



# AGENDA REPORT

**TO:** Edward D. Reiskin  
City Administrator

**FROM:** Joe DeVries  
Director, Interdepartmental  
Operations

**SUBJECT:** Sugar-Sweetened Beverage Tax  
Community Grants Renewals

**DATE:** July 22, 2020

City Administrator Approval

Date: July 23, 2020

## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution 1) Awarding Grants In A Total Amount Not To Exceed \$1,500,000 To Various Non-Profit And Public Agencies To Provide Services To Reduce The Consumption Of Sugar Sweetened Beverages For An Additional One-Year Term; And 2) Authorizing Amendments To The Grant Agreements To Adjust The Grant Amounts Not To Exceed The Total Amount Of \$1,500,000 Within The Grant Term.**

## **EXECUTIVE SUMMARY**

The City Administrator's Office (CAO) requests that the City Council approve the proposed resolution to renew grant agreements for one additional year to fund fourteen (14) programs recommended for funding from Fiscal Year (FY) 2019-2021 Sugar-Sweetened Beverage (SSB) Tax Revenues. The recommended agencies and programs are provided in **Attachment A**.

The grant programs were initially selected through a competitive process and based on proposal ratings, strategic alignment with the Sugar Sweetened Beverage Distribution Tax Community Advisory Board's vision and guiding principles, and prioritization of resources for neighborhoods most affected by the consumption of sugar-sweetened beverages.

The additional one year will allow time to assess the programs, and support grantees to strengthen program and service delivery, especially in light of the significant impact that COVID-19 and shelter in place mandates had on program delivery. It will also provide time to determine how best to proceed with the Community Grants Program in a revenue constrained environment.

The CAO is also seeking the ability to further adjust proposed grant amounts equitably to account for any additional funds, not to exceed \$1,500,000, should any of the recommended grantees decline the award.

City Council  
July 28, 2020

## **BACKGROUND / LEGISLATIVE HISTORY**

Measure HH, the Sugar-Sweetened Beverage Distribution Tax Ordinance (the Ordinance), was approved by the Oakland voters in the November 8, 2016 General Election. The Ordinance established the tax of 1 cent per ounce on the distribution of sugar-sweetened beverages effective July 1, 2017. The Ordinance also established the Sugar Sweetened Beverage Distribution Tax Community Advisory Board (the Board) to advise and make recommendations to the City Council on the expenditure of these tax revenues.

The Reducing Consumption of Sugar-Sweetened Beverages Community Grants Program Request for Proposals (RFP) was developed based on the recommendations of the Board and was released by the Human Services Department (HSD) in November 2018. At the publicly noticed March 11, 2019 Board meeting, HSD provided an informational report on the programs recommended for funding.

On May 7, 2019, the City Council approved Resolution No. 87661 C.M.S., which authorized the City Administrator to negotiate and execute grant agreements with fourteen non-profit and public agencies recommended for funding to provide service for Fiscal Year (FY) 2019-2020 to reduce consumption of sugar-sweetened beverages in a total amount not to exceed \$2,000,000 from FY 2017-2018 SSBT revenues.

This first round of funding for the Reducing Consumption of Sugar-Sweetened Beverages Community Grants Program was to run from July 1, 2019 through June 30, 2020. During this funding period, grantees delivered programs and projects to targeted communities disproportionately impacted by disease related to the consumption of sugar. Grantees have provided essential community programs and services as well as increased awareness and education around the impacts of sugar consumption to the community. Many of these organizations provided critical services to community residents due to the impact of COVID-19 and shelter in place orders.

In the FY 2019-2021 Adopted Budget, the City Council approved allocation of \$2,000,000 in SSB Distribution Tax Funds (Fund 1030) for the Board to allocate under its discretion. At the publicly noticed March 9, 2020 Board meeting, the Board unanimously voted to allocate \$1.5 million to community grants. At the publicly noticed June 8, 2020 Board meeting, the Board unanimously voted to allocate \$1.5 million to renew the fourteen original grantees. Based on direction from the Board, the CAO recommends that grant agreements be renewed for one additional year for the original fourteen non-profit and public agencies funded through the Community Grants Program. Given the reduction in funding designated for community grants, each of the fourteen grantees will receive a reduction of approximately twenty-five percent in contract amount for this next funding period.

