

CITY OF AUSTIN ECONOMIC DEVELOPMENT DEPARTMENT

ARPA FOOD ACCESS COMMUNITY-OWNED FOOD RETAIL INITIATIVE



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NOVEMBER 2021

Community-Owned Food Retail

Purpose: Support the development of a cooperative and/or non-profit grocery store in an underserved area of Austin.

Supporting City Council Resolutions:

- Resolution 20160303-20 (Food Access Resolution)
- Healthy Food Access Initiative (Response to 20160303-20)
- Resolution 20210112-043 Northeast Austin Planning - Includes supporting the development of grocery stores
- Resolution 201020802-072 – Food Sector Economic Analysis

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Supporting City Council Resolutions:

- Resolution 20210325-111 and 20210325-66 - Prioritizes addressing food insecurity using American Rescue Plan Funding
- 2021-2022 Budget Rider 1B-20210811105337 – Reaffirms “planning and designing of at least one community-owned and/or community-controlled grocery store in an area lacking healthy food retail”

Community-Owned Food Retail: The Plan



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(Fall 2021) Request for Proposals for a consultant team to lead community organizing, business and feasibility analysis, and pilot launch of a community-owned grocery store.

- **Phase I: Organizing and Development (Spring 2022-Fall 2023)**
 - Pre-feasibility preparation
 - Extensive community engagement
 - Robust feasibility analysis and business planning
 - Recommendations on store location, format, and structure
 - Cultivation of a Leadership Team and a Founding Member Cohort

Community-Owned Food Retail: The Plan

- **Phase II: Pilot Operations (Fall 2023-Winter 2024+)**
 - Launch Pilot operations
 - Ongoing assistance and support
 - Major funding to be released to support subsidized memberships or store equity upon reaching critical milestones

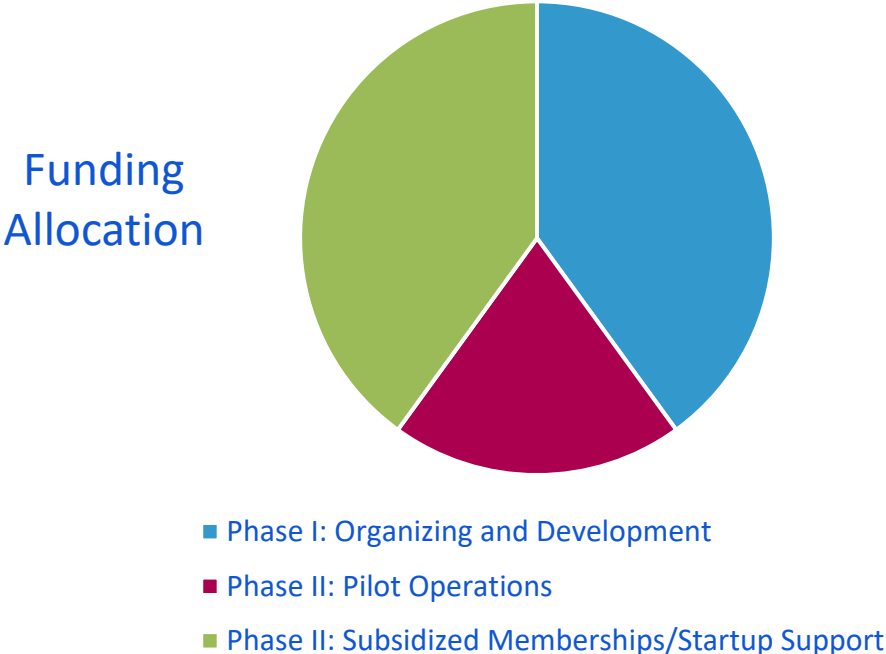
Community-Owned Food Retail: Critical Milestones

To ensure viability of the initiative, funding for Phase II will not be released until **Critical Milestones**, including the following, are achieved:

- 1) Recruiting and training a committed Leadership to act as a starting Board of Directors for the store.
- 2) Recruiting a founding membership cohort for the store of at least 300 households and/or community organizations.
- 3) Demonstrating a viable business plan, including financial projections, management and operations plans, and store vision that is approved by Leaders, the founding membership cohort, and the City of Austin.

