



THE CITY OF SAN DIEGO

Report to the City Council

DATE ISSUED: May 17, 2016 REPORTNO: 16-044
ATTENTION: Honorable Council President Sherri Lightner and City Councilmembers
SUBJECT: Single-Use Carryout Bag Reduction Ordinance
REFERENCE: N/A

REQUESTED ACTION:

- 1) Certify the Environmental Impact Report for Project No. 412659, and adopt Findings, a Statement of Overriding Considerations, and a Mitigation Monitoring and Reporting Program for the Single-Use Carryout Bag Reduction Ordinance.
- 2) Adopt the Single-Use Carryout Bag Reduction Ordinance

STAFF RECOMMENDATION: Approve the requested actions.

EXECUTIVE SUMMARY OF ITEM BACKGROUND:

At the October 23, 2013 meeting of the Economic Development and Intergovernmental Relations Committee (formerly the Rules and Economic Development Committee), the Environmental Services Department (ESD) presented a draft Single-Use Carryout Bag Reduction Ordinance designed to reduce the number of plastic bags entering the environment, communities, and ocean, which are generated within the City of San Diego. At that meeting, ESD was directed to refine the ordinance, prepare the appropriate environmental document, and present the ordinance for action to the full City Council. In the spring of 2014, the California Legislature made strides in passing nearly identical legislation (SB 270) at the state level. In order to preserve staff time and taxpayer money, work on the City ordinance was suspended while monitoring the progress of SB 270. SB 270 passed the legislature and was signed by the Governor in September 2014. However, in February 2015, the California Secretary of State certified a referendum for the November 2016 General Election ballot to repeal the requirements of SB 270. Since the future of the state law is uncertain, a local Single-Use Carryout Bag Reduction ordinance is being brought forward for the City Council's consideration.

The proposed Single-Use Carryout Bag Reduction Ordinance will help alleviate the environmental degradation, litter, and financial impacts caused by the more than 700 million single-use plastic bags distributed in San Diego every year. Single-use plastic bags are designed to be disposable, and the recycling rate for them is only 3%. Over 145 California municipalities, as well as other cities and countries in the world, ban or restrict the distribution or use of single-use plastic bags, including the City and County of Los Angeles, Alameda County, San Jose, Sacramento, San Francisco, Solana Beach and Encinitas in San Diego County. Adoption of a local Single-Use Carryout Bag Reduction Ordinance also supports the reuse policies of the City's Zero Waste Plan.

The main aspects of the proposed Single-Use Carryout Bag Reduction Ordinance are the following:

- Prohibit stores subject to the ordinance from distributing plastic single-use carryout bags or paper single-use carryout bags, which do not qualify as “recyclable paper single-use carryout bags,” to customers at the point of sale.
- Stores subject to the ordinance may only provide “recyclable paper single-use carryout bags” or reusable bags to customers at the point of sale.
- Require stores subject to the ordinance to collect a \$0.10 charge for each “recyclable paper single-use carryout bag” provided to a customer at the point of sale.
- Stores subject to ordinance include:
 - o Category A stores – full-line retail stores with two million dollars or more in gross annual sales that offer for sale perishable items in addition to a line of dry groceries, canned goods, or non-food items.
 - o Category B stores – stores of at least 10,000 square feet of retail space that generate sales or use tax pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law and that have a pharmacy licensed pursuant to the Pharmacy Law.
 - o Category C stores – Drug stores, convenience food stores, food marts, pharmacies, or other entities engaged in the retail sale of goods that include milk, bread, soda, and snack foods, including those retail establishments with a Type 20 or 21 license issued by the California Department of Alcoholic Beverage Control.
- Ordinance would not apply to other types of retail stores or restaurants.
- Stores subject to the ordinance would be required to provide “recyclable paper single-use carryout bags” at no cost to customers participating in the California Special Supplemental Food Program for Women, Infants, and Children or the Supplemental Food Program.
- Require stores subject to the ordinance to keep records of the number of “recyclable paper single-use carryout bags” they provide to customers in each calendar month.
- Stores subject to the ordinance are not required to provide periodic records to the City, however they must keep certain records for at least three (3) years and must provide those to the City upon request.
- City can perform audits in order to enforce the ordinance. City would use existing code compliance personnel to implement enforcement proceedings.
- Ordinance provides an implementation grace period of approximately six (6) months for Category A and B stores, and an implementation grace period of approximately one (1) year for Category C stores. The grace periods are approximate as they will actually cease upon the 1st of the month to occur immediately following the passage of the six (6) month and one (1) year periods.

