



D.C. Hunger Solutions

Ending hunger in the nation's capital

Still Minding the Grocery Gap in D.C.

A 2021 Update





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Acknowledgments

D.C. Hunger Solutions is deeply grateful to the following donors and their commitment to improving and expanding access to food in 2021:

- Agua Fund, Inc.;
- Bainum Family Foundation;
- Greater Washington Community Foundation;
- Morris and Gwendolyn Cafritz Foundation;
- A. James & Alice B. Clark Foundation;
- Naomi and Nehemiah Cohen Foundation;
- Consumer Health Foundation;
- Nourishing Neighbors, a program of The Albertsons Companies Foundation;
- Kaiser Permanente of the Mid-Atlantic States;
- The Morningstar Foundation;
- Prince Charitable Trusts;
- Share Our Strength;
- U.S. Department of Agriculture; and
- The World Bank Group.

The points of view or opinions in this publication are those of the authors and do not represent official positions or policies of supporters. This report was written by the following at D.C. Hunger Solutions: Melissa Jensen, Program and Policy Analyst, and Madeline Hall, Legislative and Public Policy Fellow.

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Executive Summary

In October 2020, D.C. Hunger Solutions released [*Still Minding the Grocery Gap in D.C.: 10th Anniversary Grocery Store Report*](#), which examined the status of grocery store access and the resulting impacts of grocery store disparities in the District of Columbia. The report found that the grocery store gap between highest- and lowest-income neighborhoods had increased since 2010. The report also highlighted other increased challenges to access nutritious food in the lowest-income neighborhoods in the city. In addition, the report gave a number of recommendations for decreasing the grocery store gap and increasing food access in D.C.¹

In the past year, D.C.'s government also has announced a number of different policies aimed at closing the grocery gap, including allocating new funds, directives, and proposed legislation. The goals of this report are to evaluate these policy changes, give recommendations for implementation, and provide additional guidance on ways to further decrease the grocery gap.

This report also includes updated data from October 2020–October 2021. A review of grocery stores found that the number of grocery stores in the lowest-income areas in

Wards 7 and 8 have remained the same as the past year, and the stores in the grocery store pipeline for Wards 7 and 8 in 2020 have not been completed. It also found that the disparities between the lowest- and highest-income wards still persist.

Methodology

This review, conducted by D.C. Hunger Solutions, looks at the number of full-service grocery stores across the District. For purposes of this report, full-service grocery stores are defined as business establishments with a minimum of 50 percent of the store's total square footage, or 6,000 square feet, primarily engaged in retailing designated food products for home consumption and preparation.² D.C. Hunger Solutions also analyzed a number of indicators of food security, poverty, and health among D.C.'s residents, including median income, race and ethnicity, health outcomes, availability of transportation, education, and COVID-19 outcomes. Data were gathered from publicly available sources indicated throughout the report and verified where possible.



¹ D.C. Hunger Solutions. (2021). *Still Minding the Grocery Gap in D.C.: 10th Anniversary Grocery Store Report*. Available at: <https://www.dchunger.org/wp-content/uploads/2021/01/StillMindingGroceryGap.pdf>. Accessed on September 22, 2021.

² D.C. Alcoholic Beverage Regulation Administration. (n.d.). Full-Service Grocery Stores. Available at: <https://dgs.dc.gov/page/pdf-display-test>. Accessed on September 22, 2021.

Data Shifts Since 2020

Change in Number of Full-Service Grocery Stores and Poverty Rate in D.C. Overall and by Ward, 2020–2021

Ward	Population	Number of Full-Service Grocery Stores, 2020	Number of Full-Service Grocery Stores, 2021	Number of Full-Service Grocery Stores in Pipeline, 2020	Number of Full-Service Grocery Stores in Pipeline, 2021	Percentage of Individuals Below the Poverty Line, 2020	Percentage of Individuals Below the Poverty Line, 2021
D.C.	717,717	76	75	5	7	16.80%	12.05%
1	91,673	10	12	1	0	13.60%	11.90%
2	92,809	11	12	0	0	13.30%	5.88%
3	84,979	16	13	1	1	8.10%	2.27%
4	87,150	11	11	1	1	11.20%	6.78%
5	90,380	9	9	1	1	15.90%	7.65%
6	103,197	14	15	0	1	12.10%	7.89%
7	80,669	2	2	1	2	26.60%	23.26%
8	80,517	1	1	1	1	34.20%	26.61%

