially in response to *Kelo*, California adopted five bills amending the CRL and the state eminent domain law. Among other things, the bills narrow the circumstances under which an agency may find blight, provide additional procedural requirements for adopting and amending

redevelopment plans, create new state oversight of redevelopment plans, and add new requirements on redevelopment agency use of eminent domain.

It will probably be several years before the state of takings law has settled in California and elsewhere in the country. In the meantime, local redevelopment agencies may in some cases be faced with constraints on their power to exercise eminent domain authority.

Redeveloping a Downtown District

Richmond, California

In 1992, the downtown district of Richmond was in trouble. Although the district held many of the city and cultural institutions, many of the parcels in the neighborhood were vacant or underutilized, and the surrounding residents lacked any type of community-serving retail beyond check-cashing stations and payday loans.

The city's redevelopment agency initiated a plan to revitalize the district with commercial uses. "The most important goal was to bring essential neighborhood retail outlets to the residents," says Alan Wolken, director of

the redevelopment agency. The agency also sought to increase commercial activity as well as the tax base in the city.

Central among community-serving needs was a grocery store for residents. Recruiting a grocery store, however, was not an easy task. Overcoming investors' fears and attracting capital to the project was difficult. The area was, and remains, a low-income community. The neighborhood needed a greater density of residents in order to convince retailers that the location would be sustainable.



Photo courtesy of BMS Design Group

Community members played a key role in Richmond's redevelopment process.

"The redevelopment agency had to convince investors this was only the beginning," says Wolken, "and that we would continue to invest in the neighborhood until it was above water again."

After purchasing the parcels on which the retail outlet was planned,⁶ the redevelopment agency released a request for proposals (RFP) for a mixed-use development consisting of affordable rental and ownership units and a neighborhood shopping center. BRIDGE Housing, a nonprofit affordable housing developer, received the contract for the housing portion of the project, and the Martin Group, a private firm specializing in commercial development, was selected for the retail aspect.

The redevelopment agency engaged several community groups for input into the selection of tenants and design of the project. The MacDonald Avenue Business Association and the Iron Triangle Neighborhood Council participated in planning and design meetings and made recommendations on the retail most needed in the community.

Community participation was strong – even more so because a memorial park existed adjacent to the retail site, and many residents were interested in preserving the trees in the park. Once the community input was taken into account, the redevelopment agency worked with BRIDGE and the Martin Group to finalize plans for development.

The redevelopment agency used eminent domain to acquire the last of the parcels of land where development was planned, and used tax increment financing to make it possible to sell the property to the two developers at below-market prices. The agency further invested in the development by commissioning public art installations throughout the housing and retail developments, and offered façade improvement grants to surrounding businesses – an important investment to help with the revitalization of the whole area, rather than isolating improvements to only the sites of new development.

With BRIDGE’s encouragement, a police substation moved into one corner of the project across the street from the retail center. Two anchors and several in-line shops were planned, and negotiations began to attract a Foods Co. grocery store, a Walgreens drug store, and smaller retail outlets, including a clothing store, a shoe store, and several fast food franchises.

“The redevelopment agency was most interested in major tenants, as opposed to small independents,” says Wolken, “mostly because they signal to investors this is a safe bet and are more likely to provide jobs for the community.” To finalize Foods Co. as a tenant, the redevelopment agency agreed to subsidize its rent for ten years.

All of this investment ultimately proved extremely successful. The retail center is now operating without any ongoing rent subsidy, and to date, only one store has left the center. The housing units are 100 percent occupied, and several new developments are under way in the surrounding blocks, including new housing at the adjacent transit station. This increased housing will only increase the demand for the retail in the neighborhood.

The degree of success was a surprise to everyone. It has even merited several awards. “The success of the center just attests to the neighborhood’s sheer need for such retail and the ability for low-income communities to support the right kind of retail,” says Wolken.⁷

1 U.S. CONSTITUTION, 5th Amendment.

2 Takings actually encompass a broad spectrum of activities that result in the reduction of value of property or the reduction in use of property, as well as the acquisition of property. Most topics under takings are beyond the scope of this toolkit.

3 Real estate appraisal is a complex blend of art and science. There are standard methodologies and metrics utilized as the basis for determining the value of a particular parcel of property. The valuation may have little to do with the necessity of the parcel for completing a particular redevelopment project.

4 CAL. HEALTHY & SAFETY CODE § 33030-33037.

5 In fact, the plaintiffs asked the court to establish a “bright-line rule” to avoid the possibility of a city transferring citizen A’s property to citizen B for the sole reason that citizen B might put the property to a more productive use and thus pay more taxes. The court felt this was not germane to the case before them, stating it could deal with that issue in the future should it arise.

6 Note that Richmond’s strategy was similar to that utilized by the city of New London in the redevelopment effort that resulted in the Kelo case. New London was not attempting something novel.

7 Interview with Alan Wolken, Richmond Redevelopment Agency, 6/12/06.

13 Support for Economic Development Projects

As discussed earlier, redevelopment agencies have broad powers to support the revitalization of designated redevelopment areas. An agency can use its planning powers to make a project possible, or it can provide loans or grants to improve the financial feasibility of a project. It can also help by providing land for the project or by supporting general infrastructure improvements in the surrounding area that may be necessary for a project to succeed.

Eminent Domain

Redevelopment agencies, under certain specific circumstances, have the power to take private property through eminent domain (see chapter 12). While not common, this tool can be used to support economic development projects – either directly, by taking land on which the proposed project will be built, or indirectly, by removing surrounding blighted properties or facilitating the development of supporting infrastructure, such as parking.

Example: The redevelopment agency in Richmond assembled land for a supermarket-anchored shopping center downtown (see profile in chapter 12). The agency was able to negotiate to purchase most of the parcels from their owners, but the owners of the final parcels were unwilling to sell. The agency was able to use its eminent domain powers to force a sale of these final parcels, which were key to the development of the project.

Land Access

As a redevelopment area is demarcated, the redevelopment agency may acquire much of the land needed for redevelopment through voluntary sales or eminent domain. It can then donate, sell, or lease the land to projects that work toward its goals for increasing the public benefit and value of the land, as defined in the redevelopment plan.

The agency might grant outright donations of land or discount sales for high-impact projects. In other cases, it might decide to retain long-term ownership of project land and instead enter into very long-term land leases with project developers. In some cases a below-market lease rate can be tied to a project's success in accomplishing designated goals such as local

employment, job creation, or economic development. In addition to offering land at below-market rates, the redevelopment agency can also reduce costs attached to land development by aiding in site preparation costs, such as remediation of hazardous sites and grading, and by taking on the expense of relocating people displaced by changes in land use the project will cause.

Example: The San Diego Redevelopment Agency played a lead role in creating the City Heights Urban Village in center city San Diego. An 112,000-square-foot retail center anchored by an Albertsons supermarket was built as part of an even larger community master plan, including housing, a police station, a library, a recreation center, and office space. The area was served by an older, smaller Albertsons that was located on a site that was too small to allow for expansion to a larger-format store.

The redevelopment agency acquired a larger site across the street from the old Albertsons, cleared the site for development, and worked with a private developer to build the new supermarket. The agency was then able to build new office and community facilities on the site where the supermarket had been located. The agency issued \$16 million in bonds to finance land acquisition, relocation, and site clearance. Without the agency's intervention to acquire the additional land, the project could not have been completed, and Albertsons might have left the neighborhood.

Grants

For smaller projects, it is not uncommon for redevelopment agencies to provide direct grants to help meet economic development goals. Often, farmers' market projects or other activities on a similar scale will benefit from start-up, operating, or planning grants from a redevelopment agency. While most agencies receive funds from several different sources, in most cases the majority of redevelopment agency funds will be generated through tax increment revenue. Any investment of redevelopment funds will therefore have to be justified on the grounds that the supported activities will ultimately improve the tax base in the project area.

It is easier to rationalize some activities this way than others. Grants for basic infrastructure like streetlights or storefront improvements can be expected to immediately improve property values, whereas improvements in food access may have more indirect impacts. Advocates might want to document any way in which the proposed project might increase the tax base.

Example: The San Francisco Redevelopment Agency made a grant to the operators of City Produce, a small corner store that opened in a redevelopment-funded mixed-use affordable housing project in San Francisco (see profile in chapter 4). The grant paid for some of the merchant's equipment

and some of the costs of building out the retail space. This grant, together with other public support, made it feasible for the business to forgo the potentially lucrative sale of alcohol and dedicate valuable shelf space to fresh produce.

Loans

For larger projects, many agencies prefer to structure their support in the form of loans rather than grants. Tax increment (TI) financing makes it possible for a redevelopment agency to make loans on extremely favorable terms. When an agency issues bonds against future TI revenue, it is essentially borrowing money that it promises to repay with property tax funds that it expects to receive in future years. The buyers of the bonds, who are lending money to the agency, evaluate the likelihood that the future tax revenue will be sufficient to make all the loan payments. The agency is then free to invest the proceeds in projects that are likely to contribute to the tax base. Projects that contribute to land value don't necessarily have to repay the agency's loan in order for the agency to be able to make its bond payments. An agency can then evaluate potential projects based on their economic development impact, offering loan terms that are more favorable for higher-impact projects. Some projects may receive traditional loans with below-market interest rates, while other projects may receive loans with no interest or where all payment of both interest and principal are deferred for 30 to 50 years.

Example: In 1996 the redevelopment agency in Oakland acquired Acorn Plaza, a failed supermarket shopping center in West Oakland. The agency issued a request for proposals (RFP) seeking developers to renovate and re-tenant the center, ultimately selecting a team led by a local community development corporation, the East Bay Asian Local Development Corporation. The developer was able to restore the buildings and attract an independent full-service supermarket to the center, which was renamed the Jack London Gateway. The city helped finance the project by providing \$4 million in HUD Section 108 and Economic Development Initiative loan funds through the city's Enhanced Enterprise Community program. The agency made an additional loan of \$1.5 million of tax increment revenue. The agency loan did not require any annual payments; repayment was deferred. In addition, the agency made an outright grant of \$439,000 (also of tax increment revenue) to help pay for costs related to renovation of the center.¹



Infrastructure Improvements

Besides offering direct investment capital, a redevelopment agency can support a project by creating infrastructure improvements to the area that will benefit the project. This can mean constructing or altering roads that will allow greater access to the project, or implementing services to the land that did not previously exist, such as sidewalks, an improved electrical grid, or greater waste water capacity.

In addition to constructing infrastructure, redevelopment agencies often promote increased activity in the area by improving existing infrastructure – perhaps through increased maintenance and improved streetscapes and building facades. The redevelopment agency can contribute the cost of other public improvements, such as parking that can serve the project, plazas or other types of public space, and improved lighting.

Example: The city of Fresno agreed to major infrastructure improvements in order to make Selma Square, a grocery-anchored shopping center, possible. These infrastructural improvements – including the reconstruction of an outbound freeway ramp and the extension of a neighborhood street – were designed to increase accessibility to the shopping center and were a necessary condition to develop the project and attract Food 4 Less, the grocery tenant. The project is supported by the redevelopment agency because it brings jobs and affordable groceries to a low-income area.²

Other Incentives

Some agencies use their land use planning powers to encourage development by changing allowable uses to support specific development projects. Others provide fee waivers to developers to help defray costs for projects that help the agency meet its economic development goals.

Example: Paradise Plaza, a privately developed grocery-anchored shopping center in Modesto received key support from the city's redevelopment agency in the mid 1990s. Rather than providing a direct subsidy to the project, the agency agreed to waive a number of development fees in order to assist the project, which renovated a mostly shuttered and aging shopping plaza. The developers raised their own funds for the venture, but the city waived capital facilities fees to encourage the decision to develop the land, which is in a redevelopment area. "Once we do this project," one of the developers told a reporter, "I think there will be an infusion of other economic activity in a part of town that has almost been forgotten in terms of new retail development."³

Advocates may wish to consider introducing a model resolution to the redevelopment agency to promote proactive steps to address food access challenges. For more information about model redevelopment resolutions, see chapter 17.

¹ A RESOLUTION AMENDING RESOLUTION NO. 99-34 C.M.S. TO REPLACE COMMUNITY PLAZA DEVELOPERS, LLC, WITH JLG ASSOCIATES, LLC, AS PURCHASER AND DEVELOPER OF THE JACK LONDON GATEWAY SHOPPING CENTER, City of Oakland, October 2003, available at <http://clerkwebsvr1.oaklandnet.com/attachments/2673.pdf> (last visited 6/21/06).

² S. Nax., *Selma Square Work Begins; Retail Project is the Latest of Many in the City*, FRESNO BEE, 8/23/98 (Home Edition), at G1.

³ Stuart Gordon, *New Shopping Center Intended to Revitalize West Modesto, Calif.*, KNIGHT RIDDER/TRIBUNE BUSINESS NEWS, 8/4/97.

14 Final Points

It is important to understand what redevelopment is, but it's equally important to keep in mind what redevelopment is *not*. As one California land-use planning expert has observed:

Though its mission is to revitalize struggling urban neighborhoods, redevelopment is not *inherently* a tool for social change. It is, rather, a financial tool designed to facilitate real estate investment in targeted areas. It permits local governments to designate the targeted areas, to make special investments in the areas in hopes of stimulating real estate investment, and to 'take' property by eminent domain if necessary. Given this narrow purpose, redevelopment cannot by itself hope to solve California's urban problems. It cannot prevent crime. It cannot eradicate drug abuse.... Redevelopment will be used to further these goals *only when the local government shows the political will to do so*.¹

It is also very important to remember that redevelopment in California has often been implemented in a manner that has, at best, been disrespectful and, at worst, irreparably destroyed the fabric of neighborhoods. In deciding whether to pursue this strategy, public health advocates should take note that redevelopment has been controversial in many California communities, for a variety of reasons.

One frequent criticism is that California's redevelopment planning process – like the federal “urban renewal” programs with which it shares common origins – has often caused gentrification and the displacement of the low-income residents that the law is ostensibly designed to assist. While such displacement is not an inevitable consequence of redevelopment, public health advocates should be mindful of this criticism, both in addressing community concerns and in taking appropriate steps to see that the specific measures they advocate for ensure the benefit of the low-income groups they are attempting to assist.

¹ W.J. FULTON, GUIDE TO CALIFORNIA PLANNING, at 244 (Solano Press, 1999) (emphasis added).

15 Building Community Support

To effectively apply economic development tools to increase healthy food retail, you will want to build relationships with stakeholders in your community who have leverage over economic development decisions. In order to do so, you will likely want to use data persuasively to demonstrate the connection between your proposed project and positive health outcomes.

Identifying Interested Parties

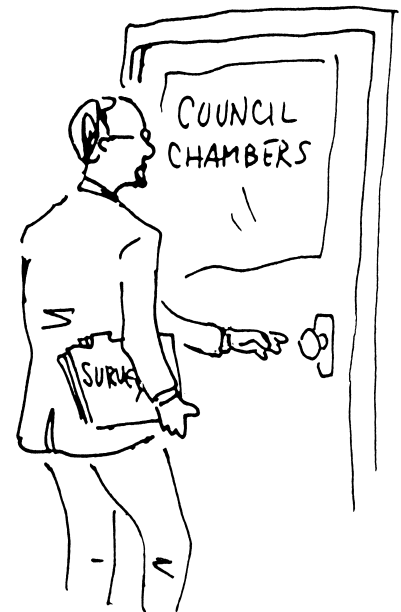
Food access projects draw interest from a wide range of people, organizations, and businesses. Broadly speaking, interested parties can be divided into four categories:

- ▶ Decision makers, who are usually elected/appointed officials (including city council members, supervisors, commissioners)
- ▶ City/county staff (including planning staff, redevelopment agency staff, health department staff)
- ▶ Technical partners
- ▶ Project allies and opponents

It is a good idea to identify interested parties early to determine potential allies and opponents.

Elected/Appointed Officials

Since these are the people who will ultimately vote for or against your project, it is important to ascertain who is on your side. You will be most effective if you can cultivate at least one public official as an advocate for your cause early on. Get to know the positions of your councilpeople/supervisors as well as your redevelopment commissioners (if your city has a separate redevelopment commission). Ideally, your champion will not be close to the end of her/his term – your goal is to build long-term relationships.



City/County/Agency Staff

City and/or county staff in community or economic development departments, and particularly redevelopment agency staff, can be key allies. Any project will involve a number of local government staff, from identifying and evaluating the project to securing funding and land use approvals. Elected officials, especially volunteer commissioners, frequently rely heavily on staff recommendations when evaluating complex economic development or redevelopment projects. Staff understand better than anyone else the often complex steps necessary to move a project forward to ultimate approval. Developing good, supportive working relationships with these staff can mean the difference between success and failure.

Technical Partners

Most food access projects require technical skills such as real estate development, business development, or business management. Food and nutrition advocates generally don't already have these specialized skills, so it is important at the outset of a project to identify partners that bring key technical skills to the effort.

It is difficult for health advocates to effectively advocate for the development of a new supermarket, for example, without the involvement of someone with real estate development experience. Many communities have local nonprofit community development corporations (CDCs) or affordable housing developers that can provide essential support for redevelopment projects, even if they don't ultimately serve as project developers. Similarly, projects that aim to improve existing neighborhood stores can benefit from partnership with agencies that already have skills in small business technical assistance and business financing. An individual with experience in the grocery business, or a firm that operates farmers' markets in other communities, could play the same key role.

In addition to directly strengthening the proposed project, these partnerships lend essential credibility to the effort in the eyes of those who will evaluate it.

Allies and Opponents

It is important to think as broadly as possible about the types of groups or individuals who may support or challenge your project because of a specific policy issue. You might generate enthusiastic support from people or institutions who have no interest in food access or health but are instead motivated by other economic benefits of the project. You might encounter opposition – in spite of the project's health benefits – because of other necessary aspects, such as parking or traffic impacts.

