



# **Feasibility of Grocery Cooperatives for Improving Food Access in High-Deprivation Urban Communities:**

**A Case Study of the Altgeld Gardens  
Neighborhood; Chicago, IL**

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Professional Project Presentation

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# What if this was your corner store?





What if this was the only place you could buy milk in your neighborhood?



What if you received WIC benefits, but  
your neighborhood grocer refused to  
honor them?





# Overview

1. Introduction to Altgeld Gardens
2. What is food access?
3. Alternative food access solutions
4. Feasibility of a grocery cooperative for Altgeld Gardens
  - Stakeholder Analysis
  - Financial Considerations
  - Concrete Needs
  - Flexible Cooperative Models
5. Lessons from Altgeld Gardens
6. Implications and Recommendations

# Objectives

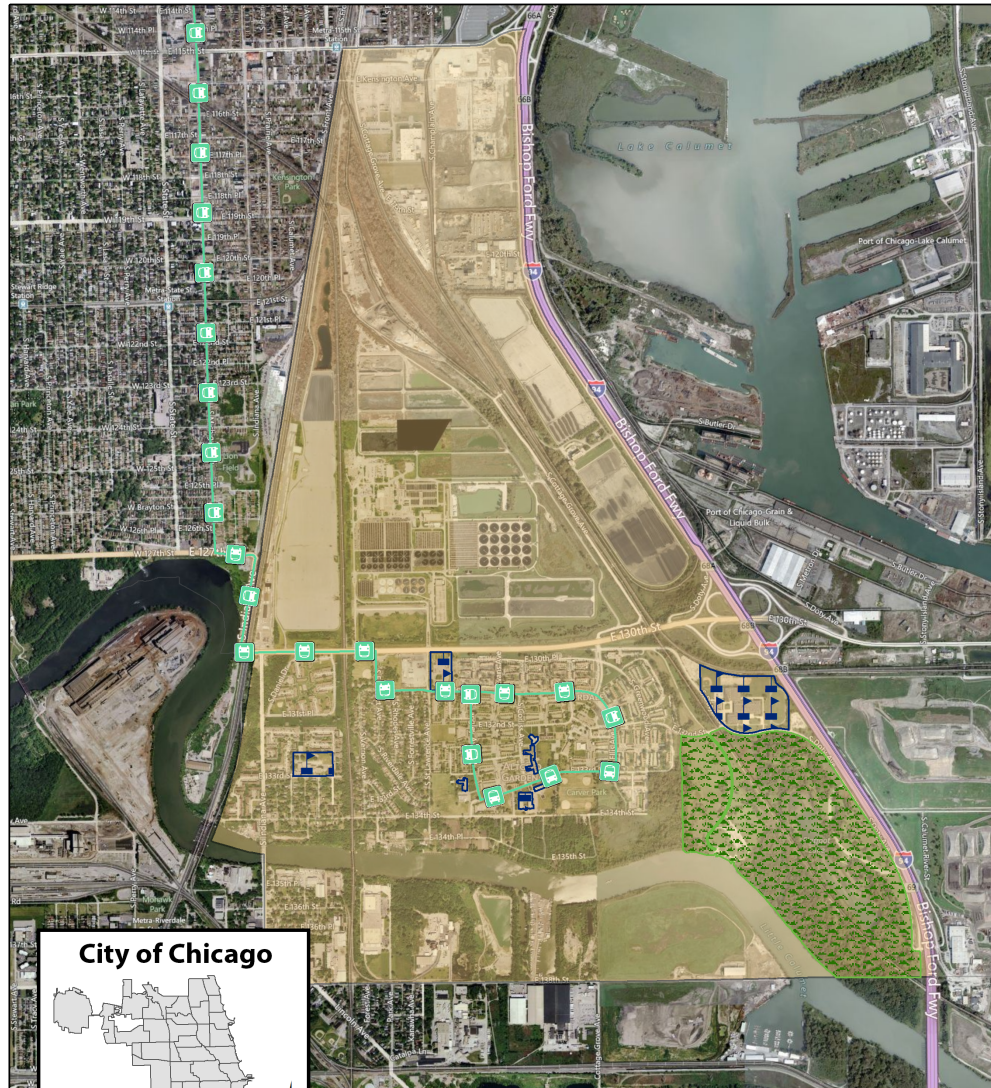
- Preliminary feasibility analysis for a grocery co-op in Altgeld Gardens
- Whitepaper report on community background, urban food access, and flexible cooperative models
- Recommendations for food access action in high-deprivation communities
- Concrete next steps for Altgeld Gardens






# Altgeld Gardens, Chicago, IL



# Altgeld Gardens



-  CTA Bus Route 34
-  School Grounds
-  Forest Preserve

Map created by Jessi Moths, 2012.  
Data from City of Chicago GIS Portal.













