



ANCHORS IN RESILIENT COMMUNITIES (ARC)

Promoting Health, Wealth and Climate Resilience

ARC EAST BAY SAN FRANCISCO A CASE STUDY

*Collaborative Projects of Emerald Cities Collaborative with
Health Care Without Harm and MIT CoLab*

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EMERALD CITIES COLLABORATIVE ANCHORS IN RESILIENT COMMUNITIES (ARC) *Promoting Health, Wealth and Climate Resilience*

ARC - EAST BAY SAN FRANCISCO CASE STUDY

INTRODUCTION

This profile of East Bay San Francisco is part of an on-going series of case studies and reports on Anchors In Resilient Communities (ARC). ARC initiatives are multi-stakeholder collaboratives of community organizations and coalitions, anchor institutions, foundations and government working at the intersection of community health, wealth and climate resilience. ARC's overarching mission is to increase the available social, financial and intellectual capital of low-income and communities of color, as well as innovative projects for building the resilience of those most vulnerable to climate change.

These studies, funded by The Kresge Foundation, highlight:

1. ARC Rationale and Background
2. Case Study #1: ARC East Bay San Francisco
3. Case Study #2: ARC Miami
4. Case Study #3: ARC Bronx
5. ARC: Lessons Learned (a primer, mostly for community organizations)
6. ARC: Best Practices in Community Engagement (a primer for health institutions)
7. Excerpt on ARC Miami and ARC Bronx from The Kresge Foundation's 2016 Annual Report

These initiatives are ongoing, long-term projects. Over time, the cumulative experiences and knowledge-creation builds a narrative of the promises, strategies and pitfalls of engaging anchor Institutions to advance intersectional climate resilience efforts. The goal is for anchor-community resilience collaboratives to become standard practice that can be replicated across the country.

ARC EAST BAY, CALIFORNIA

ARC East Bay focuses on under-served neighborhoods in Richmond and East Oakland, California. High rates of poverty, environmental toxins, morbidity and mortality are among the challenges making these two communities most vulnerable to climate change.

ARC East Bay involves a multi-stakeholder table working to address community health, wealth and climate resilience. The initial focus is to develop under local leadership and control, a sustainable food and energy sector. The project seeks to mitigate the impacts of drought and heat waves in the region on rising food and energy prices, while at the same time improving residents' health and economic opportunities. Food, energy and economic resilience increase the communities' capacity to reduce carbon emissions, adapt to impacts of drought on the agriculture sector and,

ultimately, develop healthy and more financially enabled households that can better recover from climate dislocations. The project leverages the assets and capacities of local institutional anchors to address the social determinants of health (both economic and environmental) and inclusive economic opportunity.

Demographics

Despite the Bay Area's booming regional economy, poverty persists, with many low-income communities not benefiting from the overall good economy. Residents lack access to jobs, business and wealth-creation opportunities; and the region's growth is driving up housing costs and resulting displacement.

The poverty rate in Alameda County, which includes Oakland, was 11 percent according to Census data released in September 2016; for Contra Costa County, which includes Richmond, it was 10 percent. (Both figures are below the national 2015 rate of 13.5%.) Richmond Mayor Tom Butt's January 2016 State of the City report said unemployment was 5.4% in December 2015, higher than the 5% national rate.

According to a 2015 Oakland Demographic Report by the Oakland Fund for Children and Youth, the number of Oakland school students from low-income households increased significantly since 2005, and three-quarters of all Oakland students were eligible for free and reduced price lunch. At 63%, Oakland's high school graduation rate was below the 80% average rates for the state and county; and Oakland's dropout rates were twice county and state averages.

Like other impoverished communities, those in the East Bay are also environmentally unhealthy. East Oakland residents, for example, have the highest rate of diabetes in the city and are at higher risk for problems related to diet, lifestyle, toxic environments, obesity, heart disease and cancer. Asthma rates among African American children are 2.5 times the overall rate found in Alameda County. Similar statics are seen in underserved communities in San Francisco County.

Climate Challenges and Risks

The Pacific Institute, working with the Oakland Climate Action Coalition, documented not only the major climate challenges in ECC's Oakland/Richmond target area but also the likely effects of climate change on the rising cost of food and energy. Drought and rising temperatures will have negative impacts on agricultural production, increase food prices and reduce agricultural jobs and businesses. The power disruption from heat waves, wildfires, melting ice packs and hydropower will significantly affect both energy costs and availability.

