MOTION ENERGY, CLIMATE CHANGE AND ENVIRONMENTAL JUSTICE

Prior to 2017, California exported one-third of its waste overseas and 62% of that waste went to China. In 2017, China announced a ban on all plastic waste imports, with other countries like Vietnam, India, and Thailand enacting similar restrictions in the months to follow. As a result, the City of Los Angeles is left with a surplus of recyclables and inadequate demand for this waste. The global recycling crisis provides the City with the opportunity to manage our waste locally through improving the local market for these products while stimulating economic development.

While the State has established various programs aimed at promoting the market for recyclables, there are several barriers to further market development at the local level that should be addressed. For example, the California Department of Resources Recycling and Recovery (CalRecycle) administers the Recycling Market Development Zone (RMDZ) program, which offers up to $2 million in low-interest financing to California-based recycling businesses that prevent, reduce, or recycle recovered waste materials generated in California through value-added processing and manufacturing. However, despite RMDZ having been in place for nearly twenty years, only ten Los Angeles businesses, receiving a total of only $7.6 million, have benefitted from this program.

This is partly due to the eligibility requirements that favor traditional manufacturing businesses, who often face significant challenges to siting a large enough location with appropriate zoning in Los Angeles. While there are many manufacturing businesses that are already located in Los Angeles that could potentially change their supply stream to recyclables and benefit from this loan, the City does not have any resources for research and outreach to these businesses. Further, there are many non-manufacturing businesses that divert waste from landfills through value-added processing and could also qualify for the loan, but are unaware of these financing tools. These businesses require less space and could therefore more easily site in Los Angeles.

The City's competitive process requirements also inadvertently prevent new markets from developing. In the past, businesses have approached the Bureau of Sanitation (LASAN) to establish facilities that would process material from our waste stream into marketable products; however, these facilities often need a guarantee of business with the City in order to secure the required capital for the project. LASAN cannot guarantee a future contract without adherence to a competitive process, leaving these businesses to set up their facilities elsewhere.

Finally, since the passage of California's Cap and Trade law, CalRecycle has begun to implement several additional loan and grant programs such as the Greenhouse Gas Reduction Loan Program and Recycled Fiber, Plastic, and Glass Grant Program. In order to capitalize on these new funding streams and meet the Mayor's 2019 Sustainability pLAn objective to update to increase the proportion of waste products and recyclables productively reused or repurposed within Los Angeles County to at least 25% by 2025 and 50% by 2035, it is necessary to review and determine ways the City can both supplement and remove barriers to access for these programs here at the local level.

I THEREFORE MOVE that the Los Angeles Bureau of Sanitation and the Environment (LASAN), the Economic and Workforce Development Department (EWDD), and the Chief Legislative Analyst (CLA) report back with recommendations for the establishment of a flexible revolving loan program that would provide matching loans to entities that receive loans through the RMDZ program or other CalRecycle program as well as stand-alone loans and/or grants to entities that may not qualify or are otherwise unable to access funding from CalRecycle, but still divert waste from the Los Angeles waste stream.

I FURTHER MOVE that LASAN, with assistance from EWDD and the CLA, report back on the necessary resources, including staffing and budget required for a research and development program aimed at transitioning existing Los Angeles businesses into recyclable product manufacturers through direct promotion of both the State and local funding programs.

I FURTHER MOVE that LASAN with assistance from the City Attorney's office and the CLA, explore whether there may be flexibility with or within the competitive process, including but not limited to a pilot program for small sole-source contracting with start-up businesses that seek to process waste from the City's waste stream into marketable products.

ORIGINAL

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