## **ANALYSIS AND POLICY ALTERNATIVES**

The Community Grants Program was developed in keeping with the Board's vision, guiding principles and recommended funding areas. The Board's vision of "ensuring the right to a healthy life by investing in the health of Oakland children and families..." and commitment to "achieving the highest level of health and well-being for Oakland children and families, particularly those who are most affected by the impacts of sugar sweetened beverages through

social justice, food system change, dental disease prevention and overall health promotion, addressing health disparities and inequities for low-income and the most vulnerable communities and healthy eating and active living for all”, were included in the Grants Program.

The Community Grants Program emphasized the prioritization of resources for neighborhoods where the effect of sugar-sweetened beverage consumption is most prevalent, as indicated by the highest incidences of obesity, diabetes, and other related chronic diseases; the use of evidence-based programs and promising practices that would demonstrate expertise and effectiveness in serving local communities; and opportunities for innovation and emerging practices focused on changing food systems and/or community practices, in four identified funding areas:

1. Prevention through Education and Promotion
2. Healthy Neighborhoods and Places
3. Health Care Prevention and Mitigation
4. Policy and Advocacy

The target areas for grant funds included many parts of West Oakland, East Oakland, San Antonio and Fruitvale that are disproportionately impacted by disease related to the consumption of sugar. Populations for prioritization of services include children and their families; pregnant mothers and family members who play a key role in infant nutrition decisions; households with limited resources; individuals who are at greater risk of health impacts of sugar-sweetened beverages; groups with higher than average population indicators for diabetes, obesity, and tooth decay; and groups/communities disproportionately targeted by the beverage industry.

The CAO recommends a one-year renewal of current grant agreements for the fourteen grantees serving targeted communities disproportionately impacted by disease related to the consumption of sugar as a network of agencies in four funding areas, further outlined below. The additional one year will allow time to assess the programs and support grantees to strengthen program and service delivery, especially in light of the significant impact that COVID-19 and shelter-in-place mandates have had on program delivery. It will also provide time to determine how best to proceed with the community grants program in a revenue constrained environment. The recommended agencies and programs are provided in **Attachment A**. The CAO is also seeking the ability to further adjust proposed grant amounts equitably to account for any additional funds, not to exceed \$1,500,000, should any of the recommended grantees decline the award for the next funding period.

#### **Funding Area 1: Prevention through Education and Promotion**

This funding area includes educational campaigns and strategies to increase access and consumption of water, promote nutrition and physical activity, and increase access to parks and open spaces. Projects and programming recommended for funding in this area include four programs for a total of \$475,337 that were selected to promote water consumption among Oakland residents and develop community leadership. For example, youth can engage with one another to lead community-driven communication and health education strategies.

Recommended programs will provide a range of community-based projects and programming, including stipends for peer champions to provide evidence-based, culturally and developmentally appropriate workshops and educational materials to educate their peers around water consumption; support for high-risk youth with summer enrichment and after school

training to become advocates for healthy Oakland communities through programming and improved practices around nutrition science, meal preparation, increased water consumption and peer education training; health promotion and education to occur at schools, parks, cooking academies, retail outlets and community-based health fairs, and youth-led events at corner stores, schools and other public spaces.

### **Funding Area 2: Healthy Neighborhoods and Places**

This funding area invests in neighborhood initiatives to increase access to healthy and affordable food and active living, as well as promote community-driven efforts to advance knowledge, attitude and behavior change around nutrition, physical education, water consumption, and increase access to healthy drinks and food through expansion of healthy retail and food systems.

Projects and programming recommended for funding in this area include seven programs for a total of \$705,613 selected to provide opportunities for youth to learn and play sports, improve and maintain fitness, eat nutritious snacks, access health and fitness education, and promote water consumption; provide access to healthy and affordable food, fresh produce, and safe drinking water; provide opportunities for active living through nutrition training and recycling education; provide sustainable agriculture, garden training and education to choose healthier food; and increase availability of fruits and vegetables with produce stands, nutritional education, cooking demonstrations and workshops.

