Fresh Perspective: Food, Equity and Community Development

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Purpose
Food is a powerful driver for community economic development. Through evidence-based practices, creative placemaking and the development of social enterprises, organizations are using food to connect health, culture and economic opportunity in historically disenfranchised communities. Investments in community-rooted food enterprise can be a critical way to stabilize neighborhoods in transition and garner economic and social equity to combat structural racialization. This white paper was created to promote dialogue around how food movements are advancing an equity agenda through innovative and disruptive economic development models. To us, healthy communities require a strong local economy that supports them.

The Root of Disparity: Structural Racism
Structural racism underpins the development of the food system in America. Indeed, America’s economy in its founding was built off the enslavement of 12.5 million Africans during the Transatlantic slave trade (Eltis & Richardson, 2015), whose stolen labor catapulted the American economy into a global powerhouse. From the colonial period through Reconstruction and Jim Crow, structurally racist policies inclusive of John Locke’s treatises, the Black Codes and mass incarceration, have effectively limited the economic progression of African-Americans. These doctrines have also been employed to uphold whiteness (Roediger, 2010) and limit other people of color through systemically racist policies and practices. Native Americans were displaced from their land and cordoned off to inhospitable areas, Mexicans also experienced land seizure, while other immigrants of color were used for their labor, mistreated and denied opportunities. Generations of disenfranchisement for people of color have
resulted in entrenched and seemingly intractable disparities in wealth and economic opportunity, which underlies the reality of present-day health disparities that our organizations seek to remedy.

Structural racialization (Powell, 2013) describes the means by which oppression is perpetuated. Limiting or prohibiting access to resources necessary to build self-efficacy and employ self-determination towards all forms of achievement is structural racialization. Limiting access to employment, quality education, healthcare and housing impacts the social determinants of health that affect communities of color.

“If average Black family wealth continues to grow at the same pace it has over the past three decades, it would take Black families 228 years to amass the same amount of wealth White families have today. That’s just 17 years shorter than the 245-year span of slavery in this country. For the average Latino family, it would take 84 years to amass the same amount of wealth White families have today” (Asante-Muhammed, D., Collins, C., Hoxie, J., & Nieves, E., 2016).

More recently, the history of racism carried forward notably through zoning and the development of cities. In Los Angeles, redlining, (Jan, 2018)(Hiller, 2003) was one of the 20th centuries most impactful policies that wove racism into the fabric of urban environments. Redlining refers to the maps generated by the Homeowners Loan Corporation, a federal agency in the early 20th century, that marked neighborhoods where people of color lived in red ink on maps to denote their presence. These maps were used to guide lending practices in cities; red lined communities were labeled as risky which resulted in a near prohibition on lending in these areas. The lack of capital severely impacted the development of these communities, influencing public and private investment, and the ability of residents to maintain the quality of their communities. Without capital, entrepreneurs of color could not start businesses, residents could not buy homes or repair their existing homes, and local infrastructure began to fall apart.

**Food Movements In Evolution**

This history of redlining and racism in planning and development have led to what is presently known as a food desert (Walker, Keane & Burke, 2010). The term typically refers to neighborhoods that lack full-service grocery stores, but is also often used to describe a built environment in which healthy, fresh food options are sparse and high-caloric, highly processed junk food is the overwhelming option. Other terms used to describe these systemic conditions include:
● Food swamps - the over-allocation of unhealthy food in a neighborhood

● Food apartheid - the structural inequality between more affluent and white communities compared to low-income and communities of color

● Food mirage - when healthy food options are present, but unaffordable or otherwise out of reach, a scenario seen at the nexus of new food retail and gentrification

Understanding the root of why low-income communities and communities of color lack access to healthy food needs to critically inform strategies for community food projects if we are to be successful in generating health equity. Community food work must not only provide food access, but also build an economic infrastructure that supports the sustainability of that food access while investing in community wealth building and the elimination of the racial wealth gap.

