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February 24, 2015

Honorable Members of the City Council
 c/o City Clerk
 Room 395, City Hall
 Los Angeles, CA 90012

Subject: 41st Program Year (PY) of the Housing and Community Development Consolidated Plan –Third Year Action Plan (2015-2016)

Dear Councilmembers,

With this letter, Community Health Councils (CHC) express strong support for the application of Community Development Block Grant funding to the amount of \$250,000 toward the Healthy Neighborhood Market Network Program (HNMNP), as listed in the Housing and Community Development Consolidated Plan (Attachment B, line item 27 under Economic Development).

For more than two decades, CHC has been at the forefront of work to eliminate racial and ethnic health disparities by expanding healthcare coverage, increasing access to quality healthcare, physical activity and improving healthy food options in under-resourced communities. CHC engages, supports, and gives voice to marginalized, low-income and underserved populations through policy research, analysis and advocacy, coalition building and community mobilization. Our dynamic network of coalitions comprising the Coalition for an Active South Los Angeles, Food Policy Roundtable Coalitions, and several others are composed of neighborhood leaders, consumer advocates, health care providers, social service providers, and educational and faith-based organizations serving communities in South Los Angeles and beyond.

In Los Angeles County, there are over 2,000 small neighborhood markets and over 600 convenience stores that do business in the region (See **Table 1**). This extended network offers exciting prospects to advance healthy food retail cross the City. Nationwide the sector represents a \$680 billion dollar industry with over 148,126 stores.ⁱ Los Angeles must look to strengthen small business development and infrastructure of the sector. It is a missed opportunity if public officials do not capitalize on the efforts already underway to support a robust food economy championed by local partners in the LA area.

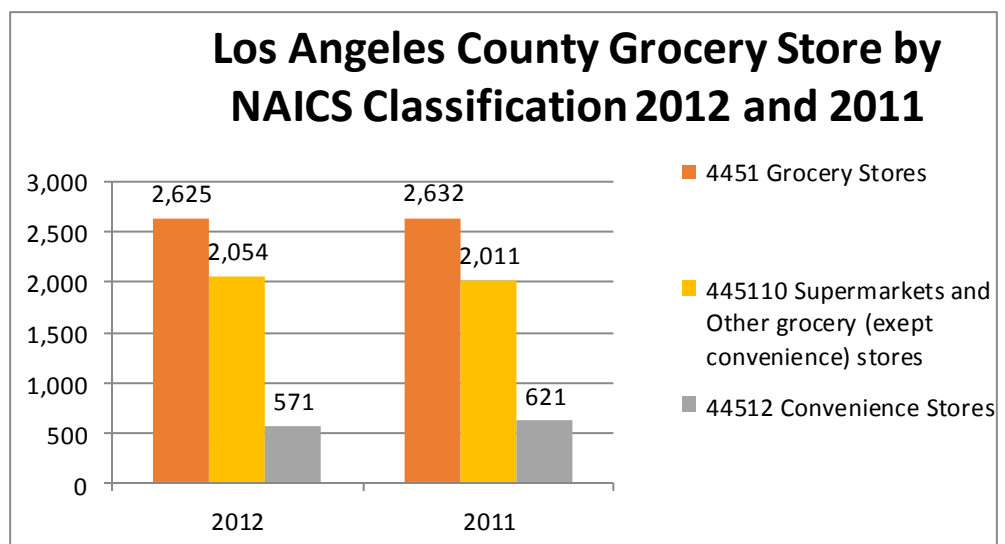
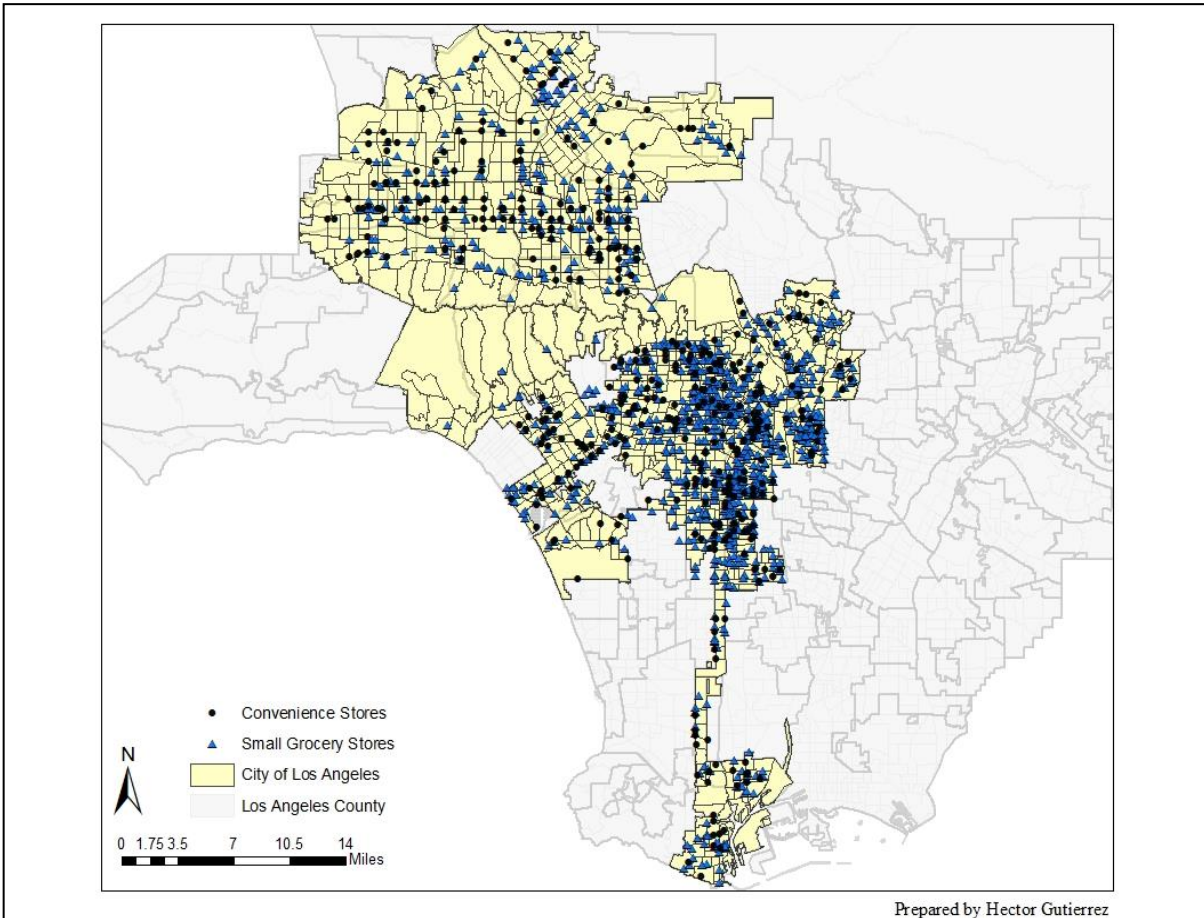


