

Testimony of

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**Joint Public Hearing on Bill 18-967, the “Food, Environmental, and Economic
Development in the District of Columbia Act” (“FEED-DC”).**

**John A. Wilson Building
1350 Pennsylvania Ave., NW, Room 500
Washington, DC 20004
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Thank you for this opportunity to submit written testimony, and thank you to Councilmembers Mary Cheh, Kwame Brown, Tommy Wells, and David Catania for introducing the important FEED DC legislation. My name is Kristin Roberts, and I am a community nutrition associate at D.C. Hunger Solutions, an initiative of the Food Research and Action Center.

As demonstrated in D.C. Hunger Solutions’ and Social Compact’s 2010 report, “When Healthy Food is Out of Reach: An Analysis of the Grocery Gap in Washington, D.C.,” the District has a troubling “grocery gap.” The grocery gap – which leaves significant areas of the District underserved by full-service grocery stores – disproportionately harms low-income households.

The grocery gap is problematic for numerous reasons,¹ including:

- Lack of access to full-service grocery stores presents a huge barrier to consuming healthy foods, especially fresh produce. This barrier is even larger for low-income households who have little or no money to spend on transportation to distant stores and whose neighborhood corner grocery stores rarely carry fresh products. Low consumption of fresh produce is known to be a driver in the District’s obesity epidemic.
- Due to insufficient grocery retail in the District, the city is losing more than \$100 million each year when residents travel to neighboring jurisdictions to buy groceries.

Fortunately, the grocery gap also presents opportunities to improve nutrition and health, reduce hunger, boost economic development in lower-income parts of the city, and to create jobs and tax revenue. The FEED DC Act, modeled on the successful Pennsylvania Fresh Food Financing Initiative, represents a critical and thoughtful step toward closing the grocery gap – and seizing those opportunities for the District.

¹ PolicyLink and The Food Trust. *The Grocery Gap: Who Has Access and Why It Matters*. 2010. <http://www.policylink.org/atf/cf/%7B97C6D565-BB43-406D-A6D5-ECA3BBF35AF0%7D/FINALGroceryGap.pdf>

Pennsylvania's \$30 million state investment over three years has been leveraged by a private financial institution to create a \$120 million financing pool, and thus far has financed 83 full-service grocers and other healthy food outlets, created or retained 5,000 jobs, and improved healthy food access for close to 400,000 people.^{2,3} In light of Pennsylvania's success, New York, Louisiana, Illinois, New Jersey, Colorado, and others are adopting similar legislation.

Recognizing the tough fiscal situation the District faces, the FEED DC Act goes beyond monetary investment. In addition to envisioning public dollars leveraged with private investment and federal funds (such as New Markets Tax Credits), FEED DC will bundle new and existing incentives that cost little or nothing for the city but represent value to grocers and developers. Additionally, FEED DC will build on the existing Supermarket Tax Exemption program and strengthen it.

Therefore, D.C. Hunger Solutions applauds the FEED DC Act. I would like to share some recommendations from D.C. Hunger Solutions that we believe will help make the FEED DC Act even stronger:

- Target FEED Act incentives more narrowly than current Enterprise Zones. In order to ensure that the FEED Act helps close the grocery gap and assists areas most in need, we suggest defining "FEED Priority Area" as: Low-Income Housing Tax Credit Qualified Census Tract, as defined by the U.S. Department of Housing and Urban Development; and underserved by full-service grocery retail, compared to the average for the District of Columbia. We recommend revising the current Supermarket Tax Exemption to meet the same priority criteria.

We also recommend making FEED incentives available outside priority areas when a potential grocery project would create access to full-service grocery stores for low- to moderate-income communities and/or for communities in which residents have demonstrated significant access limitations due to travel distance.

By mapping and promoting these areas, the District can help retailers and developers readily identify FEED-eligible areas. It may also be necessary, as the bill contemplates, to conduct further market studies in "food desert" areas to locate appropriate sites with appropriate population and demand to support new grocery stores.

