

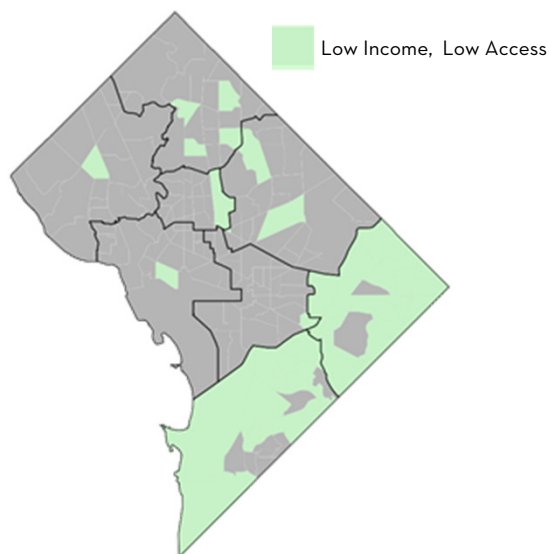
# **FAIR SHOT DC:** **FOOD ACCESS INVESTMENTS** **IN THE FY22 BUDGET**

June 2021

# FOOD ACCESS AND FOOD INSECURITY CHALLENGES IN THE DISTRICT

## ALMOST 1/3 OF DC CENSUS TRACTS ARE LOW INCOME & LOW FOOD ACCESS

49 census tracts are both low income and have low food access (33% of residents >0.5 miles from a full-service grocer)



Source: [USDA Food Access Research Atlas](#)

## PANDEMIC FOOD INSECURITY DOUBLED

Food insecurity **doubled** in DC during the pandemic, reaching its height at 21% in June 2020, a combination of a lack of economic resources & ready access to healthy, affordable food

([DC Food Policy Council](#))

## LOW TRANSIT ACCESS EXACERBATES LOW FOOD ACCESS

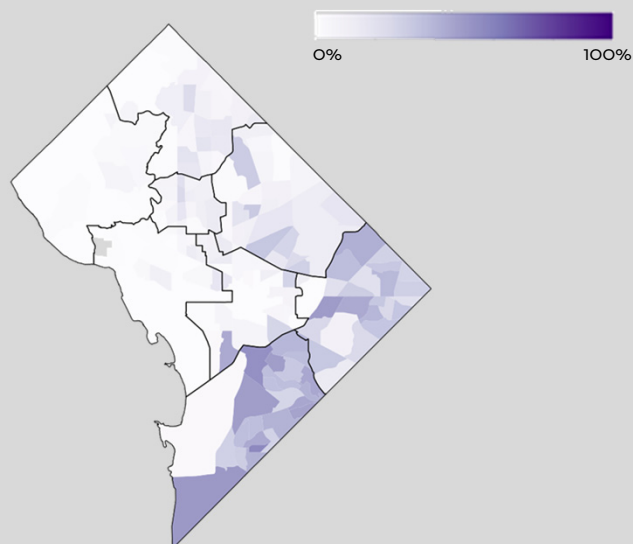
Approx. 65% percent of neighborhoods (162k residents) in Wards 5, 7, & 8 have low food access paired with low transit access, defined as being 0.5 miles or more from a WMATA bus or metro corridor and a high percentage of households without a car. (Open Data DC)

## ONLY 3 OF 79 GROCERY STORES IN DC ARE IN WARDS 7 & 8

Only 3 out of 79 of the full-service grocery stores in DC are located in Wards 7 and 8, serving over 160,000 residents

## SHARE OF HOUSEHOLDS RECEIVING SNAP BENEFITS (2019)

The Supplemental Nutrition Assistance Program (SNAP) provides nutrition benefits to supplement the food budget of low-income families. Wards 7 and 8 households have a higher utilization of SNAP compared to the rest of the city.



Source: [American Community Survey](#)

# THE DISTRICT'S STRATEGY FOR EXPANDING GROCERY ACCESS

DMPED and the OP Food Policy team work collaboratively with retailers, residents, and developers to bring fresh food to targeted commercial sites in Wards 7 and 8:

INITIATIVE	DESCRIPTION	IMPACT AND RECENT PROGRESS
<b>FOOD ACCESS FUND</b>	A new Food Access Fund will expand upon the work of the Neighborhood Prosperity Fund (NPF) to provide capital investment to accelerate small, medium, and large grocery stores and sit-down restaurants in Wards 7 and 8. <b>Proposed FY21-24 Investment: \$54 million</b>	In recent years, NPF has provided grants to support the development of fresh food retail resulting in <b>5+ stores currently under construction</b> (e.g., Good Food Markets, Muki's Market, Medici Road, Benning Market/Market 7, 4401 S Capitol St SW)
<b>NOURISH DC FUND</b>	The recently launched Nourish DC Fund will expand the local food ecosystem & support smaller fresh food retailers and providers through grants, loans, and technical assistance <b>Proposed FY22-23 Investment: \$4 million</b>	In FY21, \$1 million was granted to Capital Impact Partners to manage the Fund. Through a collaboration of 5 local partners, the Fund will seed new and support existing fresh food businesses throughout the supply chain.
<b>EAST OF THE RIVER LEASING STRATEGY</b>	The District's East of the River Leasing Strategy will prioritize the location of DC government agencies in developments anchored by fresh food grocery	The <b>new DGS headquarters</b> combined with <b>\$50 million Tax Increment Financing</b> and <b>Opportunity Zone</b> funds will bring retail, dining, residential and a new grocery store to Minnesota & Benning in Ward 7
<b>SUPERMARKET TAX INCENTIVES PROGRAM</b>	The Supermarket Tax Incentives Program maintains long term support for grocers who locate in target areas. The FY22 legislative proposal would improve the program by refining the eligible geographies to target areas with the greatest need for new grocers & add community-focused requirements for grocers.	<b>3 grocery stores under construction</b> and <b>15 potential sites in Wards 7 and 8</b> that are eligible for this program. <sup>1</sup>  The 8 stores receiving the incentive have <b>hired 3,565 employees, 2,555 of whom are District residents (71.7%)</b> , well above the First Source requirement of 51%

## SPOTLIGHT: GROCERY STORES COMING SOON TO WARDS 7 AND 8

Good Food Markets  
4001 South Capitol St SW

- FY18 NPF Recipient
- Supermarket Tax Incentives (eligible)
- Open Summer 2021

Lidl at Skyland Town Center  
Alabama Ave & Good Hope Rd SE

- Supermarket Tax Incentives (eligible)
- Open Summer 2022

Muki's Market  
4403 Bowen Road SE

- FY21 NPF Recipient
- Supermarket Tax Incentives (eligible)
- Open late 2021

<sup>1</sup> The Washington, DC Economic Partnership map "Grocery Store Expansion in Washington, DC" identifies commercial sites that could accommodate grocers of varying sizes.

# Expanding Food Access by Improving the Supermarket Tax Incentives Program

As part of Mayor Bowser's food access strategy, she has submitted a budget proposal to **improve the Supermarket Tax Incentives program and focus it on the areas most in need of grocery stores.**

## SUPERMARKET TAX INCENTIVES PROGRAM

The Supermarket Tax Exemption Act waives certain taxes and fees to grocery stores that locate in specific neighborhoods.

Qualified supermarkets are eligible to receive one or more of the following benefits for up to 10 years after development or renovation:

1. Real property tax exemption
2. Business license fee exemption
3. Personal property tax exemption
4. Sales and use tax exemption on building materials necessary for construction

The program encourages development and investment in areas lacking access to groceries and fresh food.

## DETAILS ON BUDGET PROPOSAL

The proposal would focus eligibility to areas most in need of grocery stores, expand support to more fresh food retailers, and add community-focused requirements for grocers. Neighborhoods will be eligible if they meet any of the following criteria:

1. Low income and low food access (33% of residents >0.5 miles from a full-service grocer) per the USDA
2. 20% or more of residents participate in SNAP (Supplemental Nutrition Assistance Program) or other public benefits
3. Opportunity Zone: high poverty census tracts designated by the District in 2018 as key areas of the city needing economic investment

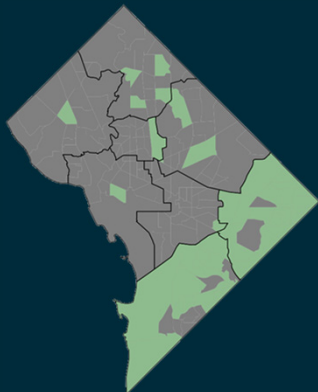
The amendment also **requires participating supermarkets to implement community-focused efforts** such as holding listening sessions with residents and attempting to stock according to resident preferences, accepting SNAP benefits on opening, and applying to accept DC WIC benefits.

The **definition of “qualified supermarket” has been expanded** to align with the existing ABRA definition for full-service grocery stores. This change will increase flexibility of product lines and simplify the offering requirements, allowing more grocers to be eligible.