Table 1 Los Angeles County Grocery Store by NAICS Classification 2012 vs 2011

Community based organizations, like Los Angeles Food Policy Council, Special Services for Groups, Community Health Councils, UCLA, and many more are supporting food desert communities by working on corner store conversions to expand health and nutrition. Examination of the corner store landscape revealed there are over 20 corner store conversions in various phases happening in Los Angeles and over a dozen more interested in cooperative purchasing to help small independent stores achieve economies of scales to lower price points for fresh fruits and vegetables.

The map below shows the extent of the small neighborhood sector in Los Angeles. In South Los Angeles and Boyle Heights, these stores make up over 60% of the food retail choices for residents.



Map 1: Small Neighborhood Markets in the City of LA

Interview findings from a small neighborhood market survey and opinion survey with United for Health, Centers for Diseases Control and Prevention project show there is overwhelming support to advance healthy eating. Across five areas-Boyle Heights, Central City, Pacoima, South Los Angeles, and Southeast Los Angeles—there was consensus by those surveyed that greater food equity is possible by supporting corner store transformations/small markets. The neighborhood market survey revealed similar findings. When asked the various reasons why storeowners were interested in supporting healthy food retail, 83.7% responded it would create better health outcomes and 55.8% said it would contribute to jobs for the community. 74.1% stated that it would improve the quality of life of residents.

Healthy corner store projects are a great application of Community Development Block Grant (CDBG) funding for micro-enterprise assistance. There are thousands of small convenience stores and corner stores throughout the city. Two to three times as many are concentrated in low-income areas, and many are low-to-moderate income family-owned operations.

Investments in neighborhood markets address multiple community needs at once by promoting (1) access to nutritious foods, (2) small business development and (3) neighborhood revitalization. The program serves low and moderate-income store owners in “food desert” neighborhoods with a reported lack of healthy food retail (limited supermarkets, farmers’ markets, sit-down restaurants), and prioritizes stores located in major transit corridors.

In the last two years, the HNMNP held six healthy food retail trainings and supported healthy market transformations at three corner stores in South LA and Boyle Heights. Funding through CDBG will enable HNMNP to offer ongoing technical assistance to 10 corner stores, and training events for 100 additional corner stores. The training and technical assistance offered to the store owners include support in the following areas:

- Business / leadership skills
- Procurement and distribution
- Resource referrals to BusinessSource services, WorkSource services
- Healthy food inventory
- Community engagement
- Store design and display
- Marketing/branding

With the application of CDBG funding toward this program, the City has the opportunity to fortify this unique, multi-faceted redevelopment initiative that improves the lives of our city's LMI businesses and food desert communities. Thank you for your support.

Sincerely,



Gwendolyn Flynn, Policy Director
Nutrition Resources Development
Community Health Councils, Inc.

cc: Councilmember Gilbert A. Cedillo, Housing Committee Chair
Councilmember Felipe Fuentes, Housing Committee
Councilmember Curren D. Price, Jr., Housing Committee

ⁱ National Association of Convenience Stores. Fact Sheet: Convenience Stores Offer More Convenience, 2012.