It is important to map out a strategy to engage people or groups with whom you may have had little or no contact in the past. This list of potential supporters is far from exhaustive but should provide a starting place for brainstorming:

Affordable housing advocates	Grassroots organizations
Chambers of commerce	Homeless advocates
Children, youth and family advocates	Homeowners associations
Civic (improvement) organizations	Land use attorneys
Civil rights organizations	Lobbyists
Community development corporations	Merchant associations
Community organizers	Neighborhood organizations
Community-based agriculture advocates	Organized labor
Community-based organizations	Planning and land use professionals
Economic justice advocates	Planning advocates
Environmental justice organizations	Poverty advocates
Faith-based communities	Public transportation advocates
Farmers' organizations	Real estate developers
Food security organizations	Senior advocates
Food stamp advocates	Smart growth groups

Many of these groups and individuals may be politically well connected. The interested entities may vary depending on the policy area you seek to influence – for example, economic development organizations may become involved with an issue that focuses on increasing the number of grocery stores in a community, while an environmental group may be interested if you are seeking to create a farmers' market. Take advantage of opportunities to work in coalition; it strengthens your effectiveness and provides opportunities to share workloads.

As you set out to develop these relationships, it may be helpful to keep a few points in mind:

- ▶ You may share an interest in an issue with a group that is interested in the issue for a reason that differs from yours. You don't have to have the same motivations to work together effectively.
- ▶ It is rarely productive to try to sign others onto your agenda. Finding/creating common ground will generally be more fruitful than trying to enlist others in pursuing your goals.

- ▶ Often, other people have been working on your (or related) issues for a long time. Supporting their process may be more productive than running a parallel process, especially if you are working with limited resources.

Allies and opponents may emerge while you are laying groundwork, or you may decide to recruit specific allies. Community organizing strategies and techniques are beyond the scope of this toolkit, but there are many excellent resources available to develop these capacities. Similarly, there are superb resources available to develop expertise in managing opposition.

Potential Motivators

Food access projects are often complex and expensive. In most cases, the health benefits of increased food access is only one of several important factors motivating the public and private institutions that make these projects possible. Some of the common reasons that other interest groups support economic development and redevelopment projects include:

Tax revenue: Local governments and local business interests are often motivated to support redevelopment projects that they perceive as contributing to the local tax base. Even where a redevelopment area captures any property tax increases, grocery store projects generate increased sales tax revenue, which supports key local programs.

Job creation: Supermarkets and small grocery stores generate new jobs and frequently hire locally for these positions. Many communities have negotiated hiring agreements with supermarket chains that make new jobs available first to local residents. Elected officials, neighborhood leaders, and business organizations may be motivated to support a food access project by these job commitments.

Quality of life: Food stores provide for basic needs beyond healthy food and generate customers that patronize other neighborhood businesses. Quality stores help create a positive image for a community and combat crime by bringing life to the streets. These quality-of-life factors may motivate many local residents to support grocery store projects.

Business development: Programs that provide assistance to small stores to improve food access may also help strengthen these locally owned businesses, and can draw support from other institutions that are focused on creating entrepreneurship opportunities.

Blight removal: Many supermarket projects are developed on sites that have been long abandoned. These vacant lots contribute to crime and make other neighborhood development more difficult. A food store that locates on such

a vacant parcel removes a potential negative factor and replaces it with a positive one.

Smart growth: Urban food access projects frequently contribute to more compact and livable urban neighborhoods and discourage auto dependence. Smart growth advocates often see supporting inner-city redevelopment as a way to curb suburban sprawl.

Profit: Store operators, as well as real estate developers who build super-market or small-store projects, stand to earn significant profits by serving communities that are currently underserved. While there are unique risks and challenges in these projects, these factors often keep competitors away and offer unique opportunities to earn higher-than-average profits.

16 Data Collection

Having appropriate data to support your case can make an enormous difference in a project's likelihood of success.

Making the case for a food access project can be complicated, and it may involve collecting more than one kind of supporting data. It is not necessarily enough to show that a community lacks access to healthy food. Advocates may need to demonstrate that an economic opportunity exists to provide food access – one that might ultimately be self sustaining with the appropriate public support.

The argument in favor of a project typically involves demonstrating the following:

- ▶ Obesity and obesity-related health problems are epidemic in the United States, and the lack of access to healthy foods is a contributing factor to the obesity epidemic
- ▶ This is reflected in the local community, which suffers high (and rising?) obesity, diabetes, and heart disease rates
- ▶ Certain local neighborhoods lack adequate access to healthy foods
- ▶ There is an unmet economic opportunity to provide increased access to healthy food in this community

Before you begin collecting data, take a moment to assess the political climate in your community. Considering the audience for your data will help you decide what kinds of information will be most persuasive. Keep in mind that much of this information has already been collected elsewhere. For example, you may find that your economic development officials are already well aware of the unmet demand for food retail in your community. In that case, it might be most useful to present compelling health data to create a sense of urgency.

Consider, too, how your data will play in the media. Since it can be difficult to determine the relationship between environmental factors and health, some research results can appear inconclusive. Be careful to manage how the data is presented to decision makers, the press, and the broader public, and develop a series of talking points for advocates early in the process.

Since collecting data can be a very time-consuming and expensive process, you may wish to evaluate how rigorous your data collection process needs to be. For example, your local government officials might be most responsive to hearing the personal, qualitative stories of residents who are affected by limited food access.

The data collection process described below is intended to give you an example of how you might proceed, but the best strategy to achieve desired action from local governments will vary from community to community.

The Problem at a State and National Level

Some of the state and national data you may need has already been compiled. The Centers for Disease Control and Prevention¹ has extensive national and state data available on obesity and obesity-related illness, and also offers information on nutrition and the benefits of physical activity.² This data can help you with the first and third items on the list presented earlier. For state, county, and local data (the second and third items), the California Health Interview Survey (CHIS) offers a wealth of information on the same topics.³

Local Health Concerns

Obtaining local health data can be extremely challenging. Some county health departments have well-staffed epidemiology departments; others find that their resources are absorbed by other pressing needs.

It is worth contacting your local health department (or, if you work in the health department, talking with staff epidemiologists) to understand what kind of data is available. For example, in January 2006 Los Angeles produced *Premature Deaths from Heart Disease and Stroke in Los Angeles County: A Cities and Communities Health Report*, which looks, city by city, at premature death rates and poverty rates.⁴ This information allows public health staff to make powerful arguments about the links between poverty and disease, and provides a context in which to offer concrete suggestions for built environment improvements that might reverse some of these trends. This data is especially valuable because it is very local, not aggregated across the entire county or even state.

Even if your health department does not have such detailed data, find out what it does have. It may be that there is information available, for example, regarding the rates of diabetes being treated at a community health clinic that draws most of its patient population from identifiable zip codes. California private hospitals are required to undertake community needs assessments upon which they base their community benefits plans;⁵ this may be another source for data.⁶

As you look beyond local resources for facts and figures, keep in mind that even if you can't find data by community or zip code, some might be available by state assembly or senate district. For example, in February 2005 the UCLA Center for Health Policy Research issued a report that looks at diabetes rates by assembly and senate districts.⁷ Similarly, in 2005 the California Center for Public Health Advocacy released a report on childhood obesity rates, also presented by assembly district.⁸ Find out what is available – and use it strategically to further your work!

Depending on the policies of your local or state health department, your data request may trigger institutional review board (IRB) requirements. In this case, it may be useful to partner with a local academic institution to help prepare your request.

Local Food Access

Gathering data about the extent of local food access challenges will require some effort. In order to determine the food access (healthy and not) in a community, the community must be “scanned” for a variety of factors.

The first step is determining whether anyone else has collected the information you're seeking. This research serves two purposes: it potentially allows you to avoid reinventing the wheel, and it helps you identify potential allies (see chapter 15). The Community Food Security Coalition is a national organization that tracks local research on food access across the country. Its Community Food Assessment Program website identifies several dozen food-access scans that have been completed in communities throughout California.

If you are unable to locate an organization that has audited food access, you will need to perform a community food assessment yourself. In some cases advocates may be able to partner with local universities to complete the necessary research. Community members can also participate in or conduct these audits. There are many examples of completed community assessments available online, as well as several ready-to-use general-purpose templates.⁹

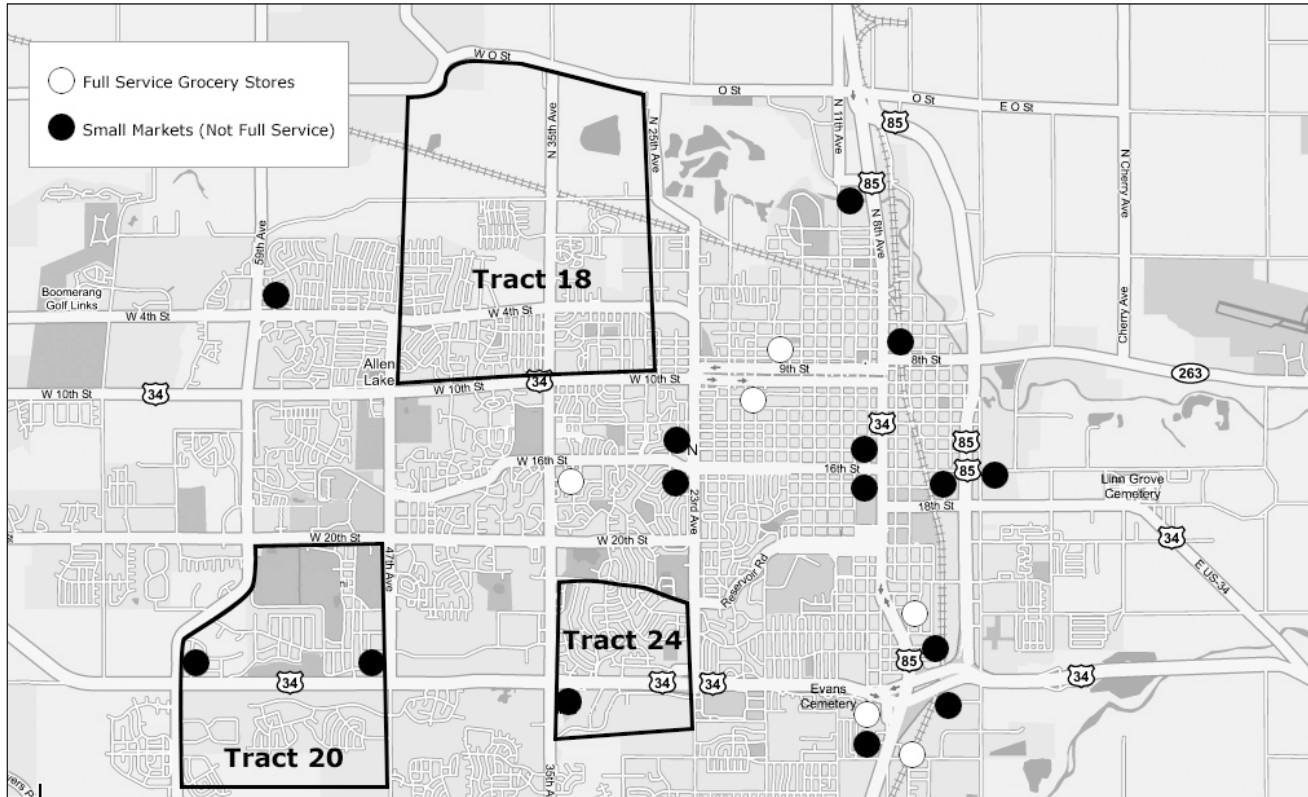
Once you've gathered the data you need, you'll want to spend some time thinking about how best to present what you've found. Maps can be very effective for showing where things are located – or where their absence is notable.¹⁰ Charts or graphs can communicate correlations – for example, a pie chart might show the percentage of low-income compared with the percentage of upper-income residents who live within two miles of a full-service grocery store. You may wish to compare health outcomes in communities *without* access to grocery stores against health outcomes in communities *with* ready food access.¹¹ You may also choose to evaluate how the density of fast food outlets in neighborhoods with or without supermarket access affects the health status of residents.¹²

Gathering Data: A Hypothetical Scenario

Nutrition advocates in Sanoville want their city's new redevelopment plan to reflect a commitment on the city's part to fresh food access for all residents, especially low-income residents who are food-stamp eligible. They plan out the following steps:

1. Utilizing census data, they identify the three lowest-income census tracts in the redevelopment area.
2. Walking the tracts, they map out the locations of all markets in those tracts.
3. They compare the various food access survey tools available at www.foodsecurity.org/cfa_survey.html and select one that will be easy to use.
4. Working in pairs, they “shop” the sample market basket from the survey and keep track of the data they gather.
5. They write up a brief report of their findings. They also prepare a few visual aids:
 - a. A **map** of each census tract with the market locations identified
 - b. A **chart** that shows whether a given market basket item was available at a given store
 - c. **Photographs** of some of the poorer food specimens they found
 - d. A **chart** showing there are 8 full-service supermarkets within Sanoville, but not one within 1/2 mile of any of the census tracts surveyed
 - e. A **chart** showing the prevalence of obesity in children in Sanoville, and in the surveyed census tracts in Sanoville

Sanoville Food Stores



Advocates identified the three lowest-income census tracts in Sanoville, mapping out the locations of all markets in those tracts.

© 2005 Google Maps

Prevalence of Obesity Among Children in Sanoville

Region	Percentage of children who are overweight/obese
California	28
Sanoville	28
Census tract 18	34
Census tract 20	33
Census tract 24	32

This chart shows how the prevalence of obesity among children in the three census tracts compares with that in Sanoville and California overall.

Store Name & Address: MegaMart - 29881 Santa Rita Blvd
 Days & Hours open: 7 days, 24 hours Phone: (999) 555-7786
 Type of Store: Supermarket Produce \$1 Market Local Market Convenience Store
 Comments: Full service. Not in I.D.'d census tracts - for comparison only

Dairy Item	Price	Not Available
1/2 gal. non fat milk	1.80	
1/2 gal. 2% milk	2.09	
1/2 gal. whole milk	2.29	
1/2 gal. lactose reduced or free milk	3.50	
Powdered dry milk	2.39	
Cheddar cheese	2.79	
Mozzarella cheese	3.50	
Processed Amer. Ch.	2.50	

Gallons milk for 2.25
Gal. avail. for 2.40

Bread & Cereal	Price	Not Available
1 lb. rice, bulk	.32	
32 oz. Bag rice	1.49	
Whole wheat bread loaf	2.49 (but also get 1 box)	
12 oz. bag spaghetti	.79	
Flour tortillas (list amount)	(12) 1.99	
Corn tortillas (list amount)	(6) 1.50	

Protein Foods	Price	Not Available
One dozen eggs	1.99	
18 oz. jar of peanut butter	2.50	
Dried beans	.79	
Dried lentils	.79	
1 lb. chicken	.99	
6 oz can tuna	.66	
1 lb. ground beef (<15% fat)	1.99	

Fruits & Vegetables	Price	Not Available
1 lb. carrots	.59	
1 lb. bananas	.79	
1 lb. apples	.80	
1 lb. oranges	.59	
1 lb. tomatoes	1.50	
1 lb. onions	.40	
1 lb. potatoes	.58	

Item	Yes	No
Alcohol	X	
Handicap Accessible	X	
Food Stamps accepted	X	
Credit card machine	X	
WIC checks Accepted	X	
Nutrition promotion	X	
Microwave	X	
Coupons accepted	X	
Store Club Card	X	

Store Name & Address: Quik Corner - 28899 Hwy 34
 Days & Hours open: 7 days, 7am-midnight Phone: (999) 555-3454
 Type of Store: Supermarket Produce \$1 Market Local Market Convenience Store
 Comments: Very poor selection. Produce virtually inedible.