# Altgeld Gardens: History

- 1945: Built by the Chicago Housing Authority (CHA) as workforce housing for African-American war workers in the South Side industrial corridor
- 1960s: CHA changes residency requirements; non-families, unemployed, and low-income residents placed in public housing
- 1990s: People for Community Recovery (PCR), including young activist Barack Obama, act against unjust environmental conditions at Altgeld
- mid-late 2000s: CHA's Plan for Transformation closes and rehabilitates most units at Altgeld
- 2009: Derrion Albert murder, Altgeld in national headlines
- 2010: Growing Power starts urban farm in Altgeld Gardens



# Altgeld Gardens: Demographics

3,109 people:

- 40.6% age 0-19
- Median age 25.3 years (19.9 years for males and 29.9 years for females)
- 98.9% African American/Black, 0.1% White, 0.1% Asian; 0.6% Hispanic/Latino
- 54.5% at or below federal poverty level

# Altgeld Gardens: Demographics

1,055 households:

- 59.2% single female-headed
- Median annual household income \$13,277
- 42.5% earn less than \$10,000 annually
- 60.5% received SNAP benefits in the last year (2010)

# Altgeld Gardens: Demographics

1,530 residents age 16+ (workforce):

- 45.4% report unemployment within last year (2010)
- 18.5% overall unemployment rate



# High-deprivation communities:

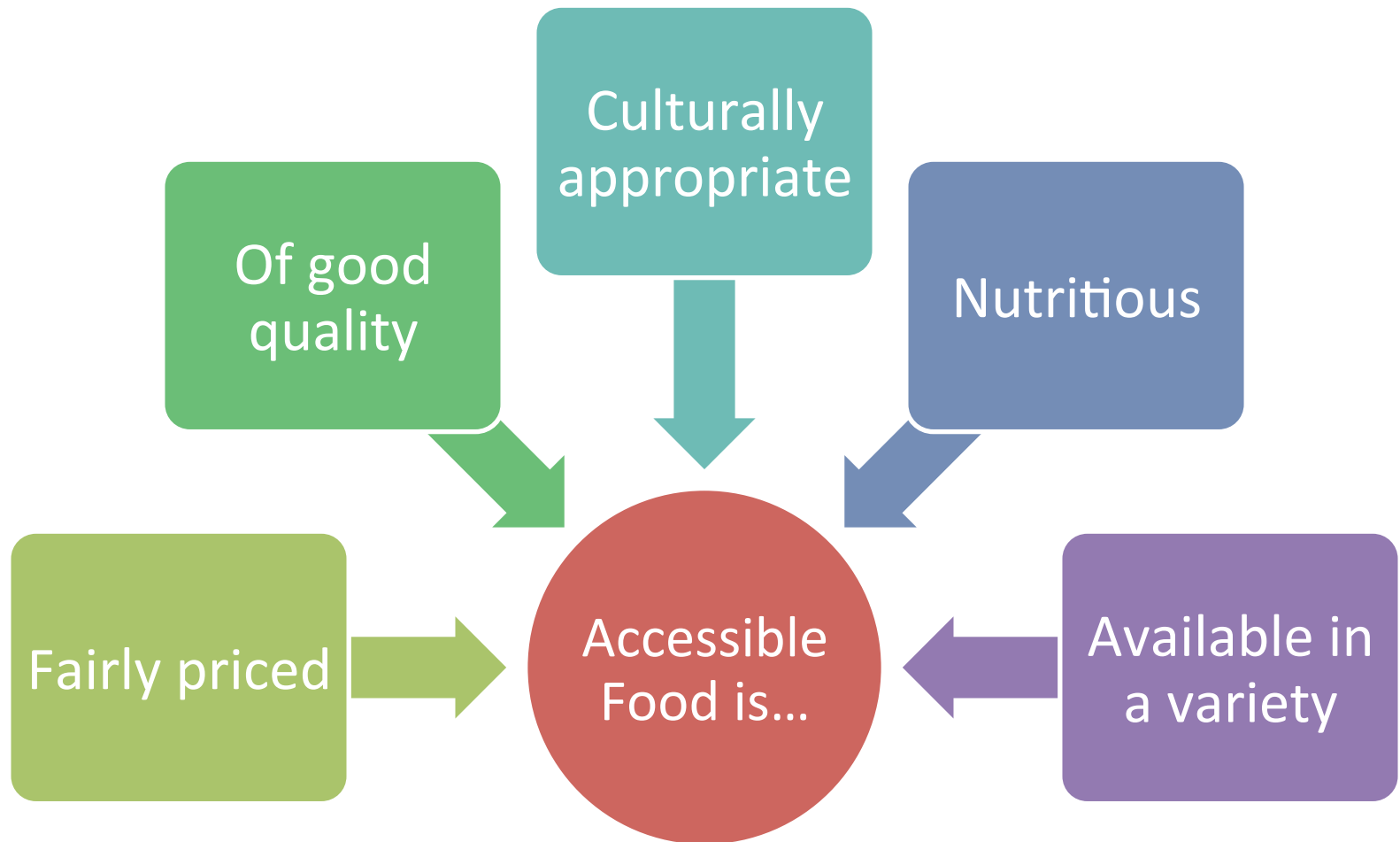
Communities that have been systematically deprived of amenities, resources, justice, and power, leading to persistent economic disinvestment and social breakdown.