The critical intervention, therefore, is to build local economies that can offset the cost of food, energy and other essential services, including by increasing jobs and incomes to counter rising prices. Local business development efforts also seek to ameliorate pre-existing stressors and public health problems arising from high ambient heat, ozone depletion and sewage-polluted waters.

Who and How

ECC initiated ARC East Bay in partnership with Health Care Without Harm (HCWH). The ARC team leverages the ongoing investments by The California Endowment (TCE) in East Oakland and Richmond. Launched in 2010, TCE's Building Healthy Communities is a 10-year, \$1 billion initiative to make 14 communities throughout California that are most devastated by health inequities into "places where all people have an opportunity to thrive." This investment focuses on build cross-sector collaborations among community-based organizations to develop a vision and targeted initiatives to build healthy communities.

ARC East Bay also leverages the ACA's community investment mandates, community policy work and community placed-based efforts around food, community resilience and small business development. Kaiser Permanente is headquartered in Oakland and has been a core convening partner from the start.

Having established ARC from its inception as a collaborative process and multi-sector partnership, ECC acts as a co-convenor with Health Care Without Harm, ensuring transparency, buy-in and consensus-building. Two years into the process, that approach has led to the diverse ARC Advisory Committee, whose "table" includes key community leadership (see Partners box to the right).

What (Goals, Objectives):

ARC East Bay is about expanding jobs, positive health outcomes and climate resilience for low- and moderate-income communities in East Bay San Francisco (East Oakland and Richmond, California), using the purchasing power of the region's anchor institutions – Kaiser Permanente, K-12 educational institutions – to strengthen access to healthy foods; green, healthy, affordable housing; and economic opportunities. To mitigate the chronic issues that have such negative impacts on these communities, ARC aims to develop viable economic strategies by year 10 of The California Endowment's Building Healthy Communities initiative, to establish new businesses whose products and services work at the intersection of health, wealth and climate resilience and to create high-road jobs that create pathways to prosperity.

ARC East Bay objectives are to:

- Create a collaborative learning environment/"laboratory" that engages anchor institutions, philanthropy, the community and public-sector stakeholders in co-creating innovative models of community health, wealth and climate resilience.
- Establish long-term anchor partnerships and investments in Richmond and Oakland neighborhoods.
- Generate a feasibility plan for tapping the procurement and investment capital of major public- and private-sector employers – such as Kaiser Permanente, Dignity Health, community health clinics, UC Berkeley and other anchor institutions – to improve community health and wealth.
- Identify specific opportunities that leverage anchor investments into new models of community wealth-creation – including quality job opportunities and career pathways – as well as potential development of local start-ups, social enterprises and cooperatives dedicated to sustainable, climate-resilient communities.
- Identify anchors' "demand-side" procurement needs that can be fulfilled by "supply-side" local businesses and workers.

How:

Regular ARC advisory committee meetings – via conference call and several public learning sessions – have enabled broad inclusion and feedback from a variety of community partners, typically

Partners

- Health Richmond Community Coalition
- Building Healthy Oakland Community Coalition
- The California Endowment (TCE)/ Building Healthy Communities Initiative
- Kaiser Permanente
- Dignity Health
- University of California Berkeley and UC San Francisco
- California Wellness
- San Francisco Foundation
- Alameda County
- Health Care Without Harm (HCWH)

engaging 40-50 community stakeholders while providing transparency. (Videos of the learning sessions are available.)

