



CITY OF OAKLAND

# AGENDA REPORT

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

**FROM:** David Ferguson  
Interim Director, OPW

**SUBJECT:** Memorandum of Understanding with  
Pacific Coast Collaborative

**DATE:** June 22, 2020

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City Administrator Approval

Date: July 8, 2020

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## **RECOMMENDATION**

**Staff Recommends That The City Council Adopt A Resolution Authorizing The City Administrator Or His Designee To Enter Into A Memorandum Of Understanding With The Pacific Coast Collaborative In The Amount Of Twenty-Five Thousand Dollars (\$25,000) Per Year For Three Years In A Total Amount Not To Exceed Seventy-Five Thousand Dollars (\$75,000) Beginning In Fiscal Year 2020-2021 And Ending In Fiscal Year 2022-2023 To Participate In The West Coast Regional Food Waste Reduction Project.**

## **EXECUTIVE SUMMARY**

Staff recommends that the City Council adopt a resolution authorizing the City Administrator or his designee to enter into a Memorandum of Understanding (MOU) with the Pacific Coast Collaborative (PCC) and to contribute \$25,000 per year for three years beginning in Fiscal Year 2020-2021 into a trust to implement the West Coast Regional Food Waste Reduction Project (Project).

In September 2016, Governor Brown signed into law the Short-Lived Climate Pollutants (SLCP): Organic Waste Methane Emissions Reduction Act, known as SB 1383 (Lara, Chapter 395, Statutes of 2016). No later than January 1, 2022, the new law requires jurisdictions to assist commercial edible food generating businesses to prevent or reduce organic (food) waste 75 percent by 2025. Businesses must participate in curbside compost (green cart) collection. They must donate the maximum amount of unsold edible food that is suitable for human consumption that would otherwise be disposed. This new law prioritizes feeding people over composting or landfill disposal.

The State estimates there are approximately 55,000 tons or 110,000,000 pounds of edible food that could potentially be diverted from the landfill by being reduced at the source or donated to feed Oakland's frontline communities which would eliminate approximately 100,000 metric tons of carbon dioxide equivalent (MTCO<sub>2e</sub>) of greenhouse gas (GHG) emissions annually.

PCC seeks to implement the project to curb emissions from commercial food generating businesses by reducing food surplus and ensuring unsold food is donated. To participate in this unprecedented collaboration made up of ten government agencies on the Pacific coast from California to Canada, the City would contribute \$25,000 per year for three fiscal years beginning FY 2020-2021 for a total of \$75,000. This funding will provide access to professional resources

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for technical assistance, data collection, and reporting support for medium to large-sized food generating businesses.

If adopted, funds will be paid to the Pacific Coast Collaborative Food Waste Reduction Project Trust (Trust). The State of Oregon Department of Environmental Quality, a participating agency, will serve as the Grantor of the Trust and will provide fiduciary oversight for the funding. Pooling resources with other jurisdictions will save approximately \$450,000 in City staffing costs for on-site technical assistance over the course of three years. Without this collaboration, the City would need to procure professional services providers with experience in retail and wholesale food procurement systems, and expertise in food safety, food donation, and food transportation. Additionally, the City would need to procure one or more third-party consultants to develop data collection and reporting systems for generators to comply with the requirements of the SB 1383 mandate.

## **BACKGROUND / LEGISLATIVE HISTORY**

In September 2016, Governor Brown signed into law SB 1383. This law establishes methane emissions reduction targets in a statewide effort to reduce emissions of short-lived climate pollutants in various sectors of California's economy. The new law sets a statewide goal of 75 percent reduction of organic waste disposal from the 2014 level by 2025 and requires jurisdictions to assist commercial edible food generating businesses to recover the maximum amount of edible food that would otherwise be disposed of, no later than January 1, 2022. Food generating businesses must participate in curbside compost (green cart) collection or other compost program and donate the maximum amount of food suitable for human consumption prioritizing feeding people over composting or landfill disposal.

On December 4, 2012, Oakland City Council adopted the Energy and Climate Action Plan (ECAP) by Resolution No. 84126 C.M.S. The ECAP identified and prioritized diverting waste from local landfills through waste reduction, reuse, recycling, and composting as an action for reducing greenhouse gas emissions in Oakland. The Project supports this action by providing technical assistance to businesses helping them change ordering practices, storage, and inventory controls. These activities reduce spoilage and save businesses money while reducing greenhouse gas emissions from wasted food, some of which end up at the landfill.

