

MOTION

APR 24 2007

The lack of supermarkets in inner cities is well-documented. In fact, a 2002 report by the Urban and Environmental Policy Institute at Occidental College found that middle- and upper-income neighborhoods to have 2.26 times as many supermarkets per capita than low-income neighborhoods.

Corner stores—while more prevalent in low-income communities than full-fledged supermarkets—often feature only alcohol, cigarettes, and convenience foods. These items are attractive to store owners because they are non-perishable and allow for high profit margins. Demand for them is also consistently high.

However, research also demonstrates that residents of low-income communities want high-quality, low-cost produce, just as more affluent communities do. The current lack of supply for such foods therefore leaves a tremendous unmet demand.

In fact, some corner store operators would be interested in offering these foods. Currently, however, they encounter a range of obstacles, including limitations in shelf space and refrigeration; lack of capital for inventory and advertising; lack of access to wholesale distribution networks; and limited management experience in operating a full-service market.

A recent pilot program in Oakland, California successfully met these challenges to transform a convenience store into a fully stocked supermarket. By offering a range of fresh produce items, The School Market, in Oakland's Fruitvale District, actually increased its profitability. In time, it became a self-sustaining business and a critical community resource.

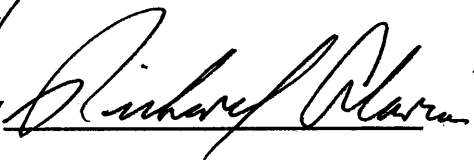
**I THEREFORE MOVE** that the Chief Legislative Analyst and City Administrative Officer be directed to jointly report to Council with recommendations for how to establish a pilot program that supplies corner stores with the inventory and expertise needed to begin selling fresh fruits and vegetables in low-income communities.

PRESENTED BY

  
JOSE HUIZAR

Councilmember, District 14

SECONDED BY



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