Dairy Item	Price	Not Available
1/2 gal. non fat milk	2.96	
1/2 gal. 2% milk	X	
1/2 gal. whole milk	2.96	
1/2 gal. lactose reduced or free milk	X	
Powdered dry milk	3.99 (1/2 lb)	
Cheddar cheese	X	
Mozzarella cheese	X	
Processed Amer. Ch.	4.99	

Bread & Cereal	Price	Not Available
1 lb. rice, bulk		X
32 oz. Bag rice	2.59	
Whole wheat bread loaf	4.19	
12 oz. bag spaghetti	2.29	
Flour tortillas (list amount)		X
Corn tortillas (list amount)	2.79	

Protein Foods	Price	Not Available
One dozen eggs	2.99 (1/2 doz)	
18 oz. jar of peanut butter	4.39	
Dried beans	2.29	
Dried lentils	X	
1 lb. chicken	X	
6 oz can tuna	2.99	
1 lb. ground beef (<15% fat)	X	

Fruits & Vegetables	Price	Not Available
1 lb. carrots	X	
1 lb. bananas	X	
1 lb. apples	1.89	
1 lb. oranges	X	
1 lb. tomatoes	X	
1 lb. onions	1.19	
1 lb. potatoes	.99	

sprouting

Item	Yes	No
Alcohol	X	
Handicap Accessible		X
Food Stamps accepted		X
Credit card machine	X	
WIC checks Accepted	X	
Nutrition promotion	X	
Microwave	X	
Coupons accepted	X	
Store Club Card	X	

Store Name & Address: Manny's Superette - 1365 35th Ave
 Days & Hours open: M-Sat, hours vary Phone: (999) 555-1717
 Type of Store: Supermarket Produce \$1 Market Local Market Convenience Store
 Comments: Store not clean, many items look like they've been there a long time

Dairy Item	Price	Not Available
1/2 gal. non fat milk	X	
1/2 gal. 2% milk	X	
1/2 gal. whole milk	3.79	
1/2 gal. lactose reduced or free milk	X	
Powdered dry milk	11.26	
Cheddar cheese	4.77 (1/2 lb)	
Mozzarella cheese	X	
Processed Amer. Ch.	5.34	

Expired milk by date

Bread & Cereal	Price	Not Available
1 lb. rice, bulk	2.19	
32 oz. Bag rice	2.88	
Whole wheat bread loaf	X	
12 oz. bag spaghetti	2.29	
Flour tortillas (list amount)	(10) 2.71	
Corn tortillas (list amount)	X	

Protein Foods	Price	Not Available
One dozen eggs	3.72 (med)	
18 oz. jar of peanut butter	3.29	
Dried beans	1.99	
Dried lentils	X	
1 lb. chicken	2.98	
6 oz can tuna	X	
1 lb. ground beef (<15% fat)	X	

Fruits & Vegetables	Price	Not Available
1 lb. carrots	1.55	
1 lb. bananas	.89	
1 lb. apples	X	
1 lb. oranges	X	
1 lb. tomatoes	X	
1 lb. onions	1.19	
1 lb. potatoes	1.19	

Item	Yes	No
Alcohol	X	
Handicap Accessible	X	
Food Stamps accepted	X	
Credit card machine	X	
WIC checks Accepted	X	
Nutrition promotion	X	
Microwave	X	
Coupons accepted	X	
Store Club Card	X	

Store Name & Address: A + J Market - 1234 Placer Ave
 Days & Hours open: 7 days, 8am-9 pm Phone: (999) 555-2233
 Type of Store: Supermarket Produce \$1 Market Local Market Convenience Store
 Comments: Selection pretty good, very expensive, proprietor smoking

Dairy Item	Price	Not Available
1/2 gal. non fat milk	4.29	
1/2 gal. 2% milk	X	
1/2 gal. whole milk	X	
1/2 gal. lactose reduced or free milk	5.75	
Powdered dry milk	7.99	
Cheddar cheese	4.50 (1/2 lb)	
Mozzarella cheese	4.99 (1/2 lb)	
Processed Amer. Ch.	5.16	

Bread & Cereal	Price	Not Available
1 lb. rice, bulk	X	
32 oz. Bag rice	3.77	
Whole wheat bread loaf	4.89	
12 oz. bag spaghetti	2.19	
Flour tortillas (list amount)	(8) 2.50	
Corn tortillas (list amount)	(50) 4.99	

Protein Foods	Price	Not Available
One dozen eggs	4.89 (1/2)	
18 oz. jar of peanut butter	3.98	
Dried beans	2.19	
Dried lentils	6.49	
1 lb. chicken	3.19	
6 oz can tuna	7.99	
1 lb. ground beef (<15% fat)	X	

Fruits & Vegetables	Price	Not Available
1 lb. carrots	1.79	
1 lb. bananas	1.19	
1 lb. apples	2.19	
1 lb. oranges	1.89	
1 lb. tomatoes	3.99	
1 lb. onions	.99	
1 lb. potatoes	.99	

Brown moldy

Item	Yes	No
Alcohol	X	
Handicap Accessible		X
Food Stamps accepted	X	
Credit card machine	X	
WIC checks Accepted	X	
Nutrition promotion	X	
Microwave	X	
Coupons accepted	X	
Store Club Card	X	

Food Access Surveys

A hypothetical market basket was shopped in all of the stores in the census tracts – and in the MegaMart in another neighborhood for comparison.

Summary of Findings

Product	Store I	Store II	Store III	Average Price	MegaMart	% Price Difference
Dairy Products						
½ gal. nonfat milk	\$2.96	N/A	\$4.29	\$3.63	\$1.80	201%
½ gal. 2% milk	N/A	N/A	N/A	N/A	\$2.09 ^A	N/A
½ gal. whole milk	\$2.96	\$3.79	N/A	\$3.38	\$2.29 ^B	147%
½ gal. lactose free/reduced milk	N/A	N/A	\$5.75	\$5.75	\$3.50	164%
Powdered dry milk	N/A	\$11.26 ^C	\$7.99	\$9.63	\$2.39	403%
Cheddar cheese	\$3.99 ^D	N/A	\$4.50 ^E	\$4.25	\$2.79	152%
Mozzarella cheese	N/A	\$4.79 ^F	\$4.99 ^G	\$4.89	\$3.50	140%
Processed American cheese	\$4.99	\$5.34	\$5.16	\$5.16	\$2.50	207%
Protein Foods						
One dozen eggs	\$2.99 ^H	\$3.72 ^I	\$4.89 ^J	\$3.87	\$1.99 ^K	194%
18 oz. jar of peanut butter	\$4.39	\$3.29	\$3.98	\$3.89	\$2.50	155%
Dried beans	\$2.29	\$1.99	\$2.19	\$2.16	\$0.79	273%
Dried lentils	N/A	N/A	N/A	N/A	\$0.79	N/A
1 lb. chicken	N/A	N/A	\$6.49	\$6.49	\$0.99	656%
6 oz. can tuna	\$2.99	\$2.98	\$3.19	\$3.05	\$0.66	463%
1 lb. ground beef (<15% fat)	N/A	N/A	\$7.99	\$7.99	\$1.99	402%
Fruits & Vegetables						
1 lb. carrots	N/A	\$1.55	\$1.79	\$1.67	\$0.59	283%
1 lb. bananas	N/A	\$0.89	\$1.19 ^L	\$1.04	\$0.79	132%
1 lb. apples	\$1.89	N/A	\$2.19	\$2.04	\$0.80	255%
1 lb. oranges	N/A	N/A	\$1.89 ^M	\$1.89	\$0.59	320%
1 lb. tomatoes	N/A	N/A	\$3.99	\$3.99	\$1.50	266%
1 lb. onions	\$1.19 ^N	\$1.19	\$0.99	\$1.12	\$0.40	281%
1 lb. potatoes	\$0.99 ^O	\$1.19	\$0.99	\$1.06	\$0.58	182%
Bread & Cereal						
1 lb. rice, bulk	N/A	\$2.19	N/A	\$2.19	\$0.32	684%
32 oz. bag rice	\$2.59	\$2.88	\$3.97	\$3.15	\$1.49	211%
Whole wheat bread loaf	\$4.19 ^P	N/A	\$4.89	\$4.54	\$2.49 ^Q	182%
12 oz. bag spaghetti	\$2.29	\$2.29	\$2.19	\$2.26	\$0.79	286%
Flour tortillas	N/A	\$2.71 ^R	\$2.50 ^S	\$2.61	\$1.99 ^T	131%
Corn tortillas	\$2.79 ^U	N/A	\$4.99 ^V	\$3.89	\$1.50 ^W	259%
Total Market Basket Cost	\$43.49	\$52.05	\$92.98	\$62.84	\$44.40	142%
% of Market Basket Items Available	54%	57%	86%		100%	
Average Cost Per Item	\$2.90	\$3.25	\$3.87	\$3.34	\$1.59	211%
Other	Yes/No	Yes/No	Yes/No		Yes/No	
Alcohol	Y	Y	Y		Y	
Handicapped accessible	N	N	N		Y	
Food stamps accepted	N	N	Y		Y	
Credit card machine	N	Y	N		Y	
WIC checks accepted	N	N	N		Y	
Nutrition promotion	N	N	N		Y	
Microwave	N	N	N		Y	
Coupons accepted	N	N	N		Y	
Store club card	N	N	N		Y	

- A Full gallons were available for \$2.25 on sale
- B Full gallons were available for \$2.40 on sale
- C Expired sell-by date
- D ½ lb.
- E ½ lb.
- F ½ lb.
- G ½ lb.
- H ½ dozen, large
- I medium
- J large
- K large
- L Bananas were brown
- M Oranges were moldy
- N Onions were sprouting
- O Potatoes were sprouting
- P Bread was moldy
- Q Buy 1 get 1 free sale equates to \$1.25 per loaf.
- R 10 per package
- S 8 per package
- T 12 per package
- U 10 per package
- V 50 per package
- W 50 per package

Summary of Findings

The three lowest-income census tracts in Sanoville (tracts 18, 20, and 24), all of which are located within the redevelopment plan area, were surveyed. Tract 18 does not have any retail food outlets. Tract 20 has two, and tract 24 has one. A hypothetical market basket was shopped in each of the three stores in the three census tracts. In addition, the same market basket was shopped in the MegaMart in the Rose Hill neighborhood for comparison purposes. Key findings are presented below.

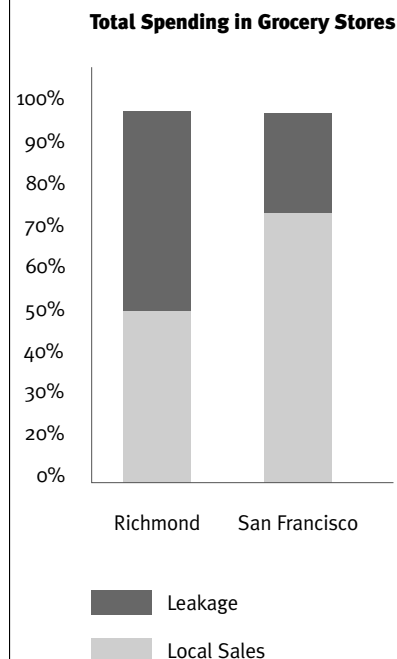
- ▶ All products were more expensive at the smaller markets in the lower-income tracts than equivalent products at MegaMart.
- ▶ The average total market basket at the smaller markets cost 142 percent of the basket at MegaMart. However, the cost difference is actually greater than this because none of the smaller stores had all of the items called for in the market basket.
- ▶ The availability of the items ranged from 54 percent to 86 percent. MegaMart had 100 percent of the items called for in the market basket.
- ▶ The cost per item averaged \$3.34 at the smaller stores, vs. \$1.59 at MegaMart – a difference of 211 percent.
- ▶ Only one of the small markets accepts food stamps, and none of them accept WIC. MegaMart accepts both. The small store that accepts food stamps has the highest per-item cost: \$3.87.
- ▶ Spoiled and expired foods, as well as dented cans and torn packaging, were common at the smaller markets.

Evaluating Economic Opportunities

If the goal is to find market solutions to food access problems, documenting the health effects of poor food access is only a first step toward a solution. The next step is to evaluate whether overcoming those problems represents a business opportunity for someone. Not every neighborhood that suffers from a lack of fresh produce will be able to successfully sustain a full-service supermarket. Whether it is a supermarket, a small-format produce store, or a farmers' market, the project can only survive if it ultimately generates enough business to support its costs.

In general, it is helpful to understand a few basic facts about the local economy:

- ▶ **Consumer spending:** How much do local residents spend on food annually? This information is often reported as the average spending per household – but the total spending for all households together may be a better measure of demand in dense urban neighborhoods, where concentration of households can make up for lower-than-average spending. In addition to the total spending, it is helpful to understand the specific qualities that motivate residents to choose one store over another. Some people are motivated by low prices; others care more about quality or convenience. Many consumers are motivated by the need to buy certain ethnic specialty products or to conduct business in their native language. Other factors like perception of safety can also make a difference in where people choose to shop.
- ▶ **Competition:** It is important to understand the local food stores that exist in and around the community, and to estimate how much of the local food demand they are meeting. You would like to understand who shops at the local stores, how far they come to shop there, and what they like or dislike about the experience.
- ▶ **Leakage:** In underserved communities, many people leave the area to do some or all of their food shopping. The total food sales reported by local stores will be far less than the amount that local residents are estimated to spend on food. This difference is called *leakage* (or *float*) – it is money that leaves the neighborhood, which could potentially be captured by new or improved local food stores. In general, the greater the leakage, the greater the economic opportunity for new stores.
- ▶ **Unmet needs:** Even where total leakage is low, there are often business opportunities when existing stores do a poor job of meeting people's real needs. Do not rely on leakage as the only indicator of market opportunity. For example, in many communities, residents have little choice but to patronize substandard supermarkets with high prices and low quality.

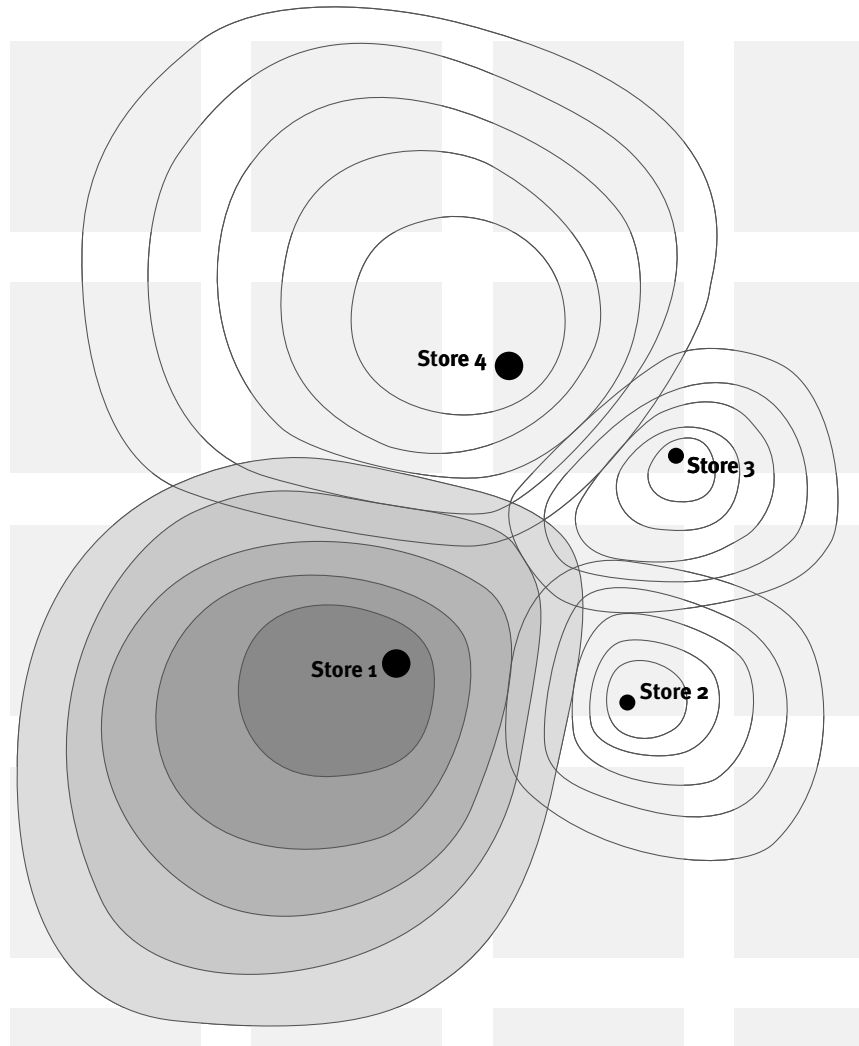


Leakage¹³

The city of Richmond is home to just over 100,000 people with a median income just above half that of the surrounding county. Richmond has 44 grocery stores, including supermarkets and corner groceries/convenience stores. These stores are reported to sell over \$90 million in goods annually. However, Richmond residents, in spite of their relatively lower incomes, are estimated to spend more than \$165 million annually in grocery stores. While local stores are “capturing” \$90 million of this spending power, \$75 million is “leaking” out to stores outside the community.¹⁴ Richmond grocery stores are only capturing half of the spending power of local residents, while stores in San Francisco capture nearly 80 percent of resident’s spending.

A higher-quality market can often replace existing stores by providing a superior product, better prices or service, or even just an improved appearance. Just like communities that lack stores, those with poor-quality stores are underserved – in both cases a real market opportunity exists for a superior business to succeed and make money.

- ▶ **Supermarket trade areas:** A “gravity model” like the one illustrated below predicts the total population that is likely to patronize a real or potential supermarket location by studying the site’s location relative to other competing stores.¹⁵ Each store is thought to exert a strong draw on customers who live especially close, and a somewhat weaker draw on those who live further away. The rings in the illustration represent the trade areas for each of several supermarkets in an area. Rather than draw a simple ring around a site and assume that everyone within that ring will patronize the store, gravity models assess the probability that each household will shop at each store.



Before you begin to collect this kind of data yourself, it is worth doing some research to see if this information has been collected before, either by your local government or by other advocate groups. Obviously, evaluating all of these factors is complex and requires real technical expertise. Many communities begin this process by hiring a specialized retail market research consultant, but it is also possible to compile some basic market information to help in the development of a strategy prior to engaging a consultant.


Depending on your goals, you may even be able to make your case using data collected in other communities with a similar demographic composition to yours. A number of companies sell basic market reports that provide quantitative data about consumer demand, existing sales, and even rough estimates for retail leakage. Two of the most popular are ESRI (www.esribis.com) and Claritas (www.claritas.com). You can purchase a simple report focused on one neighborhood for under \$100 from either company. These basic reports are no substitute for hiring a qualified professional prior to launching a significant project, but they provide organizers with a quick and inexpensive way to begin thinking and talking about the market opportunities.

Retail MarketPlace Profile

From ESRI Business Information Solutions

This report provides a count of the number of businesses located within your study area in each of several standard categories. It also provides the number of employees in these businesses.

This report was generated by ESRI Business Analyst Online (<http://bao.esri.com>). ESRI and ESRI globe logo are registered trademarks of ESRI, Inc.