Number of Grocery Stores

In Wards 1–6, the number of grocery stores in the District has decreased slightly in the past year while the number of grocery stores in Wards 7 and 8 have remained the same. The grocery stores in the pipeline for Wards 7 and 8 in 2020 have not been completed in the past year. Lidl (grocery store) in the Skyland Town Center in Ward 7 is expected to open in 2022, and Good Foods Market is hoping to open soon, although construction has been delayed by the COVID-19 pandemic and disruption to the supply chain. Another grocery store has been announced for Ward 7: a grocery retail space has been reserved in the Shops at Penn Branch development at 3200 Pennsylvania Avenue SE.³

Poverty Levels and Food Insecurity

Poverty levels have decreased across the District; however, the disparities between the highest-income ward (Ward 3) and the lowest-income ward (Ward 8) are still significant. Studies show that the COVID-19 pandemic amplified rates of hunger and exacerbated disparities

across the country, but that the federal nutrition programs, along with unemployment and stimulus checks, helped reduce hardship during the pandemic.⁴ Increased Supplemental Nutrition Assistance Program (SNAP) benefits were an especially important tool during the pandemic. Since COVID-19 began, SNAP participants increased in the District by over 14 percent.⁵ One national study found that SNAP emergency allotments, which increase a household’s benefits to the maximum level, were associated with lower rates of food insecurity during the pandemic, especially among households with children. Another national study found that financial hardship and food insecurity that occurred as a direct result of COVID-19 were lessened by receiving SNAP benefits.⁶

Policy Shifts Since 2020

There have been a number of significant policy proposals introduced or funded by the D.C. government in the past year to help increase grocery store access in low-income areas. D.C. Hunger Solutions is pleased with these serious actions and investments to help close the grocery gap.

³ Washington DC Economic Partnership. (n.d.). Shops at Penn Branch (Phase II). Available at: <https://search.wdcep.com/developments/detail/4028>. Accessed on September 22, 2021.

⁴ Food Research & Action Center. (2021). *Hunger, Poverty, and Health Disparities During COVID-19 and the Federal Nutrition Programs’ Role in an Equitable Recovery* (pages 3–5). Available at: <https://frac.org/wp-content/uploads/COVIDResearchReport-2021.pdf#page=3>. Accessed on September 22, 2021.

⁵ U.S. Department of Agriculture. (2021). Supplemental Nutrition Assistance Program: Number of Persons Participating. Available at: <https://fns-prod.azureedge.net/sites/default/files/resource-files/29SNAPcurrPP-9.pdf>. Accessed on September 22, 2021.

⁶ Food Research & Action Center. (2021). *Hunger, Poverty, and Health Disparities During COVID-19 and the Federal Nutrition Programs’ Role in an Equitable Recovery* (page 29). Available at: <https://frac.org/wp-content/uploads/COVIDResearchReport-2021.pdf#page=29>. Accessed on September 22, 2021.

Nourish DC Fund

In February 2021, as a part of a COVID-19 business recovery plan named DC Local Equity, Access and Preservation Funds (DC LEAF), D.C. Mayor Muriel Bowser announced the creation of the Nourish DC Fund, a fund to help support “small food businesses and entrepreneurs expand food access in communities where structural racism and disinvestment have led to low food access.”⁷ In May 2021, \$1 million was awarded to Capital Impact Partners to manage the Nourish DC Fund.⁸ Capital Impact Partners provided another \$3 million in financing, and the D.C. fiscal year (FY) 2022 budget provided an additional \$500,000 of local funds over the next two years.⁹

D.C. Hunger Solutions advocated for the creation of such a fund in the FY 2021 budget, and listed it as one of the recommendations in [Still Minding the Grocery Gap in D.C.: 10th Anniversary Grocery Store Report](#). D.C. Hunger Solutions applauds this move by Mayor Bowser and recommends increased investments to continue.

