



AGENDA REPORT

TO: Edward D. Reiskin
City Administrator

FROM: Joe DeVries
Director, Interdepartmental
Operations

SUBJECT: Sugar-Sweetened Beverage Tax
Community Grants Program

DATE: February 10, 2021

City Administrator Approval 

Date: Feb 16, 2021

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution Awarding Two Grant Agreements To InAdvance And Authorizing An Amendment To The Grant Agreement With Mandela Partners For Services To Reduce The Consumption Of Sugar-Sweetened Beverages For A Total Amount Not To Exceed \$500,000 Using Fiscal Year 2020-2021 Sugar Sweetened Beverage Tax Revenue.

EXECUTIVE SUMMARY

The City Administrator's Office (CAO) requests that the City Council approve the proposed resolution to authorize grant agreements for three programs that meet the vision of the SSB Community Advisory Board by providing access to healthy food in Oakland's most underserved neighborhoods.

The Sugar Freedom Project received early Sugar Sweetened Beverage Tax (SSBT) funding to develop community engagement and leadership to implement the Board's mission of reducing sugar-sweetened beverages. Mandela Partners received grant funding through the community grants program from Fiscal Year (FY) 2019-2021 Sugar-Sweetened Beverage (SSB) Tax Revenues. The Saba Grocer's Initiative was funded through a Cares Act agreement with its fiscal agent InAdvance through December 2020. The proposals demonstrated strategic alignment with the SSB Community Advisory Board's vision and guiding principles, and prioritization of resources for neighborhoods most affected by the consumption of sugar-sweetened beverages.

During the fall of 2020, the SSB Community Advisory Board had a remaining \$500,000 in funding upon which to make recommendations to the City that would align with its mission. Due to the economic downturn caused by the Covid-19 Pandemic and its impact on vulnerable communities' access to food, the SSB Board advised staff to identify groups whose mission would align with the "Healthy Neighborhoods and Places" portion of the Board's guiding principles.

Staff presented the three proposals and the Board unanimously recommended all three for funding at their December 2020 meeting.

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 2019-2020 to reduce consumption of sugar-sweetened beverages in a total amount not to exceed \$2,000,000 from Fiscal Year 2017-2018 SSBT revenues.

On July 28, 2020, the City Council adopted Resolution No. 88259 which authorized the City Administrator to renew grant agreements with the original fourteen Community Grant Program recipients, totaling \$1.5 million which allowed those programs to continue for an additional year at a 25% reduction from their prior year allocation. This left a remaining amount of \$500,000 on which the Board could provide funding recommendations.

At its October 2020 meeting the Board advised staff to identify groups whose mission would align with the "Healthy Neighborhoods and Places" portion of the Board's guiding principles. The Board received an initial presentation from the Sugar Freedom Project which conducts leadership development in vulnerable neighborhoods and identifies families that do not qualify for typical government assistance but need access to food. The Board recommended funding an extension of the Sugar Freedom Project's existing work at \$150,000.

In November staff identified two additional programs to allocate the remaining funding to: The Saba Grocers' Healthy Retail Initiative and Mandela Partners' Healthy Grocer Initiative. Both support stocking fresh produce at corner stores through East and West Oakland and providing debit cards to low-income families to purchase that produce. At its December 2020 meeting the Board reviewed each proposal and unanimously approved a recommendation to the City Council to fund each program at \$175,000.

ANALYSIS AND POLICY ALTERNATIVES

The Community Grants Program was developed in keeping with the Advisory Board's vision, guiding principles and recommended funding areas. The Advisory 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

Due to the economic downturn and the shelter in place orders, the most critical funding area that the Board identified to soften the impact of the pandemic is 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.

The Sugar Freedom Project is a project of InAdvance which received initial SSB funding in 2019. Their new proposal (**Attachment A**) will built upon the infrastructure already developed through neighborhood leaders working with a hard to reach populations to educate community members on healthy alternatives to sugar sweetened beverages. It will also provide gift cards that can be used at the network of corner stores the Saba Grocers are working with to access fresh produce.

The Saba Grocers' Healthy Retail Initiative proposal (**Attachment B**) will expand their work with corner stores, providing refrigeration equipment to house produce, reorganize store inventory to promote healthy products, conduct staff training with store personnel, and provide gift cards for customers who do not qualify for other benefits so that they can purchase the produce provided. The Saba Grocers use InAdvance as their fiscal sponsor and coordinate closely with the Sugar Freedom Project.

Mandela Partners was among the original fourteen grantees provided funding in 2019 and was included in the July 2020 authorization. Their Healthy Grocer Initiative proposal (**Attachment C**) is an expansion of their work and will include partnering with corner stores to upgrade equipment so they can expand their offering of fresh produce, as well as technical support to ensure their business model is successful. The program also provides vouchers that provide a discount to residents to access the produce at greatly reduced rates.

All three organizations have agreed to coordinate their work to avoid duplication and to reach a broader segment of the retail and consumer population.

FISCAL IMPACT

Funds are available in the Adopted FY 2019-2021 Adopted Budget for these grant awards in Measure HH (SSBDT) Fund (1030), Youth Services Organization (78251), Third Party Grant Account (54912), MSR HH Healthy Kids Program Project (1003817).

PUBLIC OUTREACH / INTEREST

At the publicly noticed Board meetings in October, November, and December 2020, the Board discussed this recommendation. At the December 2020 meeting the Board unanimously voted to allocate \$500,000 to these programs.

COORDINATION

This report and legislation was prepared in consultation with the SSB Community Advisory Board and has been reviewed by the Office of the City Attorney, Budget Bureau and City Administrator.

PAST PERFORMANCE, EVALUATION AND FOLLOW-UP

City Data Services has been contracted to collect data for monitoring and evaluation of the Community Grants programs and all grantees are expected to provide quarterly reports to staff to monitor their progress.

SUSTAINABLE OPPORTUNITIES

Economic: SSB funding will provide employment opportunities through these recommended projects 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 low-income Oakland residents.

Environmental: Investments in projects and programming that promotes healthy eating contribute to the overall wellbeing of Oakland's neighborhoods.

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 City Council Adopt A Resolution Authorizing Two New Grant Agreements And Amendments To One Grant Agreement For Services To Reduce The Consumption Of Sugar-Sweetened Beverages For A Total Amount Not To Exceed \$500,000 Using Fiscal Year 2020-2021 Sugar Sweetened Beverage Tax Revenue.

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

Respectfully submitted,



JOE DEVRIES

Director, Interdepartmental Operations

Attachments (3):

- A: Sugar Freedom Project Proposal
- B: Saba Grocers Project Proposal
- C: Mandela Partners Project Proposal