Retail MarketPlace Profile				
LISC Center for Commercial Revitalization - Neighborhood Market Snapshot				
		Latitude: 37.7 Longitude: -122.44 Drive Time: 2 minutes		
Leland Ave AT Bay Shore Blvd San Francisco, CA 94134 Site Type: Drive Time				
Summary Demographics				
2003 Population				23,100
2003 Households				5,100
2003 Median Disposable Income				\$44,000
2003 Per Capita Income				\$17,000
	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number Businesses
	\$99,991,635	\$182,931,303	29.3	
	\$96,133,452	\$153,739,609	23.1	
	\$3,858,183	\$29,191,694	76.7	
	Supply (Retail Sales)	Demand (Retail Potential)	Leakage/ Surplus	Number Businesses
	\$3,292,654	\$35,787,235	83.1	
	\$67,253	\$28,730,451	99.5	
	\$2,151,816	\$3,142,689	18.7	
	\$1,073,585	\$3,914,095	57.0	
	\$5,570,460	\$5,176,891	-3.7	
NAICS 4422: Home Furnishings Stores	\$5,052,775	\$2,419,174	-35.3	
NAICS 443/NAICS 4431: Electronics & Appliance Stores	\$2,806,918	\$3,765,604	14.6	5
NAICS 444: Bldg Materials, Garden Equip. & Supply Stores	\$3,554,449	\$5,647,357	22.7	5
NAICS 4441: Building Material and Supplies Dealers	\$2,780,096	\$5,172,695	30.1	4
	\$774,353	\$474,662	-24.0	1
	\$25,928,939	\$34,330,709	13.9	21
	\$22,204,193	\$27,770,513	11.1	14
	\$843,635	\$4,192,461	66.5	4
	\$2,881,111	\$2,367,735	-9.8	3
	\$1,945,374	\$8,164,809	61.5	2
	\$1,652,766	\$12,379,467	76.4	1
NAICS 448: Clothing and Clothing Accessories Stores	\$2,235,126	\$13,678,910	71.9	2
NAICS 4481: Clothing Stores	\$2,235,126	\$9,809,379	62.9	2
NAICS 4482: Shoe Stores	\$0	\$1,866,576	100.0	0
NAICS 4483: Jewelry, Luggage, and Leather Goods Stores	\$0	\$2,002,955	100.0	0
NAICS 451: Sporting Goods, Hobby, Book, and Music Stores	\$4,732,164	\$4,780,220	0.6	4
NAICS 4511: Sporting Goods/Hobby/Music				
NAICS 4512: Books, Periodical, and Musi				

Data Note: Supply (retail sales) estimate expected amount spent by consumers at of consumer demand relative to supply. System (NAICS) to classify businesses & Trade sector, as well as four industry groups.

Source: ESRI Business Information Solutions

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This column provides an estimate of the total amount that neighborhood residents spend annually in each type of business both inside the neighborhood and elsewhere.

This column list the total annual sales by businesses of each type within the study area, based mostly on sales tax figures.

In this area there are 21 food and beverage stores that together do \$25,928,939 in annual sales. Residents in the area are estimated to spend \$34,330,709 each year at food and beverage stores. A leakage factor of 13.9 indicates that residents are spending much of their money outside of the area.

If area residents spend more money than local businesses receive, the difference is called "leakage" – money that is seen as leaking outside of the neighborhood. A zero in this column would mean that the total sales equal the estimated spending by local residents. A positive number means that residents spend more than local businesses sell. A negative number (surplus) means that businesses sell more than residents are likely to be spending – i.e., that people from outside the area are shopping here.

Hiring a Market Research Firm

While basic demographic and economic data are readily available from firms such as ESRI and Claritas, demographics and spending power are only two factors that might influence whether stores can succeed in a new location. There are a number of research and consulting firms that regularly contract to perform more in-depth market studies to evaluate the potential for additional neighborhood retail. National firms such as LISC MetroEdge (www.metro-edge.com) and Social Compact (www.socialcompact.org) have developed special tools to uncover the untapped spending power present in many underserved inner-city neighborhoods. In addition, there are local economic development consultants in every part of the country with experience conducting retail market studies for urban neighborhoods. To get a clearer picture of the demand for food retail in any neighborhood, it is generally necessary to contract with one of these firms.

In some cases, local government agencies will pay for and oversee this kind of market research. For example, the city of Chicago produces neighborhood reports showing total retail expenditure and leakage for four major store types, including grocery stores.¹⁶ In other communities, community-based organizations raise money and contract directly for the analysis.¹⁷ In either case, it is important for community leaders to participate in the process of defining the scope of work for the consultant.

It is easy to spend money on a market study that answers the wrong questions. It is very common for market researchers to limit their research to an analysis of spending power, for example. In neighborhoods with very little retail, large amounts of uncaptured spending power should not be surprising. Documenting the exact extent of this leakage does not generally make much of a difference if retailers are avoiding the area for other reasons entirely. In this kind of neighborhood, a market study should put the data in context by evaluating other factors, such as site availability and the existing competitive landscape, which might have more of an impact on a retailer's willingness to open a new store. In another community, the site opportunities may be clear but retailers may be underestimating the local spending power. Here, investing consultant time in quantifying the leakage may pay off. Even when hiring a market expert, community leaders have to be directly involved in formulating the questions for the research.

The sample request for proposals (RFP) in appendix 1 outlines a fairly comprehensive scope of work. Many communities will already have some of this information. Some projects may not require all of the types of analysis reflected in the sample. Budget concerns may prevent other communities from undertaking this full scope.

Consumer Surveys

Simple consumer surveys also can provide important information about where people shop and why. If community residents are generally shopping outside the neighborhood, it is important to understand where they go and why they choose to go there. Like the food access audit described above, a simple customer survey can provide strong ammunition that can help convince policy makers, developers, and even retailers that a market opportunity exists.

- 1 See www.cdc.gov/nchs (last visited 6/15/06).
- 2 National Centers for Chronic Disease Prevention and Health Promotion, DIVISION OF NUTRITION AND PHYSICAL ACTIVITY: HOME, available at www.cdc.gov/nccdphp/dnpa (last visited 9/25/06).
- 3 See www.chis.ucla.edu (last visited 6/15/06).
- 4 See http://lapublichealth.org/epi/docs/CHR_CVH.pdf.
- 5 HEALTH & SAFETY CODE §127350.
- 6 Individual hospitals should make their plans available to the community. Copies should also be available from California's Office of Statewide Health Planning and Development Healthcare Information Division: www.oshpd.state.ca.us/HID (last visited 11/28/06).
- 7 See www.healthpolicy.ucla.edu/pubs/publication.asp?pubID=122.
- 8 See www.publichealthadvocacy.org/policy_briefs/overweight2004.html.
- 9 See, for example, community food assessment survey tools from the Community Food Security Coalition (www.foodsecurity.org/cfa_survey.html) or nutrition handouts from the California Department of Health Services' 5 a Day Campaign (www.dhs.ca.gov/ps/cdic/cpns/lat5aday/download/handouts.pdf).
- 10 The Nutrition Network offers an excellent and easy-to-use mapping tool, available at www.cnngis.org (last visited 6/15/06).
- 11 See a special report from The Food Trust, FOOD FOR EVERY CHILD, for an example of this methodology, available at www.thefoodtrust.org.
- 12 See EXAMINING THE HEALTH IMPACT OF FOOD DESERTS ON PUBLIC HEALTH IN CHICAGO (2006), by M. Gallagher, for an example of the "food balance" methodology (available at www.lasallebank.com).
- 13 ESRI Business Information Solutions, Business Analyst Online, April 2006.
- 14 *Ibid.*
- 15 B. Hamilton, UTILIZING THE PROBABILITY GRAVITY MODEL TO EVALUATE SUPERMARKET EXPANSION IN SOUTHERN PALM BEACH COUNTY, FLORIDA, at 16 (12/12/03), available at www.clas.ufl.edu/users/rahamilt/pdf/Final%20Presentation%20Hamilton.pdf (last visited 6/15/06).
- 16 See http://egov.cityofchicago.org/webportal/COCWebPortal/COC_EDITORIAL/chicagoneighborhoodreports.pdf.
- 17 See, for example, The Food Trust's PHILADELPHIA'S NEW MARKETS: RIPE OPPORTUNITIES FOR RETAILERS, available at www.thefoodtrust.org.

17 Model Redevelopment Resolution

It can be difficult to convince a local government or redevelopment agency to take proactive steps to address food access challenges. Redevelopment agencies, for example, attempt to balance the concerns of many different constituencies, and access to healthy food may not have been raised as a priority when a redevelopment area was adopted.

One strategy for bringing an agency's attention to these issues is to begin gradually with a non-binding resolution directing the agency simply to study the issue. The model resolution in appendix 1 is designed to be introduced to the redevelopment agency board/commission by a sympathetic board member/commission member. It simply requires staff to hold meetings about the extent of food access problems within the redevelopment area(s) and report back to the board. This kind of process can create an opening for advocates to make their case and identify more proactive steps that the agency could take to improve food access.



If you do not have a sympathetic ear at the redevelopment agency, you may wish to explore the political implications of asking the board of supervisors or city council to pass a resolution supporting your cause. For example, in 2005, the San Francisco Board of Supervisors adopted a resolution in favor of creating healthy food and activity environments:¹

¹ See www.sfgov.org/site/uploadedfiles/bdsupvrs/resolutionso5/ro575-05.pdf.

18 Communicating with Public Officials

Once you have collected the data that helps build your case – and have possibly gotten the redevelopment agency to pass a resolution to study food access in your community – you will want to advocate for changes in your community. This will involve talking to the media and to public officials.

This chapter offers general tips for advocating effectively with elected and appointed officials. The first set of suggestions focuses on one-on-one communications, the second on public testimony.¹

Communicating with Your Elected/Appointed Officials and Public Agency Staff

In Writing

- ▶ Keep it short and simple. Present your opinion on the single issue at hand, and be brief. State your support/opposition upfront, as many officials simply tally advocacy correspondence without reading it.
- ▶ Write your letter as an individual, and preferably on letterhead (organizational or personal).
- ▶ Personalize your letter. Let the elected official or public agency staff know how the project will affect you and others in the community.
- ▶ Be as specific as you can about the details of the project (the site, if one is identified, and the type of project being proposed). Make sure you have a specific “ask” of the public official.
- ▶ Give your opinion in a brief, polite, and concise way. Use a respectful tone in your letter. It’s OK to disagree, but never attack him or her personally.
- ▶ Conclude your letter by urging the elected official or public agency staff to take action in support of your position, and thank him or her for taking the time to consider your views. Be sure to provide your name, and include your mailing address and phone number.
- ▶ If you are a constituent living in the legislator’s district, be sure to include this fact in your letter. Sometimes you may wish to contact a committee

head or other official who serves outside of your area. Be sure to explain how the issue affects you, and what your concerns are.

By Telephone

Phone calls are a great way to let your public officials know right away how you feel about an issue, especially on a time-sensitive issue such as a project under consideration for approval. Generally, you will speak with a staff person, not directly to the official whose office you are contacting.

- ▶ Before you call, write out a list of the points you wish to make.
- ▶ Call during business hours (Monday through Friday between 9 am and 5 pm).
- ▶ Don't be intimidated. You are not "bothering" your legislator and his or her staff by calling. They receive dozens of calls each day from people like you.
- ▶ Identify, if possible, the specific project you are calling about.
- ▶ Be polite and brief. Even if the legislator you are contacting is known to disagree with your position, ask that he or she "consider other opinions" on the issue. Thank the person you are talking to for taking the time to hear your opinion.

In Person

Meeting with an elected or appointed official is a very effective way to convey a message about a specific project. Below are some suggestions to consider when planning a personal visit.

- ▶ Plan your visit carefully. Be clear about what it is you want to achieve and ask of the official.
- ▶ Identify potential developers, operators, and private equity investors in advance of the first public hearing to give added credibility to both the plan and the proponents.
- ▶ Make an appointment. Contact the appointment secretary or other appointment scheduler. Explain your purpose for meeting when you make your appointment.
- ▶ Be punctual and patient. If the official is late, or your meeting is interrupted, be flexible. If the opportunity presents itself, continue your meeting with a staff member.
- ▶ Be prepared. Whenever possible, bring information and materials supporting your position to the meeting. If you have a lot of materials, be sure to provide a one-page executive summary.

- ▶ Be helpful. Officials want to represent the best interests of their district. Whenever possible, demonstrate the connection between what you are requesting and the interests of the community.
- ▶ Be responsive. Be prepared to answer questions or provide additional information in the event the official expresses interest or asks questions. Don't be afraid to admit you don't know something. If an official wants information you don't have or asks something you don't know, say that you don't know and then offer to get the information. Be sure to follow through!
- ▶ If appropriate, offer a tour through the community to show officials what you want them to see. If they accept, repeat all of the above.
- ▶ Be sure to thank officials for their service to the people. When it is appropriate, remember to ask for a commitment on your issue.

Providing Testimony at Public Hearings

- ▶ Get to know the environment. If possible, attend at least one hearing of the body you'll appear before prior to your calendared date. It will reduce your anxiety if you know how meetings are structured.
- ▶ Bring community members, youth, food stamp recipients, physicians, and other content specialists with you.
- ▶ Find out how much time you will have to testify. Different bodies provide different amounts of time; the allotted time may vary from one agenda item to the next (state law requires only that everyone providing public comment on a particular item be given the same amount of time.) Find out also how to get onto the speaker list. Some bodies require advance sign-up.
- ▶ Keep in mind that the allotted amount of time may be different from what you expect, even if you've checked. If a meeting is running long, if a lot of people are there to testify on an item, or if an item is seen as non-controversial, the amount of time for testimony may be reduced. Be prepared to adjust.
- ▶ If you have more material to present than can be presented in the time allotted, consider splitting the presentation up between several people, with each focusing on a topic (e.g., metadata, local data, a personal story). If you want to make sure your presentation happens in the order you feel will be most effective, make sure to put all of the names on the speakers list in order, and explain your intent to the clerk/secretary.

- ▶ If there is opposition to your item, it may be worthwhile to have one speaker on your side who speaks toward the end of public comment to respond to any issues raised by opponents.
- ▶ Don't be repetitious. Nobody wants to sit through a hearing that is longer than it needs to be. If you bring supporters along, you may wish to ask them to stand or raise their hands, but don't have ten people speak to the same points just because you brought them along. Do acknowledge the participants in your collaborative effort; it shows the strength of your coalition.
- ▶ Practice your presentation! Make sure you are comfortable with your material and any visual aids you have. Be careful with PowerPoint; you may spend all of your presentation time trying to get a slideshow running that was working just fine half an hour earlier. Low-tech (flip-charts, posterboard) can be just as effective and is less subject to malfunction. If you are uncomfortable with public speaking, try to practice before an audience beforehand.
- ▶ Provide any written handouts, maps, and such to the members of the body at least a week ahead of time. Some of them will read it in preparation for the hearing, but if you hand them the materials as you begin speaking, none of them will have time to do so. Bring extra handouts to the hearing in case an official requests another copy.
- ▶ Many communities broadcast public meetings on local cable. Don't become flustered by cameras.
- ▶ Be prepared for a long meeting. Agendas are subject to shuffling. An item that you expect will be heard at a particular time may be heard hours later – or earlier. Hearings can go late into the night. Make sure your calendar is clear; you've lined up childcare; and you've brought water, snacks, and perhaps knitting or a crossword puzzle.
- ▶ Be polite. Look the officials in the eye. Speak clearly. Thank them for their time. Address them by their honorific titles and their names (Supervisor Cortez, Commissioner Chang, Councilwoman Washington). When the bell signifies that your time is up, finish your sentence within four or five words, thank the officials, and move away from the podium. If you finish before the bell rings, thank them, ask for their support, and tell them you are available for questions. If none are forthcoming, take your seat.
- ▶ Publicize your results!

¹ For information about media advocacy around public health issues, see www.bmsg.org.

² Adapted from www.bayareacouncil.org/site/pp.asp?c=dkLRK7M1lqG&b=242058 (last visited 6/15/06).

Appendix 1 Sample Market Research Consultant Request for Proposals (RFP)

Model Document

FOOD ACCESS PROJECT REQUEST FOR PROPOSALS FOR RETAIL MARKET STUDY

Introduction to the Program

[Describe target area, key stakeholders, and general program goals here]

Key Questions

The purpose of this research project is to help Client to refine a strategy for business development and improved access to fresh food in the community. While improved market information will be useful in a number of different ways, Client has identified the following key questions for this research project:

- ▶ To what extent are existing local food businesses meeting local demand for food and grocery products?
- ▶ Is there sufficient unmet demand to support an additional full-service supermarket in the trade area?
- ▶ Are there appropriate sites in the community for the location of a full-service supermarket?

Scope of Assistance

A consultant will be chosen to conduct a retail market study to evaluate the potential for a new supermarket to succeed in the neighborhood.

The study should include, but need not be limited to, the following items:

Background review

- ▶ Consultant shall review existing research reports, community planning documents, and other written material provided by Client and conduct a walking tour of the target area jointly with Client and other key community stakeholders in order to become familiar with the current conditions and community goals for the project.

Trade area identification

- ▶ Based on existing conditions and current plans for the district, Consultant shall identify appropriate geographic boundaries for the likely primary trade area for a supermarket located in the target district. The trade area should be defined in a way that takes existing physical, social, and psychological boundaries into account.

Demand analysis

- ▶ Provide estimates of total consumer spending for groceries within the trade area.
- ▶ Demand analysis shall incorporate potential spending by individuals employed within the trade area, as appropriate.

Competitive supply analysis

- ▶ Consultant shall analyze the neighborhood's competitive position in relation to neighboring commercial districts and shopping centers with particular attention to food retail. Consultant will produce a map identifying competitive destinations, and a narrative description of the competitive environment and the relative strengths of each competing destination.
- ▶ Consultant shall provide estimates of the total sales by food stores within the identified trade area (including food stamps).

