

CITY OF LOS ANGELES  
CALIFORNIA



ANTONIO R. VILLARAIGOSA  
MAYOR

APPENDIX 1

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LOS ANGELES, CA 90015-2213  
PHONE: (213) 485-2260 FAX: (213) 485-3671

July 7, 2006

Dear Permitted Private Waste Hauler:

The City of Los Angeles has determined that in the public interest it may require that all collection services of multifamily waste and recyclables within the City of Los Angeles ultimately be provided or authorized exclusively by the City. On April 25, 2006, the Los Angeles City Council directed the Bureau of Sanitation to submit a seven-year notification to the private waste hauling community (C.F. No. 06-0063), as required by the State of California, of the City's intent to implement an exclusive franchise for waste and recycling collection from multifamily dwellings.

You are hereby notified, pursuant to California Public Resources Code Sections 49500-49523 (copy attached), that the City is considering whether to provide or authorize exclusive solid waste and recyclables handling services for commercial residential premises (Multifamily Dwellings, MFD's) within the City of Los Angeles. Such services would be provided no sooner than seven years after the date of this letter from the City of Los Angeles.

All private waste haulers permitted by the City of Los Angeles who are providing and have provided solid waste and recyclables handling services in the City of Los Angeles to commercial residential premises may continue to provide such services for at least seven years from the date of this letter, subject to compliance with all applicable City, County, State, and Federal laws and regulations.

This is the initial notice you will receive on this matter. Additional information will be provided as part of the review process for the potential implementation of City provided services and/or an exclusive franchise system in the City of Los Angeles. Should you have any questions regarding this matter, please contact Mr. TJ Knight at (213) 485-3752 or via email at: [TJ.Knight@lacity.org](mailto:TJ.Knight@lacity.org), or Mr. Michael Crossley at (213) 485-3719 or via email at: [Michael.Crossley@lacity.org](mailto:Michael.Crossley@lacity.org).

Sincerely,

Rita L. Robinson, Director  
Bureau of Sanitation

Enclosure



5-Year Notice of Intent – Valley Vista Services, Inc., v. City of Monterey Park: Ruling by the State of California Second Appellate District Case No. B168056

On May 23, 2002, the City of Monterey Park notified Valley Vista Services (Valley Vista) of the city's intent to award an exclusive waste disposal franchise. Valley Vista was notified that it could continue to operate in the city for up to five years under section 49520, but only serve its current customers and could not recruit or initiate service to new customers. Valley Vista's lawyer challenged the new restriction on the basis that Section 49520 did not address taking on new accounts. In response, the city amended its waste disposal ordinance to state that waste disposal companies which received the May 23 notice of intent were limited to their then-existing accounts. Subsequent to the ordinance amendment, Valley Vista sued the city, filing a mandate petition which alleged that the state had preempted any local waste disposal ordinances, making the amendment unconstitutional.

Under the California Integrated Waste Management Act of 1989, local agencies are allowed to grant exclusive operating rights to solid waste disposal companies. If other disposal companies have been authorized by the agency to operate within the municipality's boundaries to more than three years, the agency may notify them that as a result of the exclusive franchise, their operating rights will expire in five years. At issue here was whether a city ordinance which prevents a waste disposal company that has received a five-year termination notice from soliciting new business during that five-year period conflicts with the Act. The State of California Second Appellate District Court concluded that it did not.

Filed 5/17/04

**CERTIFIED FOR PUBLICATION**

IN THE COURT OF APPEAL OF THE STATE OF CALIFORNIA

SECOND APPELLATE DISTRICT

DIVISION EIGHT

VALLEY VISTA SERVICES, INC.,

Plaintiff and Appellant,

v.

CITY OF MONTEREY PARK et al.,

Defendants and Respondents.

B168056

(Los Angeles County  
Super. Ct. No. BS079878)

APPEAL from the judgment of the Superior Court of Los Angeles County.  
David P. Yaffe, Judge. Affirmed.

Law Offices of Michael B. Montgomery, Michael B. Montgomery and Charles R.  
Martin for Plaintiff and Appellant.

Gibson, Dunn & Crutcher, Robert E. Palmer, Christopher L. Pitet, and Joshua A.  
Jessen; Brown, Winfield & Canzoneri, Mark W. Steres and Jennifer A. Vargas for  
Defendants and Respondents.

## INTRODUCTION

Under the California Integrated Waste Management Act of 1989 (Pub. Res. Code, § 40000, et seq.), local agencies are allowed to grant exclusive operating rights to solid waste disposal companies. (Pub. Res. Code, § 40059, subd. (a)(1).)<sup>1</sup> If other disposal companies have been authorized by the agency to operate within the municipality's boundaries for more than three years, the agency may notify them that as a result of the exclusive franchise, their operating rights will expire within five years. (§ 49520.)<sup>2</sup> At issue here is whether a city ordinance which prevents a waste disposal company that has received the five-year termination notice from soliciting new business during that five-year period conflicts with the Act. We conclude it does not.