# Food Access in Altgeld Gardens

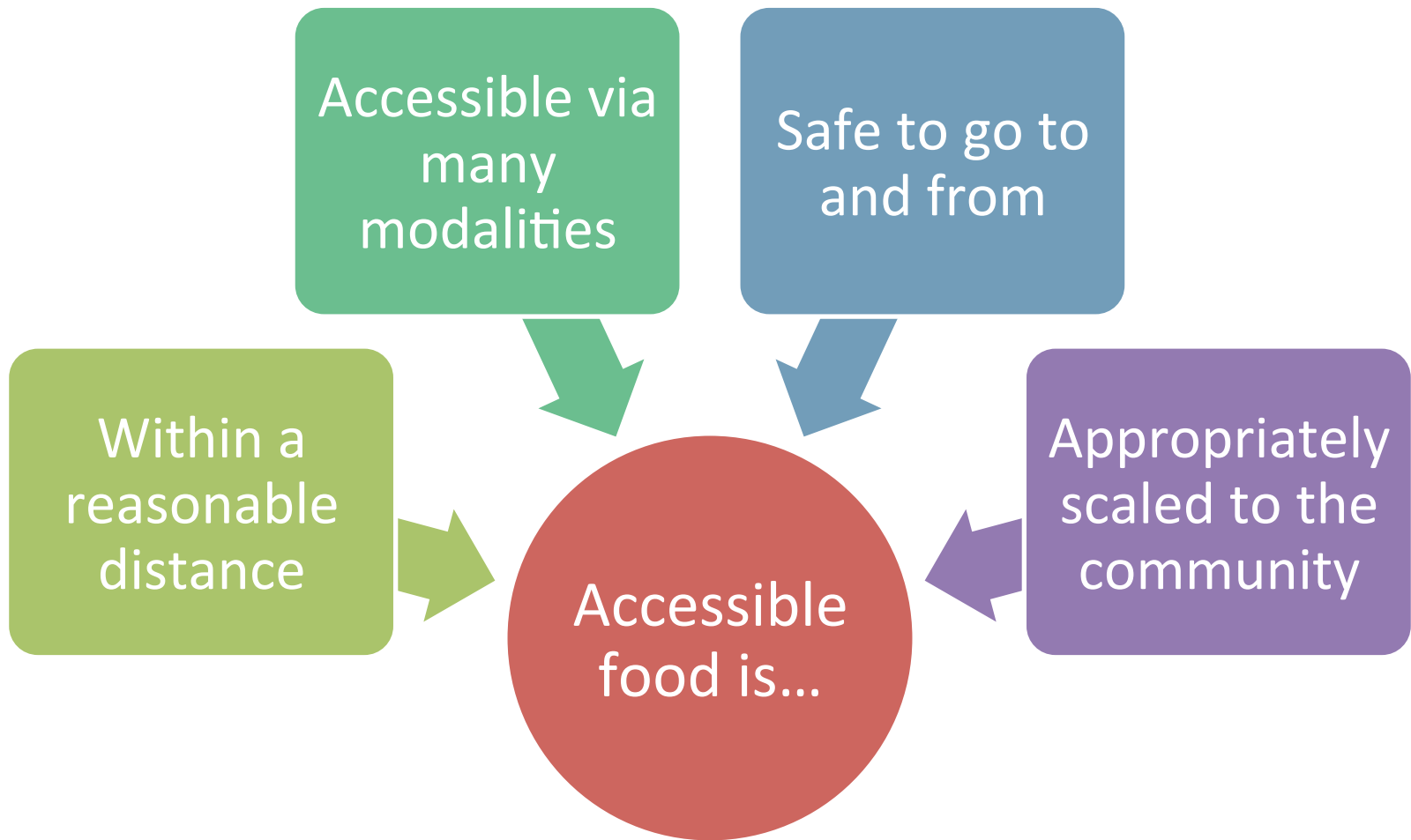


# Food Access: The “what”

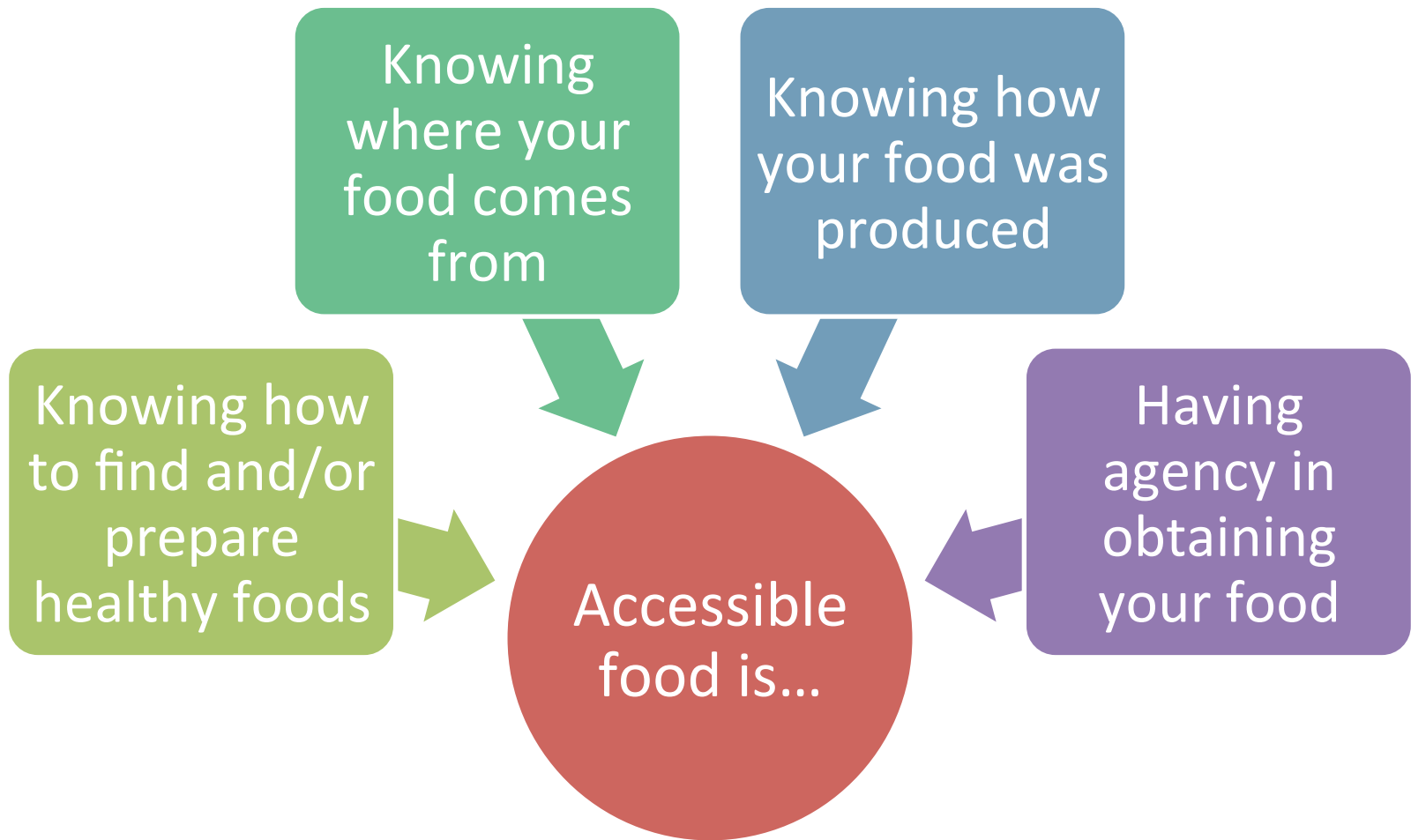




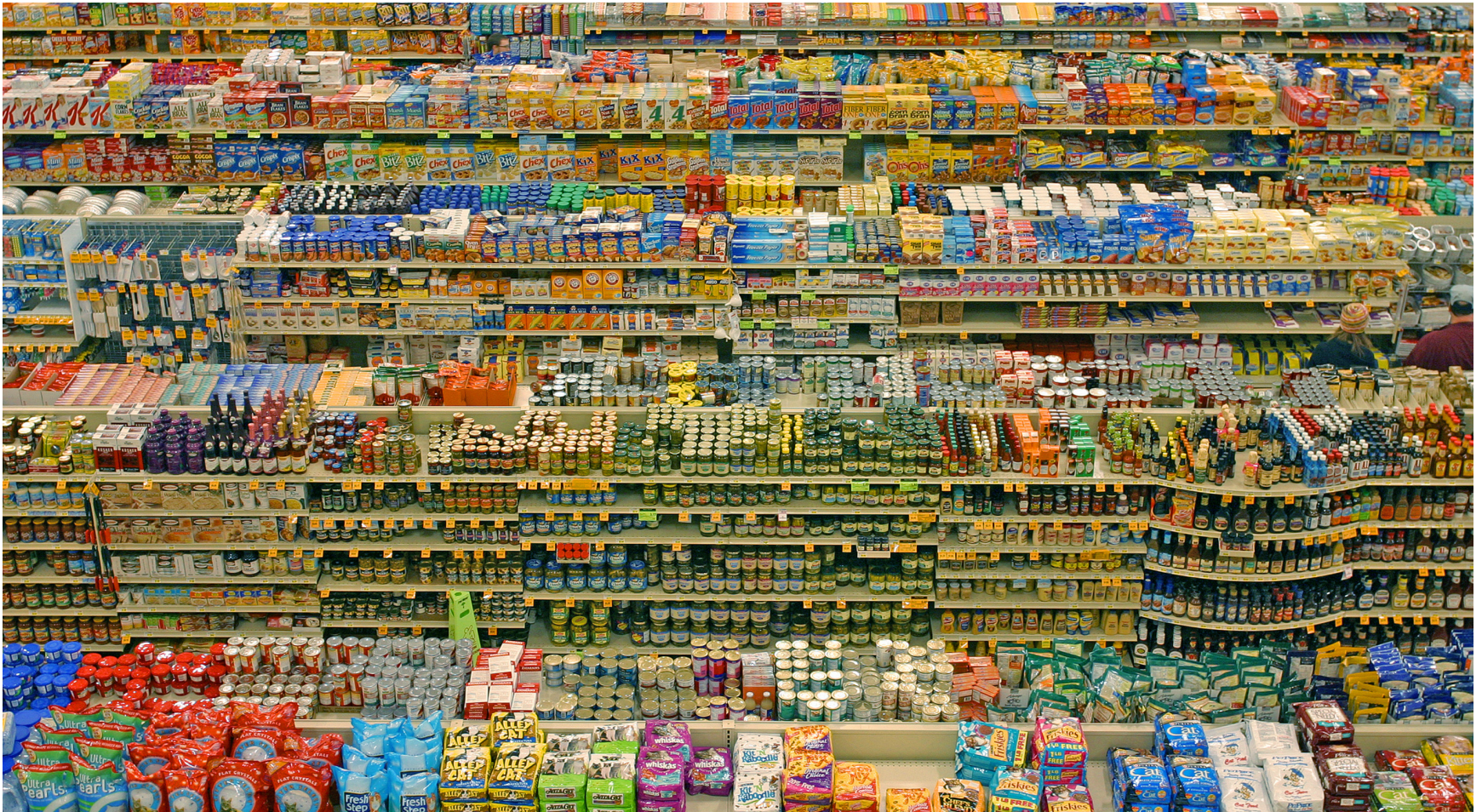
# Food Access: The “where”



# Food Access: The “why”



# Food access is NOT (only)...





# Why not (only) supermarkets?

- Large chains correlate with widespread small business closures (Davis et al. 2009)
- Large stores centralize instead of disperse access (Raja et al. 2008)
- Centralized governance means less community-centered service and less flexibility (Tamis 2009)
- Rarely additional benefits to the community

# Alternative food access solutions

- Grow your own: community/home gardening
- Farm to table: farmers markets, community-supported agriculture (CSA)
- Non-traditional procurement: barter, trade, food buying clubs
- Small food stores
- **Grocery cooperatives**

“A cooperative is an autonomous, voluntary association meeting common economic, social, and cultural needs through a jointly owned and democratically controlled enterprise.”

