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City of Gainesville Policy Program Preliminary Research & Analysis

TOPIC: Food Access – Alternative Brick and Mortar Projects

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REQUESTED BY: Commissioner Johnson

QUESTION

The aim of this research is to explore the potential for government-run grocery stores, nonprofit grocery stores funded by the community and/or government, and in some instances for-profit grocery stores, to aid in eliminating food deserts and increasing access to nutritional food in the City of Gainesville.

EXECUTIVE SUMMARY

The City of Gainesville has 11 areas which are designated as food deserts. The USDA defines food deserts as low-income census tracts in which a substantial number or share of residents have low access to a supermarket or large grocery store. Methods of mitigating this problem and increasing access to nutritional food in these areas include government-run grocery stores, nonprofit grocery stores funded by the community and/or government, and for-profit grocery stores. Government-run, nonprofit, and for-profit grocery stores can be operated by cities, communities, schools, mobile buses, and low-income housing complexes. While nonprofit grocery stores serving low-income neighborhoods can be difficult to sustain, they tend to be a more realistic option to provide low-cost food than government-run grocery

1

stores, which have stricter funding regulations that can mitigate the ability to provide access to affordable food.

HISTORY/BACKGROUND INFORMATION

The United States Department of Agriculture (USDA) asserts that food insecurity is the limited or uncertain **availability** of nutritionally adequate and safe foods or the limited or uncertain ability to **acquire** acceptable foods in socially acceptable ways. Food insecurity, or low access (LA) in combination with low income (LI), contribute to the formulation of food deserts. Typical features of food deserts include a lack of healthy food that is available or accessible to low-income residents. This can lead shoppers to turn to food with lower nutrition, such as fast food and food at gas stations, becoming residents' main options for meals. The absence of healthy foods is detrimental to residents' health as it makes them more susceptible to obesity, diabetes, and chronic illness. Although federal nutrition programs like the Supplemental Nutrition Assistance Program (SNAP) and the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) provide monetary assistance to low or no income families in the United States, this does not completely alleviate the LI factor. SNAP and WIC programs specify certain foods its recipients can purchase. Since all stores do not carry the allowable foods, not all stores can accept SNAP and WIC customers. As a result, these programs do not present an overall solution to food deserts.3

To combat food insecurity, government-run grocery stores, nonprofit grocery stores funded by the community and/or government, and for-profit grocery store models have been evaluated for their effectiveness. Each model presents potential drawbacks. For government-run grocery stores, like the for-profit Baldwin Market, funding is more restricted and may mitigate a store's ability to provide affordable food. For nonprofit grocery stores, either community and/or government funded, like the North Texas and United Way of Southeastern Connecticut Mobile Food Pantries, or grocery stores within the Evans Center and Linda Tutt High School, it can be hard to compete with commercial chains. These grocery stores rely on monetary donations for solvency, which can limit the variety of inventory to select produce and products. Likewise, for-profit grocery stores, like those located in the Ford Heights Public Housing complex and the Midland & East Third Facility (MET), may find it hard to compete with commercial chains because they do not make enough money to buy a wide range of produce and products.

Gainesville and Alachua County

In 2018, there were about 10,000 food insecure children and 50,880 food insecure people out of Alachua county's 266,944 residents.⁴ In 2020, the percentage of students eligible to receive free or reduced lunch at Alachua County schools ranged between 28%-63%.⁵ Moreover, the food insecurity rate in Alachua

² https://www.ers.usda.gov/topics/food-nutrition-assistance/food-security-in-the-us/measurement.aspx#insecurity

³ http://plaza.ufl.edu/juna/urp4273/stud_work/spring12/team4.pdf

⁴ https://www.alligator.org/article/2019/03/how-gainesville-is-tackling-food-insecurity

⁵ https://www.zipdatamaps.com/schools/florida/county/map-of-alachua-county-fl-high-school-free-lunch-program

County has risen from 13.9% in 2018 to almost 17% in 2020 due to the COVID-19 pandemic.⁶ Although there have been several initiatives implemented within the City of Gainesville to combat LA and LI factors, like the Bread of the Mighty Food Bank and Junior League of Gainesville's Action Against Hunger initiative, the USDA's Food Access Research Atlas revealed that the City of Gainesville has 11 areas (tracts) that remain burdened by LA and LI factors, each area spanning a 20-mile radius.⁷