Leakage analysis

- ▶ Consultant shall provide detailed estimates of retail sales leakage (comparing estimated spending (including food stamps spending) with sales of area businesses) in the grocery category.
- ▶ Consultant shall estimate the approximate number of additional square feet of grocery/supermarket space that could be supported assuming that the target district were to succeed in capturing a reasonable share of the identified retail leakage.

Retailer needs analysis

- ▶ Consultant shall research retailer requirements and conduct brief interviews with supermarket operators retailers in order to provide an outline of likely physical, demographic, and economic requirements for appropriate tenants, including:
 - ▶ Lot size requirements
 - ▶ Parking requirements
 - ▶ Traffic/foot traffic/visibility requirements
 - ▶ Demographic/economic requirements
 - ▶ Population/household density
 - ▶ Income level (median income/concentrated buying power)

- ▶ Age composition
- ▶ Ownership rate

Opportunity site analysis

- ▶ Consultant shall evaluate a short list of key real estate development opportunity sites provided by Client and identify sites that could potentially be appropriate for a supermarket. For each of the most promising sites, Consultant shall compile a brief site assessment that provides basic information about the size, location, physical features, and existing buildings on the site, and recommendations for the most appropriate retail configurations for reuse of the site.

Recommendations

Based on the above analysis, Consultant shall provide client with recommendations for:

1. Types of food retailers that would be most likely to succeed in the target area given the existing and expected market conditions
2. Steps that community stakeholders and local government could take to improve the competitive position of the district and its marketability to prospective food retailers of the recommended types

The scope of the assistance should also include regular meetings with the client to ensure understanding of the study, and to help devise next steps.

Proposal Content

Proposals submitted in response to this RFP should contain three parts:

1. Statement of Qualifications

This section of the proposal should describe the general capacity of the respondent to the types of assistance listed above and the specific assignment of individuals with the background and skills to carry them out. This section should contain the following:

Firm profile: Describe the applicant firm and the range of services commonly provided. Provide an overview of the firm's general approach to retail market analysis and experience performing the types of tasks identified above under Scope of Assistance. Please highlight any experience working in underserved urban neighborhoods and/or with community-based organizations.

Project team: Identify all individuals (including any subcontractors) who will be providing the technical assistance services, including a description of their proposed assignments and the skills they bring that are appropriate to the assignments. Please attach a resume for each team member.

References: Provide the name, address, and phone number for three references who can comment on the respondent's qualifications.

2. **Scope of Work and Timeline**

This section should describe the specific methodology to be used in producing market studies and provide an estimate of the time commitment required for element.

3. **Cost**

In this section, the respondent should provide a cost breakdown for the proposed costs of the research project, with appropriate explanatory detail and justifying costs and calculations. If applicable, please submit hourly rates for each individual as well.

Selection Process

A committee of local stakeholders will evaluate the proposal received based on the following criteria:

- ▶ Quality of proposal content and consistency with the RFP
- ▶ Overall qualifications and references
- ▶ Experience with the target audience
- ▶ Cost of technical assistance

Responses

Please submit one original and two copies of your proposal by 5:00pm on Friday, _____ to:

Feel free to call _____ at (____) _____ - _____ with any questions concerning this RFP. Thank you for your interest.



Appendix 2 Redevelopment Agency Model Resolution

Model Document

REDEVELOPMENT AGENCY

RESOLUTION NO. _____

ADOPTING A POLICY TO REDUCE OBESITY AND PROMOTE COMMUNITY HEALTH

WHEREAS, obesity is a leading public health challenge facing California today and is approaching epidemic proportions; and

WHEREAS, medical experts agree that obesity increases the risk for a number of health hazards, including heart disease, stroke, type-2 diabetes, and some cancers; and

WHEREAS, the economic impact of obesity in terms of chronic disease risk factors reaches \$21.68 billion a year in California, including \$10.2 billion in medical care, \$11.2 billion in lost employee productivity, and \$338 million in workers' compensation costs, and will be devastating if left unchecked; and

WHEREAS, the problem of obesity is particularly acute among population groups in low-income, underserved communities that generally have less access to nutritious and healthful foods and fewer opportunities for physical activity; and

WHEREAS, the [City of _____ /County of _____]
Redevelopment Agency ("Agency") was established to oversee redevelopment of urban, blighted areas, revitalize the community, and stimulate reinvestment in local neighborhoods, and the Agency has adopted a Redevelopment Plan to help further these purposes; and

WHEREAS, the Agency's Redevelopment Plan was locally created in order to respond to the specific and unique needs of the community; and

WHEREAS, the Community Redevelopment Law expressly recognizes the importance of access to healthy food in order to improve neighborhoods by including the absence of grocery stores as one of the defining characteristics of urban blight;

NOW THEREFORE, BE IT RESOLVED, that, to the maximum extent feasible, the Agency should strive to promote community health, prevent and reduce obesity, and provide access to healthy food and physical activity in Redevelopment Areas;

NOW THEREFORE, BE IT FURTHER RESOLVED, that there may be previously overlooked opportunities for the Agency to integrate public health concerns into its policies and plans for Redevelopment Areas; and

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Agency directs staff to conduct meetings, workshops, or public hearings in order to solicit input from interested individuals and organizations on opportunities and recommendations for integrating public health concerns into the Agency's planning for Redevelopment Areas; and

NOW THEREFORE, BE IT FURTHER RESOLVED, that the Agency directs staff to report back to the Agency Board in **[insert time frame]** with recommendations of ways the Agency may incorporate these public health concerns into actions taken by the Agency in Redevelopment Areas.

ADOPTED BY THE FOLLOWING VOTE:

AYES:

NOES:

ABSENT:

--

Appendix 3 Resources

What follows is an alphabetical list of organizations and publications that are useful for economic development, redevelopment, and food security work. While this list is certainly not comprehensive, it should help you find the information you need to achieve your goals.

Use the index as a quick reference to identify the listings most relevant to your interests.

Advocacy

Organizations that advocate

American Planning Association
California Association of Local Agency Formation Commissions (CALAFCO)
California Center for Public Health Advocacy (CCPHA)
California Food Policy Advocates (CFPA)
Community Food Security Coalition (CFSC)
The Food Trust
Initiative for a Competitive Inner City (ICIC)
International Council of Shopping Centers (ICSC)
League of California Cities
National Congress for Community Economic Development (NCCED)
PolicyLink
Strategic Alliance for Healthy Food and Active Environments

How-to/resources for

Community Food Security Coalition (CFSC)
The Food Trust
Idealist.org: *Civic Engagement Curricula*
PolicyLink
Project for Public Spaces (PPS)
Strategic Alliance for Healthy Food and Active Environments

Agriculture

See www.healthyplanning.org for resources

California Environmental Quality Act (CEQA)

See www.healthyplanning.org for resources

Community and Urban Gardens

See www.healthyplanning.org for resources

Community Development Financial Institutions

Community Bank of the Bay
Enterprise Community Investment
Local Initiatives Support Corporation (LISC)
Northern California Community Loan Fund
Opportunity Finance Network

Economics of Food and Nutrition

The Brookings Institution
Centers for Disease Control and Prevention (CDC)
Initiative for a Competitive Inner City (ICIC)
California Food Policy Advocates (CFPA)
U.S. Department of Agriculture: Food and Nutrition Service
Food Policy Marketing Center

Economic Development

California Association for Local Economic Development
International Council of Shopping Centers (ICSC)
Knowledgeplex
League of California Cities

Local Initiatives Support Corporation (LISC)
Local Government Commission
Minority Business Development Administration (MBDA)
National Congress for Community Economic Development
Wilder Foundation

Environmental Planning

See www.healthyplanning.org for resources

Farmers' Markets

Agricultural Marketing Service (U.S. Department of Agriculture)
California Department of Health Services Prevention Services
California Federation of Certified Farmers' Markets
Center for Urban Education about Sustainable Agriculture (CUESA)
Community Food Security Coalition (CFSC)
The Farmers' Market Coalition
The Food Trust
Project for Public Spaces (PPS)
U.S. Department of Agriculture: Food and Nutrition Service

Financial support

Agricultural Marketing Service (U.S. Department of Agriculture)
Foundation Center
Grants.gov
Project for Public Spaces (PPS)
U.S. Department of Agriculture: Community Food Projects Competitive Grants Program

Guides to development

Sustainable Agriculture Education (SAGE)

Lists of

Agricultural Marketing Service (U.S. Department of Agriculture)

Financing

Equity investments

California Public Employees' Retirement System (CalPERS)
California State Teachers' Retirement System (CalSTRS)

Federal

Historic Tax Credits
Minority Business Development Administration (MBDA)
New Markets Tax Credits (NMTC)
Small Business Administration (SBA)

U.S. Department of Commerce – Economic Development Administration (EDA)
U.S. Department of Health and Human Services – Office of Community Services
U.S. Department of Housing and Urban Development (HUD)

Grants

Foundation Center
Grants.gov
Small Business Administration (SBA)
U.S. Department of Agriculture: Community Facilities Program
U.S. Department of Agriculture: Community Food Projects Competitive Grants Program
U.S. Department of Health and Human Services: Job Opportunities for Low-Income Individuals
U.S. Department of Housing and Urban Development: Brownfields Initiative, Community Development Block Grants (CDBG)

Local

Business Improvement District (BID)
Community Development Block Grants – See U.S. Department of Housing and Urban Development (HUD)
Community Facilities District
Industrial Development Bonds – See Tax-Exempt Bonds
Section 108 Loan Program – See U.S. Department of Housing and Urban Development (HUD)
Tax-Exempt Bonds
Tax Increment Financing (TIF)

Loans

California Debt Allocation Committee: Small-Issue Industrial Development Bonds
Calvert Foundation
Enterprise Community Investment
Local Initiatives Support Corporation (LISC)
Northern California Community Loan Fund (NCCLF)
Opportunity Finance Network
Pacific Coast Regional Small Business Development Corporation (PCR)
Rural Community Assistance Corporation (RCAC) Loan Fund
U.S. Department of Housing and Urban Development: Section 108 Loan
Wall Street Without Walls

State of California

California Business Portal
California Chamber of Commerce
California Debt Limit Allocation Committee (CDLAC)
California Enterprise Zones
California Infrastructure and Economic Development Bank
California Public Employees' Retirement System (CalPERS)

California State Teachers Retirement System (CalSTRS)
California Tax Credit Allocation Committee (CTAC)
California Technology, Trade and Commerce Agency: Division
of Economic Development

Tax credits

California Enterprise Zones
California Tax Credit Allocation Committee: Commercial
Revitalization Deduction Program
New Market Tax Credits (NMTC)

Food Security

See www.healthyplanning.org for resources

Grocery Stores

Financial support

California Business Portal
California Chamber of Commerce
Calvert Foundation
Local Initiatives Support Corporation (LISC)
Minority Business Development Administration
Northern California Community Loan Fund
Pacific Coast Regional Small Business Development
Corporation
Small Business Administration (SBA)
U.S. Department of Health and Human Services: Job
Opportunities for Low Income Individuals
U.S. Department of Housing and Urban Development:
Brownfields Initiative, Community Development Block
Grants, Section 108
U.S. Department of Commerce, Economic Development
Administration

Guides to development

Initiative for a Competitive Inner City (ICIC)
National Congress for Community Economic Development

Industry/grocers' associations

California Grocers Association
International Council of Shopping Centers (ICSC)
National Grocers Association (NGA)

Research

California Department of Health Services Prevention
Services
California Nutrition Network Geographic Information System
(GIS)
Community Food Security Coalition (CFSC)
Food Marketing Policy Center
The Food Trust

PolicyLink
Urban and Environmental Policy Institute (UEPI)

Health Data

California Department of Health Services Prevention
Services
California Health Interview Survey (CHIS)
Centers for Disease Control and Prevention (CDC)
National Institutes of Health (NIH)
San Francisco Department of Public Health: Program on
Health, Equity, and Sustainability
Strategic Alliance for Healthy Food and Active Environments

Financial support for data and research

California Department of Health Services Prevention
Services
Centers for Disease Control and Prevention (CDC)
Foundation Center
Grants.gov
National Institutes of Health (NIH)

Housing

See www.healthyplanning.org for resources

Land Use

See www.healthyplanning.org for resources

Legislation

See www.healthyplanning.org for resources

Mobile Markets

The FruitGuys
The People's Grocery

Nutrition

California Nutrition Network Geographic Information System
(GIS)
Centers for Disease Control and Prevention (CDC)
National Institutes of Health (NIH)
Strategic Alliance for Healthy Food and Active Environments
U.S. Department of Agriculture (USDA)

Financial support

Centers for Disease Control and Prevention (CDC)
Foundation Center
Grants.gov
National Institutes of Health (NIH)

U.S. Department of Agriculture (USDA)

Guidelines

California Department of Health Services Prevention Services

Centers for Disease Control and Prevention (CDC)

National Institutes of Health (NIH)

U.S. Department of Agriculture (USDA)

Obesity

California Health Interview Survey (CHIS)

Center for Law and the Public's Health: Zoning and Obesity Project

Centers for Disease Control and Prevention (CDC)

National Institutes of Health (NIH)

Planning

Agencies and commissions

American Planning Association (APA)

California Association of Local Agency Formation Commissions (CALAFCO)

Councils of Government (COG)

San Francisco Department of Public Health: Program on Health, Equity and Sustainability

How-to guides

American Planning Association (APA)

California Planners Information Network (CalPIN)

Community Food Security Coalition (CFSC)

Knowledgeplex

Local Government Commission (LGC)

Planners Network

Planner's Web

Project for Public Spaces (PPS)

Redevelopment

In California

California Redevelopment Association

Guide to California Planning, 3rd edition

Redevelopment in California, 3rd edition

Regulatory framework

Financing Economic Development in the 21st Century

Tax Increment Financing and Economic Development: Uses, Structures, and Impact

Smart Growth

See www.healthyplanning.org for resources

Statistics

Agriculture

See www.healthyplanning.org for resources

Demographics

California Association of Local Agency Formation Commissions (CALAFCO)

California Department of Health Services (DHS) Prevention Services

California Health Interview Survey (CHIS)

California Nutrition Network Geographic Information System (GIS)

Claritas

DataPlace by Knowledgeplex

ESRI Business Analyst Online

League of California Cities

Local Initiatives Support Corporation – MetroEdge

Social Compact

U.S. Census Bureau

Food policy

California Department of Health Services Prevention Services

Food Policy Marketing Center

Health

California Department of Health Services Prevention Services

California Center for Public Health Advocacy (CCPHA)

California Health Interview Survey (CHIS)

California Nutrition Network Geographic Information System (GIS)

Centers for Disease Control and Prevention (CDC)

DataPlace by Knowledgeplex

Health Impact Assessments (HIA)

National Institutes of Health (NIH)

Quality-of-life indicators

California Health Interview Survey (CHIS)

California Nutrition Network Geographic Information System (GIS)

Full Resource List

Agricultural Marketing Service (U.S. Department of Agriculture)

www.ams.usda.gov/farmersmarkets

Describing itself as “an integral part in the urban/farm linkage,” the Agricultural Marketing Service (AMS) dedicates several pages of its website to farmers’ markets. Here you can find an extensive, though not comprehensive, directory listed by state and city. The AMS also provides facts and statistics about the rising popularity of farmers’ markets from 1994-2000 as well as tips for funding farmers’ markets.

American Planning Association (APA)

www.planning.org

The APA is an international nonprofit public interest and research organization that focuses on planning in urban, suburban, regional, and rural areas. While its website offers myriad resources that may be useful for local organizing efforts, we especially recommend the following sections:

- ▶ Look to **Knowledge Exchange** for articles, research, and news in easily searchable sections: Smart Growth Reader, Affordable Housing Reader, Planning & Environmental Law, and Planning & Land Use Law
- ▶ Search **Your Community** for Resources and the Neighborhood Planning Initiative (“Neighborhood Related Resources”), which offer links to useful resources and organizations.
- ▶ In the **Legislation & Policy** section, the Effective Advocacy link provides a toolbox for email, fax and letter writing campaigns, as well as tips for working with media. You will also find Planning Guides on topics including housing, sustainability, smart growth, agricultural land, and surface transportation.
- ▶ Under **Research**, the Projects link lists a wealth of information about healthy communities, brownfields, “growing smart,” state laws, energy, and planning and urban design standards.

The Brookings Institution

www.brook.edu

The Brookings Institution is an independent, national information clearing-house that serves to facilitate scholarly research into a wide variety of subjects, including U.S. economics. One of the publications resulting from such research, *Exposing Urban Legends: The Real Purchasing Power of Central City Neighborhoods*, deals with the economic justification for grocery stores to relocate in inner-city areas. A recent publication, *From Poverty, Opportunity: Putting the Market to Work for Lower-Income Families*, contains economic data on the higher costs of being poor, which may be useful to advocates.

Business Improvement District (BID)

Business improvement districts are generally initiated by business owners within a specific neighborhood or commercial area. All business owners agree to pay an extra tax, which is pooled and used for capital improvements, supplemental services, security, or other desired changes within the BID. Most often a BID is created by petitioning the city, which sets the money raised aside and tracks how much is available for improvements. (Depending on the state, BIDs can also be called community improvement districts, economic improvement districts, or public improvement districts.) For more information, see <http://web.mit.edu/11.204/www/webportfolio/BID/index.html>.

California Association of Local Agency Formation Commissions (CALAFCO)

www.calafco.org

LAFCOs work to preserve agricultural lands, discourage urban sprawl, and encourage the orderly growth of government agencies. The Association's website provides a complete directory of LAFCOs, position papers on pending state legislation, and resource links to statewide organizations, "spheres of influence" studies, and legislative reports.

