



# AGENDA REPORT

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

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

**SUBJECT:** Sugar Sweetened Beverage  
Community Advisory Board Funding  
Recommendations

**DATE:** May 5, 2021

City Administrator Approval 

Date: May 5, 2021

## **RECOMMENDATION**

**Staff Recommends That City Council Receive An Informational Report On The Recommendations Of The Sugar Sweetened Beverage Community Advisory Board For The Allocation Of Measure HH, Fund 1030 Revenue For The 2021-23 Fiscal Years.**

## **EXECUTIVE SUMMARY**

The City Council adopted Resolution No. 87062 C.M.S. in February 2018, establishing a separate fund within the City's General-Purpose Fund into which all Measure HH revenue would be placed (Fund 1030). The resolution requires that the City Council receive and consider the recommendations of the Sugar Sweetened Beverage Community Advisory Board (Board) prior to allocation. These funds are proposed to be allocated as part of the City's FY2021-23 Budget, therefore the recommendations from the Board should be considered prior to adoption.

At its March 2021 meeting the Board voted unanimously to recommend the following funding allocation:

<b>FY 2021-2023 SSB Board Funding Recommendations</b>	<b>% of SSB Fund Revenues</b>
City of Oakland Human Services Department and Services (HSD)	10%
City of Oakland Parks, Recreation and Youth Development Department (OPRYD)	10%
Oakland Unified School District (OUSD)	12%
Community Investments through direct assistance and community-based grants	60%
Project Delivery – Administration, Evaluation, Communications	12%

## **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 (SSB) effective July 1, 2017. The Ordinance also established the SSB Board to advise and make recommendations to the City Council on the expenditure of these tax revenues.

The Board has a Vision and set of Guiding Principles that it uses to guide its recommendations:

**Vision:** *Ensuring the right to a healthy life by investing in the health of Oakland children and families, building hope for a better tomorrow.*

**Guiding Principles:** *We are committed 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 including but not limited to the following:*

- a. Social justice through food system change
- b. Dental disease prevention and overall health promotion
- c. Addressing health disparities and inequities for low-income and our most vulnerable communities
- d. Healthy eating and active living for all

The table below shows the Board’s recommendation for past fiscal years and demonstrates the Board’s interest in supporting a combination of City, Oakland Unified School District (OUSD), and Community programs that address their guiding principles:

<b>FY 2018-2019 SSB Board Funding Recommendations</b>	<b>% of SSB Fund Revenues</b>
City of Oakland Departments and Services	20%
Oakland Unified School District (OUSD)	20%
Grant Program Includes funding remaining eligible grant proposals from the Year 1 Community Grants RFP for the Reducing Consumption of Sugar Sweetened Beverages	40%
Special Initiatives	10%
Project Delivery - Evaluation	10%

<b>FY 2019-2020 &amp; FY 2020-2021 SSB Board Funding Recommendations</b>	<b>% of SSB Fund Revenues</b>
City of Oakland Departments and Services	20%
Oakland Unified School District (OUSD)	20%
Grant Program	40%
Special Initiatives	10%
Project Delivery - Evaluation	10%

In the FY 2019-2021 adopted budget, the City Council approved allocation of the SSB Funds (Fund 1030) with a significantly larger allocation to City Departments and approximately 5.45% in year one and 9.42% in year two to community programs as displayed in the table below:

City Council Approved Allocation Adopted FY 2019-2021	% of SSB Fund Revenues	
	FY 2019-2020	FY 2020-2021
City Administrator (SSB Board Staffing)	0.84%	1.51%
Finance (Administrative Fees & Staffing)	1.92%	3.35%
Race and Equity (includes SSB R&E evaluation)	0.55%	0.94%
Oakland Parks, Recreation and Youth Development (OPRYD)	48.66%	48.51%
Human Services (*includes community grants (8%) & OUSD grants (12%))	30.09%*	32.52%*
Economic & Workforce Development	2.18%	3.77%
Non-Departmental: Identified for the SSB Board to allocate	5.45%	9.42%
Capital Improvement Projects (OPRYD projects)	10.31%	N/A
Total Allocations	100%	100%

The Board has maintained its position that more of the SSB Funding should go to support community programming and less to fund departmental budgets. Recognizing the importance of Oakland Parks, Recreation, and Youth Development (OPRYD) and Human Services Department (HSD) programming to the health of vulnerable communities in Oakland, the SSB Board recommends an allocation that continues support to these department's programming but at a reduced ratio from the Council FY2019-21 allocation. Board members have also expressed their support for OPRYD programs and have recommended that those programs be funded by more traditional sources since the intent of the SSB Tax is to reduce consumption which in turn reduces revenue. The fund has seen a steady decline in revenue since its creation and that trend supports the Board's assertion that funding ongoing structural City needs with this funding will be a challenge. The Board also strongly supports funds allocated for the evaluation of the entire program.

### **ANALYSIS AND POLICY ALTERNATIVES**

The Board is recommending an increase in the allocation to community investments through direct assistance and community-based grants to 60% of the total fund. The Board envisions doing this through an expansion of the Community Grants Program that was developed in keeping with the Board's vision, guiding principles and recommended funding areas.

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 last year, 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 pandemic caused many grantee organizations to quickly pivot their work last year. The issue of food insecurity became front and center, especially for residents in impacted communities that did not have access to federal aid programs. It also caused those organizations to band together in their approach to serving the community and they have represented a unified voice at Board meetings. Those organizations submitted a detailed recommendation that the Board unanimously adopted and is detailed in **Attachment A**.

The focus continues to be on food access, including support for OUSD's Central Kitchen project as a vehicle to ensure food security for the most vulnerable children in Oakland. The direct assistance portion of the recommendation is to expand on the previously funded efforts to provide debit cards to needy families to purchase fresh produce and other healthy foods at neighborhood retail establishments. Prior grants have supported those efforts including a \$500,000 Cares Act grant to the Saba Grocers Association and a \$500,000 allocation of remaining SSB Funds to Saba and to Mandela Partners. Prior grants to the Sugar Freedom Project helped organize and identify leaders in impacted communities and they have created a network of families that are both gaining access to healthy food and education about healthy food choices that will reduce the consumption of sugar-sweetened beverages.

### **FISCAL IMPACT**

This is an Informational Report and has no fiscal impact, however, the recommendations, if adopted, will have an impact on the City's FY21-23 budget.

### **PUBLIC OUTREACH / INTEREST**

At publicly noticed Board meetings the Board discussed these recommendations. At the March 2021 meeting the recommendation was approved unanimously after hearing public comment from over a dozen speakers.

## **COORDINATION**

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

## **SUSTAINABLE OPPORTUNITIES**

***Economic:*** SSB funding will provide employment opportunities through projects in Oakland. The community grant-receiving 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.

***Social 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 Receive An Informational Report On The Recommendations Of The Sugar Sweetened Beverage Community Advisory Board For The Allocation Of Measure HH, Fund 1030 Revenue For The 2021-23 Fiscal Years.

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

Respectfully submitted,



JOE DEVRIES  
Director, Interdepartmental Operations

Attachments (1):

A: Community Proposal on SSB Funding Allocation