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# FACTS

## Equal Access to Healthy Foods Making the healthy choice the easy choice



**you're** the **cure**

### OVERVIEW

Good nutrition is critical to our future health and Americans are falling drastically short. Particularly troubling is that in many neighborhoods in Milwaukee, residents report a lack even basic access to healthy, affordable foods.<sup>1</sup> When neighborhoods have little or no access to a grocery store or other healthy food retail, residents may rely on fast food restaurants or other unhealthy options found at corner stores.



Healthy food financing programs can help. These programs help small business owners—local grocers, corner store owners, mobile markets and other food retailers—open, expand, and renovate in neighborhoods that lack access to healthy foods. Additionally, healthy food financing programs are effective and sustainable solutions to increase access to healthy foods, and they contribute to improved health of children and families.<sup>2</sup>

### DEFINING THE PROBLEM

Nearly 30 million people in neighborhoods across America have little or no access to healthy food like fruits and vegetables. These same neighborhoods often struggle with high rates of unemployment and diet-related chronic diseases like diabetes and heart disease. Instead of grocery stores, neighborhoods experiencing low access to healthy options often have a high proliferation of fast foods, and healthy foods, where available, are often priced higher.<sup>3</sup>

According to the Milwaukee Health Report 2013, Milwaukeeans living in lower socioeconomic neighborhoods report the following: 64% have no access to healthy foods, 70% report inadequate fruit and vegetable consumption, 29% are overweight and 43% of adults are obese.<sup>1</sup>

### HEALTHY FOOD FINANCING

Healthy food financing is an investment to break down barriers that keep businesses from locating or expanding in neighborhoods that lack access to healthy foods. Initiated with public funding, healthy food financing programs are frequently able to leverage private and philanthropic funding, ultimately expanding the economic and health impact of the initial investment.



Healthy food financing programs provide targeted loans and grants to support a range of large and small grocery stores and other food retail projects whose credit needs are unmet by conventional financial institutions. Flexible financing can support the multiple costs related to developing stores like pre-development, site assembly and improvement, construction and rehabilitation, equipment installation and upgrades, staff training, security, start-up inventory and working capital.

### STRENGTHENING NEIGHBORHOODS-SUCCESS STORIES

Healthy food financing is an idea that began over a decade ago in Pennsylvania, and it has spread to

cities and states across the country. The Pennsylvania Fresh Food Financing Initiative began in 2004 and has made it easier for an estimated 500,000 residents to find healthier food in their communities. It led to the financing of 88 healthy food stores or farmers' markets in underserved rural or urban locations, and created or retained some 5,000 jobs in struggling neighborhoods. Similar success stories have been seen in New York, New Jersey, Alabama, New Orleans and Houston.



### HEALTHY FOOD ON EVERY CORNER

Not every neighborhood has the physical space or population capacity to support a traditional grocery store. Fortunately, in a growing number of cities, increasing the quantity and quality of healthy options at corner stores has proven an effective use of space and funds.

In 2004, The Food Trust created the Healthy Corner Store Initiative to support corner store owners committed to increasing the healthy food inventory in their stores and to encourage customers to make healthier choices. Since the pilot project began in Philadelphia, efforts have grown steadily and substantially, working through a multifaceted approach including:

- ♥ Increasing store capacity to sell and market healthy items
- ♥ Offering training and technical assistance to store owners to make healthy changes profitable
- ♥ Marketing healthy messages to youth and adults to encourage healthy eating choices
- ♥ Linking corner store owners to community partners, local farmers and fresh food suppliers to create and sustain healthy corner stores<sup>4</sup>

### BENEFITS OF INVESTING IN HEALTHY FOOD ACCESS

The evidence published in the last two decades, and the past three years in particular, shows that access to healthy food continues to be a critical

factor for improving both the physical and economic well-being of communities.<sup>5</sup>



Healthy food financing programs are good for the economy. They create jobs for people living in the neighborhood, create markets for farmers, and have the potential to lower health care costs. Additionally, several studies have reported that residents that have greater access to grocery stores and other healthy options in their neighborhood eat more healthy and less unhealthy foods.<sup>6</sup>

### THE AHA ADVOCATES

Every neighborhood should have access to a place where people can buy fresh fruits and vegetables, lean meats, low-fat dairy and whole grains. Research shows that this will contribute to better eating habits and good health, including decreased risk for diet-related diseases like diabetes and heart disease.