**Stores located in areas losing eligibility would still be covered so long as they were under construction as of January 1, 2021, and they apply for the program and receive a Certificate of Occupancy by September 30, 2022.**

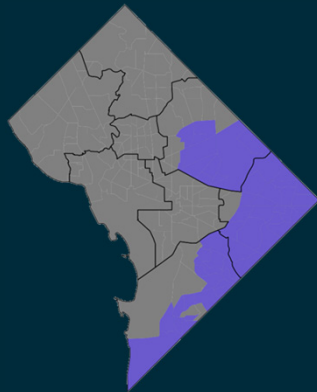
# NEW ELIGIBLE GEOGRAPHY FOR SUPERMARKET TAX INCENTIVES

Neighborhoods will be eligible if they meet any of the following criteria:



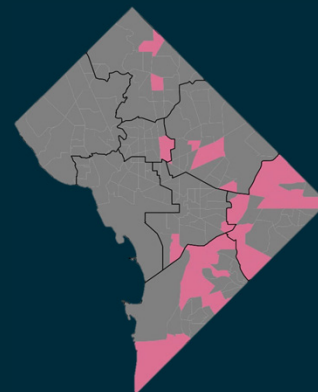
## LOW INCOME, LOW FOOD ACCESS TRACTS

Low income and low food access (33% of residents >0.5 miles from a full-service grocer)<sup>1</sup>



## SNAP BENEFIT TRACTS

20% or more of residents participate in SNAP (Supplemental Nutrition Assistance Program) or other public benefits<sup>2</sup>

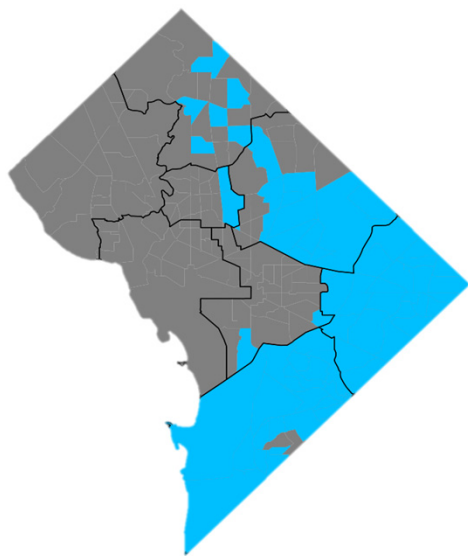


## OPPORTUNITY ZONE TRACTS

Opportunity Zones: high poverty census tracts designated by the District in 2018 as key areas of the city needing economic investment<sup>3</sup>

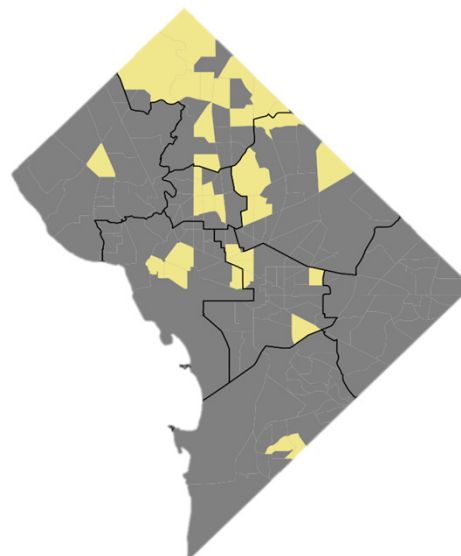


## NEW ELIGIBLE GEOGRAPHY



- There are 70 eligible census tracts<sup>4</sup>
- 8 new tracts were added

## NO LONGER ELIGIBLE



- 34 census tracts are no longer eligible

1. Low access is defined as tracts where >500 people or >33% of the population is more than 0.5 miles from a grocer; low income is defined as tracts where poverty rate >20% or median family income <= 80% of metropolitan area's median family income, as identified by the USDA Food Access Research Atlas, 2019  
 2. Census tracts with greater than 20% usage of SNAP or other public benefits, as identified in 2018 DC Health Equity report  
 3. 25 census tracts identified by Mayor Bowser as Opportunity Zones as part of the program created in the U.S. Tax Cuts and Jobs Act of 2017. Census tracts were eligible for designation if they had an individual poverty rate of at least 20% and median family income up to 80% percent of the area median income  
 4. The proposed eligibility boundaries do not include two Low-Income, Low-Access census tracts in Wards 2 and 3, as these income level reflect the incomes of college or university students residing within the census tract

Source: Open Data DC, Food Access Research Atlas, DC Health Equity report