Reopen Washington, DC Alcohol Act

In January 2021, D.C. Council Chairman Phil Mendelson filed the Reopen Washington, DC Alcohol Act on behalf of Mayor Bowser. The Act proposed to “help rebuild the District’s economy by providing businesses and patrons with expanded opportunities; bringing essential services, including new full-service grocery stores, to Wards 7 and 8; and maintaining the city’s reputation as a top destination to live, work, and dine out.”¹⁰ To the aim of bringing new full-service grocery stores to Wards 7 and 8, the legislation proposed creating a new “25% grocery store class A retailer’s license,”¹¹ which would allow grocery stores to sell liquor. Applicants for this new license must operate a new (not a renovation of a current store) full-service grocery store in Wards 7 and 8 for at least six months before they could open a Class A grocery store in Wards 1–6.

This proposed legislation was met with mixed responses. Some community members and advocates do not think the law is sufficient and voiced their concerns about possible repercussions of increased liquor sales in their neighborhoods. The law also does not specify how long a grocery store must operate in Wards 7 and 8 to keep a Class A license in the other wards. As it stands, a store could open in Ward 7, operate for six months, and then close down once the Class A license is secured for another ward. There is concern this could be a repeat of the Supermarket Tax Incentive (see the next section) where stores increase in higher-income areas, but not Wards 7 and 8.

Others, however, think this is a unique opportunity to attract full-service grocery stores where they are most needed. The legislation is currently under council review. If passed, D.C. Hunger Solutions looks forward to seeing if this has the intended effect of increasing the number of new full-service grocery stores in Wards 7 and 8.

Supermarket Tax Incentives Amendment Act of 2021

The Supermarket Tax Exemption Act of 2000 waives certain taxes and fees to grocery stores that are built in specific neighborhoods.¹² Intended to incentivize development and investment in areas lacking access to groceries and fresh food, it has been unsuccessful in attracting new retailers to Wards 7 and 8. The Supermarket Tax Incentives Amendment Act of 2021 was proposed in the FY 2022 Budget Support Act of 2021. This proposed amendment would change the definition of an eligible area for the tax incentive, amend the definition of a supermarket, require the Mayor to submit a plan to the Council if it is determined that there is an area that warrants investment but is not an eligible area under the law, and requires that a supermarket with the incentive accept public benefit

⁷ DC Food Policy Council. (2021). *Building a more equitable, healthy, and sustainable District food system*. Available at: <https://dcfoodpolicy.org/2021/02/01/mayor-bowser-announces-fund-to-increase-food-access-and-community-ownership/>. Accessed on September 22, 2021.

⁸ Capital Impact Partners. (2021). *Capital Impact Partners Awarded \$1 million to Manage the Newly Created Nourish D.C. Fund by Mayor Muriel Bowser*. Available at: <https://www.pnewsire.com/news-releases/capital-impact-partners-awarded-1-million-to-manage-the-newly-created-nourish-dc-fund-by-mayor-muriel-bowser-301285866.html>. Accessed on September 22, 2021.

⁹ Council of the District of Columbia. (2021). Report on Bill 24-275, the “Fiscal Year 2022 Local Budget Act of 2021” (memo). Available at: <http://chairmanmendelson.com/wp-content/uploads/2021/07/B24-275-FY-22-LBA-PACKET.pdf>. Accessed on September 22, 2021.

¹⁰ The DC Line. (2021). Press Release: Statement from Mayor Bowser on the Introduction of the Reopen Washington, DC Alcohol Act. Available at: <https://thedcline.org/2021/01/26/press-release-statement-from-mayor-bowser-on-the-introduction-of-the-reopen-washington-dc-alcohol-act/>. Accessed on September 22, 2021.