On November 28, 2006, the Oakland City Council approved Resolution No. 80286 C.M.S., adopting a Zero Waste Strategic Plan (Plan). The Plan outlined five strategies that together would reduce annual tons of material discards sent to landfills. The recommendation in this report is responsive in part to Strategy 2 – "Develop and Adopt New Rules and Incentives to Reduce Waste Disposal." The Project will not only reduce waste disposal but will also establish waste reduction best practices and may eventually lead to policies designed to ensure the newly adopted and proven waste reduction behaviors continue.

At the 21<sup>st</sup> Conference of Parties to the United Nations Framework Convention on Climate Change (COP21), Mayor Libby Schaaf endorsed the Pacific Coast Collaborative and said, "We are excited to pursue our ambitious climate action goals and support the Under 2 MOU in aligning subnational governments around these commitments. Oakland proudly supports fellow

governments in making and achieving tangible commitments, and to prove that success in meeting these goals is possible."

The PCC is a collaboration of jurisdictions and project partners that includes Oakland, San Francisco, Los Angeles, State of California, Portland, State of Oregon, Seattle, State of Washington, Vancouver, and British Columbia. Jurisdictions in this collaborative are pooling their resources, technical expertise, and sharing strategies to curb greenhouse gas emissions while reducing food surplus and diverting unsold edible food to food banks and other non-profit organizations for distribution to residents in frontline communities. PCC jurisdictions also have access to proprietary and innovative data collection and reporting systems.

Staff has participated in a leadership role on the PCC steering committee since 2016. Staff was instrumental in recruiting the City and County of Los Angeles as an active PCC partner and in inviting the Alameda County Waste Management Authority to participate in an advisory role. Staff also recommended a strategy that resulted in the voluntary participation in the Project of several large food retail and manufacturing chains.

PCC jurisdictions participating in the Project are expected to sign the MOU and financially contribute. Cities contribute \$25,000 each year, and states contribute approximately \$100,000 each year. The PCC has established the Pacific Coast Collaborative Food Waste Reduction Project Trust to receive funding from participating jurisdictions. The State of Oregon's Department of Environmental Quality will serve as the Grantor of the Trust and will provide oversight of the Trust. A copy of the MOU is included in **Attachment A** while the draft PCC Food Waste Reduction Project Trust Agreement is in **Attachment B**.

## **ANALYSIS AND POLICY ALTERNATIVES**

The largest benefit of entering an MOU with the PCC is that staff will gain access to retail food systems experts. They will provide technical assistance to large food generating businesses. Assisting businesses in this way is a key requirement of SB 1383. Staff estimates that the cost to hire a third-party consultant or additional staff with expertise in this area would be a minimum of \$150,000 annually. The City's participation with the PCC is expected to save the City \$450,000 over the course of the three-year agreement for the technical assistance aspect.

Project participants also have access to proprietary and innovative data collection and reporting systems. These cutting-edge systems will allow food generating businesses to document their food waste reduction and recovery efforts anonymously, while allowing the City to meet some of its new reporting requirements under SB 1383, resulting in additional resource savings.

CalRecycle conducted a statewide material characterization study, which reported that in Oakland, nearly 55,000 tons of edible food is being discarded annually. According to the World Resources Institute, if wasted food were a country, it would be the third-largest emitter of greenhouse gases worldwide behind China and the United States. The City of Oakland is a leader in greenhouse gas reduction strategies and program implementation, and it can continue to show its leadership on this issue by agreeing to stand with the other members of the PCC to

recover these 55,000 tons of wasted food and to either eliminate it or to feed food insecure Oaklanders.

Nearly 70 percent or a little over 300,000 Oaklanders have low to moderately low incomes. This puts them at a particularly high risk of struggling with food insecurity. The PCC will be working with food generating businesses in Oakland to require them to donate both shelf-stable and prepared foods to the Alameda County Community Food Bank and organizations such as CityTeam Ministries. Both organizations regularly provide food either directly to low or no-income residents or to food distribution organizations that likewise offer food to food-insecure populations in Oakland.

Lastly, a continuing partnership with the PCC allows staff to work directly on food donation to gain a deep level of expertise on food waste reduction, recovery, and redistribution. That will, in turn, enable the City to develop a best practices guide, policies for future stores to adopt proven practices and will strengthen the City's ability to successfully compete for state and federal grant opportunities.

### **FISCAL IMPACT**

The contribution to the Pacific Coast Collaborative will cost \$25,000 per year for three years (FY 2021-2023) for a total of \$75,000.