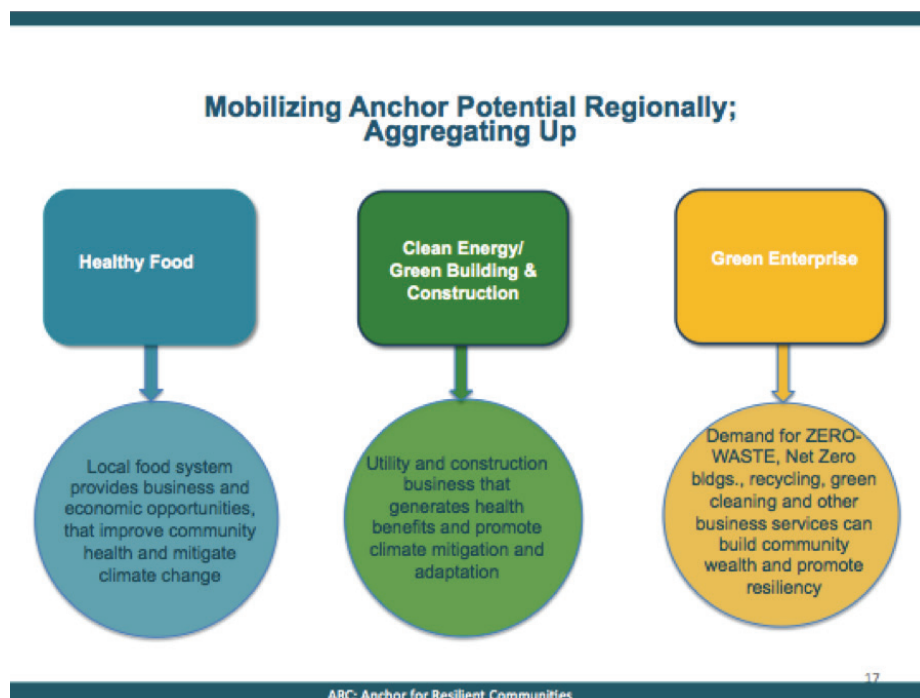
The ARC project hired TDC to conduct a procurement study of the regional anchors. Over 14 months, TDC and Emerald Cities conducted over 200 in-person or telephone interviews to assess the spending power of the anchors to determine how much they spend, what they buy and from whom. This “demand-side” analysis was then complemented with a “supply-side” scan of local businesses and economic infrastructure. The goal was to match the demand for goods and services with what could be supplied by local businesses. Switching non-local businesses with local businesses, defined as “import substitution,” is a core strategy for finding key opportunities that would improve community health, wealth and climate resilience.

Findings from the procurement study were discussed with anchor partners, and priority projects were identified. Phase I of ARC was completed in June 2016. The study and Phase II strategy were prepared for dissemination to key stakeholders, foundations, anchors and other learning communities, as well as to the public. The study includes analysis of demand-side supply chain and job opportunities, business ownership by minorities and women, gaps in technical assistance and focused recommendations and how they could be fulfilled.

Outcomes: Summary Findings

The procurement study revealed that East Bay hospitals, universities and school districts spend \$6.8 billion annually on procurement, so capturing a mere 1 percent of these dollars could direct \$68 million a year towards new economic vitality, with co-benefits of health, wealth and resilient, thriving economies.

The ARC study determined several sectors that offer business opportunities for further exploration, most notably healthy food, clean energy/green building and construction and green enterprise, as depicted in this graphic:



A number of business ideas and needs emerged that met the health, wealth and climate resilience test and also could be supported at the local level. In particular, ECC and HCWH will be vetting a food-related concept called MyCultiver, a partnership between Food Service Partners (FSP), a company with a 15-year vendor relationship with Kaiser Permanente that delivers 7,000 meals a day, and two additional partners. FSP works with 50+ hospitals across the country, delivering over two million meals a year. Additional partners include MyCootoo, a developer of hands-on educational centers, and Sarah Wally, an experienced real estate developer who helped build the renowned California Culinary Institute.

In a new, localized concept, MyCultiver (which includes an aquaponics/greenhouse facility, spaces for large food processing and small business incubation and a 3-D “edutainment” learning center around food, soil and climate) needs three facilities of varying sizes. MyCultiver, which builds community partnerships, is interested in cooperative ownership of the aquaponics/greenhouse facility by local farmers/gardeners and community stakeholders.

Additionally, the MyCultiver concept is designed to help hospitals, schools and other public institutions meet their goal of locally-produced, sustainable and organic food delivery. For example, Kaiser in its Total Health mission, would like to increase its current achievement of 40 percent local, sustainably-sourced food to 100 percent locally-grown and sustainable. This is an enormous opportunity – and challenge – that the ARC table will help facilitate.

mycultiver

- Sustainable, Efficient Food Production, Aquaponics & Greenhouse:** 50,000 sq. ft.
- Food processing, Meal Preparation & Food Business incubator:** 75,000 sq. ft.
- 3-D Learning Center-Museum & Science and Education:** 20,000 sq. ft.