¹¹ D.C. Council Chairman Phil Mendelson. (n.d.). A Bill (amendment of Title 25 of the District of Columbia Official Code, page 21). Available at: https://mayor.dc.gov/sites/default/files/dc/sites/mayor/mb/release_content/attachments/Reopen%20Washington%20DC%20Alcoholic%20Beverage%20Regulation%20Amendment%20Act%20of%202021_0.pdf#page=21. Accessed on September 29, 2021.

¹² Code of the District of Columbia. (n.d.). Chapter 38. Supermarket Tax Incentives. Available at: <https://code.dccouncil.us/dc/council/code/titles/47/chapters/38/>. Accessed on September 22, 2021.

program payments.¹³ The stated purpose of the change is to improve the Supermarket Tax Incentive program by “refining the eligible geographies to target areas with the greatest need for new grocers and add community-focused requirements for grocers.”¹⁴

D.C. Hunger Solutions supports making changes to the Supermarket Tax Incentives Act to make it more tailored to attracting food retailers to Wards 7 and 8.

Food Access Fund

The FY 2022 budget includes \$54 million over three years for the FY 2021 Food Access Fund to expand the work of the Neighborhood Prosperity Fund (NPF). The Food Access Fund is designed to provide capital investment to accelerate small, medium, and large grocery stores and sit-down restaurants in Wards 7 and 8.¹⁵ The NPF is a mayoral fund that is intended to “incentivize community development, economic growth, and job creation by leveraging local funds to provide gap financing for projects that attract private investment to distressed communities.”¹⁶

Over five stores currently under development have been provided funding from the initial NPF, including storefronts that are advertised to open in Wards 7 and 8; however, the NPF is not directed specifically to food businesses or retailers, or specifically to Wards 7 and 8.¹⁷ As stated, the Food Access Fund will be focused on funding small, medium and large grocery stores and sit-down restaurants to increase food access in Wards 7 and 8. The Food Access Fund began receiving applications for grants in July 2021.¹⁸

D.C. Hunger Solutions supports the Food Access Fund and looks forward to seeing if this has the intended impact of increasing the number of new full-service grocery stores in Wards 7 and 8.

East of the River Leasing Strategy

The East of the River Leasing Strategy is a directive from Mayor Bowser to relocate government agencies to properties in Wards 7 and 8 neighborhoods as an investment tool intended to attract retailers, including grocery stores. This is a strategy that has been used in the past when the Frank D. Reeves Municipal Building was built in 1986, in Ward 1, to help redevelop the U Street corridor. At the time, the area was still devastated from the 1968 uprisings following Dr. Martin Luther King Jr.’s assassination. The Municipal Building helped lead the development of the area into the thriving neighborhood that it is today.¹⁹

Mayor Bowser hopes to replicate this by using the NPF to attract food retailers, like Lidl in Ward 7, through government leases in Wards 7 and 8.²⁰ As part of this strategy, the Department of General Services moved to a new location on Minnesota Avenue NE, in Ward 7.²¹ Along with Tax Increment Financing and Opportunity Zone funds, this relocation hopes to bring retail, dining, residential, and a new grocery store to Minnesota Avenue NE and Benning Avenue NE, in Ward 7.²²

D.C. Hunger Solutions supports the East of the River Leasing strategy and looks forward to seeing if this has the intended effect of increasing the number of new full-service grocery stores in Wards 7 and 8.

¹³ Government of the District of Columbia Office of the Chief Financial Officer. (2021). Fiscal Impact Statement - “Fiscal year 2022 Budget Support Act of 2021” (memo; pages 7–8). Available at: http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/FIS%20-%20Fiscal%20Year%202022%20Budget%20Support%20Act%20of%202021.pdf. Accessed on September 22, 2021.

¹⁴ Executive Office of the Mayor. (2021). *Fair Shot: Food Access Investments in the FY 22 Budget*. Available at: https://dcfoodpolicycouncilorg.files.wordpress.com/2021/06/food-access-strategy_final-06.03.21.pdf. Accessed on September 22, 2021.

