



AGENDA REPORT


TO: Jestin D. Johnson
City Administrator

FROM: Dr. Jason H. Lester
HSD Director

SUBJECT: Sugar Sweetened Beverage
Distribution Tax Community Grants FY
2025-2027

DATE: January 12, 2026

City Administrator Approval


[Jestin Johnson \(Jan 29, 2026 18:29:37 PST\)](#)

Date: 01/29/2026

RECOMMENDATION

Staff Recommends That The City Council Adopt A Resolution:

- 1. Awarding Grant Agreements To Mercy Retirement And Care Center In An Amount Not To Exceed \$300,000, Service Opportunity For Seniors In An Amount Not To Exceed \$300,000, And The Alameda County Community Food Bank Inc. In An Amount Not To Exceed \$266,666 To Provide Nutrition Services To Oakland Older Adult Residents Using Sugar-Sweetened Beverage Distribution Tax Funds.**

EXECUTIVE SUMMARY

The Sugar-Sweetened Beverage Distribution Tax is intended to reduce the consumption of sugary beverages, increase public awareness of their health impacts, and expand access to nutrition programs that improve community health outcomes. Due to recent budget reductions and growing food insecurity among vulnerable older adults, key nutrition service providers require restored funding to continue delivering essential programs.

Staff recommend allocating Measure HH Sugar-Sweetened Beverage Distribution Tax Funds to the following community partners, as outlined in Table 1 below, that provide critical nutrition and food security services for older adults and other high-need residents in the total amount of \$866,666. These allocations will support grocery distribution, home-delivered meals, and supplemental protein food resources needed to promote healthy aging and prevent further health deterioration among seniors. These agreements will be managed by the Human Services Department's (HSD) Aging & Adult Services Division.

Table 1: Recommended Funding for Community Partners

Agency	Project Purpose	Funding Area	Recommended Amount FY 2025-26	Recommended Amount FY 2026-27
Mercy Retirement and Care Center	Fighting hunger, one grocery bag at a time	Healthy Neighborhoods	\$150,000	\$150,000
Service Opportunity For Seniors	Meals that heal: improving health for homebound seniors in Oakland	Healthy Neighborhoods	\$150,000	\$150,000
The Alameda County Community Food Bank Inc.	Improving food access for children, adults, and seniors	Healthy Neighborhoods	\$133,333	\$133,333
Total Recommended Funding Fiscal Years 2025-2026 and FY 2026-2027 is \$866,666			\$433,333	\$433,333

BACKGROUND / LEGISLATIVE HISTORY

In November 2016, Oakland voters approved Measure HH, establishing a one-cent-per-fluid-ounce tax on the distribution of sugar-sweetened beverages in the City. The Ordinance also created the Sugar-Sweetened Beverage Community Advisory Commission (“Advisory Commission”) to advise Council on how tax revenues should be invested to improve public health. Using these revenues, the City awarded community grants to non-profits and public agencies to support programs focused on preventing nutrition-related health conditions. The Advisory Commission provided oversight to these community grants.

The HSD has received an allocation of Measure HH funds since 2020, primarily to support the health and well-being of older Oakland residents. These funds enabled HSD’s Aging and Adult Services Division to deliver health promotion, wellness, and recreational programming to more than 3,000 adults aged 55 and older each year at the four City-owned senior centers located in Downtown Oakland, East Oakland, North Oakland, and West Oakland. Through Measure HH support, the City offered upwards of 7,000 hours of classes, workshops, and events annually, including physical fitness and cognitive health activities and information events to increase awareness of available services and resources that help older adults age in place safely and independently.

In December 2024, the Council adopted a contingency budget to address the City’s ongoing fiscal crisis. This resulted in the discontinuation of Measure HH community grants previously overseen by the Advisory Commission. These grants had been a critical source of support for organizations providing food distribution and nutrition services to deeply low-income and vulnerable homebound older adults across Oakland. The elimination of these community grants

removes a vital layer of assistance for residents who already face elevated risks of food insecurity due to limited income, mobility barriers, and chronic health conditions. This local funding loss also coincides with recent threats in state and federal funding for food-assistance programs, further straining the safety-net services on which many older Oaklanders depend for daily nutrition.