State and local governments should invest in healthy food retail development in neighborhoods that lack access to healthy foods. In order to reduce the number of neighborhoods throughout the City with limited access to healthy food outlets, the City of Milwaukee must reduce barriers and provide financial incentives for grocers and other food retailers to locate or expand in these neighborhoods.

#### References:

- 1 Greer, Danielle; Baumgardner, Dennis; Bridgewater, Farrin; etc. 2013. *Milwaukee Health Report 2013: Health Disparities in Milwaukee By Socioeconomic Status*. Center for Urban Population Health: Milwaukee, WI.
- 2 Policy Link and The Food Trust, *A Healthy Food Financing Initiative: A Innovative Approach Improving Health and Sparking Economic Development*. [http://www.kintera.org/atf/cf/%7B97c6d565-bb43-406d-a6d5-eca3bbf35af0%7D/HFFI\\_ADVOCACY\\_20131014.PDF](http://www.kintera.org/atf/cf/%7B97c6d565-bb43-406d-a6d5-eca3bbf35af0%7D/HFFI_ADVOCACY_20131014.PDF)
- 3 Barnes, Melody; White House Task Force on Childhood Obesity. May 2010. *Solving the Problem of Childhood Obesity Within a Generation*. Page 49.
- 4 The Food Trust, *Healthy Corner Store Initiative Overview*. [http://thefoodtrust.org/uploads/media\\_items/healthy-corner-store-overview.original.pdf](http://thefoodtrust.org/uploads/media_items/healthy-corner-store-overview.original.pdf)
- 5 The Food Trust, *Access to Healthy Food and Why it Matters: A Review of the Research*. <http://www.policylink.org/healthyfoodaccessmatters>
- 6 Treuhaff, S., Karpyn, A. (2010). *The Grocery Gap: Who Has Access to Healthy Food and Why It Matters*. Oakland .C.A.: Policy Link and The Food Trust.

LOGOS

TO: Members, Milwaukee Common Council

DATE: August 15, 2017

RE: Access to Healthy Foods in Milwaukee

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Access to healthy food is a challenge for many Milwaukeeans— particularly those living in low-income neighborhoods and communities of color. We request the Common Council invest in proven strategies to address this inequity. Specifically, we support the creation of a meaningful Healthy Food Financing Initiative (HFFI) in Milwaukee.

In a recent survey conducted by the Milwaukee Health Department, 39.9% of Milwaukeeans selected “access to affordable and healthy food” as the biggest barrier impacting their health. It is an issue Milwaukee has long struggled with, but the good news is we are not alone. We can learn from cities across the country who have seen improvements in healthy food access.

Best practice models across the country involve the creation of a HFFI. Oftentimes, public funding is invested one-time to create the fund, and funding can either come from new funding or a reallocation of existing revenue. A fiscal agent— most commonly a Community Development Financial Institution (CDFI)— with both expertise in managing comparable funds and the ability to leverage private and philanthropic dollars, is selected to manage the fund.

The fund must be dedicated to projects that will impact low or moderate-income communities that are also identified as most in need of healthy food access. Funding is most commonly provided as low-interest loans, and the CDFI provides education and technical assistance to the applicants.

Eligible projects could include: supermarkets/grocery stores, convenience stores, small-scale stores, mobile markets and farmers markets, depending on the needs of the neighborhood. If the project is a supermarket or grocery store, at least thirty percent (30%) of the food retail space must be used for the sale of perishable foods, which includes a blend of dairy products, fresh produce, fresh meats, poultry and/or fish in fresh or frozen form. If the project is a small-scale store or convenience store, the funding will be used for refrigeration, displays, or one-time expenditures for the promotion and sale of perishable foods, including the same list for grocery.

Tremendous progress has been made across the country since the launch of the nation’s first healthy food financing program in Pennsylvania in 2004. The Pennsylvania Fresh Food Financing Initiative has made it easier for an estimated 500,000 residents to find healthier food in their communities. It led to the financing of 88 healthy food stores or farmers’ markets in underserved rural and urban locations, and created or retained about 5,000 jobs in struggling

neighborhoods. Similar success stores have been seen in New York, New Jersey, Alabama, New Orleans and Houston.