- Maintain the competitive structure for grants, loans, and other assistance. We also recommend maintaining the concept of a public-private partnership to review and administer grants and loan (and possibly other types of assistance) – such partnerships have proven beneficial in other jurisdictions, and would bring multiple voices into a vetting process for potential FEED incentive recipients.

² Jeremy Novak, The Reinvestment Fund. *Written Testimony to the House Subcommittee on Health Innovations in Addressing Childhood Obesity*, (December 16, 2009).

³ Policy Link, The Food Trust, and The Reinvestment Fund. *A Healthy Food Financing Initiative: An Innovative Approach to Improve Health and Spark Economic Development*. December 31, 2009. <http://www.policylink.org/>.

- Prioritize full-service grocery stores, and include smaller-scale healthy food retail. D.C. Hunger Solutions’ research and program experience⁴, as well as programs and research in communities across the country, have shown that the broadest, most sustainable approach to improving access to healthy foods in low-income communities is investment in full-service grocery stores – both by developing of new stores and renovating existing stores that enable successful sales of affordable healthy foods. Therefore, we support the grocery store financing program (which would fund new store development and existing store renovations) proposed in the FEED Act.

Because it is unrealistic to expect a supermarket in every neighborhood, the FEED DC Act’s proposal to fund substantial renovations (related to sales of fresh produce and other healthy foods) in small corner grocery stores and to provide business assistance for those grocers is a good one.

Further, we encourage the Council to consider farmers’ markets and small fruit and vegetable vendors as potential candidates for FEED assistance.

- Identify non-monetary incentives for grocery stores. The District has an opportunity to follow other communities’ lead in offering non-monetary incentives (in addition to grants and loans) that help attract developers and grocers. Examples can include: using density bonuses (proposed in the bill as introduced) and other zoning tools; providing small business assistance; and fast-tracking permitting and other regulatory processes. We believe that the proposed “grocery ambassador” program is a good step, and the ambassador should be housed in a high-level government office from which it can oversee grocery development and renovations, ensure that incentive programs operate smoothly, and troubleshoot.
- Ensure that retailers sell healthy foods. To ensure that projects assisted by FEED Act benefits meet the goal of improving residents’ access to healthy foods, we recommend:
 - Requiring new full-service grocery stores financed by FEED incentives to devote 10-20 percent of total selling space to fresh produce;
 - Prioritizing renovations that enable existing full-service stores to better sell fresh produce; and
 - Maintaining the proposal that corner stores assisted by FEED commit to selling fresh produce for at least five years.
- Encourage SNAP and WIC acceptance. D.C. Hunger Solutions applauds the FEED Act’s proposal that full-service stores would be required to accept SNAP/food stamp benefits and apply to become WIC retailers.

⁴ From 2007 to 2009, D.C. Hunger Solutions led the D.C. Healthy Corner Store Program, funded by the District of Columbia Department of Health. And since 2006, D.C. Hunger Solutions has convened the D.C. Farmers’ Market Collaborative.

For corner stores, we support the proposal to require that projects assisted by FEED incentives accept SNAP benefits. We recommend, however, that corner stores be required only to *apply* to accept WIC. Additionally, it is important to note that under current D.C. WIC Agency (part of the Department of Health) rules, WIC retailers must be larger than 10,000 square feet. Therefore, the WIC Agency may need to broaden its eligibility rules in order to allow into the program those corner stores with capacity to stock the full set of WIC foods.

The FEED ACT is a wise, evidence-based approach to improve residents' nutrition and overall health, reduce hunger, potentially lower District residents' food costs, and spur economic recovery. Furthermore, supporting the FEED DC Act will help the District compete for \$25 million in available federal funding allocated for state Healthy Food Financing Initiatives.

Thank you again for this opportunity to submit testimony.

Respectfully submitted,

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