



CITY AND COUNTY OF SAN FRANCISCO
LONDON N. BREED, MAYOR

OFFICE OF SMALL BUSINESS
REGINA DICK-ENDRIZZI, DIRECTOR

Oct 26, 2018

Ms. Angela Calvillo, Clerk of the Board
City Hall Room 244
1 Dr. Carlton B. Goodlett Place
San Francisco, CA 94102-4689

RE: Board of Supervisors File No. 180646-3 - Environment Code - Refuse Separation Compliance.

Dear Ms. Calvillo,

On October 22, 2018 the Small Business Commission (SBC) heard Board of Supervisors File No. 180646-3 - Environment Code - Refuse Separation Compliance. The SBC appreciates Supervisor Safai's desire to find solutions to accomplish San Francisco's zero waste goals. The SBC is not recommending "Disapproval" or "Approval" at this time as the Commission is not convinced that the legislation is addressing the problem in the right way but can be modified to do so. Therefore the SBC recommends Supervisor Safai and the Department of the Environment (DOE) need to 1) get more detailed data from Recology to do an assessment on the dirty waste streams and their top generators, and to develop solutions to get to the City's goals, 2) develop solutions that are responsive to businesses that are attempting and committed to meeting the standards but are challenged to do so, and 3) there should be a concerted effort to understand what are the problems for businesses that are following the standards but somehow are being thwarted between their actions and the actual outcome when the refuse is collected.

The Commission also noted that other possible considerations is to exclude food related business and nonprofits while DOE conducts an analysis to understand what are the problems for businesses that are working hard to achieve the standards but can't, or allow the business and the Director to jointly develop a plan together and let it be a joint decision on whether a zero waste facilitator is a necessary solution.

The SBC is concerned that neighborhood grocery stores (for example: Gus's Market, Bi-Rite, Rainbow Grocery) and restaurants are captured under the same definition of Large Refuse Generator as high-rises in the Financial District. Much of the conversation around the legislation has been focused on the these large properties and not our neighborhood food businesses or non-profits. The SBC expressed its disappointment that the Department of the Environment (DOE) was not able to provide the data on what types of the Large Refuse Generators are not meeting their zero waste goals and why the current audit system is not producing the desired results. That it has to be more than businesses or property owners choosing to pay the fines instead of working to achieve their zero waste goals. The SBC noted that while it may be true that some large property owners may be able to afford the fines that not the case for the food businesses that operate on very thin margins.

One of the above neighborhood grocery stores is a B Corp¹ and is it is in their legal governing documents to achieve zero waste. They are working on it on daily basis and have trained their employees. Yet they

¹ Certified B Corporations are businesses that meet the highest standards of verified social and environmental performance,

struggle to pass their audits and have not received clear direction from Recology on what contaminants are showing up in the refuse. In addition, neighborhood grocers and restaurants have to place their refuse on the street for pick up. This leaves the refuse vulnerable to contamination and Recology has not developed a tamper proof receptible.

It is unreasonable to require these businesses who will in all likelihood fail an audit (not by choice but by factors beyond their control), to be required to designate or hire a Zero Waste Facilitator² whose exclusive job is a Zero Waste Facilitator as it stipulates in the legislation under:

Section 1906 (f) Zero Waste Facilitator Requirement. A Large Refuse Generator who fails an Audit under Section 1906(c) must, within 60 days of receipt of a Director's notice and order, and for a duration of a minimum of 24 consecutive months, designate staff or otherwise engage person(s) whose exclusive function is to serve as Zero Waste Facilitator(s). Such person(s) must meet minimum criteria, and be engaged at sufficient capacity to address the Audit findings.

The Commission does agree with the Golden Gate Restaurant Association's proposed amendments:

1. Re-evaluate the 30-Cubic Yards to a higher yardage for the definition of a Large Refuse Generator so that it does not capture neighborhood serving grocers, restaurants and other ground floor businesses. In addition to clarifying if it weight or volume.
2. Section 1906 (e) Notice of Noncompliance and Order to Comply; first issue a warning and allow the business to work on remedial measures in consultation with Depart. of Environment before being required to have a designated zero waste coordinator.
3. Section 1906 (f) strike the words "must" and "whose exclusive function" (lines 23, 24 and 25 of page 6).
4. Extend operative date to January 1, 2020.

The Small Business Commission has supported and recommended the Board of Supervisors approve the Checkout Bag Ordinance, Polystyrene Foam Reduction Ordinance and the numerous Food Service and Packaging Waste Reduction Ordinances, including the most recent ordinance on the regarding the sale or use in the City of single use food service ware made with fluorinated chemicals and certain items made with plastic. As stated above the Commission is not convinced this legislation as drafted is addressing the problem in the right way with the one single tool of a zero waste coordinator to correct the problem.

Thank you for your consideration and please feel free to contact me should you have any questions.

Sincerely,



Regina Dick-Endrizzi
Director, Office of Small Business

public transparency, and legal accountability to balance profit and purpose. <https://bcorporation.net/>

² Definition: "**Zero Waste Facilitator**" (ZWF) means a person or entity serving exclusively in the business of and with demonstrated capacity to manage refuse materials within a given property, including material sorting and transfer, and who meets criteria a not yet specified in regulations developed by the Director.

cc: Supervisor Ahsha Safai
Kanishka Karunaratne Cheng, Mayor's Liaison to the Board of Supervisors
Debbie Rafael, Director, Department of the Environment
Lisa Pagan, Office of Economic and Workforce Development
Linda Wong, Clerk of Budget and Finance Committee