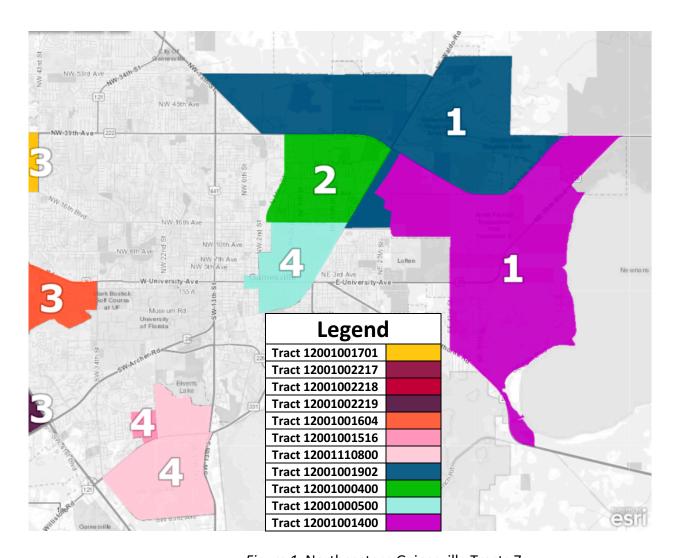


Figure 1. Northeastern Gainesville Tracts.7

⁶ https://www.feedingamericaaction.org/the-impact-of-coronavirus-on-food-insecurity/

⁷ https://www.ers.usda.gov/data-products/food-access-research-atlas/go-to-the-atlas.aspx and Clesi, E. (2020). *Food Access – Alternative Brick and Mortar Projects*. The City of Gainesville.

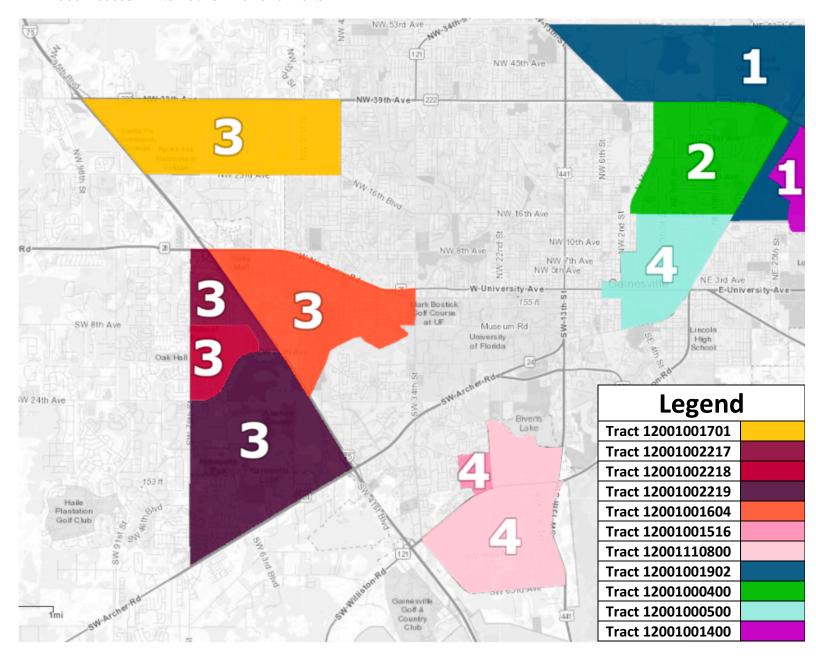


Figure 2. West Gainesville Tracts.7

These tracts, concentrated in Northeastern and West Gainesville, include Tract 12001000400, Tract 12001000500, Tract 12001001400, Tract 12001001516, Tract 12001001604, Tract 12001001701, Tract 12001001902, Tract 12001002217, Tract 12001002218, Tract 12001002219, and Tract 12001110800.7 More than a majority of these tracts contain households without vehicles that are located more than one-half mile from the supermarket, indicating a lack of access to affordable and nutritional food.7 However, it is important to consider that these tracts do not account for the entire population. While these tracts may seem large at first glance, the USDA defines a census tract as **low-access at 1 mile** and **low-access at % mile** if at least 500 people or 33% of the population in that census tract live farther than 1 mile (urban)

or 20 miles (rural) from the nearest supermarket.⁸ Additionally, a tract will be labeled as **low-income** if the poverty rate is 20% or higher, or the median family income is less than 90% of the median family income for the state or metropolitan area.