## FACTS AND PROCEDURAL HISTORY

The Act requires local agencies to divert from landfills half of the trash they produce, either by recycling or other means. By early 2002, the City of Monterey Park (the city) had not complied with those requirements and faced the prospect of a compliance order and daily \$10,000 fines. In order to meet its obligations under the Act, the city decided to grant an exclusive franchise for residential, commercial and industrial waste disposal services to Athens Services (Athens). Athens already had an exclusive franchise over residential waste disposal within the city and handled roughly 99 percent of all waste disposal accounts. The new 15-year exclusive contract offered several advantages, including use of a materials recovery facility, automated collection containers, higher customer service standards, and a reduced number of trash collection vehicles.

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<sup>1</sup> We will sometimes refer to this as “the Act” or the “Waste Management Act.” All further undesignated section references are to the Public Resources Code.

<sup>2</sup> The statutory scheme is slightly different depending on whether the previous hauler had an exclusive arrangement with the local agency. (§ 49520.)



On May 23, 2002, the city notified Valley Vista that it was planning to award an exclusive waste disposal franchise.<sup>3</sup> At that time, Valley Vista serviced just 15 commercial waste disposal accounts. Valley Vista was notified that it could continue to operate under section 49520 for up to another five years, but only as to its then-current accounts. Valley Vista ignored that directive and added several new customers. After being warned by the city, Valley Vista's lawyer challenged the new business restriction, contending that because section 49520 said nothing about taking on new accounts, Valley Vista was allowed to do so during the five-year termination period. In response, the city amended its waste disposal ordinance to state that waste disposal companies which received the May 23 termination notice were limited to servicing their then-existing accounts.

After the ordinance was amended, Valley Vista sued the city, filing a mandate petition which alleged that the state had preempted any local waste disposal ordinances, making the amendment unconstitutional. Valley Vista's petition also named Athens as a real party in interest. After a bench trial, based on the parties' briefs and exhibits, the court denied the petition, finding that the city's amended ordinance was not preempted by, and did not conflict with, state law. Valley Vista appeals.

### STANDARD OF REVIEW

Because the issues raised on appeal call for the interpretation of statutes and ordinances, we exercise our independent review. (*Big Creek Lumber Co. v. County of Santa Cruz* (2004) 115 Cal.App.4th 952, 966 (*Big Creek Lumber*).)

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<sup>3</sup> Athens was awarded its franchise on June 19, 2002. In its reply brief, Valley Vista contends for the first time that the timing of the city's notification was defective because it preceded the award of Athens's exclusive franchise. We deem the issue waived because it was not raised below (*North Coast Business Park v. Nielsen Construction Co.* (1993) 17 Cal.App.4th 22, 28) and because it was first raised in Valley Vista's reply brief. (*Reichardt v. Hoffman* (1997) 52 Cal.App.4th 754, 764.)

## DISCUSSION

### 1. The Act is Silent About Soliciting New Customers During the Phase-Out Period

By 1988, landfills throughout the state were nearly filled, and we were figuratively awash in our own trash. To meet this crisis, the Legislature passed the Waste Management Act. Its goals were to reduce, recycle and reuse solid waste to the extent possible. Local agencies such as cities which were responsible for waste disposal within their boundaries were obliged to enact comprehensive waste management plans that would eventually divert half of their trash from landfills. (*City of Alhambra v. P.J.B. Disposal Co.* (1998) 61 Cal.App.4th 136, 138 (*City of Alhambra*).) The Act is designed to protect the environment, improve regulation of existing landfills, ensure that new landfills are environmentally sound, improve permitting procedures for solid waste management facilities, and specify the responsibilities of local governments to develop and implement integrated waste management plans. (*Ibid.*)

The Act gives local agencies discretion to grant exclusive waste disposal franchises. (§ 40059, subd. (a)(2).) Section 49520 provides: “If a local agency has authorized, by franchise, contract, license, or permit, a solid waste enterprise to provide solid waste handling services and those services have been lawfully provided for more than three previous years, the solid waste enterprise *may continue to provide those services* up to five years after mailed notification . . . by the local agency having jurisdiction that exclusive solid waste handling services are to be provided or authorized, unless the solid waste enterprise has an exclusive franchise or contract. [¶] If the solid waste enterprise has an exclusive franchise or contract, the solid waste enterprise shall continue to provide those services and shall be limited to the unexpired term of the contract or franchise or five years, whichever is less.” (Italics added.)<sup>4</sup>