California Association for Local Economic Development (CALED)

www.caled.org

CALED is a statewide trade association of economic development corporations and departments serving local cities and counties throughout the state. It maintains a web listing of economic development corporations in all regions of the state.

California Business Portal

www.ss.ca.gov/business/business.htm

The California Business Portal is funded through and offered by the Secretary of State's office. The portal offers state legislation and tax information as well as filing, business start-up, and business management information and links to technical assistance for California businesses.

California Center for Public Health Advocacy (CCPHA)

www.publichealthadvocacy.org

CCPHA is a nonpartisan nonprofit organization that raises awareness about critical public health issues and mobilizes communities to promote the establishment of effective state and local health policies. CCPHA uses the tools of public health – epidemiological research, grassroots organizing, public and policy maker education, and partnership building – to design policy solutions to address critical public health challenges facing California today. One focus of its work is expanding access to healthy food in communities.

California Chamber of Commerce

www.calchamber.com

The California Chamber of Commerce is funded through the federal and state government to improve the jobs and business climate in California by targeting key state and federal policies that will achieve this goal. It provides information and linkages to resources for businesses in California and serves as a forum for California businesses to express their needs to the state government. Many communities in California have their own local chamber of commerce, which provides local-level information and resources.

California Debt Limit Allocation Committee (CDLAC)

www.treasurer.ca.gov/cdlac/current.htm

CDLAC administers the tax-exempt private activity bond program available annually for California. There are six programs for the issuance of tax-exempt private activity bonds, many focused on creating affordable housing – but one, the *Small-Issue Industrial Development Bond* (IDB) program, relates to industrial development for economic revitalization. This program mostly allocates funds to the expansion of existing manufacturing firms. Federal and state revenues are not utilized in this program. The bonds issued are purchased by the private sector, and the repayment is not an obligation of the state or of the federal government.

California Department of Health Services (DHS) Prevention Services

www.dhs.ca.gov/ps

The DHS Prevention Services is a government umbrella that supports community-based prevention activities, among others, that “create measurable improvements in community health.” Programs include:

Chronic Disease and Injury Control (CDIC)

Cancer Prevention & Nutrition Services Section (CPNS)

California Nutrition Network (CNN) – Visit the **Resources** area on CNN’s website for links to:

- ▶ CA County Food Assistance Binder, which contains rankings for each California county relating to food security, hunger, use of federal food assistance programs, and body weight status of low-income children
- ▶ Nutrition and Physical Activity Resource List of nearly 200 nutrition and physical activity education materials compiled by CNN partners and grantees
- ▶ The Geographic Information System (GIS), which is also listed in this guide

California Department of Housing and Community Development

www.hcd.ca.gov

The Department of Housing and Community Development (HCD) is the state’s principal housing agency, providing “leadership, policies, and programs to

expand and preserve safe and affordable housing opportunities and promote strong communities for all Californians.” The following programs and online resources are especially useful for advocates:

- ▶ **Affordable Housing Preservation:** Approximately 149,000 California homes are privately owned, federally assisted multifamily rental housing occupied by elderly persons and families with lower incomes who cannot afford to pay market-rate rents. When subsidies or regulatory agreements expire, many of these will convert to market-rate housing. To help manage this critical problem, HCD provides legal regulations and information about this process.
- ▶ **Financial Clearinghouse:** The Clearinghouse for Affordable Housing and Community Finance Resources is an online database of more than 200 housing programs, government, private lenders, and foundation grants. Though designed to assist private and nonprofit developers and units of government, individuals are also permitted access.
- ▶ More than 20 **HCD Loans and Grants** programs provide funds for construction, acquisition, rehabilitation, and preservation of affordable rental and ownership housing, “homeless shelters and transitional housing, public facilities and infrastructure, and the development of jobs for lower-income workers.” HCD provides these funds to local public agencies, service providers, and nonprofit and for-profit housing developers, some of which can in turn be awarded to individuals.

California Enterprise Zones

www.caez.org

The state of California has designated 39 state enterprise zones. Businesses that locate in these economically disadvantaged areas are eligible for a number of special tax benefits, including credits for hiring difficult-to-employ workers, sales tax credits for the purchase of capital equipment, and the ability to immediately deduct certain property that would otherwise have to be depreciated over many years.

California Federation of Certified Farmers’ Markets

www.cafarmersmarkets.com

The California Federation of Certified Farmers’ Markets is a statewide trade association of farmers’ markets. The federation lobbies on policy issues affecting farmers’ markets and maintains a directory of certified farmers’ markets throughout the state.

California Food Policy Advocates (CFPA)

www.cfpa.net

CFPA is a statewide public policy and advocacy organization dedicated to improving the health and well being of low-income Californians by increasing

their access to nutritious and affordable food. The organization’s main areas of action consist of:

- ▶ Research that demonstrates the scope and nature of hunger in California and the efficacy of public and private food programs in mitigating it (A report from CPFA, *Neighborhood Groceries: New Access to Healthy Food in Low-Income Communities*, contains profiles of innovative food retail models)
- ▶ Development and promotion of strategies and programs to meet the nutrition needs of low-income communities and individuals
- ▶ Public education and advocacy to ensure the inclusion of nutrition in the formation and implementation of sound public policy
- ▶ Technical assistance, training, and support to low-income communities in their efforts to identify and overcome hunger and hunger-related deficiencies
- ▶ Collaboration (through conferences, communication, and coalition-building) among food program providers and other community-based organizations throughout California to facilitate their working together to mitigate hunger and poverty

California Grocers Association

www.cagrocers.com

The California Grocers Association is a nonprofit, statewide trade association representing the food industry since 1898. It represents approximately 500 retail members operating over 6,000 food stores in California and Nevada and approximately 300 grocery supplier companies. Retail membership includes chain and independent supermarkets, convenience stores, and mass merchandisers.

California Health Interview Survey (CHIS)

www.chis.ucla.edu

Every two years, researchers from UCLA, the Department of Health Services, and the Public Health Institute survey more than 40,000 California households, in multiple languages, about their health and health care. This information is compiled into a CHIS database, available online, that offers statewide information on the overall population, including many racial and ethnic groups, and local-level information on most counties for health planning and important comparison purposes.

California Infrastructure and Economic Development Bank

www.ibank.ca.gov

States can issue tax-exempt bonds to help finance large-scale projects. A bond is issued as long-term debt, and the proceeds from the sale of this

debt are channeled into projects that the state deems necessary. General fund bonds are issued to support ongoing programs or government activities, and they are repaid from the state's general tax receipts. Revenue bonds are used to finance specific projects with repayment proceeds generated by the project itself. (For example, bonds issued to finance a bridge might be repaid from toll revenue.) California's Infrastructure and Economic Development Bank, a program of the State Department of Commerce, issues *industrial development bonds* to finance manufacturing facilities and *501(c)3 revenue bonds* to finance community-serving facilities developed by nonprofit organizations. It also operates a bond-funded revolving loan program for local government-sponsored infrastructure projects. These bond funds might be used to finance supermarket projects. These bond programs make it possible for projects to borrow money at a lower interest rate than they would otherwise pay.

California Nutrition Network Geographic Information System (GIS)

www.cnnngis.org

This online database tool allows you to search for nutrition data and display it as a visual, geographical map. For example, the tool could enable you to create a map that displays grocery store locations on a county map, as well as the race and language demographics of residents who live nearby. The GIS tool includes data on:

- ▶ nutrition and school health programs
- ▶ WIC grocery stores
- ▶ other local food and nutrition resources
- ▶ demographics of general and at-risk populations
- ▶ various Department of Health Services regions
- ▶ political (senate and assembly) districts

California Planners Information Network (CalPIN)

www.calpin.ca.gov

CalPIN is an online, searchable database of general plans and planning agencies in California. Use this website to find the names and contact information for key planning officials and LAFCOs, regional plans, the current status of a local general plan, and more. CalPIN also includes a bulletin board discussion for local planners. The information published on CalPIN is also printed in an annual guide called the *California Planners' Book of Lists*.

California Public Employees' Retirement System (CalPERS)

www.calpers.ca.gov

CalPERS is a mutual fund for all public employees in California. It collects retirement contributions from employees and matching funds from their

employers, and invests those funds in long-term projects. CalPERS has two investment programs related to economic development in California:

- ▶ The **California Urban Real Estate (CURE)** investments strategy is focused on addressing both the housing shortage as well as a lack of general development in urban infill locations throughout the state. The project prioritizes economic development, mixed-use developments, and commercial developments for awarding equity in projects. \$1.6 billion has been allocated for the California urban infill investment.
- ▶ The **California Initiative** is designed to deploy equity capital to small- and middle-market companies in traditionally underserved markets primarily, but not exclusively, located in California. The objective is to discover and invest in opportunities that may have been bypassed or not reviewed by other sources of investment capital. Seed and early-stage capital, later-stage venture capital, growth/expansion-stage capital, middle-market buyouts, and corporate partnerships to relocate or expand operations in underserved areas are all eligible for investment. Underserved markets can be in urban and rural areas where underutilized assets and resources may be leveraged for the formation of new businesses or investments in companies that provide goods and services to traditionally overlooked consumer groups.

California Redevelopment Association

www.calredevelop.org

The California Redevelopment Association represents redevelopment agencies and allied firms throughout the state of California. The association responds to legislative proposals and administrative regulations with its member agencies as well as providing member services, conducting training and professional development events, and providing public information regarding redevelopment law and activities. The website holds general information about redevelopment and related topics in California, as well as legislative updates.

California State Teachers' Retirement System (CalSTRS)

www.calstrs.com

Similar to CalPERS, CalSTRS is a mutual fund for all California teachers. It collects retirement contributions from employees and matching funds from their employers, and invests those funds in long-term projects. CalSTRS has two investment programs that related to economic development in California:

- ▶ The Urban Real Estate Program is designed to invest in real property in underserved markets, primarily in California. The funds are eligible for residential, office, retail, entertainment, hotel, and mixed-use projects, and prioritize any that implement an urban infill and “smart growth” strategy.

\$500 million is available to invest through partnerships and direct investments.

- ▶ Underserved Urban and Rural Markets and New and Next Generation Managers funds are designed to make private equity investments in markets that have been traditionally underserved. The Bank of America California Community Venture Fund targets funds investing in companies that provide goods and services to underserved markets, employ ethnic minorities and women, or have management and ownership by ethnic minorities and women. The Yucaipa Corporate Initiatives and Nogales Investor Funds both make direct investments in companies meeting each of their respective underserved strategies and performance criteria. \$250 million is allocated to Underserved Urban and Rural Markets.

California Tax Credit Allocation Committee (CTAC)

www.treasurer.ca.gov/ctcac

CTAC issues tax credits on a competitive basis to nonprofits pursuing work that accomplishes stated priorities in California. Nonprofits receiving tax credits can then sell the credits to for-profit investors in order to raise capital for development projects. In return the investors can deduct the amount of the tax credit from their taxes. CTAC has one program focused specifically on encouraging economic revitalization in the state:

The **Commercial Revitalization Deduction Program** is a federal program designed to stimulate job growth, economic development, and involvement of nonprofits and residents within federally designated *renewal communities*. Within California, areas eligible to receive these credits include portions of the cities of San Francisco, Los Angeles, and San Diego, as well as the rural communities of Orange Cove and Parlier. Under this program, each community is allowed to utilize a variety of tax incentives to stimulate economic revitalization within its renewal community. CTCAC can allocate up to \$12 million in tax deductions to qualifying businesses in each of the renewal communities annually through 2009. Tax credits are given to organizations that acquire and renovate, rehabilitate existing structure(s), or build property for commercial use. Priorities are job creation and commercial/economic revitalization.

California Technology, Trade, and Commerce Agency: Division of Economic Development

http://commerce.ca.gov/state/ttca/ttca_homepage.jsp

The Division of Economic Development is dedicated to supporting the local business and community. Its different offices provide financial resources for projects ranging from creating infrastructure that can help improve the ability to do business in California to providing direct assistance to California-based businesses, as well as providing training and assistance for small business

owners interested in starting a business in California. It also has information about communities in California targeted for economic development and the programs available for businesses interested in locating in these areas. Additionally, the agency offers resources for expanding existing businesses and information about how to do business with the state itself.

Calvert Foundation

www.calvertfoundation.org

The Calvert Social Investment Foundation has investment, research, and donation products that support community development organizations, across the country and around the world. Through socially responsible investment, the Calvert Foundation supports affordable housing, microcredit, and social enterprise programs that create jobs, build homes, and change lives. The Calvert Foundation makes loans to CDCs bringing economic development to low-income areas that do not have access to traditional financing structures.

Center for Law and the Public’s Health: Zoning and Obesity Project

www.publichealthlaw.net/Research/Affprojects.htm

By examining ways for zoning laws to encourage access to nutritious food and limit access to non-nutritious food, this project’s goal is to educate planners, public health officials, and others about how “zoning law has the potential to be an effective tool for addressing obesity as a public health problem.” Two of the project’s publications offer legal analysis and potential strategies for using zoning to combat obesity:

- ▶ *The City Planner’s Guide to the Obesity Epidemic: Zoning and Fast Food*
- ▶ *The Use of Zoning to Restrict Fast Food Outlets: A Potential Strategy to Combat Obesity* (a supplement to the *City Planner’s Guide*, this monograph also discusses zoning’s traditional focus on protecting the public’s health)

Center for Urban Education about Sustainable Agriculture (CUESA)

www.cuesa.org

CUESA is a Bay Area nonprofit organization that educates urban consumers about sustainable agriculture and “creates links between urban dwellers and the farmers who practice sustainable agriculture.” CUESA publishes one of the most extensive farmers’ market websites.

- ▶ The **Sustainable Agriculture** section includes an A to Z overview (from “Animals Grazing” to “Zones that Buffer”), glossary, and list of links related to the section’s namesake. Also visit “Issues in a Nutshell” for information about how far your food travels to get to your plate, and what determines food quality.

- ▶ The **Seasonality** section includes a recipe archive and “Vegetable Calendar” that explains when specific vegetables are in season.
- ▶ The **Farmers’ Market** section lists the more than 100 farmers and artisans that participate in CUESA’s Ferry Plaza Farmers Market, which is held Saturdays in downtown San Francisco.

Centers for Disease Control and Prevention (CDC)

www.cdc.gov

The Centers for Disease Control and Prevention (CDC), a branch of the U.S. Department of Health and Human Services, conducts research, publishes up-to-date information, and funds or manages “public health efforts to prevent and control infectious and chronic diseases, injuries, workplace hazards, disabilities, and environmental health threats.” The CDC website is an extensive resource for data and guidelines on health and health promotion, updated daily. Advocates may be especially interested in the following sections:

- ▶ **Environmental Health:** Visit “Urban Planning for Healthy Places” for information about accessibility for people with physical impairments, children’s health, and the built environment. Also see the Physical Activity page for research and guidelines about reducing obesity and diabetes.
- ▶ The *Guide to Community Preventive Services* reports evidence-based recommendations on effective population-level interventions to promote physical activity:
www.cdc.gov/nccdphp/dnpa/physical/recommendations.htm
- ▶ The **Overweight and Obesity** section identifies health and economic consequences of obesity on local and national levels, provides recommendations and state-based programs for combating obesity, and clearly defines obesity and its contributing factors:
www.cdc.gov/nccdphp/dnpa/obesity
- ▶ **Improving Nutrition and Increasing Physical Activity** provides comprehensive obesity statistics and links poor nutrition and inactivity to health and the economy: **www.cdc.gov/nccdphp/bb_nutrition**

Claritas

www.claritas.com

Claritas is a private company that sells market research data that is frequently used to evaluate economic conditions surrounding potential retail locations. Claritas reports can be used to provide a quick snapshot of a neighborhood economy and to evaluate the demand for additional food retail. (See also ESRI Business Analyst Online.)

Community Bank of the Bay
www.communitybankbay.com

Community Bank of the Bay is a private community development bank located in Oakland and chartered to provide financing for community and economic development projects throughout the Bay Area.

Community Facilities District (CFD)

A municipality can form a special tax assessment district to finance various capital infrastructure projects through the sale of bonds. Unlike tax increment financing, these special assessment districts result in a net increase in the tax that each property owner pays. The additional tax revenue is used to repay the bonds. While bond proceeds generally cannot be used to pay direct development costs, the funds are often used to pay for basic infrastructure like roads and sewers, which can lower the cost of developing large projects. A community facilities district helped finance key infrastructure related to a supermarket development project in Marin City, California.

Community Food Security Coalition (CFSC)
www.foodsecurity.org

The CFSC is a national coalition of 325 social and economic justice, environmental, nutrition, sustainable agriculture, community development, labor, anti-poverty, anti-hunger, and other groups that work together to ensure access to “affordable, nutritious, and culturally appropriate food to all people, at all times.” Their extensive combined efforts provide useful resources for advocates.

- ▶ The California Food and Justice Coalition is a statewide membership coalition that collaborates with community-based food security efforts in California.
- ▶ Farm to School and Farm to College programs incorporate produce into school lunches, snacks, and salad bars. The programs’ web pages provide organizing tools, case studies, publications & links, and a list of possible funding sources.
- ▶ The CFSC is currently advocating for national policy efforts that may be relevant to local California efforts. Among other topics, CFSC already successfully advocated to create and reauthorize the Community Food Projects grant program, which funds more than 100 projects, and to reinstate the WIC and Senior Farmers’ Market Nutrition Programs, which provide vouchers for WIC recipients and low-income seniors to use at farmers’ markets.
- ▶ Training and technical assistance resources cover topics including evaluations and community food assessments.