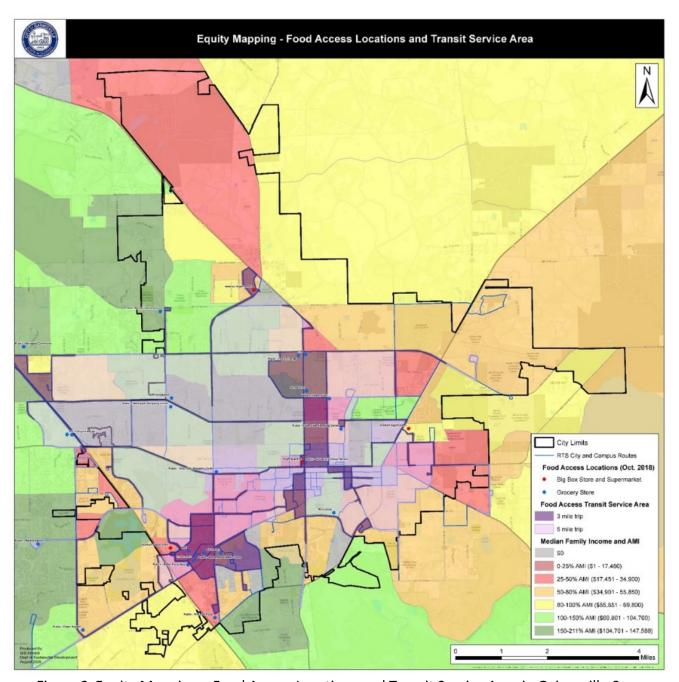


Figure 3. Equity Mapping – Food Access Locations and Transit Service Area in Gainesville.8

⁸ Raskin, K. (2020). Gainesville Local Food Action Plan. The City of Gainesville.

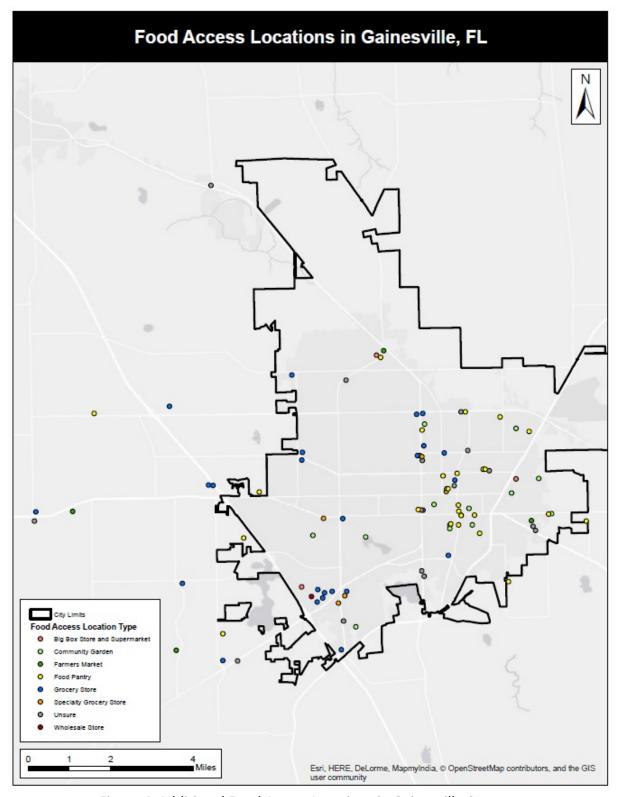


Figure 4. Additional Food Access Locations in Gainesville.8

Figures 3 and 4 help better frame the issue of food accessibility in Gainesville. Figure 3 utilizes censustract data and incorporates more specific data regarding household income and access to public

transportation.8 Figure 4 highlights additional food access locations, however does not include a complete layout of food access resources in Gainesville.8