-International Cooperative Association, 2010



# Why focus on cooperatives for Altgeld Gardens?

- Collective ownership gives buy-in to the community
- Potential for additional community resources
- Flexibility and community-contextual service



# Feasibility of a Cooperative Model

(UW Center for Cooperatives)

1. Market analysis
2. Concrete needs assessment (management, equipment, products, and facilities)
3. Revenue projections
4. Sources of financing

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1. Market analysis
- 2. Concrete needs assessment (management, equipment, products, and facilities)**
3. Revenue projections
- 4. Sources of financing**
- 5. Stakeholder analysis**

# Stakeholder Analysis

- Key first step for high-deprivation communities
- Social networks are crucial but often opaque
- Method: modified snowball sampling; in-person interviews when possible; email and telephone when not possible



# Key Connections from Stakeholder Analysis

- Rev. Al Sampson: local minister, coordinates neighborhood farmers markets and food purchases from local small minority farmers, runs a farmer collaborative called George Washington Carver F.A.R.M.S.



# Key Connections from Stakeholder Analysis



- Growing Power, Inc.: urban agriculture and workforce training initiative, urban farm in Altgeld Gardens and started a farmers market with farm produce in summer 2011

# Key Connections from Stakeholder Analysis



- The Resource Center: non-profit, privately-run recycling and environmental organization just south of Altgeld Gardens; recycling buy-back program for CHA residents; own and run City Farm on the West Side of Chicago

# Sources of Financing

- Typical funding ratio for cooperative start-up: 50% outside financing, 50% member-based capital
- Traditional banks don't always understand or buy into cooperative model, and market for lending is still not ideal
- How can a low-income community be expected to invest in a cooperative?



# Financing Solutions

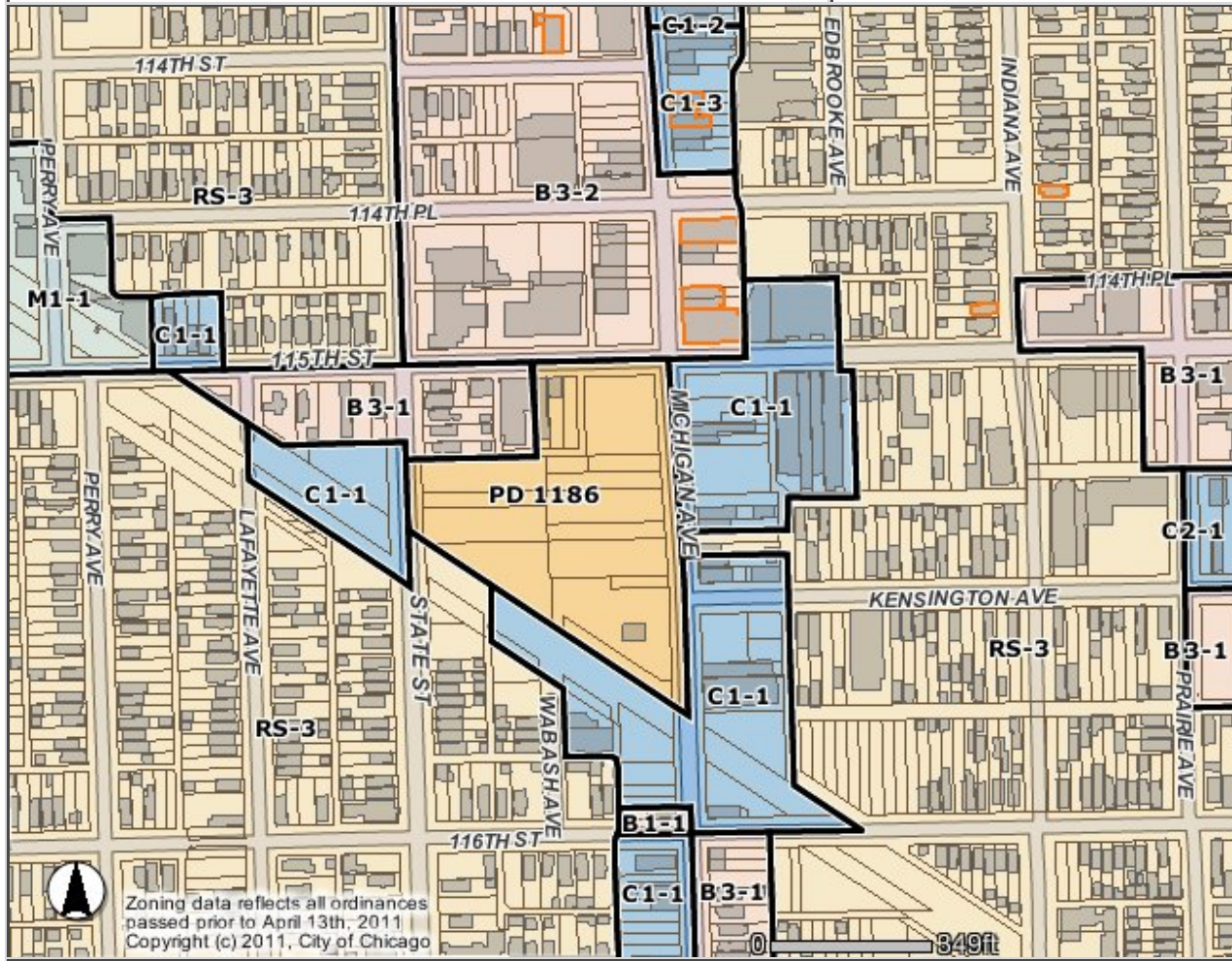
- More outside funding:
  - General grants (economic development/CDC, federal community development, private foundational e.g. Kellogg, Robert Wood Johnson)
  - Co-op start-up grants and SBA loans
  - Loans through credit unions
  - Illinois Fresh Food Fund and/or federal food access initiatives
- Location serving the greater Far South Side means more member base than just the Altgeld housing community
- Keeping overhead low and providing flexible and creative payment plans so members have options for paying for their investment

