

# RESOLUTION

WHEREAS, any official position of the City of Los Angeles, with respect to legislation, rules, regulations or policies proposed to or pending before a local, state, or federal governmental body or agency must have first been adopted in the form of a Resolution by the City Council with the concurrence of the Mayor; and

WHEREAS, numerous studies related to healthy food access have shown the absence of supermarkets in underserved areas of the City; and

WHEREAS, underserved areas of the City without access to healthy foods may experience higher numbers of obesity, diabetes and other cardiovascular diseases; and

WHEREAS, supermarkets that offer fresh fruits and vegetables should be encouraged to locate to underserved areas of the City to provide its residents with healthier options; and

WHEREAS, on March 8, 2015, Congressman Steve Cohen introduced H.R. 1433, *The Supermarket Tax Credit for Underserved Areas Act*; and

WHEREAS, H.R. 1433 proposes the following incentives to encourage the establishment of new supermarkets in underserved areas: 1) Increase the Rehabilitation Credit; 2) Increase the Work Opportunity Tax Credit; and, 3) Provide a credit for sales of locally grown fruits and vegetables; and

WHEREAS, current federal law provides 20 percent income tax credit for the rehabilitation of historic, income-producing buildings that are certified as historic structures and a 10 percent income tax credit for the rehabilitation of non-historic buildings placed in service before 1936 and meet specified criteria; and

WHEREAS, H.R. 1433 proposes to increase the credits to 24 and 12 percent, respectively, if such buildings are supermarkets established in an underserved area after December 31, 2015; and

WHEREAS, currently under the provisions of the Work Opportunity Tax Credit, qualifying employers are eligible to receive a tax credit ranging from \$2,400 to \$9,600 for hiring employees from specified target groups; and

WHEREAS, H.R. 1433 proposes to increase the Work Opportunity Tax Credit by \$1,000 for employers who hire individuals from a specified target group and operate a supermarket in an underserved area; and

WHEREAS, H.R. 1433 also proposes a new credit of 15 percent of the gross receipts from the retail sale of locally grown fresh fruit and vegetables; and

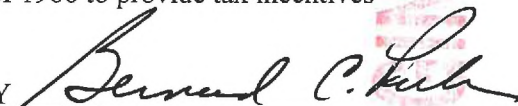
WHEREAS, the intent of H.R. 1433 is consistent with current and prior City efforts to encourage healthy food options in underserved areas of the City;

NOW, THEREFORE, BE IT RESOLVED, with the concurrence of the Mayor, that by adoption of this Resolution, the City of Los Angeles hereby includes in its 2015-2016 Federal Legislative Program SUPPORT of H.R. 1433 which would amend the Internal Revenue Code of 1986 to provide tax incentives for the establishment of supermarkets in underserved areas.

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PRESENTED BY

  
BERNARD C. PARKS  
Councilmember, 8<sup>th</sup> District

SECONDED BY



APR 14 2015