



# Anchors in Resilient Communities and FoodService Partners

Building a Robust Regional Food System in Northern California

Key Themes | Food Access & Healthy Food Systems, Health & Human Services, Health & Economic Opportunities, Health & Climate Change

## SUMMARY

Anchors in Resilient Communities (ARC) is a multi-stakeholder initiative that began in 2015 with a commitment to addressing the social determinants of health by leveraging the assets and capacities of Bay Area anchor institutions and community-based partners. ARC seeks to redirect the values, principles, and practices of anchor institutions toward investment in the regional economy. The desired result is expansion of local community wealth and ownership, improved health outcomes, and strengthened capacity within low to moderate-income communities of color to be resilient in the face of climate and economic disruption.



## DRIVERS

In collaboration with The Democracy Collaborative in 2016, ARC conducted an assessment of the collective anchor institution demand for products and services and found that the anchor institutions in the East Bay collectively procure goods and services totaling \$6.8 billion dollars per year. Anchor institutions, rooted in communities, hold significant investments in real estate and social capital, and are among the largest employers in their region. ARC is using the collective power of individuals and institutions to design equitable, local economies for everyone and has developed a scalable model that can be replicated statewide.

ARC's role in building a robust Northern California regional food system is to:

1. Aggregate and leverage the collective purchasing power of ARC anchor institutions in Northern California for local, sustainably-grown food;

2. Partner with FoodService Partners (FSP) to support the development of their new FSP Culinary Center in Union City, CA. That facility will produce healthy meals for institutional clients, integrate community health and wealth as primary outcomes by prioritizing workforce development strategies in the East Bay; support small business incubation; and create high-paying jobs in the food sector;

3. Increase contracting opportunities for producers and processors who have been historically excluded from institutional markets.

This will foster a stronger and more equitable supply chain ecosystem of locally owned community enterprises supporting the economic development of the community and local residents, sustainable food producers that will help mitigate climate change effects and improve healthy food access for the community, and aggregators/processors that can meet the growing demand within Northern California institutions for healthy, sustainable, and local foods.

FoodService Partners (FSP), a longtime vendor of Kaiser Permanente's, anticipates opening its newest Culinary Center in Union City in Fall 2020. The company shares common goals with ARC stakeholders and



anchor institutions for positive social, economic, and environmental impacts to strengthen their impact in the community, the local economy, and the regional food system. The Culinary Center will source locally and sustainably-grown food to produce fresh meals for contract distribution to local ARC member institutions, healthcare, long term care facilities, schools, retail clients, and the community. The Culinary Center will create jobs and education platforms for all employees, and FSP will work with and support Faber Street Foodworks LLC and the primary lender to provide an opportunity for employee and community ownership on terms that are acceptable to all parties. ARC will work with Faber Street Foodworks LLC to help facilitate financing for the community and worker-owned portions of the envisioned East Bay entity..

## **LEAD AGENCY AND PARTNERSHIPS**

ARC is co-coordinated by **Emerald Cities Collaborative** (ECC) and **Health Care Without Harm** (HCWH), with representatives from key Bay Area anchor institutions in the health and education sectors including Kaiser Permanente, Common Spirit, and UCSF, non-profit organizations, lenders, foundations, community leaders, and city and county government.

For 22 years, FSP has produced and distributed healthy meals for large health-care clients and other institutions across the country. FSP is collaborating with ARC representatives and organizations to further support local enterprises and the local economy; to increase awareness of and access to healthy food; and to create jobs. Employment opportunities that allow individuals to move out of poverty is an important aspect of one's health. Ensuring individuals have training for career development locally, will allow them to contribute to the local economy as part of the workforce, leading to improvements in the community's health.

**Kaiser Permanente**, one of the founding anchor institutions in the ARC initiative, is the nation's oldest and largest integrated, not-for-profit health system, whose national and Northern California Regional headquarters are in Oakland, California. Kaiser Permanente improves the health of communities by addressing prioritized community

health needs, dedicating community benefit resources, and leveraging the operational resources of the organization – including intentionally deploying core activities such as purchasing, hiring, and investing in the communities where they are located. Investment in the local community allows the community to thrive by improving some social determinants of health such as employment opportunities, economic development, and poverty. Kaiser has established ambitious goals for 2025 to raise the bar on environmental responsibility, not just internally for Kaiser Permanente but for the broader social and economic sectors in the US and globally. Their goal to purchase 100% sustainable and local food by 2025 is driving the creation of a supply chain ecosystem in the Bay Area to meet the volume demand for locally and sustainably-grown food products, which will decrease climate change effects. The trend in institutional food procurement is towards healthy, fresh sustainably-grown food, and purchasing food from local and regional producers that have the capacity to meet the institutional demand, food safety minimum requirements, and sustainability criteria developed by HCWH.