# Concrete Needs: Location

- Altgeld Gardens development is landlocked and extremely isolated
- Where can a physical manifestation of a cooperative locate and still be accessible to Altgeld?
- One option: 115<sup>th</sup>/Michigan development zone in neighboring Roseland

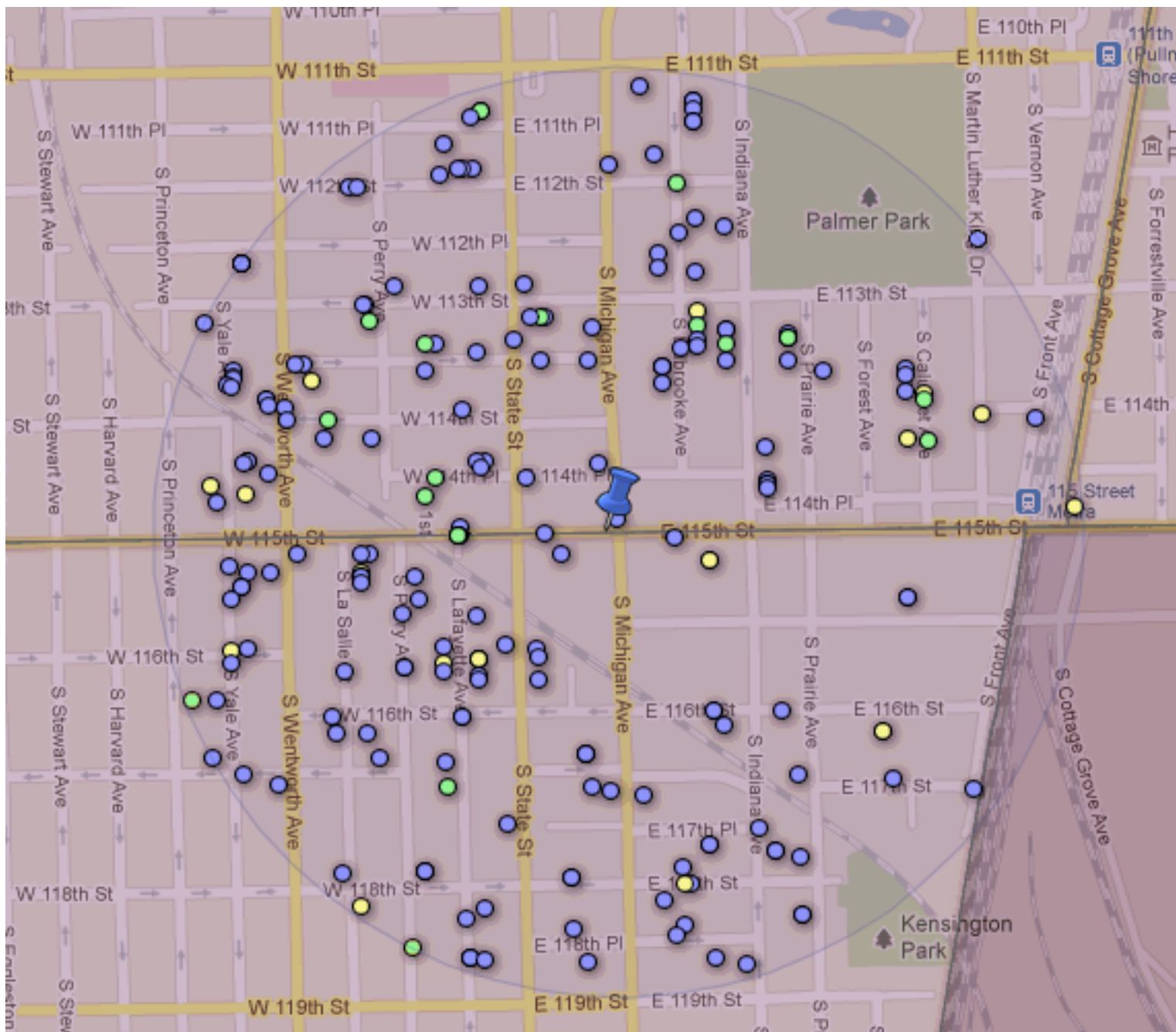
# Zoning Map: 115th/Michigan

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## Zoning

- Business
- Commercial
- Manufacturing
- Residential
- Planned Development
- Planned Manufacturing
- Downtown Core
- Downtown Service
- Downtown Mixed
- Downtown Residential
- Transportation
- Parks & Open Space
- Zoning Boundaries





# Concrete Needs: Options for Product Sourcing

- Growing Power, Resource Center/City Farm, Rev. Sampson all already grow or bring in local produce
- Rev. Sampson's Carver F.A.R.M.S. collaboration helps farmers to grow African-American-targeted products like okra and crowder peas by providing them with a market
- Cooperative market would provide more stability for farmers, provide local, fresh, hard-to-find, desirable produce to customers



# Flexible cooperative solutions:

## Practices by existing grocery co-ops

- Lowered share purchase costs, installment-plan share purchases, “scholarship funds”
- “Every-day low pricing” schemes for core products, offering lower-priced options alongside artisan/organic/local items
- Supporting non-automobile transportation to and from the store (walkable/bikeable location, bike parking and trailer rental, delivery services)

# Flexible cooperative solutions:

## Practices by existing grocery co-ops

- Providing free/low-cost community outreach opportunities (e.g. store tours with product demonstrations, cooking demonstrations, recipes in-store)
- Accepting WIC and SNAP/EBT benefits
- Hiring from the community, offering discounts for members serving volunteer hours
- Carrying culturally-appropriate products based on community demographic