This recommended policy action supports the Citywide priority of responsive, trustworthy government. The elimination of Measure HH community grants has created an urgent and destabilizing gap in food access for vulnerable, isolated, and medically frail older adults that place them at heightened risk when nutrition supports are interrupted. Recognizing the exigency of this situation, the HSD prioritized addressing these service gaps during the development of its FY 2025–2027 biennial budget. As part of this process, HSD identified available Measure HH carry-forward funding and allocated these resources to Senior Opportunity For Seniors - Meals on Wheels Program (SOS MOW) and Mercy Retirement and Care Center - Mercy Brown Bag Program (MBBP), both of which lost support due to the prior year's budget reductions. Funding is also prioritized to increase access to protein-rich foods for low-income older adults who rely on the East Oakland Senior Center's food pantry distribution sponsored by The Alameda County Community Food Bank Inc. (ACCFB). The ACCFB's ability to supply adequate protein has been constrained by rising food costs and increasing community demand, making supplemental support essential to ensuring proper nutrition for seniors. These Measure HH community grants to SOS MOW, MBBP, and ACCFB will be administered by the HSD's Aging and Adult Services Division. Approval of this resolution promotes community's trust on City government by demonstrating commitment to addressing a critical need of accessing food for its most vulnerable residents while averting a potential crisis of negative health outcomes and possible deaths due to an exacerbated food insecurity among older adults.

ANALYSIS AND POLICY ALTERNATIVES

Approval of this recommendation will help stabilize nutrition services, prevent further deterioration of health among older adults, and ensure continuity of essential support for vulnerable Oakland seniors. Authorizing the staff recommendations outlined in this report and Resolution will advance the City's objectives to provide reliable food assistance that enables seniors to maintain their independence and reduce the harmful effects of food insecurity. These actions also promote the dignity and well-being of older adults by reducing isolation through daily nutritious meals, wellness checks, and connections to supportive services. In addition, the recommended funding will help ensure the continued provision of high-quality fresh fruits, vegetables, whole grains, and protein-rich foods that are vital to healthy aging.

Without approval, low-income and vulnerable older adults will experience a major reduction in critical nutrition services. Food distribution, home-delivered meals, and access to protein-rich foods will continue to decline, increasing food insecurity, worsening chronic health conditions, and heightening the risk of hospitalization or premature mortality among Oakland seniors. Community partners will be unable to meet rising demand, and gaps in nutrition support will persist at a time of threatened reductions in state and federal food-assistance programs.

FISCAL IMPACT

Award agreements are funded with budget found within the following funding code: Measure HH Sugar-Sweetened Beverage Distribution Tax Fund (1030), CSBG-Admin Organization (75631), Measure HH – Healthy Kids Program Project (1003817), and Empowering Seniors and People with Disabilities Program (YS14).

The recommended grant agreement amount needed is \$433,333 for both Fiscal Year 2025-26 and Fiscal Year 2026-27. The total recommended funding is \$866,666. The total recommended funding is \$866,666 for Fiscal Years' Fiscal Years' 2025-2027.

There is no General Purpose Fund impact.

PUBLIC OUTREACH / INTEREST

No additional outreach was required beyond standard City Council noticing procedures.

COORDINATION

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

PAST PERFORMANCE, EVALUATION, AND FOLLOW-UP

Mercy Retirement and Care Center - Mercy Brown Bag Program

The Mercy Brown Bag Program (MBBP) has been a trusted City of Oakland partner since 2005, providing fresh, healthy groceries to low-income older adults. Since receiving Measure HH funding beginning in 2022, MBBP has significantly expanded its reach and impact. Over the past three years, the program has grown from serving 4,410 Oakland seniors across 22 sites to more than 6,000 seniors annually at 44 locations. MBBP now operates in 18 Oakland food desert areas, delivering grocery bags twice per month composed of approximately 57% fresh fruits and vegetables, 19% protein, and the remainder whole grains, dairy, and oils. Measure HH funding has supported major program accomplishments for MBBP. MBBP expanded distribution to all four City-run senior centers, including North Oakland, Downtown Oakland, and West Oakland. It also provides services at the Native American Health Center. One of the program's most significant achievements is the CommonSpirit Health Grocery in the Fruitvale district, which has grown from serving three shoppers on its first day in April 2022 to more than 2,200 monthly shoppers in recent months. This dramatic increase reflects both rising food insecurity among Oakland seniors and the program's successful community presence.

To meet surging demand, MBBP has added staff positions dedicated specifically to Oakland distributions, including a driver, Grocery Manager, Grocery Clerk, and Warehouse Associate. The organization has also secured a second warehouse in West Oakland to support expanded service delivery. While MBBP has invested heavily in Oakland infrastructure, sustaining this level of service is not possible without continued partnership and investment from the City through Measure HH funding. MBBP's demonstrated growth, operational capacity, and deep community roots make it a highly reliable provider of essential nutrition services for older adults.

The HSD will monitor performance through regular coordination with MBBP, review of distribution and participation data, and evaluation of service outcomes, including the number of seniors served, volume of groceries distributed, and coverage across food desert neighborhoods. HSD will work closely with MBBP to ensure services remain consistent, equitable, and responsive to the nutrition needs of Oakland's older adults.