### **Funding Area 3: Health Care Prevention and Mitigation**

This funding area aims to engage medical and dental professionals to support Oakland residents to improve health outcomes across their lifespan through preventive services, health screenings, and other health care practices. Projects and programming recommended for funding in this area include two programs for a total of \$221,342 that were selected to expand early childhood dental services to low-income families, including oral health education, screening and preventative services to families with young children; and expand nutrition and wellness education opportunities through food as medicine programming.

### **Funding Area 4: Policy and Advocacy**

This funding area invests in community-led engagement and organizing to change policies in public institutions and organizations affecting Oakland neighborhoods as relates to sugar-sweetened beverage consumption and access to safe drinking water, healthy food and supports to live a healthy lifestyle. Projects and programming recommended for funding in this area include one program for a total of \$97,708 that was selected to launch an action campaign to limit and eliminate the marketing of sugar-sweetened beverages by engaging transition-aged youth in a community action research project to determine the prevalence of and attitudes toward sugar-sweetened beverages and products.

The 14 programs recommended for one additional year of funding serve groups and communities disproportionately targeted by the beverage industry, which includes significant numbers of Oakland residents from Latinx, African-American and Asian communities. Preliminary analysis of demographic data provided this year also indicates that many participants reside in City Council Districts 3, 5, 6 and 7.

Alternatively, and not recommended, the City Council may reject the recommendation to award SSB funds to these 14 agencies to implement community grants to reduce the consumption of

sugar sweetened beverages and allocate the SSB Fund to other funding priorities. Since the scope of work expected is consistent with the Ordinance and the intentions of the Board and are recommended to have an impact on the consumption of sugar-sweetened beverages and related health effects, City Council's rejection of the staff recommendation is not recommended.

### **FISCAL IMPACT**

Funds are available in the Adopted FY 2019-2021 Adopted Budget for these grant awards in Measure HH (SSBDT) Fund (1030), Non-Departmental (90591), Third Party Grant Account (54912), MSR HH Healthy Kids Program Project (1003817).

### **PUBLIC OUTREACH / INTEREST**

At the publicly noticed March 9, 2020 Board meeting, the Board unanimously voted to allocate \$1.5 million to community grants. At the publicly noticed June 8, 2020 Board meeting, the Board unanimously voted to allocate \$1.5 million to renew the fourteen original grantees for one additional year.

### **COORDINATION**

This report and legislation were prepared in consultation with the SSB Community Advisory Board and have been reviewed by the Office of the City Attorney and Budget Bureau.

### **PAST PERFORMANCE, EVALUATION AND FOLLOW-UP**

Negotiations are underway to secure an evaluator for the community grants program and the evaluator is expected to provide evaluation services during this funding period.

### **SUSTAINABLE OPPORTUNITIES**

***Economic:*** SSB funding will provide employment opportunities through fourteen agencies recommended to operate projects and programming in Oakland. These agencies are largely Oakland-based and employ Oakland residents, and have a direct impact on the local economy. SSB funds are used to leverage and match additional local, county, state, federal and philanthropic funds, thereby having a positive impact on the Oakland economy. Some of the programming recommended for funding will also provide employment opportunities to youth and low-income Oakland residents.

***Environmental:*** Investments in projects and programming that promotes active lifestyles and expands urban gardening and urban gardens contribute to community development, public safety, neighborhood beautification, and the eco-system.

***Race and Equity:*** Increased investments in community health, especially among neighborhoods and populations most impacted by the consumption of sugar-sweetened beverages, will have long-term benefits that address health disparities and social inequity.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff Recommends That The City Council Adopt A Resolution 1) Awarding Grants In A Total Amount Not To Exceed \$1,500,000 To Various Non-Profit And Public Agencies To Provide Services To Reduce The Consumption Of Sugar Sweetened Beverages For An Additional One-Year Term; And 2) Authorizing Amendments To The Grant Agreements To Adjust The Grant Amounts Not To Exceed The Total Amount Of \$1,500,000 Within The Grant Term.

For questions regarding this report, please contact Joe DeVries, Interdepartmental Operations Director, at 238-3083.

Respectfully submitted,



JOE DEVRIES  
Director, Interdepartmental Operations

Reviewed by:  
Joe DeVries, Director, Interdepartmental  
Operations

Prepared by:  
Sharon Robinson, Planner  
City Administrator's Office

Attachments (1):

A: Sugar-Sweetened Beverages Recommended Grants for Renewal