Historically, advocates concerned with food security for people sought to alleviate hunger through immediate and direct service programs, such as food banks and pantries. (Gottlieb and Joshi, 2010.) In the 1990s, a movement rose to understand hunger in more holistic terms through the framework of community food security (Community Food Security, 2015). Community Food Security considered the socioeconomic factors shaping one’s access to food, the need to address poverty itself, and the security of food production and distribution across the supply chain, which facilitated greater solidarity between farmers and vulnerable communities. Later, the framework of food justice drew attention to structural barriers to food in the built environment, which spurred interventions aimed at creating new spaces of access within neighborhoods, such as community gardens, urban farms, healthy corner stores and farmers markets, as well as grocery attraction programs, linked to nutrition education and public assistance programs such as SNAP. Meanwhile, international NGOs like Via Campesina also argued that food sovereignty was necessary to ensure that marginalized communities owned their own means to provide food for themselves through owned food operations. In the United States, the growth of alternative food initiatives centered around health promotoras, community gardens, and farmers’ markets have been undermined by the growth of income inequality, a national affordable housing crisis and the immensity of structural inequality (Thrush, 2018).

Inspired by what we have learned from our diverse lineages, we posit that if we are to evolve the food movement and eliminate hunger and unequal access to fresh food,
we must develop pathways to economic ownership and opportunity for historically
disenfranchised communities.

The Economy of Food

It is through an understanding of the historical and economic underpinnings of why
some communities have access to healthy food and others do not, that we suggest
further intervention at an economic level. Though food is a basic necessity of life and
essential to human health, as a human resource it has largely been commodified in the
private market economy. In this way, food is unique from other resources still
considered essentially public goods or public infrastructure, such as mass transit,
streets, sewers, water and education. Despite the explosion of emergency and
charitable food programs in the past half century, food insecurity continues to rise as
the majority of Americans still procure food through private commerce.

Given these historical, systemic and economic conditions, the most important site of
intervention to achieve equitable food access is the realm of economic development.
As such, many non-profits concerned with racial health disparities, hunger, food
security and food access, have leaned in to a role as economic developer, seeking to
generate new economic conditions through enterprise, capital and infrastructure.

Our task is not an easy one. The food economy is fragile and volatile, subject to the
whims of global trade dynamics, climate and environmental fluctuation, and the
inevitability of shrinkage with a perishable product. To build successful food
enterprises rooted in addressing systemic inequities requires flexible infrastructure,
patient capital flows and an ecosystem of collaboration that can increase resiliency
amid insecurity.

Investing in the Economics of Community Food

Historically, community food work has been funded through the lens of health, hunger
and food security, and not through the lens of economic development. A breakthrough
in the last decade was the growth of Healthy Food Financing Initiatives (HFFIs),
including the California FreshWorks Fund. Led by an alliance of private, public and
non-profit organizations statewide and initially seeded by The California Endowment,
FreshWorks is a low-interest loan and grant fund originally designed to capitalize
grocery developments in underserved neighborhoods, and now invests in food
businesses across the supply chain. This tool was a critical, new layer of infrastructure to
deploy capital to food-anchored economic development projects at scale. There is an
opportunity for increased alignment and greater flexibility between healthy food financing and philanthropic support for food enterprise and community development projects at various scales.

In other private sector contexts, subsidies in the form of start-up venture capital is a given for stimulating new market conditions. In the case of food, we argue that public and philanthropic sectors must commit to be a stimulus in developing new food economies through economic development innovations in the non-profit sector with a willingness to carry the risk and provide the wrap-around technical assistance needed to ensure that the investment has the highest chance of success - which is the venture capital approach to funding good ideas. To date, we’ve been excited to see the growth of tools like program-related investments (PRI’s), debt with options for forgiveness and grants that can be used for working capital or equity.

**Policy and Programmatic Considerations for a Good Food Economy**

Policy, planning and land use play a significant role in shaping markets and urban development, but as a result of structural racialization, these activities often direct resources to some communities while disenfranchising others. To rectify such disparities as evidenced in food desert conditions, we need a systems change approach to direct investments towards communities that have been effectively shut-out of opportunities for economic mobility and quality food access.

The following recommendations are adapted from the Los Angeles Food Policy Council’s Good Food For All Agenda, a collective policy platform representing the input of over 60 organizations and 300 stakeholders, which was updated in 2017. The recommendations are relevant for policymakers, funders, businesses and nonprofits alike as we work together.