Service Opportunity for Seniors - Meals on Wheels

Service Opportunity for Seniors Meals on Wheels (SOS MOW) has received City of Oakland support through Measure HH funding during fiscal years 2019–20, 2020–21, and 2022–24. Over these years, SOS MOW has consistently demonstrated strong capacity to deliver medically appropriate meals and nutrition services to homebound and high-risk older adults in Oakland. Measure HH funds have supported daily home-delivered meals that meet one-third of recommended daily nutrient requirements and align with diabetic diet standards, along with culturally responsive nutrition education, diabetic-friendly supplemental snacks, water bottles for new clients, and annual outcome evaluations for Oakland participants.

Program outcomes during the most recent funding period illustrate the depth and scale of SOS MOW's service to Oakland residents. SOS MOW prepares and delivers meals to approximately 850 unduplicated Oakland clients quarterly (1,000 annually), totaling an average of 57,000 meals per quarter. The program also distributes supplemental diabetic-friendly snacks to 250 clients quarterly (350 annually); delivers grocery bags to 70 clients quarterly; provides daily wellness checks; supplies water bottles to 150 new clients quarterly; and distributes more than 2,500 pieces of nutrition literature each quarter. These activities collectively support clients in managing diabetes risk, improving hydration, reducing isolation, and increasing access to nutritious foods essential for healthy aging.

SOS MOW identifies ongoing challenges related primarily to staffing and volunteer shortages. Difficulty in securing reliable volunteer drivers has resulted in greater reliance on paid staff. In response, SOS MOW has restructured delivery routes, adjusted its vehicle fleet, and increased outreach efforts, particularly within Oakland, to maintain uninterrupted services. Despite these operational challenges, SOS MOW has continued to meet or exceed its service targets and has demonstrated adaptability and strong operational management.

Measure HH funding has enabled SOS MOW to deepen its impact by pairing meal delivery with education and interventions that reduce sugar-sweetened beverage consumption and support diabetes prevention. By providing healthy meal alternatives, nutrition materials, and personalized wellness checks, SOS MOW has helped Oakland seniors make healthier choices and reduce their risk for diet-related illness. Looking ahead, SOS MOW intends to further strengthen data collection and reporting to better capture qualitative and quantitative health benefits and ultimately expand this model to other communities within Alameda County.

The HSD will continue to monitor contract performance through regular reporting, review of meal delivery and client engagement metrics, and evaluation of health and nutrition outcomes for Oakland clients. HSD will work closely with SOS MOW to ensure services remain consistent, culturally appropriate, and responsive to the needs of homebound and medically vulnerable older adults.

The Alameda County Community Food Bank Inc.

The Alameda County Community Food Bank Inc. (ACCFB) has been a trusted City partner since approximately 2001 and has a long record of delivering high-quality, equitable nutrition services to Oakland residents. Founded in 1985, ACCFB operates on the belief that food is a basic human right and distributes millions of healthy meals each year to children, adults, and seniors across Alameda County.

ACCFB provides consistent, reliable nutrition support to Oakland's older adults, including weekly distribution of fresh, high-quality foods for approximately 300 seniors at the East Oakland Senior Center (EOSC) that has served as an ACCFB food pantry site. This program offers essential access to healthy foods in an area widely recognized as a food desert and has been especially beneficial for seniors facing limited access to affordable, nutritious groceries.

If approved, the agreement with ACCFB will use Measure HH funds to increase procurement and distribution of protein-rich foods, including meat, poultry, dairy products, and culturally appropriate protein options, to help meet rising demand created by high food prices and reduced availability. ACCFB deliverables through this Measure HH community grant include purchasing, warehousing, and distributing protein items; maintaining competitive procurement practices; and coordinating regular deliveries at the EOSC weekly food pantry distribution site.

The HSD will monitor ACCFB's performance through regular check-ins, review of procurement and distribution data, and ongoing assessment of service delivery outcomes to ensure services remain consistent, equitable, and responsive to the needs of vulnerable East Oakland seniors.

SUSTAINABLE OPPORTUNITIES

Economic: Measure HH funding will provide employment opportunities as the agencies herein will develop programming focused on marginalized Oakland communities.

Environmental: There are no environmental opportunities associated with this report.

Race & Equity: Older adults in Oakland – including people facing disparities due to race, age, language, disability, gender, and other inequities – feel safe, healthy, included, and connected in the community by having access to the resources and supports they need to age well and live full lives.

ACTION REQUESTED OF THE CITY COUNCIL

Staff Recommends That The City Council Adopt A Resolution:

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For questions regarding this report, please contact ANA BAGTAS, AGING & ADULT SERVICES MANAGER at (510) 238-6794.

Respectfully submitted,



Jason Lester (Jan 28, 2026 14:12:53 PST)

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