


CITY COUNCIL ACTION REQUEST

Department(s): Environmental Services	CEQA: Not a Project, File No. PP17-003, Agreements and Contracts (New or Amended) resulting in no physical changes to the environment.	Coordination: City Attorney's Office and City Manager's Budget Office	Dept. Approval: /s/ Kerrie Romanow
Council District(s): Citywide			CMO Approval:  5/22/24

SUBJECT: NON-PROFIT CHARITABLE REUSER AGREEMENTS

RECOMMENDATION:

Approve charitable reuse agreements with Goodwill of Silicon Valley for \$249,323; The Salvation Army for \$88,109; and HOPE Services for \$4,340, each with a term from July 1, 2024 through June 30, 2025.

BASIS FOR RECOMMENDATION:

A Non-Profit Charitable Reuser (NPR), as defined in Section 501(c)(3) of the Internal Revenue Code of 1986, is a charitable organization, or a distinct operating unit or division of a charitable organization, that reuses and recycles donated goods or materials and receives more than 50 percent of its revenue from the handling and sale of those donated goods or materials. An NPR receives donations from individuals in varying conditions and values. While some items are saleable in both local and export markets, other items are not and must be recycled or disposed. NPRs are responsible for the cost to dispose of non-saleable items, including disposing of waste from illegal dumping at their collection sites.

Since 1992, the City of San José has supported local reuse and recycling operations in San José. The City currently provides funding to NPRs that 1) are a NPR as defined by the State Public Resources Code, which mirrors that of the Internal Revenue Code; 2) have a sorting or processing operation or facility in San José, and 3) have a retail outlet in San José which makes the reused items available to residents free of charge or at low cost. This support is available to any non-profit organization in San José that meets these criteria, which Goodwill of Silicon Valley, The Salvation Army, and Hope Services each do.

NPRs play a significant role in the City's overall strategy to divert reusable and recyclable materials from landfills. These salvage and reuse operations help the City meet the statutory waste diversion requirements of the California Integrated Waste Management Act of 1989 as well as advances the City Council-adopted Zero Waste Strategic Plan. The value of the job training and social services that these organizations offer also provides benefits to the City and helps support the local economy. Agreements include elements of NPR's participating in outreach, attending or hosting a collection event, and providing detailed collection data to assist Integrated Waste Management in measuring the program's effectiveness.

Climate Smart San José: The recommendation in this memorandum aligns with one or more Climate Smart San José energy, water, or mobility goals. The work conducted under these agreements supports local reuse and recycling operations and facilitates job creation within the City limits. NPRs like Goodwill of Silicon Valley, The Salvation Army, and Hope Services play a vital role in job training and social services provision, thereby bolstering the local economy and promoting employment opportunities within San José. Furthermore, these agreements contribute to the reduction of energy and water consumption by diverting reusable and recyclable materials from landfills and promoting the salvage and reuse of donated goods. These agreements foster a more sustainable waste management system, conserving resources that would otherwise be expended in creating new

products. This not only aids in environmental conservation but also enhances resource efficiency, contributing to a greener and more sustainable community.

Commission Recommendation/Input: No commission recommendation or input is associated with this action.

COST AND FUNDING SOURCE:

The 2024-2025 compensation amounts for the following NPR agreements are: Goodwill of Silicon Valley, \$249,323; The Salvation Army, \$88,109; HOPE Services, \$4,340, for a program total of \$341,772. The agreements are for one year. Annual compensation is determined based on the weight of the materials recycled or made available for reuse, which is attributable to operations in San José, and is equal to or greater than 80 percent of the donation level from the prior year.

These agreements are funded by the Non-Personal/Equipment appropriation to the Environmental Services Department (Appropriation 0762) in the Integrated Waste Management Fund (Fund 423).

Fund #	Appn. #	Appn. Name	Total Appn.	Amt. for Contract(s)	2024-2025 Proposed Operating Budget Page	Last Budget Action (Date, Ord. No.)
423	0762	Non-Personal/Equipment	\$4,426,845	\$341,772	869	TBD

*The 2023-2024 Proposed Operating Budget was released on May 4, 2023, is scheduled to be reviewed on June 13, 2023, and adopted on June 20, 2023 by the City Council.

FOR QUESTIONS CONTACT: Valerie Osmond, Deputy Director, Environmental Services, at (408) 535-8557, Valerie.Osmond@sanjoseca.gov