PRELIMINARY RESEARCH AND FINDINGS

Baldwin, Florida

Baldwin, a city in Southwestern Duval County, is an example of a town which opened a **government-run** grocery store. After the local Independent Grocers Alliance (IGA) closed in 2018, it left Baldwin and its population of approximately 1,500 people without a grocery store and in a food desert. The closest grocery stores were between 10 and 20 miles away in Macclenny or Jacksonville. Many of the towns seniors and poor residents were unable to make the trip because of accessibility issues. Notably, in the Jacksonville area, 40 of the city's 173 census tracts have been designated as food deserts. Despite Mayor Sean Lynch and the Baldwin Town Council attempting to source an alternative, big-box chains did not want to inherit the IGA, as the 10,000-square-foot IGA space was too small. Moreover, mom-and poptype merchants said the IGA was too big to operate.

Baldwin is noted as one of the only local governments in the country known to own and operate a grocery store. The town already owned the store formerly occupied by IGA and the land under it, located at U.S. 90 and U.S. 301.9 It is important to note that the Baldwin Market is a for-profit business, with plans to provide residents with affordable food. To fund the initiative, the Baldwin Town Council took \$150,000 from a reserve fund to hire staff, pay food vendors, and rehab the refrigeration system.9 Baldwin aims to repay the money in monthly installments of \$3,000, and once the debt is paid and profits will be reinvested back into the business.9 Lisha Jones, the manager of Baldwin Market, said that the Baldwin Market is operated by seven employees and has made significant progress toward repaying back the money borrowed from the reserve fund. The Market is also overseen by Baldwin Mayor, Sean Lynch, who checks sales reports, food orders, bank statements, and equipment. Baldwin Market has experienced steady traffic since its opening, and the Baldwin community is thankful to have such a store serve their community.

Sanger, Texas

Linda Tutt High School, located in Sanger, Texas, is an example of a **school-run** grocery store which supports families in need. In Sanger's school district, roughly 2,750 students are enrolled, and 43% of these students are considered economically disadvantaged. Moreover, about 3.6% of Sanger's students are considered homeless. 10 Students can pay for food in the school's grocery store through a points system. Points are initially set on a student's family size, and students can earn more points through outstanding performance in school, such as doing good deeds, which teachers and staff can award points

⁹ https://www.jacksonville.com/news/20190925/baldwin-opens-rare-town-run-grocery-store-to-fill-food-gap?template=ampart

gap?template=ampart

10 https://www.wvtm13.com/article/a-high-school-opened-a-grocery-store-for-struggling-families-it-accepts-good-deeds-as-payment/34888817

for. Students can also earn points for completing jobs around school such as helping out in the library or mentoring elementary school students.10

The high school grocery store is run entirely by students, who manage the inventory, stock the shelves and help other students find and bag the products they need.10 To secure funding for the initiative, Linda Tutt High School partnered with First Refuge Ministries, Texas Health Resources and the grocery store Albertsons to open the store.10

Overall, the grocery store set up in Linda Tutt high school is a unique way to combat food insecurity, as students can get groceries at their school, a location they are already at during the day, which reduces the burden on their families since they do not need to travel elsewhere, eliminating the LA factor. Additionally, because students can pay for groceries through their good deeds instead of money, this eliminates the LI factor.

Chicago, Illinois

The Chicago Housing Authority (CHA), which converted one unit of their Ford Heights **public housing complex** into a grocery store, was one of the first housing complexes in the United States to open a grocery store in a low income and/or public housing complex. The Ford Heights grocery store is operated by Crisp Fresh Market, a for-profit social service agency run by Catholic Charities. ¹¹ Previously, the agency has operated three mobile units which deliver food, including fresh produce, to low-income individuals who do not have easy access to grocery stores in Chicago and suburban Cook County.11

The store, which spans about 600 square feet, is also the first grocery store to be operated by Crisp Fresh Market and is staffed by the public housing residents, who are paid \$10.39 an hour.11 The Ford Heights Complex has been a food desert for over two decades, and residents living in the complex, like Gerell Jimerson, state that it takes about 30 minutes to reach the nearest grocery store.11 The benefit of establishing a grocery store in a public housing complex is to directly provide access to groceries to low income communities, while providing residents with jobs that can increase the neighborhood's net income and additionally opening the door for additional traffic surrounding said neighborhoods. Currently, additional information is needed as to whether the grocery store within the CHA is still in operation.

