

**OFFICE OF INDEPENDENT BUDGET ANALYST
CITY OF SAN DIEGO
M E M O R A N D U M**

No. 07-13

DATE: October 26, 2007

TO: Honorable Council President and Members of the City Council

FROM: Tom Haynes, Office of the Independent Budget Analyst

SUBJECT: City Recycling Ordinance

On Tuesday, October 30, 2007 the City Council will consider the City Recycling Ordinance (CRO). If approved, the CRO will require single-family residences and multi-family, commercial and mixed-use facilities to participate in a recycling program. The Ordinance provides for a phased-in approach, whereby larger multi-family, commercial and mixed-use facilities will be required to participate in a recycling program within 90 days of final passage of the Ordinance, while participation by smaller facilities will be phased in over the next two years. The smallest facilities will be required to participate by January 1, 2010. In addition, the Ordinance provides exemptions for multi-family, commercial and mixed-use facilities that produce less than six cubic yards of refuse per week.

The IBA has reviewed the proposed CRO, and supports implementation of this program. It is estimated that the CRO will divert approximately 100,000 tons of recyclable material from area landfills each year, including 70,000 tons from the Miramar landfill. This is expected to increase the City's waste diversion rate by 2.5%, and extend the life of the Miramar landfill. While the IBA is supportive of the proposed Ordinance, we offer the following observations:

- There is a bit of concern with the number of exemptions that will be provided. We understand that there are cost and space constraints for very small facilities, and that a gradual implementation process is likely necessary. However, we are hopeful that over time recycling efforts could be extended to facilities of all sizes.
- The current Ordinance does not address public space recycling, whether in open space areas such as parks and beaches, or other public venues such as concerts. This is an area to which the City may wish to devote greater consideration in the future.
- This Ordinance puts a greater financial strain on the Recycling Enterprise Fund. While there will also be financial impacts to the other funds, including the General Fund and Refuse Disposal Fund, the Recycling Fund may see significant increased expenses related to expanded curbside recycling services and educational and enforcement costs, combined with reduced revenue from the loss of AB 939 fees. This will likely require significant financial mitigation efforts in upcoming years.

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- We agree that education is the best approach to compliance and is likely to be the most cost-effective, particularly for multi-family facilities where punitive enforcement is more problematic. However, this educational approach should be balanced with adequate code compliance monitoring. While the Ordinance contemplates the addition of 1.00 Code Compliance Officer, additional positions may be necessary.
- Finally, we recommend that the Environmental Services Department report back to the Council on an annual basis regarding the effectiveness of the program. This would allow the Council to gauge the effectiveness of the program and allow for consideration of additional educational or enforcement measures if necessary.

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