

CITY OF LOS ANGELES

CALIFORNIA

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October 14, 2025

Council File: 22-0437-S1
Council District Nos.: 15
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Honorable Curren D. Price, Jr. Chair
Economic Development and Jobs Committee
Attention: Jason Lopez, Legislative Assistant
200 North Spring Street, Room 401
Los Angeles, CA 90012

REPORT BACK: EXPANSION OF THE HEALTHY NEIGHBORHOOD MARKET NETWORK PROGRAM

SUMMARY

On August 23, 2023, the City Council adopted a Motion (Council File No. 22-0437-S1) instructing the Economic and Workforce Development Department ("EWDD") to report on expanding the Healthy Markets LA Program ("HMLA"), formerly the Healthy Neighborhood Market Network Program, to Council District 15 ("CD15"), with a focus on the neighborhoods of Harbor City and Watts and to collaborate with the Council Office and local stakeholders in determining site selection to ensure community and operational support for future applicants and program participants.

RECOMMENDATIONS

The Acting General Manager of EWDD respectfully requests that the City Council:

- 1) NOTE AND FILE this informational report.

FISCAL IMPACT STATEMENT

There is no impact on the General Fund for this informational report. The HMLA is funded through Community Development Block Grant ("CDBG") funds.

BACKGROUND

HMLA is a citywide program operated in partnership with the Los Angeles Food Policy Council ("LAFPC"), which works with local corner markets and liquor stores in low-income communities that have faced decades of disinvestment, including a lack of full-service grocery stores in their neighborhoods. HMLA's goal is to expand healthy food offerings in these communities. Business counselors work directly with store owners on a strategy to ensure a sustainable business model while transitioning to a healthy food retail store.

DISCUSSION:

LAFPC initiated targeted outreach in CD15, specifically focusing on the Watts and Harbor City areas. On September 28, 2023, LAFPC and EWDD organized a tour for Councilman McOsker and his staff to showcase the program. The tour included El Torito Market, the first HMLA store in Watts. LAFPC relied on outreach support from CD15 and direct outreach to the local markets to find potential new markets.

Outreach Metrics:

- Total Stores Contacted: Thirty-three (33) stores were contacted during Program Year (PY) 50 (2024-25) and PY51 (2025-2026). Each store received two points of contact (an in-person flyer drop-off and a follow-up call or visit).
- Participation Rate: Following outreach, three new stores were onboarded in PY50, and one store continued from PY49, bringing the total number of actively participating markets in CD15 to four (4) in PY51.

The primary barriers identified during outreach included a lack of interest from store owners in incorporating healthy inventory or making necessary physical changes to their establishments, as well as difficulty in directly reaching the store owner rather than the staff. These challenges highlight the necessity of continued collaborative efforts to engage potential applicants.

In PY51, the program will continue working with three stores, La Weigand, Watts Up, and Harris markets, to track long-term net income and healthy inventory sales. The program will leverage additional foundation funds to: 1) invest in further store improvements, 2) identify a Watts-based store for the Farm Fresh LA nutrition incentive program, and 3) connect stores to local urban growers in Watts and South LA through a new initiative that links the Healthy Retail and Urban Agriculture program teams.

CONCLUSION

EWDD will continue to work with the council office and local stakeholders in determining site selection to ensure community and operational support for future applicants and program participants.


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