



COUNCIL AGENDA: 06-26-07  
ITEM: 2.50(b)

# Memorandum

---

**TO:** HONORABLE MAYOR AND  
CITY COUNCIL

**FROM:** Lee Price, MMC   
City Clerk

**SUBJECT: SB 1021 (PADILLA) BEVERAGE  
CONTAINERS: GRANTS**

**DATE:** June 22, 2007

---

## RECOMMENDATION

As recommended by the Rules and Open Government Committee on June 20, 2007 support SB 1021 (Padilla) as outlined in the attached memo previously submitted to and approved by the Rules & Open Government Committee.

# Memorandum

**TO:** RULES AND OPEN  
GOVERNMENT COMMITTEE

**FROM:** John Stufflebean

**SUBJECT:** SB 1021 (Padilla)  
BEVERAGE CONTAINERS: GRANTS

**DATE:** 06-11-07

Approved

*Deane Sartore*

Date

6/14/07

## RECOMMENDATION

1. Support Senate Bill 1021, Beverage containers: grants;
2. Authorize a letter of support to Senator Padilla;
3. Direct staff to pursue amendments to SB 1021 that will strengthen implementation of the bill and allow for increased state funding and fund use; and
4. Authorize Environmental Services staff to participate as technical resources during the development of future legislation on distribution of redemption payments for beverage containers.
5. One week turn around from Rules to Council.

## OUTCOME

Approval of the recommendation would provide City support for passage of legislation to provide one-time funding in the form of grants from the state to provide for beverage container recycling receptacles in multi-family housing. In addition, staff would pursue bill amendments (1) to funding levels for local governments on a permanent basis and (2) to allow the funds to be used for beverage container collection in public areas for those jurisdictions that already provide for beverage container collection in multi-family dwellings.

## BACKGROUND

SB 1021 recognizes that in many jurisdictions residents in multi-family housing currently under-participate with respect to recycling services. This is the case in the City of San José where multi-family housing represents about 93,000 households within the City. Although San José multi-family residents recycle more than residents in many other jurisdictions, their participation in the City's Recycle Plus program is still lower than participation in most single-family homes.

While the City's curbside recycling program recovers 32% of single-family waste, only 18% of multi-family waste is recycled through collection and processing of source-separated recyclables. Both sectors exceed 50% diversion due to the success of the City's yard trimmings collection program and the additional effort made by GreenTeam and the City to have a portion of the multi-family garbage sorted and composted.

Programs such as those funded by this bill are aimed at increasing the recycling rate in multi-family housing complexes. This bill would provide \$15 million in grants to local governments

and nonprofit agencies between January 1, 2008 and January 1 2009 to place source separated beverage container recycling receptacles in multi-family housing.

### ANALYSIS

As the bill is currently written, the City would use any grant funds made available for the purchase and distribution of in-unit recycling containers for multi-family housing. Focus groups have indicated that multi-family residents would increase recycling participation if recycling were made more convenient. Multi-family homes often have limited space for recycling, and it usually requires more effort to separate recyclable materials than at single-family homes. The purchase and distribution of in-unit containers would help make recycling more convenient by simplifying the storage and transport of the recyclables, thus increasing participation in the City's Recycle Plus program.

Encouraging multi-family recycling can also be a challenge because tenants do not pay their garbage bill directly, and therefore do not have the same Pay-As-You-Throw incentive to recycle more and reduce their bill. The Pay-As-You-Throw model is the primary driver for high recycling participation in the City's single-family recycling program. Even with this challenge, the City has made progress in increasing multi-family recycling relative to many other local governments, and would therefore like to see the funding availability through this bill extended to other types of recycling projects.

Staff is proposing that Council provide direction to seek amendments to this bill that will allow for permanent increases in funding at a level that will create an impact on beverage container recycling and to allow for the funding to be used for beverage container recycling for other uses besides multi-family housing, such as in public area recycling.

The funding proposed by this bill and by any amendments successfully pursued by the City would be from the funds collected from the California Redemption Value (CRV) fee, a fund that has consistently collected more money than it has distributed since its inception. These funds can only be used for projects related to beverage container recycling.

### COORDINATION

This memorandum has been coordinated with the City Attorney's Office, Intergovernmental Relations and the City's Legislative Representative in Sacramento.

  
JOHN STUFFLEBEAN  
Director, Environmental Services

For questions please contact Paul Prange, Environmental Services Specialist,  
at 408-975-2591.

Attachment: SB 1021 Beverage Containers: Grants

## SB1021

---

***What issue would the legislation try to address?***

This bill recognizes that lower levels of recycling occur within multi-family housing in California than in the State as a whole.

***How would this legislation resolve the issue?***

The bill provides one-time funding of \$15 million specifically to address placement of recycling receptacles in multi-family housing for source separated beverage containers.

***How would the passage of this bill affect San José?***

As written the bill will provide benefits to San José, however, the limits on time and type of projects for the funding affect those benefits long-term. The funding is currently only for one fiscal year, while these programs need ongoing funding to be most effective. Also although source separated beverage containers are needed in multi-family housing, the City has actually already made progress in providing recycling for multi-family housing. Therefore, a greater impact would probably be seen if the City were allowed to use its share of the funding for other areas with low recycling rates such as public area recycling.

The City has not identified any negative impact to third parties due to passage or implementation of this bill and expects to see a benefit to area recyclers due to the increased recycling generated by this bill.

***Staff's Recommended Position***

Support of SB 1021 and direct Staff to pursue bill amendments that will permanently increase funding levels for local governments and amend the bill to allow for the funds to be used for beverage container collection in other public areas for those jurisdictions that already provide for beverage container collection in the multi-family dwellings. Support of SB 1021 should be independent of inclusion of the proposed amendments in the legislation.

Also supported by:

California State Association of Counties, Regional Council of Rural Counties, San Luis Obispo Integrated Waste Management, Solid Waste Association of North America

Against:

California State Department of Finance

***What is the current status of the measure?***

Passed the Senate floor on June 6 and is now in the Assembly awaiting assignment.