The Recycling Program has reserved funding from the following account: Fund 1710 (Recycling Program), Org 30682 (Environmental Services: Recycling Solid Waste), Account 54919 (Misc Contract), Project 1001673 (Non-Residential Recycling), and Program SC17 (Recycling & Solid Waste).

There is no impact on the General Purpose Fund, and no additional funding is requested.

### **PUBLIC OUTREACH / INTEREST**

Although some retailers already donate food, many do not donate all the food that was available to protect their image. The new SB 1383 regulations require jurisdictions to increase capacity for food rescue and distribution. Since the Project has the potential to increase the amount of food donated in Oakland, staff convened a stakeholder luncheon inviting Oakland's food recovery and distribution organizations to assess their existing capacity to accept, store and redistribute donated food.

Staff has engaged with the Alameda County Community Food Bank (ACCFB) and CityTeam Ministries as those entities are among the largest recipients of donated food and are currently actively involved in distributing meals or groceries directly to the community or other smaller food distribution organizations. Staff is collaborating with ACCFB to ensure equitable access to food distribution citywide.

To facilitate Oakland's compliance with SB 1383, and to ensure access to food recovery or rescue organizations, staff has also met with companies such as RePlate, Copia, and Olio to get a better understanding of how their business models work and who their partners are. Should there be an increase in food donations, they have all confirmed that they have the capacity to support increased food recovery activities.

No additional public outreach was necessary for the production of this report and accompanying resolution.

## **COORDINATION**

Staff is actively engaging with the Human Services Department and attending bi-monthly Emergency Food Providers Advisory Committee meetings to educate them about SB 1383 and collaborate on compliance planning through the PCC activity and beyond. Staff is also collaborating with Joe DeVries, Director of Interdepartmental Operations - City Administrator's Office, and has reached out to Nicholas Williams, Director of Parks, Recreation and Youth Development, to identify synergies to support one another and ensure SB 1383 compliance.

Staff continues to reach out to other City departments for opportunities to collaborate, to identify available city resources (such as commercial kitchens with adequate food storage and preparation or distribution capacity, vacant city property that can be repurposed for food storage and distribution), and to research options for providing mobile food services.

This report and legislation have been reviewed by the Office of the City Attorney and the Budget Bureau.

## **SUSTAINABLE OPPORTUNITIES**

**Economic:** The PCC food waste reduction work was piloted first in the United Kingdom. Results show that participation by grocers resulted in significant cost savings for local businesses. Grocers will benefit greatly from cost savings realized as a result of implementing best practices. The store brands currently participating have indicated that if they realize the same results, they will apply best practices to all their brands and stores nationwide.

**Environmental:** The statewide material characterization study reported that in Oakland, nearly 55,000 tons of edible food is being discarded annually. This amount of wasted food equals approximately 100,000 MTCO<sub>2e</sub> of greenhouse gas emissions that could be eliminated.

The City of Oakland is a leader in greenhouse gas reduction strategies and program implementation and can continue to show its leadership on this issue by agreeing to stand with the other members of the PCC to recover these 55,000 tons of wasted food and to either eliminate it at the source or to feed food insecure Oaklanders with it.

Oakland's participation in this project will place Oakland at the forefront with only two other large cities in California to reduce GHG emissions not only locally but also nationwide.

**Race & Equity:** The Project has the potential to increase the amount of free and nutritious food available to Oaklanders who are at particularly high risk of struggling with food insecurity. Since nearly 70% or a little over 300,000 Oaklanders have low to moderately low incomes, staff is working with ACCFB and other stakeholders to ensure residents in frontline communities receive the benefit of free food generated by this activity allowing their resources to be used for other necessities.

**ACTION REQUESTED OF THE CITY COUNCIL**

Staff recommends that the City Council adopt a resolution authorizing the City Administrator or his designee to enter into a memorandum of understanding with the Pacific Coast Collaborative in the amount of twenty-five thousand dollars (\$25,000) per year for three years for a total amount of seventy-five thousand dollars (\$75,000) beginning in Fiscal Year 2020-2021 and ending in Fiscal Year 2022-2023 to participate in the West Coast Regional Food Waste Reduction Project.

For questions regarding this report, please contact WANDA REDIC, SR. RECYCLING SPECIALIST, at (510) 238-6808.

Respectfully submitted,



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Attachments (2):

- A: Pacific Coast Collaborative Memorandum of Understanding
- B: Draft PCC Food Waste Reduction Project Trust Agreement