¹⁵ Government of the District of Columbia Office of the Chief Financial Officer. (2021). Fiscal Impact Statement - “Fiscal Year 2022 Budget Support Act of 2021” (memo, see pages 16–17). Available at: http://app.cfo.dc.gov/services/fiscal_impact/pdf/spring09/FIS%20-%20Fiscal%20Year%202022%20Budget%20Support%20Act%20of%202021.pdf. Accessed on September 29, 2021.

¹⁶ Office of the Deputy Mayor for Planning and Economic Development. (n.d.). Neighborhood Prosperity Fund (NPF). Available at: <https://dmped.dc.gov/page/neighborhood-prosperity-fund-npf>. Accessed on September 22, 2021.

¹⁷ Executive Office of the Mayor. (2021). *Fair Shot: Food Access Investments in the FY 22 Budget* (page 3). Available at: https://dcfoodpolicycouncilorg.files.wordpress.com/2021/06/food-access-strategy_final-06.03.21.pdf#page=3. Accessed on September 22, 2021.

¹⁸ Office of the Deputy Mayor for Planning and Economic Development. (n.d.). Food Access Fund. Available at: <https://dmped.dc.gov/page/food-access-fund>. Accessed on September 22, 2021.

¹⁹ The Washington Informer. (2020). *Reeves Center Reimaging Elicits Strong Reaction*. Available at: <https://www.washingtoninformer.com/reeves-center-reimaging-elicits-strong-reaction/>. Accessed on September 22, 2021.

²⁰ Office of the Deputy Mayor for Planning and Economic Development. (2019). Mayor Bowser Prioritizes Government Leasing East of the River. Available at: <https://dmped.dc.gov/release/mayor-bowser-prioritizes-government-leasing-east-river>. Accessed on September 22, 2021.

²¹ Executive Office of the Mayor. (2020). Mayor Bowser Announces Plan to Relocate Department of General Services to Ward 7. Available at: <https://mayor.dc.gov/release/mayor-bowser-announces-plan-relocate-department-general-services-ward-7>. Accessed on September 22, 2021.

²² Executive Office of the Mayor. (2021). *Fair Shot: Food Access Investments in the FY 22 Budget*. Available at: https://dcfoodpolicycouncilorg.files.wordpress.com/2021/06/food-access-strategy_final-06.03.21.pdf. Accessed on September 22, 2021.

Recommendations

■ **Increase Funding for the Nourish DC Fund:** In addition to the funds already earmarked for the Nourish DC Fund, D.C. Hunger Solutions recommends that the D.C. Council invests \$9 million over three years. As the Nourish DC Fund specifically focuses on investing in locally owned food businesses and helps address the grocery gap in Wards 7 and 8, greater funding is critical to ensuring that food-insecure neighborhoods receive the loans and grants they need to create lasting, increased food access. Increasing funding specifically for the Nourish DC Fund is crucial because even though there are a variety of funds aimed at increasing retailers and business, this is the only one specifically for grocery access. Others, such as the Food Access Fund, also support business such as sit-down restaurants.

■ **Amend the Supermarket Tax Incentives Program:** D.C. Hunger Solutions would like to see further development of the Supermarket Tax Incentives Amendment Act of 2021, with more direction about what would qualify as an eligible area. It should be specific to target the neighborhoods with the highest need, including Wards 7 and 8, and specifically tailored to attracting community-based stores.

■ **Increase SNAP benefits:** Along with increased access to physical stores, people also need to be able to afford the nutritious food that's required for their health and well-being. In August of 2021, the U.S. Department of Agriculture reevaluated the Thrifty Food Plan, which is responsible for calculating SNAP benefits. The updated amounts mean that the average SNAP benefit "will increase by \$36.24 per person, per month, or \$1.19 per day, for Fiscal Year 2022 beginning on October 1, 2021."²³ While considered a historic, critical step by anti-hunger advocates, the increase will not cover all of a SNAP household's needs. Moreover, during the pandemic, SNAP Emergency Allotments increased SNAP benefits for many SNAP participants to the maximum amount. As these expire with the end of the D.C. emergency declaration, D.C. residents will experience benefit cliffs that the updated SNAP benefit amounts will not cover.