**1) Develop zoning and policies that grow the Good Food economy**

○ Establish Good Food Zones around historically impacted neighborhoods that prioritize healthy, high-road food businesses, while discouraging nuisance activity. Tools of the Good Food Zone can include incentives like subsidies, tax reductions, expedited permitting, or requirements such as minimum amount of staple and/or fresh foods as a condition for a liquor license. First conceptualized by Community Health Councils, the concept of a Good Food Zone builds off other programs to target investments to specific geographies, such as Enterprise Zones and Empowerment Zones. Good Food Zones are named as a goal in the Mayor’s Sustainable City pLAn
and the City’s Plan for a Health LA, the Health and Wellness Element of the General Plan.

○ Fund healthy food business attraction programs to focus on establishments that offer living wage employment, local hire, workforce development for people with barriers to employment and expand access to culturally relevant healthy food options. The former Community Redevelopment Agency briefly launched a grocery attraction program that combined city services and business incentives and targeted the grocery industry.

○ Establish new zoning categories for innovative food enterprises. Food business is rapidly evolving and often vertically integrated (combining production, distribution and retail) and zoning code is often outdated for these uses. For example, zoning needs to account for activities such as growing and/or selling food in shipping containers, hydroponics, aquaponics, or mixed use food growing and processing.

(2) Support small, local, early-stage Good Food entrepreneurs

○ Legalize sidewalk food vending, establish a Healthy Food Cart program to incentivize healthy sidewalk food vending, assist with public health guideline implementation, and educate about new sidewalk food vending regulations.

○ Expand opportunities and remove regulatory barriers for home-based or cottage food entrepreneurs.

○ Increase flexible, character-based loan / financing opportunities for entrepreneurs bringing Good Food to underserved communities.

○ Expand technical assistance for community-serving food businesses and emerging entrepreneurs in low-income communities to improve healthy food sales.

(3) Invest in infrastructure that encourages Good Food Supply

○ Build more multi-tenant processing, distribution and kitchen facilities accessible to small, mid-size and start-up farm and food businesses. LA Prep and CHC’s South LA Hub concept are examples of this kind of facility.

○ Invest in emerging market opportunities that address gaps in the food supply chain (e.g. COMPRA Foods, a produce delivery service for corner stores).

○ Collaborate across local and regional governments to better connect mid-sized food businesses, including farms, processors and manufacturers, to market opportunities.
Expand research and development funding and partnerships that spur innovation and meet the needs of food businesses in underserved areas of Los Angeles. New models in food economies require investment for research and development, just like any other innovation sector.

**Learning from Los Angeles – Local Projects at a Glance**

Over the years, Los Angeles has become fertile ground for pioneering projects at the intersection of food and economic development. The following are a sampling of projects that we have been directly involved in:

**Investing in Existing Assets:**

*Convenience Stores - LA Food Policy Council*

The Los Angeles Food Policy Council (LAFPC) has worked at the intersection of food and community economic development since its inception in 2011 with the inheritance of a food access business assistance program of the Community Redevelopment Agency of the City of LA. This program later became LAFPC’s Healthy Neighborhood Market Network, which equips small businesses in low-income neighborhoods with tools, strategies and equipment to sustanably offer fresh food options. With a strong focus on business improvement and economic sustainability, the HNMN program currently trains over 30 markets a year in healthy food retail practices, and transforms the built environment with a small number of brick-and-mortar transformation projects. Having trained close to 400 small businesses since 2012, the program achieves both breadth and depth by funneling clients through tiers of services (light, medium and transformational technical assistance) that creates a pathway of transformation through a curriculum rooted in the fundamentals of a sustainable business model. In the past program year, 95% of stores increased, maintained, or introduced new fresh produce inventory.
Based on findings from Healthy Neighborhood Market Network, LURN identified a distribution gap for small retailers and entrepreneurs, who struggled to procure quality products at affordable process. In response, LURN and LAFPC, along with Asian Pacific Islander Forward Movement, developed a social enterprise produce delivery service that aggregates the collective buying power of small businesses and weekly supplies stores with fresh produce. This initiative is now named COMPRA Foods, and has over 40 stores in its network. It is currently revamping its work to not only serve more convenience stores, but also bring on “anchor” institutions in the community who can be part of a produce distribution network with convenience stores.