The federal government also has an HFFI. Since 2011, it has awarded over \$109 million to more than 60 community development entities across the country for healthy food projects. Demand continues to be high, with many more applicants than funds available. Additionally, federal HFFI dollars can have greater impact when paired with complimentary state and local programs. To date, CDFI's with access to state, local or philanthropic HFFI funding have been best positioned to attract federal HFFI dollars.

More locally, the Madison Common Council recently created the Healthy Retail Access Program (HRAP), investing \$300,000 per year for 5 years. HRAP provides funding to projects that improve access to affordable, healthy, and culturally appropriate retail within underserved areas. As an example, funds can be used for physical and equipment-related improvements for existing food retailers that enhance their ability to offer high quality produce and other healthy foods.

For too many Milwaukee residents, it's easier to find grape soda than a bunch of grapes. We can address this by providing resources to local stores owners, to get them started in offering healthier foods, as well as building grocery stores and other healthy food retail in neighborhoods that need them. This also supports our economy— by investing in small businesses and creating jobs— and improves health— by helping families eat healthier— making it an easy choice for Milwaukee.

Please invest in a HFFI for Milwaukee.

## **Healthy Food Access- Milwaukee**

### **Why is it important to ensure everyone has access to healthy foods?**

Many Milwaukee residents live in areas considered a food desert, where it is difficult to buy fresh food. Full-service grocery stores, farmers' markets, and other vendors that sell produce, lean meats, and low-fat dairy cannot be found in these neighborhoods. However, what can be found are convenience stores and fast food restaurants that mainly sell cheap, high-fat, high-sugar, processed foods. These unhealthy alternatives are not only worse for the overall wellbeing of the community, but they also contribute to illnesses such as diabetes, obesity and heart-related diseases. An important goal of Healthy Food Financing Initiatives (HFFI) is to bring healthy food options into underserved areas, improving the health of residents while also contributing to the local economy.

### **Wouldn't stores already locate in food deserts if there were sufficient demand?**

While the success of grocery financing programs elsewhere in the country has demonstrated that there is demand for high quality, nutritious and affordable foods in underserved communities, significant barriers to store development exist in these communities. Barriers include lack of access to sufficient capital, costly site assembly, higher development costs, and more expensive workforce development needs. The lack of supermarket and grocery stores in many low-income communities represents a market failure that can be addressed through funding to help offset the higher costs of locating in these communities. There is evidence that when retailers have assistance with initial start-up costs, they will locate in underserved communities and are able to run successful businesses.

### **What is HFFI?**

Healthy Food Financing Initiatives (HFFI) provide one-time grants and loans to grocery stores, corner stores, food hubs, co-ops, and other food access businesses in areas of need, many of which face barriers in accessing traditional loans and resources. Financing programs have been successfully utilized by many cities in the United States, and the American Heart Association believes HFFI is a viable, effective, and economically sustainable solution to the problem of limited access to healthy foods in the Milwaukee community.

### **When budgets are tight, why should public dollars be committed to funding private businesses?**

Public dollars invested in Healthy Food Financing Initiatives (HFFI) can offset the costs of barriers mentioned above by providing gap financing rather than an ongoing subsidy. Additionally, a modest, one-time public investment in Healthy Food Financing can leverage significant private dollars, further growing the pool of funding available.. HFFIs typically raise \$1 to \$3 of private capital for every dollar of public funding invested, effectively doubling or tripling the City's investment. HFFIs may also be a way to reign in the costs of treating obesity related diseases that have increased dramatically in recent years.

### **If current economic development incentive programs are underutilized, why do we need another program?**

A flexible program offering financial products specifically tailored to grocery stores and other healthy food retailers is needed to address the range of barriers to entry faced by this industry. Healthy food retailers have traditionally been excluded from economic development programs. Meeting the need for nutritious, affordable food in underserved communities requires a focused program.

### **How can I help?**

The American Heart Association is working with local elected officials and community leaders to develop a HFFI program in Milwaukee. To learn more about this proposal, including how you can help, please contact Nicole Hudzinski at 608-225-4042 or [Nicole.Hudzinski@heart.org](mailto:Nicole.Hudzinski@heart.org) or Ben Van Pelt at 815-474-3973 or [Ben.VanPelt@heart.org](mailto:Ben.VanPelt@heart.org).