



Memorandum

TO: MAYOR LICCARDO

FROM: Councilmember Rocha

SUBJECT: BUDGET DOCUMENT

DATE: 5/19/2015

Approved

Don Rocha

Date *5-20-15*

PH

RECOMMENDATION

That the following recommendation be enacted.

Proposal

Program/Project Title: **Corner Store Initiative**

Amount of City Funding Required: **\$100,000**

Fund Type (i.e. General Fund, C&C funds, etc.): **Essential Services Reserve**

This change is:

One-time Ongoing

Proposal Description, including anticipated outcomes (describe how change would affect services for San José residents, businesses, community groups, etc.):

The proposal would designate \$100,000 as a program match in a public-private partnership by the Health Trust and The Food Trust to assist small business owners operating corner stores and small convenience stores in converting their infrastructure to allow for the sale of dairy, whole grains, and fresh produce.

After one year, there are two flagship stores (Emit's and First Street Market), two member stores that are still undergoing conversion (AEF and Sidhu Market), two stores that have changed ownership and will need assistance to transition to the new owners, and three newly recruited stores that have not yet begun the conversion process. Unfortunately, several stores that were originally part of the program have been phased out due to change in ownership, inability to meet program criteria for healthy food offerings, or owner illness. Sidhu Market has a launch event scheduled for June 11 from 2-4 at which Working Partnerships, Hispanic Chamber, The Food Trust, and SCC Public Health Department will partner to encourage community engagement. First Street Market will be having a mural painted on the side wall with the help of an artist and neighborhood volunteers from May 29-31. They have been working with the Public Health Department to finalize partnership on 3

stores (Sidhu and Emit's plus Arteaga's on Willow) to provide tastings, food demos, health screenings, and additional support for conversion. There are several stores that have also been recruited but not yet converted. This online map includes all converted and current stores: <http://healthtrust.org/our-work/eat-well/healthy-food-map/>.

This program is recognized as a national best practice in creating healthier communities. The network of stores under this program is expanding. The program is looking into increasing staff capacity to monitor and support new healthy corner stores while also recruiting new stores. The healthy corner store program would greatly benefit from support from the City to maintain the current level of service and to recruit and convert 10 new stores from July 2015 to June 2016. The Hispanic Chamber of Commerce will provide store owners with services and technical assistance through their Small Business Development Center (SBDC), while the Food Trust will take a larger role in leading the health and food-related components of the program starting July 1st. The Health Trust is currently reviewing a \$250,000 grant application from The Food Trust that includes the conversion of 10 new stores and the recruitment of 10 additional stores by June 2016. Our investment would be used to purchase necessary equipment at the new stores, such as sinks and other infrastructure needed to sell healthy food, as well as cover the costs of community engagement and outreach supplies and services, and relevant permits for participating stores.

Many studies indicate that residents make up to seven walking trips to a corner store for every one driving trip to a market or grocery store. This existing program will assist residents through the permitting process and guide them through the marketing, purchasing, and consumer economic aspects of changing their product selection. Supporting the health of our residents while assisting our small business owners to follow a profitable model already employed by major retailers like 7-11 is an important investment for us to make.

Funding Source

Essential Services Reserve (\$2.5 million)

Other (Program/Project/Fund):

Department or Organization: **City Manager's Office**

Department or Organization Contact (list contact information for the individual that certified cost estimates contained within your recommendation):

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