- **Goal: 200,000 healthy, locally-sourced, prepared meals** for hospitals, school districts, senior centers, military personnel
- **Redesign of existing warehouses for energy-efficient use**
- **Location in one or both communities** depending on building/land availability and pricing
- **Community participation from the start** – cooperative ownership model, job training, collaboration with existing food system infrastructure and production

ARC: Anchor for Resilient Communities

Additional types of businesses are yet to be explored, with further research needed to determine their viability. They could include:

- Green/healthy buildings – net-zero energy goals
- Community solar
- Battery storage (research by Lawrence Berkeley National Laboratory may suggest viable businesses)
- Wind energy and LED lighting
- Zero-waste/recycling facility

The Nexus: Local Sustainable Food Systems, Health, Wealth and Climate Resilience

ARC East Bay's initial focus on building a local sustainable food economy is a direct result of the "demand- and supply-side" opportunities identified in the procurement study. Kaiser, in particular, and its food service contractor, Food Service Partners (FSP), committed to sustainable-food and buy-local policies being matched by other anchor institutions. Moreover, the East Bay has an emergent but vibrant slow-food movement that can be expanded to meet the demand.

In addition, the food project met the criteria of operating at the nexus of community health, wealth and climate resilience. It has the potential to be disruptive of the global food system and create an alternative food economy that addresses:

- Access healthful food to lower incidences of obesity, diabetes, cancer and other food-related health problems.
- Household budgets threatened by rising food prices as California's agriculture economy is crushed by drought, heat waves and wildfires.
- Community wealth by creating locally-owned, sustainable food enterprises along the supply chain to meet the aggregated food purchasing needs of anchors.

Challenges:

The role and function of ARC East Bay have, necessarily, expanded from convening, research and planning in Phase I to a more technical role of project development and financing in Phase II. This requires a deeper level of organizational and staff capacity as the collaborative moves into the implementation.

Development of the identified businesses and demand-side needs of Bay Area anchors are complex, requiring more knowledge and support from community partners and/or consultants. This means that moving to Phase II (setting up an ARC governance structure and implementing pilot projects) requires funding to build staff capacity to respond to those problems, as well as knowledge and expertise.

Other challenges include:

- **Anchor institution confidentiality agreements (privacy, health records, procurement contracts, etc.).** Full access to the procurement operations of anchor institutions required execution of non-disclosure agreements. But such agreements limited the full transparency needed to keep collaborative members fully informed and involved in the decision-making, which in turn compromised the project's trust-building and equity dimensions.
- **Coordinating multiple multi-anchor initiatives and community partnerships.** ARC's collaboration was one of several "anchor" strategies in the region. These efforts differed – one focused on healthcare jobs for community residents, another focused on a transportation-related project. With ARC's focus on procurement strategies to produce sustainable local economies, there was confusion in the "marketplace." Health partners were weary of all the "asks" from different groups, begging the question of "who is the community" and "where to place their time and energy." Several meetings were held with other anchor project leads to better understand each other's work and to facilitate joint access to anchor data.

- **Competing and complementary needs/interests.** Moving each partner out of its particular vested interests and silos is an ongoing undertaking. Learning communities are critical for intersectional work.
- **Geography: place-focused vs. sector-focused.** A continuing conversation among anchors was about the project's geographic focus, as anchors have overlapping territories that are not completely in sync. The community-based frame (East Oakland and Richmond) and the intent to solve community-level problems conflicted with a food supply chain initiative, which requires a regional economic frame. The tentative solution was to take a regional approach, but to connect communities to regional opportunities.
- **Local capacity.** The local sustainable food industry is vibrant, but it still represents a cottage industry. Considerable capacity-building is needed to make it a reliable supplier for the aggregated demands of the local anchors.

Next Steps:

Phase IIa Activities and Objectives: (2016-2017)

- Vet the recommendations and business/project development opportunities for short- and long-term viability within targeted low-income communities in Alameda and San Francisco Counties.
- Establish a governance structure and build stakeholder tables (key organizations and partners are needed for implementation).
- Design a strategy and timeline of the project opportunities across the Bay Area for the next two-three years and beyond (five-10 years).

Phase IIb Tasks: (2017-2018)

- Implement one/two projects ready for financing/funding in the short term. This includes building infrastructure within the communities and organizations tasked with deployment, including ECC, HCWH and additional local nonprofits needed to ensure equity, diversity and economic opportunity.
- Explore other project ideas through deeper research and engagement processes.

Phase III Activities and Objectives: (currently in development for 2018-2025)

- Amplify and build an ARC platform for greater regional equity and opportunity in low- and moderate-income communities.
- Export the model to other national/major markets like Los Angeles and New York.