Councils of Governments (COGs)

COGs coordinate planning activities among local governments in a region. California is divided into 25 regions, each represented by an independent COG that addresses funding, long-range planning, affordable housing, transportation, and other issues important to its region:

- ▶ Assn. of Bay Area Govts. (ABAG) www.abag.ca.gov
- ▶ Assn. of Monterey Bay Area Govts. (AMBAG) www.ambag.org
- ▶ Butte County Assn. of Govts. (BCAG) www.bcag.org
- ▶ Central Sierra Planning Council and Economic Development District
- ▶ Council of Fresno County Govts. www.fresnocog.org
- ▶ Eastern Sierra Council of Govts.
- ▶ Humboldt County Assn. of Govts. (HCAG) www.hcaog.net
- ▶ Kern Council of Govts. (KernCOG) www.kerncog.org
- ▶ Kings County Assn. of Govts. (KCAG) www.co.kings.ca.us
- ▶ Lake County-City Areawide Planning Council
- ▶ Mendocino Council of Govs. (MCOG) www.mendocinocog.org
- ▶ Merced County Assn. of Govts. (MCAG) www.mcag.cog.ca.us
- ▶ Sacramento Area Council of Govts. (SACOG) www.sacog.org
- ▶ San Benito County Council of Govts. www.sanbenitocog.org
- ▶ San Diego Association of Governments (SANDAG) www.sandag.org
- ▶ San Joaquin Council of Govts. (SJCOG) www.sjcog.org
- ▶ San Luis Obispo Council of Govts. (SLOCOG) www.slocog.org
- ▶ Santa Barbara County Assn. of Govts. www.sbcag.org
- ▶ Sierra Planning Organization and Economic Development District www.sedd.org
- ▶ Siskiyou Assn. of Governmental Entities (SAGE) www.co.siskiyou.ca.gov
- ▶ Southern California Assn. of Govts. (SCAG) www.scag.ca.gov
- ▶ Coachella Valley Assn. of Govts. (CVAG) www.cvag.org
- ▶ Imperial Valley Assn. of Govts. (IVAG)
- ▶ San Bernardino Assn. of Govts. (SANBAG) www.sanbag.ca.gov
- ▶ Ventura Council of Govts.
- ▶ Western Riverside Council of Govts. (WRCOG) www.wrcog.cog.ca.us
- ▶ Stanislaus Council of Govts. (StanCOG) www.stancog.org
- ▶ Tahoe Regional Planning Agency (TRPA) www.trpa.org

- ▶ Tri-County Area Planning Council
- ▶ Tulare County Assn. of Govts. (TCAG) www.tularecog.org

DataPlace

www.dataplace.org

DataPlace is an extensive and simple-to-use database of housing and demographic data. In addition to assembling a variety of data from multiple sources, DataPlace provides cutting-edge tools that let you display information using charts, profiles, and even satellite-rendered images and maps. The site also assists you with analyzing, interpreting, and applying the information, so you can make more informed decisions. As of November 2005, DataPlace compiles data from the following sources:

- ▶ 1990 Census
- ▶ 2000 Census
- ▶ Home Mortgage Disclosure Act
- ▶ Section 8 Expiring Use Database
- ▶ Consolidated Plan special tabulations

We highly recommend DataPlace for all land use efforts. It is a project of KnowledgePlex, which is also listed in this guide. DataPlace will soon include data from the U.S. Department of Housing and Urban Development and from the Census Bureau's ZIP Business Patterns Database.

Enterprise Community Investment

www.enterprisecommunity.com

Enterprise is a national leader in investment and development services for affordable housing and community revitalization efforts. Using tax credits, financing, and other investment means, Enterprise Community Investment develops and acquires affordable housing and other community development initiatives in underserved neighborhoods across the country.

ESRI Business Analyst Online

<http://bao.esri.com>

ESRI sells prepackaged market data reports, which help retailers, real estate developers, and others understand local economic conditions.

Fannie Mae

www.fanniemae.com

Fannie Mae is a private, shareholder-owned company that operates under a congressional charter to provide financial products and services – including mortgages – that help low-, moderate-, and middle-income families purchase homes. Fannie Mae does not lend money directly to homebuyers but works with lenders to make sure they don't run out of mortgage funds. In 2000,

Fannie Mae announced its “American Dream Commitment” to provide “\$2 trillion in private capital for 18 million minority and underserved Americans to own or rent a home by the end of the decade.” At least two initiatives of this plan, detailed on the company’s website, are of special interest to advocates:

▶ **America’s Living Communities Plan** (located in the Initiatives section):

The ALCP will invest up to \$3 billion over ten years in 300 communities to help local lenders, developers, government entities, and nonprofit organizations “achieve their affordable housing goals and invest in their communities.”

▶ **Affordable Housing and Community Development:** By developing mortgage products, services, investments, national partnerships, and local initiatives, the HCD program works to expand homeownership and affordable rental housing. Specifically, the American Communities Fund (ACF) “invests debt or equity in housing developments that support neighborhoods and community revitalization efforts,” and Community Development Financial Institutions (CDFI) provides investment capital to community-based financial institutions and intermediaries that directly support affordable housing development.

Register to use the Property GeoCoder (in the Tools & Resources section) to find out whether properties being considered for purchase qualify for Fannie Mae mortgage options and Community Lending products.

The Farmers’ Market Coalition

www.nafdma.com/FMC

The Farmers’ Market Coalition, a program of the North American Farmers’ Direct Marketing Association (NAFDMA), provides planning and networking resources to groups across the U.S. that operate or promote farmers markets. The Coalition’s section of the NAFDMA website features press releases, a discussion forum, and a calendar of regional workshops that address topics ranging from liability issues to media marketing.

Financing Economic Development in the 21st Century

by Sammis White, Richard D. Bingham, and Edward W. Hill (ME Sharpe, 2003)

This book offers a comprehensive survey of the major mechanisms for financing economic development.

Food Policy Marketing Center

www.fmpc.uconn.edu

The Food Marketing Policy Center at the University of Connecticut conducts research on food and agricultural marketing and related policy questions. Though primarily an economic research organization, the Center also provides research on selected food access and security issues, including the first national evaluation of “the absence of supermarkets in many urban

neighborhoods.” Two publications are of particular interest to advocates interested in developing grocery stores in underserved areas: *The Urban Grocery Store Gap and Market Competition* and *Metropolitan Area Grocery Prices*.

The Food Trust

www.thefoodtrust.org

Founded in 1992, The Food Trust responds to “diet-related disease and malnutrition by working to increase access to affordable and nutritious food and helping people to improve their diets.” The Pennsylvania-based organization’s website offers an extensive list of reports and publications free for download, as well as teacher lesson plans. It also details innovative and successful programs, such as:

- ▶ **Supermarket Campaign:** The Food Trust manages the Fresh Food Financing Initiative, an \$80 million public-private partnership that supports the development of grocery stores in underserved, low-income areas of Pennsylvania.
- ▶ **Farmers’ Market Program:** The Food Trust’s farmers’ markets include nutrition education programming and voucher checks that enable low-income patrons to purchase fresh fruits and vegetables.
- ▶ **Corner Store Campaign:** Using social marketing and education, this program works to increase demand for healthy snacks. This demand serves as the basis for working with the food industry to increase the availability of healthy food choices in stores.

Foundation Center

www.foundationcenter.org

The Foundation Center is a one-stop shop where grant seekers can identify potential funders and learn how to navigate the grantmaking process. The Center maintains a comprehensive library of U.S. philanthropy, which is available online for a subscription fee, or at no charge in their learning center in San Francisco. The publishers of this toolkit highly recommend this resource.

The FruitGuys

www.fruitguys.com

The FruitGuys is a mobile fruit delivery business offering fresh fruit to businesses and individuals who would otherwise lack easy access to healthy snacks. The organization got its start by delivering fruit out of a Honda Civic in the San Francisco Bay Area, and has now expanded to serve some businesses in Nevada, Arizona, and New Mexico. The company continues to serve many underserved neighborhoods in the Bay Area, focusing on individuals that do not have access to fruit rather than on businesses that have standing orders.

Grants.gov

<http://grants.gov>

Grants.gov is a one-stop shop for finding, learning about, and applying for federal grants. It offers applications for more than \$400 billion in grants each year – every grant announced by the 26 federal grant-making agencies. The database is searchable by program area, agency, RFP date, and keyword.

Guide to California Planning, 2nd edition

by William B. Fulton (Solano Press Books, 1999)

Often used as a college textbook, the *Guide* provides a solid overview of all aspects of land use planning in California. Chapter 15 provides a concise overview of California redevelopment law.

Health Impact Assessments (HIA)

Health Impact Assessments are objective processes that can be used to evaluate how a policy, program, or project will affect the health of a population. HIAs can call attention to public health issues in ways that offer helpful insights and recommendations to decision makers. HIAs are often credited with providing the information necessary to increase health benefits and minimize adverse effects of public projects and policies. Learn more about HIAs, and how they may be used in transportation and land use efforts, at:

- ▶ U.S. Centers for Disease Control & Prevention
www.cdc.gov/healthyplaces/hia.htm
- ▶ National Association of County & City Health Officials **www.naccho.org/topics/hdp/land_use_planning/LUP_HealthImpactAssessment.cfm**
- ▶ World Health Organization (WHO) **www.who.int/hia/en**

Historic Tax Credits

The federal government allows developers to claim a tax credit worth either 10 percent of the cost of rehabilitation of buildings built before 1936 or 20 percent of the cost of buildings on the federal register of historic places. Credits are awarded through state historic preservation agencies. Intermediaries such as the National Equity Fund and the National Trust for Historic Preservation match nonprofit developers with investment partners who can benefit from the credits.

HUD User

www.huduser.org

HUD User is a portal to federal government information on housing policy and programs, economic development, urban planning, and other topics from the U.S. Department of Housing and Urban Development's (HUD) Office of Policy Development and Research (PD&R). Specific resources available online include:

- ▶ **Regulatory Barriers Clearinghouse:** HUD created this free, searchable database to support state and local governments and local organizations “seeking information about laws, regulations and policies affecting the development, maintenance, availability and cost of affordable housing.” It includes regulatory measures proposed or passed in communities across the United States.
- ▶ **Data Sets** leads to useful housing-related data, as well as a Geographic Information Systems tool that allows you to create a map of your community that integrates this HUD data with environmental, demographic and other data.
- ▶ Search the **State of the Cities Data Systems (SOCDS)**, located in the State of the Cities (National Urban Policy Report) section, for housing and other data for individual metropolitan areas, central cities and suburbs.
- ▶ The **Bibliography** link leads to a database of more than 10,000 full-abstract citations to research, books, monographs, and data related to housing and community development issues, including housing policy, urban planning and other topics useful to land use advocates.

Idealist.org: Civic Engagement Curricula

www.idealistoncampus.org/ioc/learn/curriculum/index.html

Originally written to help college students hone their community organizing and advocacy skills, these curricula are equally educational for adults of all ages. They are designed as group activities, but many can be used for individual learning as well.

Initiative for a Competitive Inner City (ICIC)

www.icic.org

The ICIC’s mission is to promote economic prosperity in America’s inner cities through private sector engagement that leads to jobs, income, and wealth creation for local residents. A specific focus of the ICIC’s research is inner-city retail. Publications of interest include:

- ▶ *The Changing Models of Inner-City Grocery Retailing*
A research study offering insights into key strategies of operating inner-city supermarkets through profiles of four inner-city grocery retailers
- ▶ *2nd Annual Inner-City Shopper Survey: Inner-City Shoppers Make Cents (and Dollars)*
Analysis of national survey findings of inner-city and non-inner city households on their retail purchasing patterns
- ▶ *The Inner-City Shopper: A Strategic Perspective*
Analysis of national survey findings of inner-city and non-inner city households on their retail purchasing patterns

- ▶ *The Business Case for Pursuing Retail Opportunities in the Inner City*
Identifies the size and opportunities of the inner-city retail market

International Council of Shopping Centers (ICSC)

www.icsc.org

The ICSC is the global trade association of the shopping center industry. Its 57,000 members in the United States, Canada and more than 80 other countries include shopping center owners, developers, managers, marketing specialists, investors, lenders, retailers and other professionals, as well as academics and public officials. ICSC's principal aims are to advance the development of the shopping center industry and to establish the individual shopping center as a major institution in the community. Toward that goal, the ICSC researches and produces publications about retail development. One such publication, *Development in Underserved Resource Markets: A Summary of a Discussion of the Challenges and Recommendations for Improving the Process of Retail Development in Underserved Urban Markets*, may be useful to practitioners attempting inner-city retail development. Economic development officials who wish to attract shopping centers to their communities attend ICSC's annual conference.

Knowledgeplex

www.knowledgeplex.org

Created by the Fannie Mae Foundation, *Knowledgeplex* is a centralized resource for documents, news, discussions, events, and media about the following topics:

- ▶ affordable housing development & finance
- ▶ economic revitalization
- ▶ fair housing
- ▶ homelessness
- ▶ homeownership & mortgage markets
- ▶ land use & housing planning
- ▶ organizational development
- ▶ public housing
- ▶ social & comprehensive development

League of California Cities (LCC)

www.cacities.org

The League advocates for common interests of California cities regarding issues that include environmental quality, housing, economic development, public safety, and transportation. Its website provides news and information on these topics from a municipal perspective and an extensive online

advocacy resource for its members. The League also provides a one-stop shop for general information, links to municipal websites, a listing of city officials, ordinances, municipal codes, and city charters.

A Legal Guide to California Redevelopment, 3rd edition
by Goldfarb & Lipman, LLP (Goldfarb & Lipman, 2006)

This comprehensive legal guide, written as a reference work for attorneys, provides an excellent and detailed guide to the workings of redevelopment law in California.

Legislative Council
www.leginfo.ca.gov

The Legislative Council hosts the Official California Legislative Information website to allow the public to search California state laws and bills by keyword, number, or date. In addition to providing the full text of existing laws, the legislative information website lists each pending statewide bill and its progress through the legislature, from introduction to enrollment. Bill information includes a description of its purpose, a list of supporters, full text of each revision, and a record of all legislative actions and votes. You can even sign up to receive an email notification each time action is taken on a particular bill.

Local Government Commission (LGC)
www.lgc.org

The LGC encourages healthy, walkable, and resource-efficient communities by helping local governments develop policies and programs. The LGC provides workshops, guides and publications, an email notification service for available state and federal grants, and an extensive resource library.

Local Initiatives Support Corporation (LISC) and LISC Metro Edge
www.lisc.org

LISC mobilizes private and public support to provide policy guidance, various types of capital, training, and technical assistance to nonprofit community development corporations (CDCs). LISC's goal is to create affordable housing, businesses, jobs, and commercial, industrial and community facilities. The Public Policy section of this website highlights important federal and state policy developments. LISC also publishes case studies, tools, guides and other information on funding opportunities, affordable housing (including community development, design, housing preservation, and vacant/abandoned properties), and planning and land use (including smart growth and vacant-abandoned properties). *Food, Markets, and Healthy Communities* discusses how food markets can affect low-income neighborhoods and provides several strong case studies that illustrate their significant impact.

LISC's MetroEdge subsidiary provides in-depth market research to support retail attraction in low- and moderate-income communities.

Minority Business Development Administration (MBDA)

www.mbda.gov

MBDA actively builds the capacity of minority business entrepreneurs to grow and compete in the global economy. It provides information and technical assistance to minority business entrepreneurs as well as referring them to partners that will help them gain access to financing, the marketplace, education, and technology.

National Congress for Community Economic Development (NCCED)

www.ncced.org

NCCED is the trade association for community development corporations (CDCs) and the community economic development (CED) industry. Its mission is to promote, support, and advocate for CDCs and the CED industry, whose work creates wealth, builds healthy and sustainable communities, and achieves lasting economic viability. NCCED provides members with opportunities to meet and learn from one another, as well as providing guides for different aspects of community development. The publication *Overcoming Obstacles to CDC Supermarket Development* is a how-to guide available for purchase by groups interested in bringing a grocery store to their area.

National Grocers Association (NGA)

www.nationalgrocers.org

The NGA is a national trade association representing wholesale and retail grocery and food distribution companies. Its associate members, listed on the website, also include product manufacturers and service suppliers. NGA's website may be useful to help advocates understand the industry's perspectives and tactics. You can find NGA position papers and updates on pending national legislation, and learn more about NGA's local policy efforts:

- ▶ The Government Relations Leadership Council advances “the public policy interests of retail and wholesale grocers through an effective grassroots government relations program”
- ▶ The Grassroots Grocers Action Network (GAN) is an all-volunteer network designed “to create a coalition strong enough to influence legislation pertaining to the food distribution industry” (the GAN communicates directly with members of Congress on industry-related issues)
- ▶ NGA's Center for Marketing Excellence works in part to “enable the retailer, wholesaler, manufacturer, and service supplier to better understand the needs and purchasing trends of the American consumer”

Also visit the About Us section for a list of items on NGA's Working Agenda.

National Institutes of Health (NIH)

www.nih.gov

The National Institutes of Health is the primary federal agency for conducting and supporting medical research. Its website offers a clearinghouse of health research, nutrition guidelines, up-to-date health news, and grants and funding opportunities. NIH is also home to a variety of research institutes and centers that examine specific areas of health information, such as:

- ▶ National Center on Minority Health and Health Disparities (NCMHD)
<http://ncmhd.nih.gov>
- ▶ National Institute of Child Health and Human Development (NICHD)
www.nichd.nih.gov

New Markets Tax Credits (NMTC)

www.ustreas.gov

The U.S. Treasury Department distributes New Markets Tax Credits to community development entities (CDEs) in return for their investment in nonresidential development projects in low-income areas. These investments generally take the form of low-interest loans or equity investments in commercial projects located in low-income areas. The process to receive NMTC investments is competitive, and the structure of the investments favors very large projects. For more information about the program and a list of CDEs to approach for investments, visit **www.cdfifund.gov**.