North Texas Food Bank Mobile Pantry

Although not specifically located in a low income and/or public housing complex, North Texas Food Bank (NTFB), a nonprofit organization, has a **mobile pantry program** which consists of grocery store trucks that travel to aid low-income communities residing in food deserts in North Texas. The trucks carry perishable items, like fresh produce, which can feed between 100 to 300 families. Additionally, NTFB's mobile pantry program reaches several churches and organizations, like the DeSoto Food Pantry and Miracle Temple Baptist Church in Lancaster.12

 $^{^{11}\} https://www.chicagotribune.com/suburb\underline{s/daily-southtown/ct-sta-kadner-grocery-st-0625-20150624-story.html}$

https://swbdallas.org/non-profits-pick-up-citys-slack-in-south-dallas-food-desert-ddd18627ff28

North Texas Food Bank asserts that the purpose of their Mobile Pantry program is to provide or improve access to fresh, perishable and other healthy grocery products in areas where local agencies, such as gas stations or small markets, have limited or no capacity for refrigeration and/or freezer storage. ¹³ Those who participate in North Texas Food Bank's Mobile Pantry can receive up to 50 pounds of food per visit.13 NTFB also helps those in need sign up to receive SNAP benefits.

United Way of Southeastern Connecticut Mobile Food Pantry

The United Way of Southern Connecticut **mobile pantry program** is an extension of the Gemma E. Moran United Way/Labor Food Center, a nonprofit organization which focuses on bringing fresh produce, protein, and healthy snacks directly to those most at risk for food insecurity in New London County. ¹⁴

The Gemma E. Moran United Way/Labor Food Center provides food to almost 100 local sites. ¹⁵ Together, these sites feed more than 20,000 people every month.14 The food center's mobile pantry launched in May 2013 and has served more than 300 households every month.14 Distribution sites include two in Groton, and one in Jewett City, Norwich, New London, Baltic.14

The food center's mobile pantry resembles a farmers market, distributing fresh fruit and vegetables, proteins, and other surplus items to any family needing assistance.14 The food center asks that families bring a form of ID and their own bags to their mobile pantry, and the pantry distributes food for 1-2 hours at each location, where each household receives approximately a week's worth of food.14 The food center tailored their mobile pantry to be refrigerated, and was made possible through United Way's partnership with Connecticut Food Bank and a donation from Connecticut Light & Power.14

Lexington, Kentucky

The Midland & East Third Facility (MET) in Lexington, Kentucky is an example of a **multi-purpose facility** that includes a grocery store. The MET is expected to be fully operational in 2021. The MET is a 3-story facility spanning 75,000 square feet, and includes apartments, retail space, a restaurant, and a grocery store. The first floor of the MET houses retail space in conjunction with the restaurant and grocery store, and the top two floors are comprised of 44 one- and two-bedroom apartments. The MET has dedicated approximately 30 percent of those apartments to be subsidized for low-income renters, and the remaining 70 percent will be market-rate apartments. The MET with the potential to alleviate LA and LI factors, the MET gives hope to residents, as the East side of Lexington has historically been a designated food desert. 17

Overall, the MET cost \$22 million to build. Community Ventures, the nonprofit organization who put together the MET project, contributed \$2 million toward it.17 \$10 million was put toward the project through new market tax credits, which are used to finance real estate, commercial, industrial, and other projects in poor neighborhoods.17 The remaining money was financed through Republic Bank, US Bank,

¹³ https://ntfb.org/our-programs/food-pantries-and-partner-agencies/

https://patch.com/connecticut/groton/united-way-adds-three-mobile-food-pantry-distribution-sites

https://www.uwsect.org/sites/uwsect.org/files/2021%20SITE%20LIST%20UPDATED.pdf

https://www.wkyt.com/content/news/Construction-underway-on-The-MET-in-Lexingtons-east-end-509320271.html

¹⁷ https://www.kentucky.com/news/local/counties/fayette-county/article229840784.html

NeighborWorks Capital, Community Hospitality Healthcare Services (CHHS), Limestone Bank, Traditional Bank, Whitaker Bank, and the City of Lexington. ¹⁸ Community Ventures will have Lexington's Real Estate Company (LRC) manage and lease the MET, and the MET's grocery store will most likely be for-profit.