# Flexible cooperative solutions:

## Practices by existing grocery co-ops

- Not all of these programs create significant financial burden—some can even help the cooperative's bottom line (e.g. volunteers)
- Even cooperatives in wealthy areas have trouble getting community buy-in without strong leadership and the right model
- “Any co-op is only as good as its member community”



# Lessons from Altgeld Gardens

- Stakeholders are key
  - Action has to come from within
  - There *are* strong social structures in high-deprivation communities
  - Understanding your community of study is a crucial component to understanding food access
- Creativity wins
  - High-deprivation communities don't plan by the book

# Lessons from Altgeld Gardens

- Navigating diverse agendas
  - The planner's job is first finding out what the needs of the community are, then applying planning expertise to that understanding
  - Avoiding paternalism in high-deprivation communities means interfacing with their agenda for change

# Conclusions and Future Action

- For Altgeld Gardens:
  - Market study and retail performance projections for a variety of food access solutions
  - Ongoing community connections, including convening stakeholders to begin an action plan
  - Staying abreast of the evolving opportunities for funding and support of food access initiatives (e.g. Illinois Fresh Food Fund, federal activities)



# Conclusions and Future Action



- For urban food access:
  - Further research, including localized case study and food environment inventory, especially for high-deprivation urban communities
  - Support for initiatives and research that investigate alternatives and go beyond the chain supermarket bias
  - Community-contextual measurements and solutions as the bottom line



# Thank you for your support!

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- David Schalliol, WBEZ Chicago, PCR/YCR, John Greenfield, Chicago Reader (photo credits)

# Questions?

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