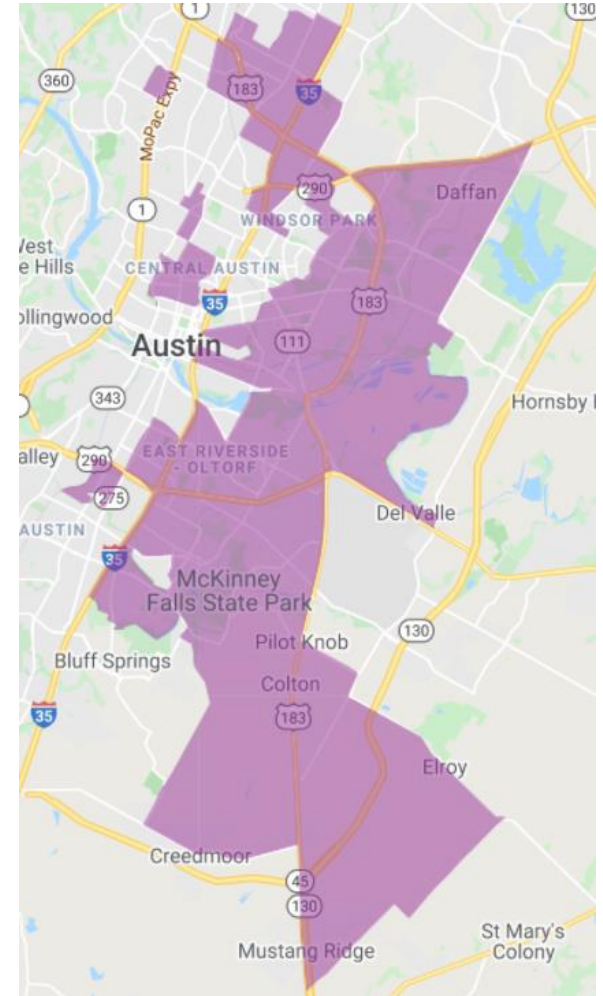
Community-Owned Food Retail: Critical Milestones

Disbursement of Funding: If critical milestones have been met, a portion of the \$500,000 will be released for disbursement to the pilot grocery store to be distributed as direct funding support or reduced cost membership shares.



Community-Owned Food Retail: Reporting for the Treasury

- **Treasury Department Expenditure Category**
 - *Household Assistance: Food Programs*
- **Evidence Base**
 - *“If you Build it with them, they will come”:
What makes a supermarket intervention successful in a food desert? – Brinkley et al., Journal of Public Affairs. 2019*
 - *Measuring the Impact of a Full Service Grocery Store in a Food Desert – Schneider et al., The International Journal of Community and Social Development, 2021*
- **Demographic Distribution:**
 - *Intends to serve residents living within HUD Qualified Census Tracts*



Qualified Census Tracts, HUD, 2021

Community-Owned Food Retail: Timeline

- **Fall – Winter 2021:** Releasing RFP and selecting consultant team
- **Winter – Spring 2022:** Council Approval, Contract Launch
- **Spring – Fall 2022:** Pre-feasibility, Business Analysis, Community Outreach and Organizing

Community-Owned Food Retail: Timeline

- **Fall 2022 – Summer 2023:** Identifying and Training Leadership, Member Cohort, and Final Store Recommendations and Planning
- **Fall 2023:** Review of Critical Milestones and Formal Incorporation of Store
- **Fall 2023 – Winter 2024:** Opening Grocery Store Pilot, ongoing Technical Assistance and Consulting, Final Report, and Identifying Additional Long-term Funding Needs