During the FY 2022 budget cycle, D.C. Hunger Solutions, along with other members of the Fair Food for All Coalition and the Fair Budget Coalition, advocated to increase SNAP benefits by 30 percent in the District with federal funds from the American Rescue Plan Act. This local investment would have helped D.C. families with the looming benefit cliff when expanded SNAP benefits expire with the end of COVID-19 emergency periods. It also would help support small and large retailers, as SNAP has a proven record of generating business.²⁴ D.C. Hunger Solutions continues to support increasing SNAP benefits by 30 percent in the District using federal and local funds.

■ **Increase coordination to expand program participation:** Work is already underway by D.C. Health to increase data-sharing through the WIC Expansion Act (WIC is the Special Supplemental Nutrition Program for Women, Infants, and Children), and funding from the American Rescue Plan Act in the FY 2022 budget will help ensure those who are enrolled in either Medicaid or SNAP are provided guidance on the WIC application process.²⁵ Such coordination between programs and agencies is critical to full utilization of the federal nutrition programs by residents and should be a priority of all agencies that operate nutrition and anti-poverty programs to help D.C.'s residents.

²³ U.S. Department of Agriculture. (2021). USDA Modernizes the Thrifty Food Plan, Updates SNAP Benefits. Available at: <https://www.usda.gov/media/press-releases/2021/08/16/usda-modernizes-thrifty-food-plan-updates-snap-benefits>. Accessed on September 22, 2021.

²⁴ Center on Budget and Policy Priorities. (2020). *SNAP Boosts Retailers and Local Economies*. Available at: <https://www.cbpp.org/research/food-assistance/snap-boosts-retailers-and-local-economies>. Accessed on September 22, 2021.

²⁵ Code of the District of Columbia. (n.d.). D.C. Law 22-255. Women, Infants, and Children Program Expansion Act of 2018. Available at: <https://code.dccouncil.us/dc/council/laws/22-255.html>. Accessed on September 22, 2021.

D.C. Hunger Solutions recommends future data-sharing and collaborative initiatives include food advocacy groups and community organizations as well as the agencies that oversee program execution. Policy and community groups with greater capacity would then be able to aid agencies in outreach efforts and further increase program participation. As participation increases, data collection on programs can better inform policy needs and address the grocery gap more holistically. Navigating the social safety net is a full-time job, and this burden should not be put on residents who are just trying to make ends meet.

D.C. Hunger Solutions continues to advocate for the recommendations outlined in last year's grocery report.

- Convene a multi-sector task force that includes government officials, food-related business owners, and Wards 7 and 8 residents to examine grocery store development in those wards. This task force should submit a formal report to the Mayor and D.C. Council with ideas for identifying barriers and possible solutions, reviewing the current and proposed actions detailed in this report, and proposing other innovative solutions.
- Invest more in public transportation infrastructure in Wards 7 and 8, including more routes for buses and rail. Planning should prioritize these wards for being the areas with the lowest grocery store access. Along with infrastructure, the frequency and reliability of public transportation must be reviewed and prioritized.

- Ensure the continued availability of healthy food by supporting other sources of food access, such as small footprint grocery stores, grocery co-ops, and community gardens. This includes budgetary investment and supporting expansion of such programs.
- Community input and outreach must accompany the development and implementation of any new program or retailer to ensure its acceptance and use by residents. Moreover, officials should study what unofficial community solutions have already been developed. An answer to food access in Wards 7 and 8 might already exist and just needs to be formalized and scaled. This also ensures any program is building power for residents.



Conclusion

In last year's grocery report, [*Still Minding the Grocery Gap in D.C.: 10th Anniversary Grocery Store Report*](#), D.C. Hunger Solutions stated that “the lack of meaningful action to address this problem is a moral failing on the part of the District of Columbia.” This year, D.C. Hunger Solutions is pleased to be reviewing multiple serious and meaningful efforts by the District to close the grocery gap. This is significant progress to a problem that has plagued D.C. for decades.