Northern California Community Loan Fund (NCCLF)

www.ncclf.org

NCCLF provides financing and expertise to strengthen low-income neighborhoods and enable disadvantaged people to build a better future. Their programs include a lending program, four consulting and grants programs, and an ongoing investment fundraising campaign. NCCLF makes loans ranging from \$10,000 to \$1 million for four types of nonprofit projects, one of which is economic development. NCCLF makes loans to ventures that produce jobs, income, wealth, and economic stability, including worker-owned cooperative businesses. Loans support a range of economic development initiatives, including human development and job preparedness projects for disabled people alternative ownership businesses such as worker-owned cooperative ventures, and small business incubators.

Opportunity Finance Network

www.opportunityfinance.net

The Opportunity Finance Network (formerly the National Community Capital Association) is a trade association of community development financial institutions that provide loans and equity investments in community economic development projects including food retail projects. The network maintains a national list of member organizations around the country.

Pacific Coast Regional Small Business Development Corporation (PCR)

www.pccorp.org

PCR provides financial, educational, and consulting services through contracts with the federal government and the state of California, as well as partnerships with private institutions. PCR's primary goal is to help the small business owner succeed. PCR's financial programs include loan guarantees, bond guarantees, disaster bridge loans, and direct (environmental) loans. The only qualification for these loans is that the business is located within the state of California.

People's Grocery

<http://peoplesgrocery.org>

People's Grocery is a community-based organization in West Oakland that develops creative solutions to the health, environmental, and economic challenges the community faces every day. The mission is to develop a self-reliant, socially just and sustainable food system in West Oakland through community-based, youth-focused, and innovative social enterprises, urban agricultural projects, educational programs, and public policy initiatives that foster healthy, equitable, and ecological community development. As part of its activities, the People's Grocery runs several educational community gardens and a mobile market.

Planners Network

www.plannersnetwork.org

Planners Network is an association of people involved in physical, social, economic, and environmental planning in urban and rural areas. A diverse group of planning professionals, activists, organizers, and students, Planners Network is the "voice for progressive[s] concerned with urban planning and social and environmental justice." The Planners Network website includes planning case studies, publications, and free archives of *Progressive Planning* magazine searchable by issue or keyword.

Planners Web

www.plannersweb.com

Planners Web provides information about common or currently relevant planning issues and serves as a host for the *Planning Commissioners Journal*. As “the nation’s principal publication designed for citizen planners,” the *Planning Commissioners Journal* offers more than 14 years of articles for free, searchable by keyword. Sample topics and articles include:

- ▶ How to deal with the media
- ▶ Basics of putting together a comprehensive plan
- ▶ Conflicts of interest and ex-parte communications
- ▶ “Public Buildings Keep Town Centers Alive”

PolicyLink

www.policylink.org

PolicyLink is a national research, communications, capacity building, and advocacy organization working on a range of issues related to strengthening low-income communities of color including equitable development, housing, public investment, and health.

Healthy Food, Healthy Communities: Improving Access and Opportunities Through Food Retailing, a publication from PolicyLink, provides an overview of strategies that communities can take to increase access to healthy food as well as profiles of several successful projects.

Project for Public Spaces (PPS)

www.pps.org

PPS provides technical assistance, education, and research to help communities create and sustain parks, buildings, transportation, and public markets. The website offers resources in each of these program areas:

- ▶ **Parks:** PPS offers guidelines and case studies for the design and planning process, comprehensive management and maintenance information, and methods for involving the community. This section includes a network of experts who are willing to share advice, a database of speakers and teachers, and links to park organizations.
- ▶ **Transportation and livable communities:** Search this section for planning guidelines, case studies, research, photos, and other useful information on ways to design public areas to accommodate drivers, bicyclists, transit users, and pedestrians alike.
- ▶ **Markets:** In conjunction with the Ford and W.K. Kellogg foundations, PPS developed a public markets research and grants program to devise new ways of incorporating public markets and community development. Find

profiles of successful farmers' markets, trainings and conferences, and grant opportunities in this section.

Redevelopment in California, 3rd edition
by David F. Beatty et al. (Solano Books, 2004)

Often used as a college textbook, this edition gives a detailed overview of California redevelopment history, law, and practice.

Rough and Tumble
www.rumble.com

Rough and Tumble is a portal website that provides an up-to-the-minute look at California policy issues and the political environments in which they develop. The site was originally intended to be an in-house television newsroom publication to help reporters better understand California politics. It lists reputable current newspaper and magazine articles – also searchable by topic, publication date, or keyword – as well as polling data, legislators' websites, and other political information. *Rough and Tumble* is a reliable resource for keeping abreast of the statewide California political scene.

The Rural Community Assistance Corporation (RCAC) Loan Fund
www.rcac.org

RCAC functions within all California rural areas, filling financing gaps and serving those traditionally neglected by conventional markets. It prioritizes projects that serve low- and very low-income people or populations with restricted access to capital, including agricultural workers or Native Americans. RCAC's loan fund offers a comprehensive array of products for affordable housing development, retail projects, environmental infrastructure, and community facilities in rural communities. Each is designed to meet the unique underwriting and structuring needs of nonprofit and local government borrowers. RCAC is a financing partner with other financial institutions, not a competitor. Financing is provided along with conventional lenders and other community development financial institutions under terms that ensure project feasibility and community affordability.

San Francisco Department of Public Health: Program on Health, Equity, and Sustainability
www.sfdph.org/phes

The PHES initiative is an umbrella of programs through which the SFDPH addresses topics related to healthy living through collaborations with community organizations and government agencies. The PHES website sections on community planning, land use and environmental planning, public housing, and transportation include research, statistics, case studies, and other publications that may be valuable models for advocates. This

site also documents the Eastern Neighborhoods Community Health Impact Assessment being undertaken by the SFDPH.

Small Business Administration (SBA)

www.sbaonline.sba.gov

The SBA maintains and strengthens the nation's economy by aiding, counseling, assisting, and protecting the interests of small businesses and by helping families and businesses recover from national disasters. It offers training and technical assistance to businesses in business planning, financing, management, and other aspects of starting and running a business. Centralized information allows ease of communication to anyone looking for business know-how, regardless of their experience and educational requirements.

Smart Growth America

www.smartgrowthamerica.org

Smart Growth America is a nationwide coalition that works to support “citizen-driven planning that coordinates development, transportation, revitalization of older areas, and preservation of open space and the environment.” Smart Growth America works with member organizations to develop policies, publish research, and build support for affordable housing, efficient development, neighborhood schools, preservation and revitalization of urban areas and farmland, social equity, and “smart transportation” that incorporates public transit and pedestrian and bicycle traffic. Its website offers general information on each of these issues, as well as updates on federal legislative activity on issues related to smart growth, sustainable development, and environmental protection.

Social Compact

www.socialcompact.org

Social Compact is a coalition of business leaders from across the country promoting successful business investment in lower-income communities for the benefit of current residents. They developed a “drill down” approach to retail market analysis that combines federal data with data from more local sources to construct a more accurate picture of local spending power. Social Compact provides consulting and training throughout the country.

Strategic Alliance for Healthy Food and Active Environments

www.eatbettermovemore.org

The Strategic Alliance is a coalition of nutrition and physical activity advocates in California that uses the debate on nutrition and physical activity to examine “corporate and government practices and the role of the environment in shaping eating and activity behaviors.” The Strategic Alliance works in five key sectors: Children's Environments, Government, Industry Practices,

Health Care System, and Media. In each section find research, data, reports, and additional resources. Visit the Environmental Nutrition and Activity Community Tool (ENACT) for more than 60 concrete, detailed strategies designed to help “improve nutrition and activity environments on a local level.”

Sustainable Agriculture Education (SAGE)

www.sagecenter.org

SAGE is a Bay Area nonprofit organization that develops projects, programs, and materials to build support for sustainable regional food and agriculture. SAGE projects have yielded several useful reports and tools, available for free download on their homepage, including the *Farmers’ Market Resource Kit*, written to help advocates create new farmers’ markets in San Francisco. The kit explains applicable state laws and provides insights into the market planning process.

Tax-Exempt Bonds

Local and state economic development agencies can issue tax-exempt bonds or industrial development bonds to finance economic development projects. The bonds provide a means for a project that serves a clear public purpose to borrow money at a low interest rate. The lenders (buyers of the bonds) receive tax-free interest, which allows them to charge much less interest than they normally would. Bond issuance is complex and expensive and therefore tends to be appropriate only for larger projects. (See also *California Infrastructure and Economic Development Bank*.)

Tax Increment Financing (TIF)

Tax increment financing is used in all states to finance community improvement projects. In California the local Redevelopment Agency must declare an area within a city a “redevelopment area,” at which point the current property taxes are frozen as the base amount that continue to be paid to the government. From that point on, any rise in the value of the area and the corresponding increase in taxes paid are paid to the redevelopment agency to repay any costs incurred in the improvement of the area or for future projects in that or other redevelopment areas. Check with your local or state government to see how areas are designated for tax increment financing in your state. For more information, visit www.emich.edu/public/geo/557book/d232.tif.html.

Tax Increment Financing and Economic Development: Uses, Structures, and Impact

by Craig L. Johnson and Joyce Y. Man, eds. (State University of New York Press, 2001)

This book provides a comprehensive discussion of the uses, structures, and impacts of tax increment financing.

U.S. Census Bureau

www.census.gov

The Census Bureau website provides information about demographics, economics, housing, income, physical infrastructure, international trade, and myriad other data about the American population and geography. The website provides searchable access to this information by state, county, city, town, political district, and other geographic areas. In addition to surveying the general U.S. population every ten years, the Census Bureau also records economic activity and state and local governments every five years, and conducts more than 100 annual surveys. The site includes American Factfinder, a user-friendly interface for creating demographic profiles of census tracts, cities, counties, and states.

U.S. Department of Agriculture (USDA)

www.usda.gov

Significant aspects of USDA are dedicated to the economic development of rural areas. USDA brings housing, modern telecommunications, and safe drinking water to rural America as well as modern infrastructure, all of which form the foundation for agribusiness, industrial firms, tourism, and other businesses, creating an environment in which businesses are able and willing to locate in rural areas. USDA Rural Development Business Programs help fund projects that create or preserve quality jobs and/or promote a clean rural environment.

- ▶ **The Community Facilities Program** aids projects to construct, enlarge, extend, or otherwise improve community facilities providing essential services to rural residents. See **www.rurdev.usda.gov/rhs/cf/cp.htm**.
- ▶ **The Food and Nutrition Information Center** website (**www.nal.usda.gov/fnic**) is a portal to nutrition “resources for consumers, nutrition and health professionals, educators, and government personnel.”
- ▶ **The Food and Nutrition Service (FNS)** administers programs that improve food security, which it defines as “access by all people at all times to enough nutritious food for an active, healthy life.” These programs include food stamps, the National School Lunch Program, the Farmers’ Market Nutrition Program, and others that subsidize access to nutritious foods for people with low incomes. The FNS website provides detailed information about these programs. Advocates may also search the Research section for studies on food security, obesity in America, and other topics. Nutrition education materials, programs, and research are also available in the Nutrition Education section. See **www.fns.usda.gov/fsec**.
- ▶ **The Community Food Projects Competitive Grants Program** annually funds projects that promote the self-sufficiency of low-income communities. See **www.csrees.usda.gov/nea/food/in_focus/hunger_if_competitive.html**.

U.S. Department of Commerce – Economic Development Administration (EDA)

www.eda.gov

This unit of the U.S. Department of Commerce manages several programs designed to support projects that create job opportunities in economically distressed communities. Over \$250 million was available through EDA grant programs in 2006. **Public Works and Economic Development Program** grants average between \$70,000 and \$4 million per project and are awarded on the basis of the number of jobs created. The **Local Technical Assistance Program** provides much smaller grants for feasibility studies and project planning. Both sources have been used to finance food retail projects in low-income communities.

U.S. Department of Health and Human Services – Office of Community Services

www.acf.hhs.gov/programs/ocs

The Office of Community Services, a program of the U.S. Department of Health and Human Services, operates several grant and technical assistance programs that support community economic development projects.

- ▶ The **Urban and Rural Community Economic Development Program** offers grants of up to \$700,000 for business development or commercial real estate projects that are likely to result in the creation of new jobs for low-income people. Awards are limited to no more than \$15,000 per new job created.
- ▶ The **Job Opportunities for Low Income Individuals** program provides grants to organizations that test and evaluate ways of creating permanent full-time employment and business opportunities for welfare recipients and other low-income individuals through (1) self-employment, (2) microenterprise, (3) new business ventures, (4) business expansion through the provision of technical or financial assistance to private employers to create new jobs, and (5) nontraditional employment development initiatives.

The Office of Community Services also manages **Community Food and Nutrition Program Discretionary Grants**. The program provides 40 to 50 grants each year of up to \$50,000 to support community projects that “coordinate private and public food assistance resources to better serve low-income populations, assist low-income communities to identify potential sponsors of child nutrition programs and to initiate such programs in underserved or unserved areas, or develop innovative approaches at the state and local level to meet the nutrition needs of low-income individuals.”

U.S. Department of Housing and Urban Development (HUD)

www.hud.gov/economicdevelopment/index.cfm

HUD's mission is to increase homeownership, support community development, and increase access to affordable housing free from discrimination. Strengthening communities is part of HUD's mission, and economic development is an important part of that effort. HUD has several programs to create and retain jobs, most focusing on underutilized sites in urban locations.

- ▶ The **Brownfields Economic Development Initiative** is a key competitive grant program administered by HUD. It is designed to assist cities with the redevelopment of abandoned and underused industrial and commercial facilities where expansion and redevelopment is burdened by real or potential environmental contamination.
- ▶ The **Office of Economic Development** works with the public and private sectors, as well as nonprofit organizations, to provide financial and technical assistance to local communities to develop and implement their own economic development and community revitalization strategies.
- ▶ The primary objective of the **Community Development Block Grant (CDBG)** program is the development of viable urban communities by providing decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income. The CDBG program is administered by state or city governments according to local priorities. The program administrator distributes money to projects that meet funding priorities ranging in size from very small (\$5,000) to very large, according to the scale and needs of the project. For more info, visit www.hud.gov/offices/cpd/communitydevelopment/programs.
- ▶ **Enterprise/Empowerment Zones** and **Renewal Community Zones** are placed on specific geographic areas, the goal being to emphasize the importance of stimulating the creation of new jobs that empower low-income residents receiving public assistance to become economically self-sufficient, and to promote the revitalization of economically distressed areas. These zones provide tax incentives for businesses to locate within them, and they offer other incentives and financial aid. These incentives can take many forms, including loans and grants for specific business improvements.
- ▶ **Section 108** is the loan guarantee provision of the Community Development Block Grant (CDBG) program. Loans provide communities with a source of financing for economic development, housing rehabilitation, public facilities, and large-scale physical development projects. This makes it one of the most potent and important public investment tools that HUD offers to local governments. Communities access Section 108 loans through the same

administrator that disperses CDBG funds. For more information, visit www.hud.gov/offices/cpd/communitydevelopment/programs.

- ▶ **Congressional Grants:** Every year Congress authorizes a number of special grants for specific economic development projects as part of the annual HUD appropriation and accompanying conference report. Congress authorizes a specific level of funding to each specific project, and there is no public application process. Access to these funds requires close coordination with your local congressional office.

The About Communities section of the website includes maps, histories, census data, statistics, and federal funding opportunities for local projects. Also find links to local community consolidated plans and to local and state government websites. The Organizing section includes how-to guides on holding neighborhood meetings, starting a neighborhood organization, and community organizing around an issue or goal.

Urban and Environmental Policy Institute (UEPI)

<http://departments.oxy.edu/uepi>

UEPI is a community-oriented research and advocacy organization based at Occidental College in Los Angeles. It serves as the umbrella for a variety of affiliated programs addressing work and industry, food and nutrition, housing, transportation, regional and community development, land use, and urban environmental issues. A report from UEPI, *The Persistence of L.A.'s Grocery Store Gap: The Need for a New Food Policy and Approach to Market Development*, is an excellent resource for those wishing to understand the persistence of food deserts in Los Angeles.

Urban Land Institute (ULI)

www.uli.org

ULI is a nonprofit organization that draws on its network of 28,000 members worldwide to share ideas, problem solve, and develop best practices for land use policy and practice. ULI publishes these best practices, case studies, and research on its website – some available for a fee, others for free. Advocates may find the following sections especially useful:

- ▶ **Research:** ULI policy papers, advisory services panel reports, trends, and other publications can be downloaded in PDF format. Topics include “Best Practices in the Production of Affordable Housing” (March 2005) and “Involving the Community in Neighborhood Planning” (September 2004).
- ▶ **In the Community:** ULI’s Community Outreach Program works with ULI members to help influence policy and practice related to community building and land use, including:

- ▶ Community Action Grants “to encourage entrepreneurial projects at the state, regional, and local levels to build community consensus for action and change”
- ▶ The California Smart Growth Initiative, which produced a report entitled *Putting the Pieces Together: State Actions to Encourage Smart Growth Practices in California* (2002) that analyzes ways to promote development that more closely links housing to jobs and preserves open space (see www.smartgrowthcalifornia.uli.org).

Wall Street Without Walls

www.wallstreetwithoutwalls.com

Wall Street Without Walls brings finance professionals and Wall Street executives together with community development organizations to assist with specific financing needs. In addition to trainings, the program provides direct financial technical assistance on a competitive basis.

Wilder Foundation

www.wilder.org

A publication from the Wilder Foundation, *The Community Economic Development Handbook: Strategies and Tools to Revitalize Your Neighborhood*, provides a general introduction to neighborhood economic development strategies.

