

How to Use Economic Development Resources to Improve Access to Healthy Food

Grocery stores are valuable assets to a community: not only do they make healthy food more accessible, but they also can provide living-wage jobs, raise the value of surrounding property, and anchor and attract additional businesses to the neighborhood.

Public health officials and advocates can partner with economic development and other city agencies to help bring new food retail into low-income neighborhoods. This fact sheet is designed to provide a basic overview of how economic development programs work, highlighting a variety of ways for advocates to influence the process.



What Is Economic Development?

The term *economic development* refers to a wide range of activities that help build and sustain a robust economy.

City and county governments administer programs to develop the local economy, which are funded through a variety of local, state, and federal sources. Economic development programs may involve bringing new jobs to the area, placing and training workers, supporting small businesses, and increasing residents' access to retail services.

Agencies working on economic development understand the barriers to grocery store development – making them key partners for public health advocates working to improve food access in underserved communities.

Economic development agencies are involved in a variety of programs that are vital for attracting healthy food retail. Advocates can partner more effectively if they better understand the possibilities and limitations of these activities.

Who Does What?

Many city agencies are involved in the effort to bring a grocery store to a community. Ideally one staff member will coordinate and lead the process – but this is often not the case, and city departments sometimes unwittingly pursue duplicate or conflicting strategies. The following list identifies the major agencies that address economic development issues. (The organizational structure differs among cities; in some, departments may be combined or carry a different title.)

- **Mayor's office staff** carry out the mayor's priority initiatives
- **Elected officials** create policies and programs to meet their constituents' needs
- **Economic development** manages programs, grants, and real-estate projects to build and sustain a healthy citywide economy
- **Community development** coordinates citizen engagement to develop and implement a strategy for using federal funds to revitalize targeted areas
- **Redevelopment** partners with other city departments and the community at large to revitalize distressed neighborhoods using particular financing tools
- **Planning** establishes long-term goals and reviews the city's land use decisions
- Other city departments playing supportive and potentially important roles include **public works**, **police/justice**, **public health**, and **transportation**

In addition to city agencies, there are a number of **community-based organizations** working on neighborhood economic development projects. Some of these groups – which range from grassroots

neighborhood associations to fully staffed nonprofits with an active role in real estate development – can be extremely influential in either attracting or deterring a grocery store.



How Does Economic Development Work?

Cities use many strategies to bring businesses into the area, often developing specific initiatives to attract businesses to targeted neighborhoods. These tools and funding sources are often scattered across multiple city departments and non-governmental agencies. Most of these resources were created for purposes other than attracting healthy food retail, so it takes ingenuity to apply them to address the unique challenges of grocery store development. What follows are the major programs managed by municipal economic development departments and their community partners.

Business Attraction



In recruiting businesses to the area, city agencies typically prioritize industry and manufacturing (e.g., biotechnology) and major institutions (universities, hospitals) above major “catalyst” retail (regional malls, downtown anchor businesses) and neighborhood-serving retail (restaurants, cafes). Full-service grocery stores fall between the two retail categories, and there may or may not be a city staff person dedicated to this effort.

Real Estate Development



City departments help transform empty land into community assets by replacing vacant, underutilized, or abandoned properties with new retail, services, and housing. They can be involved in everything from identifying and acquiring viable sites for development (including adjacent small lots that can be assembled into one large site) to expediting the permit process and awarding grants or loans to reduce the cost of development.

Business Retention and Expansion



The city can provide tailored assistance to help existing businesses thrive – for instance, through marketing, strengthening operations, obtaining a low-interest loan, or helping a business retain its lease or finding a new space. This type of support (sometimes provided through city-funded nonprofits or the federal Small Business Administration) may be necessary to improve existing grocery stores or help them stay in the neighborhood.

Neighborhood Commercial Revitalization



City agencies and community-based organizations oversee projects to support a city’s commercial districts, create jobs, and improve the quality of life for residents. Community stakeholders often play a leading role in prioritizing and implementing these projects, which can include beautifying storefronts and streetscapes, improving cleanliness and safety, and attracting and promoting neighborhood businesses – all of which can make a community more appealing to grocery retailers.

Cities can sponsor media campaigns, street festivals and other events, and marketing materials such as banners, brochures, and shopping guides to help overcome negative perceptions of a neighborhood, rendering it more attractive to retailers.

Workforce Development



Cities can connect residents with work opportunities by providing vocational and work readiness training, job referrals, and other employment services. Workforce programs can be useful in establishing a trained pool of workers for the construction and ongoing operation of a grocery store.

Market Analysis



Demographic and economic data help cities assess the volume and types of retail or industry a specific area can support. Retailers conduct their own analysis when deciding where to locate, but the city can conduct or hire an outside contractor to determine which businesses are feasible and develop an independent strategy for recruitment and marketing. Data on health disparities may also help an economic development agency decide where to prioritize efforts.

Funding Sources

When it comes to funding grocery store development projects, economic development agencies can pursue a variety of programs.

Community Development Block Grants (CDBG)

This federal program allocates funds to city and county governments in part to help create economic opportunities in low-income communities. CDBG funding decisions are guided by a five-year strategic plan, and public health advocates can organize residents to provide input on this plan to ensure it prioritizes healthy food retail.

Redevelopment Funds

Advocates and residents can lobby to have healthy food attraction included and prioritized in redevelopment plans as part of a neighborhood revitalization strategy. They also may apply to participate in a redevelopment project’s advisory committee to ensure that healthy food needs are prioritized.

Elected Officials’ Discretionary Funds

Elected officials have pots of funding to distribute at their discretion, and advocates for healthy food retail can work to influence how this money is spent.

Grantmaking

Economic development departments sometimes award grants to nonprofits that, in turn, fund efforts to attract grocery stores.

What Does a Healthy Economy Look Like?



- **Thriving companies** provide good jobs, services, and tax revenue
- All residents can access **stores** (including healthy food retail), **entertainment, and cultural needs** locally
- The city attracts and retains a **quality workforce**
- **Businesses** are encouraged to locate and expand in the city
- All residents and workers can achieve an **affordable and desirable quality of life**
- **Sufficient tax revenues** pay for schools, policing, and other essential services

Getting on the Agenda

It can be very difficult to attract a grocery store to an underserved neighborhood, and there are limits to what economic development agencies can do on their own. Public health advocates have much to offer by partnering in the process, especially around these five strategies:

- **Build a case** to your elected officials. If necessary, use data on health disparities to illustrate the need for healthy food.
- **Contact your city planning and economic development department** to discuss how to provide input and recommendations for healthy food retail development.
- **Garner community support**, building consensus among city agencies and community residents for strategies to prioritize in your effort.
- **Provide resources** your partners may need, such as information on health disparities.
- **Share success stories** from other communities to inspire and inform your local effort.

Many city agencies and community organizations work toward similar goals, but they may not communicate with each other and often pursue conflicting strategies.

Coordinating all efforts along a single strategy sends a positive message to potential retailers. Public health advocates can convene city agencies and community organizations working to bring healthy food retail to a community to coordinate and focus efforts.

For more information about ways to bring healthy food retail into underserved communities, visit www.changelabsolutions.org

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This fact sheet is designed for a California audience. Readers in other states should consult planners in their area.

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