Palm Bay, Florida

The Evans Center is another example of a **multi-purpose facility** that includes a grocery store. Alongside a grocery store with fresh produce and meats, the Evans Center features a Federally Qualified Health Center, operated by Brevard Health Alliance, and a community room for job training, health and wellness education, and other needs.¹⁹

The Evans Center is operated by Evans Center, Inc., a subsidiary of Neighbor Up Brevard (formerly Brevard Neighborhood Development Coalition, BNDC), and is a nonprofit organization. The Evans Center is on the site of the former Evans Supermarket, which was demolished by the City of Palm Bay in 2012. The Evans Center has allotted about 3,500 square feet for the market on one level.²⁰

To finance the Evans Center, Evans Center, Inc. received two loans, totaling \$700,000, from the Florida Community Loan Fund and was approved to use new market tax credits.19 The Evans Center Project cost \$1.4 million, and, in addition to two loans, Evans Center, Inc. received funding for the center through other public and private sources. The two loans received from the Florida Community Loan Fund are forgivable within seven years because of the Healthy Food Financing Initiative (HFFI), coordinated by the U.S. Department of Treasury CDFI Fund and Florida Department of Agriculture, Division of Food, Nutrition and Wellness.17 Since Evans Center, Inc. is a nonprofit, it has relied on monetary donations to remain operational, such as community donations which have contributed about 40% of the center's funding.20 The Evans Center serves about 2,500 households within a 1-mile radius, and while it is difficult to source products and find distributors willing to sell to its small grocery store, the Evans Center has found a way around this difficulty by buying in bulk at another local store, such as Sam's Club.20

PRELIMINARY COST/BENEFIT ANALYSIS

Costs

- May be difficult to secure funding for a government-run grocery store, as the money obtained for funding, such as how the Baldwin Town Council secured funding through the town's reserve fund for its Baldwin Market, must be paid back. Therefore, the cost can lessen the ability to provide affordable food.
- Convincing for-profit grocery stores to establish themselves in food deserts can be difficult as food deserts are burdened by the LI factor which can lower profit margins.

¹⁸ https://www.cvky.org/the-met

¹⁹ https://fclf.org/meet-our-borrowers-item/evans-center

²⁰ Corugedo, S. (2020). *Publicly Owned Grocery Store – As a part of the City of Gainesville Food Desert Elimination Action Plan*. The City of Gainesville.

Nonprofit grocery stores may take away business from existing grocery stores or vice-versa.

Benefits

- The pressure to make an immediate profit is not prevalent for nonprofit grocery stores funded by communities or the government, as nonprofit organizations solicit their money through donations.
- Increased employment through grocery stores established in food deserts may lead to a more established community, opening the door for additional business, which could raise the location's net income.
- Grocery stores run by the government, schools, low income and/or public housing, and multipurpose facilities likely can secure workers as there is frequent traffic in each of these locations related to living and learning.

PRELIMINARY AND ILLUSTRATIVE LIST OF POTENTIAL STAKEHOLDERS

- Local businesses
- The City of Gainesville
- University of Florida
- Santa Fe College
- Gainesville Opportunity Center
- Bread of the Mighty Food Bank
- Local Housing Authorities
- Local Developers

RECOMMENDED POINTS FOR FURTHER RESEARCH/DISCUSSION

Healthy Corner Store Initiative (HCSI)

In addition to the evaluation of government-run grocery stores, nonprofit grocery stores, and for-profit grocery stores, the improvement of corner stores, mom-and-pops and bodegas through the Healthy Corner Store Initiative (HCSI) should be considered as another opportunity to improve food accessibility in Gainesville. In 2004, The Food Trust, a nonprofit organization, created the HCSI to support corner store owners committed to increasing the healthy food inventory in their stores and to encourage customers to make healthier choices.²¹

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²¹ http://thefoodtrust.org/uploads/media_items/healthy-corner-store-overview.original.pdf

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