California policy, such as the Farmer Equity Act, will help institutions like Kaiser meet these ambitious goals around local and sustainable sourcing and greater equity in our food system. The **Farmer Equity Act, AB 1348**, authored by Assembly member Cecilia Aguiar-Curry (D-Winters) in 2017, directs the California Department of Food and Agriculture (CDFA) to better provide resources, outreach, technical assistance, and decision-making power to “socially disadvantaged farmers and ranchers,” so called because they have been subjected to historic racial discrimination. Janaki Jagannath, a California Farmer Justice Collaborative leader, describes a goal of this legislation as having a “climate-smart agricultural policy [that] incorporate[s] the voices of farmers of color in state policy-making and expand[s] their opportunity to access climate adaptation programs, services, and markets.” In support of the Farmer Equity Act, ARC will help to build the supply chain ecosystem around the Culinary Center in Union City, and is committed to increasing the percentage of small-scale producers of color that can participate in this institutional market and benefit from the security of long term institutional contracts that the anchors can provide. FoodService

Partners currently purchases more than 50% of their products locally through their Sustainability Purchasing Programs and continues to increase their programs locally.

## ENGAGEMENT PROCESS

Social determinants of health such as access to economic and job opportunities, access to quality education and job training, access to healthy food, and resiliency and mitigation of climate changes effects cannot be addressed overnight. ARC is focused on building long term, productive working relationships of trust between anchor institutions and the communities they serve. A key to the success of this work is increased education and a deepening of understanding on both sides of the table. Additionally, in building trust, it is critical that the power dynamic between anchor and community, i.e. between “client and service provider,” is mitigated through the development of a common mission, common values, and a commitment to equity.

At the forefront of this work are principles of community development and organizing. Given these guiding principles, several important questions that cannot be answered in one or two meetings have been asked: How do anchors purchase goods and services? What are some of the logistical challenges they face in purchasing from local businesses? What are the challenges locally-owned businesses face in meeting institutional demand? How can the procurement power of anchors help build and increase capacity within the community to meet their needs? What are additional investments that need to be made within the community to support capacity?





While there is an intentional process to building the ARC table and engaging stakeholders, the model is responsive and self-correcting as needs and opportunities arise, and represents an approach unique to the East Bay communities where the work is happening. Community organizing and relationship building inherently does not adhere to a particular roadmap, given the diversity of communities and the commitment to building the process together. The outcomes cannot be determined at the outset, only imagined. While not a how-to guide, several components stand out as important to the success of ARC:

- » **Strategic partnership:** Health Care Without Harm and Emerald Cities Collaborative, as co-coordinators of ARC, bring years of successful organizing, partnership, and relationships with community anchor institutions and organizations in the Bay Area to the program. These long-term relationships with those at the ARC table help to build new working partnerships based on trust, transparency, and equity.
- » **A long-term commitment to social change:** A commitment to social change fosters engagement and participation at the ARC table, and is laying a foundation for how the work gets done and how to move forward with community at the forefront, in healthy food systems, clean energy and sustainable development, and climate resilience.
- » **Frequent communication and opportunities for engagement and decision-making for all:** Building in staffing capacity to organize internal coordinators' meetings, quarterly ARC advisory committee meetings, workgroup meetings, and public learning sessions, in order to build trust, foster equity, and maintain transparency.
- » **An evaluation framework:** Establishing an evaluation framework that includes both project impact measurement and an evaluation of processes to account for equity along the way to ensure that those most impacted by health and economic disparity are in decision-making roles from the start.

- » **Assessment:** Thorough assessment of both existing community capacities and procurement needs/practices of anchor institutions.
- » **Sustainability standards alignment:** Ability to aggregate volume demand of anchor institutions for certain products and services – alignment of sustainability standards and criteria.
- » **Coordination:** Coordination of procurement across sectors – hospitals, schools, universities, municipalities working together to support community-based organizations.
- » **Funding:** Funding support for both the staffing capacity/internal organizing within co-coordinating organizations to hold and convene the ARC table, and investment into the community businesses that will provide goods and services.
- » **Long Term Contracts:** A long term, institutional contract for sourcing healthy, sustainable, and local food products from a participating anchor institution in the ARC table drives the demand and secures a market for years to come as the business and supply chain ecosystem are developed.

## HEALTH, ENVIRONMENTAL, AND/OR CLIMATE IMPACT AREA

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By identifying and coordinating the assets of East Bay stakeholders, ARC is supporting the development of a healthy community with a local food economy that reduces greenhouse gas emissions, chronic diet-related diseases like obesity and diabetes, natural resources depletion, use of environmental toxins such as pesticides, low-wage economies, and the impacts of climate change. ARC is a radically different value proposition that holds promise for many communities looking for a better quality of life for all residents.

## FUNDING SOURCE

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The funding for ARC and the staffing capacity to support the long term participation currently comes from grants provided by The CA Endowment, Kresge Foundation, Packard Foundation, the Robert Wood Johnson Foundation, Scorpio Rising, and Kaiser Permanente's Community Benefits program.

FoodService Partners, in collaboration with a group of lender and equity investment partners Faber Street Foodworks, LLC secured the financing for the new \$20M Culinary Center.

