



OFFICE OF MARY M. CHEH

COUNCILMEMBER, WARD 3

CHAIR, COMMITTEE ON GOVERNMENT OPERATIONS & THE ENVIRONMENT

MEMORANDUM

TO: Members of the Council

FROM: Councilmember Mary M. Cheh

DATE: July 13, 2010

SUBJECT: The Food, Environmental, and Economic Development in the District of Columbia (FEED DC) Act of 2010

I. Summary

One of the leading causes of the District's obesity epidemic is a lack of access to healthy food. Many of our poorest neighborhoods are located in "food deserts." With few places to purchase fresh produce and unprocessed foods, low-income families are often unable to eat healthy foods. The lack of grocery stores also results in more than \$100 million annually in lost revenue – and the jobs that are supported by it. Few of the corner stores in low-income neighborhoods sell fresh produce or healthy foods. By following successful models in Pennsylvania, New York City, and other jurisdictions, we can establish a program using existing District resources that will expand access to healthy food in low-income communities, create jobs, and improve the environment.

II. The Problem

There is an obesity epidemic in the District of Columbia. According to the D.C. Department of Health, 55% of District residents are overweight or obese – including nearly half of all children. In some neighborhoods, the rate of overweight and obesity exceeds 70%. A major contributor to the obesity crisis is a lack of access to healthy food options in low-income communities.

An April 2010 report by D.C. Hunger Solutions and Social Compact found that many families in the District live in "food deserts" – areas in which there are no full-service grocery stores. Instead of fresh produce and healthy foods, the small corner stores in these neighborhoods sell enormous quantities of junk food. This report further found that the District loses \$112 million in grocery revenue each year to Maryland and Virginia because there are too few grocery stores in the District to meet demand. This leakage costs the District millions of dollars in tax revenue and hundreds of jobs that flow from these businesses. By supporting grocery development in the District, more residents will have access to healthy foods and good jobs will be created in areas with an unemployment rate of nearly 30%.

III. Program Models

In 2004, Pennsylvania established the Fresh Food Financing Initiative (FFFI), which is a national model for attracting healthy food options to food deserts. As part of the FFFI, the state appropriated \$30 million to a public/private partnership run by The Food Trust and The

Reinvestment Fund, which raised an additional \$90 million in private and federal funds. This program offers grants, loans with favorable terms, tax credits, and other incentives to attract new grocery stores and upgrade existing ones. Altogether, this \$30 million public investment has financed 85 grocery stores in low-income areas, provided 500,000 residents with access to healthier food options, and created 5,000 jobs.

New York City recently launched the Food Retail Expansion to Support Health (FRESH) program, which provides incentives for opening and upgrading grocery stores in underserved areas. This program provides a combination of financial and zoning incentives to attract food retailers. Similar programs are also in the process of being established in New York State, Louisiana, Illinois, New Jersey, New Orleans, and Newark. Many programs also offer environmental incentives.

Improving access to healthy foods is a key priority for the First Lady's campaign to fight childhood obesity. President Obama included \$400 million for a Healthy Food Financing Initiative in his FY 2011 budget proposal. Modeled after the Pennsylvania program, these funds would be distributed to states to support food retailers in low-income communities. By establishing a local program, the District will be primed to receive some of these federal dollars.

IV. The FEED DC Act

The FEED DC Act has three goals: (1) to improve access to healthy foods in low-income neighborhoods; (2) to encourage green technology in food stores; and (3) to create good jobs in areas with very high levels of unemployment. In essence, the FEED DC Act will:

- Feed DC by helping low-income families to obtain healthy food;
- Feed DC by supporting a healthy, clean environment; and
- Feed DC by creating jobs and putting residents to work.

The FEED DC Act is modeled on the successfully Pennsylvania and New York City initiatives. It will create a public/private partnership to attract and renovate grocery stores in the District's food deserts. It will designate a "grocery ambassador" in the Deputy Mayor's office to help grocers navigate through the bureaucratic hurdles of opening new stores. The bill will help existing corner stores sell fresh produce and healthy foods. It will further establish environmental incentives to assist food retailers in lowering their operating costs.

Various entities within and outside of the District government have been trying to increase access to healthy foods for many years. What is lacking, however, is a comprehensive, coordinated, effort – linking public, private, and federal resources – to improve access to healthy foods in our low-income communities. Therefore, I expect that we can support this program by reallocating resources within the District government.

I look forward to working with all stakeholders – neighborhood leaders, community experts, large grocery retailers, small corner store operators – on this important legislation.