Similar single-use carryout bag reduction ordinances in other jurisdictions have proven successful. One year after LA County implemented its ordinance, which included a \$0.10 charge on paper single-use bags, there was a 100% reduction in the distribution of single-use plastic bags in regulated stores, along with a 25% reduction in paper single-use bag use. In San Jose, there was an 89% reduction of plastic single-use bag litter in storm drains, a 60% reduction in creeks and a 59% reduction in city streets. In Alameda County, overall single-use bag distribution by regulated stores has declined by 85% and the number of customers using a reusable bag, or no bag, has more than doubled.

Since September 2013, ESD has met with a wide range of stakeholders regarding the proposed ordinance. The feedback received from these stakeholders ranged from a desire to make the ordinance more restrictive by including all retail stores, to the concern that it will create a financial burden on low-income communities. The majority of stakeholders preferred that ESD present the ordinance as currently drafted to the City Council. A draft Environmental Impact Report (dEIR) was prepared for this project, and was distributed for public comment on November 20, 2015. In response to comments received on the dEIR, certain sections were revised and recirculated for public comment on March 23, 2016.

As part of ESD’s outreach and education campaign for reuse policies and the proposed ordinance, ESD has purchased over 15,000 reusable shopping bags for distribution throughout San Diego. Additionally, SeaWorld San Diego donated 25,000 reusable bags to ESD. These bags have been distributed since March 2014 City-wide, with distribution focused in low-income areas. The distribution took place through schools, through the San Diego Food Bank, outside grocery stores, at farmers markets, at libraries, and at many

community and non-profit events. Partners such as Palomar Mountain Water, Surfrider San Diego, and many others have assisted the City in purchasing and/or distributing the bags. Reusable bags are also distributed with an informational postcard. Additionally, ESD held press conferences, developed videos, developed a web page, and is continuing to distribute reusable bags and information through our social media venues. To date, approximately 40,000 bags have been distributed.

Overall, the proposed Single-Use Carryout Bag Reduction Ordinance is consistent with the provisions of SB 270 and the single-use carryout bag reduction ordinances adopted in other California jurisdictions. Staff will utilize the experiences learned from other municipalities, with the support from the San Diego community, to successfully implement the proposed ordinance. Adoption of the proposed ordinance will produce a cleaner and healthier environment for the City of San Diego and its citizens.

CITY STRATEGIC PLAN GOAL(S)/OBJECTIVE(S):

Goal #2: Work in partnership with all of our communities to achieve safe and livable neighborhoods.
Objective #1: Protect lives, property, and the environment through timely and effective response in all communities.

Goal #3: Create and sustain a resilient and economically prosperous City.
Objective #1: Create dynamic neighborhoods that incorporate mobility, connectivity, and sustainability.
Performance measure: Extend the useful life of Miramar Landfill.

FISCAL CONSIDERATIONS:

N/A

EQUAL OPPORTUNITY CONTRACTING INFORMATION (if applicable):

N/A

PREVIOUS COUNCIL and/or COMMITTEE ACTIONS:

ESD sought feedback for a draft single-use carryout bag reduction ordinance at the September 11, 2013 Rules and Economic Development Committee meeting. At the October 23, 2013 Rules and Economic Development Committee meeting, ESD was directed to conduct the environmental review and to take the draft ordinance to the full City Council.

COMMUNITY PARTICIPATION AND OUTREACH EFFORTS:

ESD has met with a wide range of community stakeholders including the Community Planners Committee, the Business Improvements District Council, the Solid Waste Technical Advisory Committee, and the Legislative and Small Business Advocacy Committee of the San Diego Regional Chamber of Commerce. ESD has also met with and received feedback from the American Forest and Paper Association, AT&T, San Diego County Taxpayers Association, California Restaurant Association San Diego Chapter, Neighborhood Market Association, Equinox Center, SeaWorld San Diego, Surfrider Foundation, and the California Grocers Association. Additionally, the proposed Single-Use Carryout Bag Reduction Ordinance was discussed at the City's eight (8) Zero Waste Plan stakeholder meetings which were held from July to September, 2014.

KEY STAKEHOLDERS AND PROJECTED IMPACTS:

City of San Diego residents, businesses, trade associations, and environmental groups.

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