FSP will work with ARC member organizations to provide a unique healthy meal program, tailored to individual client needs. FSP menus and service programs exceed expectations for the variety and taste of the food and the quality, consistency, and cost-effectiveness of the service.

**ARC** ANCHORS IN  
RESILIENT  
COMMUNITIES

— SUPPORTS THE DEVELOPMENT OF —

**A HEALTHY  
COMMUNITY**

— WITH A —

**LOCAL FOOD  
ECONOMY**

There are investment opportunities for ARC participants to support the development of the “supply chain ecosystem.” These investments will support sustainable food producers, aggregators, and food microenterprises within the region that want and need to increase their capacity to enter the institutional food market and service the local and sustainable sourcing needs of the Union City facility.

## RESEARCH AND DATA

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ARC's vision is articulated in a logic model that connects ARC's activities, for example mobilizing projects and facilitating partnerships, with the long-term vision of market and institutional transformation leading to community health, community wealth, and climate resilience. Recognizing that these larger societal changes will take time, the ARC team has an evaluation plan in place to track short term progress along the way. To help implement the plan, ARC has an Evaluation Workgroup, made up of representatives from Steering Committee organizations with expertise and interest in evaluation. The plan includes a Participation and Collaboration survey to better understand the experience of ARC's stakeholders, focused on dimensions like vision, engagement, leadership, and decision-making. The Regional Food System Initiative also has an evaluation plan that includes an indicator list for the culinary center developed with the help of an evaluation consultant, ARC staff and Food Service Partners. The indicator list is made up of prioritized metrics that were deemed feasible to collect and meaningful to ARC's values, including staffing data (# of new hires, # of local residents hired, # of living wage jobs, # of justice-involved hires) and supply chain data (lbs of produce from farms within 250 miles, lbs of produce sourced from farms with sustainable practices), as well as surveys to better understand the impact on key stakeholder groups like suppliers, workforce, and anchors. The workgroup will continue to build out the data collection process together to support, connect and help tell the story of the growing regional food ecosystem.

In 2018 and 2019, ARC compiled a robust body of research summarized into two important roadmaps to move the Regional Food System Initiative forward:

- » The **Value Chain Assessment** mapped elements of the food system within a 250-mile radius of East Bay communities that includes farms and land in production; regional food distributors, processors, hubs; food business incubation and innovation; legal support for farmers and cooperative businesses.
- » The **Food System Workforce Assessment** examined the state of the food system workforce in the region and the health impacts of income inequality. The food economy in the Bay Area produces \$113 billion of annual revenue and employs close to half a million people, which accounts for around 13% of the region's workforce.

## CHALLENGES

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There are challenges associated with small-scale producers and their level of understanding of institutional sourcing, and the federal food safety regulations and Food Service Partners specifications that must be followed to fulfill institutional contracts. ARC is working with sustainable agriculture organizations in the region to deliver the information these producers need.

Additionally, FSP is collaborating with the ARC Regional Food Systems Manager to outline their sustainability criteria, a set of regulated criteria that is around State and Federal compliance, in a clear way for producers who are new to the institutional marketplace to understand.

The Culinary Center will endeavor to work with small-scale producers in urban neighborhoods within 50 miles of the facility. ARC continues to be as transparent as possible in the development of their mission, and have held 5 public learning sessions to date with ARC stakeholders and community partners to inform and solicit feedback for their planning process. Additionally, ARC is mapping the existing food system and determining where there are gaps in participation from small-scale producers of color who might not be plugged into existing networks.

## OUTCOMES

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Ultimately, ARC is collaborating with FSP on mutual goals for the model of community success at the Culinary Center. The goals will address social determinants of health by creating sustainable jobs for local residents, supporting urban and regional sustainable food production, and increasing healthy food access for local communities while also building solid social, economic, and environmental impacts, in the community.

**ARC ENDEAVORS**  
— TO SUPPORT —



**SMALL-SCALE  
FOOD PRODUCERS  
OF COLOR**

WHO WANT TO **"RAMP UP"** TO MEET  
— INSTITUTIONAL DEMAND FOR —  
**LOCAL AND SUSTAINABLE FOOD**

FSP goals for the Union City Culinary Center include:

- » Working with ARC-member hospitals and long-term care facilities to provide an alternative source of healthy meals that will help hospitals reduce capital and staff cost while exceeding expectations for quality, taste, satisfaction and value.
- » Providing high paying jobs for people from the community with the opportunity to become shareowners in the business.
- » Working with a supply chain ecosystem of food producers, microenterprise development, and community-owned businesses that can provide products for the facility.
- » Supporting growth of a healthy regional food system where sustainably-produced food grown in Northern California is used to prepare healthy food products in Union City to be purchased by and distributed to Northern California institutions, including schools, hospitals, and universities, many of whom are ARC members.

- » Supporting growth in the capacity of small-scale producers and processors to enable them to enter institutional markets.
- » Providing employment opportunities and small business development support for disadvantaged communities and vendors within the East Bay targeted for support.

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