A Loan Fund For Street Vendors - LURN

Leadership for Urban Renewal Network (LURN) is a community development organizations that works on advocacy issues that impact low-income communities and manages economic development programs that serve those same communities. Often, LURN's advocacy work informs the design and implementation of its economic development programs. One such, program is the Semi’ā Fund, a low-interest loan program that provides capital and business coaching to micro-entrepreneurs who operate their businesses on the sidewalks of Los Angeles. Born out of LURN's experience working as a member of the LA Street Vendor Campaign, the organization

![Figure 1. Disparities in Median Net Worth in Los Angeles (De La Cruz-Viesca , M. Chen, Z., Ong, P., Hamilton, & D. Darity Jr., W., 2016) (Espinoza, R., 2017)](image-url)
recognized that in addition to legalizing street vending in the city (LA being one of the only major cities in the country without a permit system for sidewalk vendors), it also had to think about how capital needed to be prepared to support these entrepreneurs, especially those who sell food. Street vendors who prepare and sell food must acquire public health department-approved equipment to sell their food legally, while also paying for annual licenses.

With an initial investment from the California FreshWorks Fund, LURN has deployed over $200,000 in micro-loans to street vendors. A majority of the entrepreneurs the fund serves are food entrepreneurs in South Los Angeles and Boyle Heights. Over 70% of LURN’s clients are undocumented. While these entrepreneurs could not access capital from mainstream financial institutions because of their “risky” profile because of their business, immigration profile, and credit history, LURN has experienced an extraordinary success rate thus far: a 100% repayment history due to the business coaching and relationship building LURN has done with its clients.

**Multi-modal Food Hub - Community Health Councils, South Los Angeles**

![Figure 3. CHC/Social Change Institute Moonshot - South LA Hub (2017)](image-url)
Through a cross-sector partnership of experts ranging from community-based participatory research, food policy, urban and architectural design, urban agriculture and mixed-use development, the multi-modal food hub was conceptualized. With a keen focus on economic development, this closed-loop approach to food hub design creates a community-driven, community-enhancing resource that increases access to vital health, education and family services. The multi-modal food hub incorporates a 10,000 square-foot hydroponic farm as a central distribution and procurement point for produce in South LA - long-known for its persisting food deserts. Supplying wholesale products directly to hospitals, health centers, supermarkets, schools, street vendors, food trucks and farmer’s markets. An incubator with access to seed funding for aspiring food entrepreneurs, a training center for hard-to-employ populations with a pipeline to permanent employment within the hub as urban farmers, chefs, distribution specialists and other living wage+ careers.

**Conclusion**

In 2017, the World Economic Forum released a paper on how the disruptive new sharing economy could be leveraged to develop sharing cities. Food systems in Los Angeles present a unique economic development opportunity to fuel existing initiatives that are paving the way for sharing economies built on social inclusion and new modes of food consumption that decrease the cost of access and increase the self-efficacy of individuals, thereby lifting up communities. Achieving equity across all the social determinants of health has quickly become the priority for many government agencies, foundations, and community organizations alike. As income-equality and homelessness are experienced at epidemic proportions in cities like Los Angeles and Long Beach, policy makers and service providers are grasping at straws seeking solutions to these long-entrenched social ills. Although complex in nature, replicable, scalable models do exist. Melbourne, Australia, one of the top three food-sharing economies in the world, has over 144 technology-mediated food-sharing initiatives with an enviable start-up culture that is anticipated to drive job growth by 25% by 2027 (WEF, 2017).

New economic development models, motivated by racial equity, are needed to ensure all people have access to nutritious food and economic opportunities within the food system. Non-profit organizations dedicated to addressing food resources needs of historically marginalized communities are taking on the role of community economic developer to achieve impact on a more fundamental and systemic level. Embedded in our approach is an ethos of collaboration with multiple partners, an investment in the
leadership and capacity of low-capital and entrepreneurs of color, and an interest in creating entry points to economic ownership opportunities at multiple and scalable levels. Cross-sector approaches hold the promise of shifting the paradigm of social sector work towards achieving equity and away from the system of poverty management (Defilippis, Fisher and Shragge, 2010), which supports structural racialization. Capital flows from the private, public and philanthropic sectors must also align with food-related economic development to support innovation, disruption and scalability. Engaging in further research and dialogue that informs the growth of these models will be instrumental to assessing best practices and determining measures of success.

This document encapsulates thinking shared among our respective organizations, and is intended to spark discussion with our partners. It includes information about the critical food justice movement that has paved the way toward our understanding of the complex ways that food, equity and community development intersect. It is a white paper that scratches the surface of a discourse that merits further discussion and research amongst our peers.
References