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<sup>4</sup> We will sometimes use the phrase “trash hauler” when referring to solid waste disposal companies. When we refer to exclusive “franchises” under section 49520, we also include contracts. We also wish to make clear that our holding concerns the section 49520 rights of only those trash haulers, like Valley Vista, that have operated under

As Valley Vista points out, section 49520 does not state that a trash hauler which receives a termination notice may not solicit new business during the allowed termination period. According to Valley Vista, its right to do so is implicit in the Legislature's statement that it "may continue to provide those [waste disposal] services" during that time. Valley Vista contends the city's amended ordinance restricting its right to seek new customers conflicts with section 49520. (See Cal. Const., art. XI, § 7 [cities may make and enforce all local police, sanitary, and other ordinances that do not conflict with general laws].) In short, Valley Vista contends that because it was lawfully entitled to augment its customer base as part of providing services before receiving the statutory phase-out notice, section 40059, subdivision (a)(2) grants it the right to keep doing so during the phase-out period.

The problem with that argument is that it has no support in either the legislative history or the plain meaning of the statute. The term "those services" is equally susceptible of meaning the serving of those clients the hauler had as of the notification date. Valley Vista argues that if that is what the Legislature meant, it would have used the phrase "continue to serve existing accounts." The easy rejoinder to that contention, however, is that the Legislature could equally have said "provide or expand such service," or "nothing contained herein shall restrict a waste hauler's right to expand its business during the phase out period." We therefore agree with Judge Yaffe, who in denying the mandate petition in the trial court, wrote that the Act "is silent as to whether or not the nonexclusive haulers can solicit or accept new business during the five year period."

## 2. The Ordinance Does Not Conflict With State Law

Even though the Act is silent on the solicitation of new business, the city's ordinance might be unlawful if it conflicts with state law. A local ordinance conflicts

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nonexclusive franchises or that do not possess the preexisting right to service a particular route.

with state law if it enters an area that has been preempted by state law, or if it otherwise duplicates or contradicts the general law. (*Sherwin-Williams Co. v. City of Los Angeles* (1993) 4 Cal.4th 893, 897 (*Sherwin-Williams*.)

Preemption may be express or implied. Express preemption requires an express statement by the Legislature that it intends a state law to fully occupy the area. (*Big Creek Lumber, supra*, 115 Cal.App.4th at p. 983.) Implied preemption may take many forms, but it cannot exist if the Legislature has expressed its intent to permit local regulations or where the statutory scheme recognizes local regulations. (*People ex rel. Deukmejian v. County of Mendocino* (1984) 36 Cal.3d 476, 485.) The Waste Management Act does not include an express preemption clause. On the contrary, it specifically allows for continued local waste disposal regulations, vesting local agencies with considerable discretion in that area. (§§ 40001, subd. (a) [state and local agencies share responsibility for waste disposal]; 40059, subds. (a)(1), (2) [local agencies may determine aspects of solid waste handling of local concern, including but not limited to the nature, location, and extent of providing disposal services and whether the services shall be provided by exclusive contract]; 40703 [local government responsibilities are integral to the successful implementation of the Act].) Given these provisions and the fact that local agencies through their traditional police power have played the dominant role in local sanitation matters, the Act does not impliedly preempt the field of waste disposal. (*Waste Resource Technologies v. Department of Public Health* (1994) 23 Cal.App.4th 299, 305-309.)

That leaves duplication and contradiction of state law as the only remaining bases for determining whether the city's ordinance conflicts with the Waste Management Act. An ordinance that is coextensive with a state law is duplicative. (*Sherwin-Williams, supra*, 4 Cal.4th at p. 897, citing *In re Portnoy* (1942) 21 Cal.2d 237, 240 [local legislation was duplicative where it tried to impose the same criminal prohibition that general law imposed].) Because, as we have explained above, the Act in general and section 49520 in particular are silent on a trash hauler's right to solicit new business



during the section 49520 phase-out period, the city's amended ordinance does not, by definition, duplicate the general law.

Local laws contradict state laws if they “prohibit what the statute commands or command what it prohibits.” (*Sherwin-Williams, supra*, 4 Cal.4th at pp. 897-898.) A contradiction is generally found only when the state and local acts are “irreconcilable, clearly repugnant, and so inconsistent that the two cannot have concurrent operation.” (*Big Creek Lumber, supra*, 115 Cal.App.4th at pp. 989-990.) Determining whether a contradiction exists requires us to interpret both the ordinance and the statute. (See *id.* at pp. 985-992 [examining the relevant laws measure by measure to determine their meaning]; *Shea Homes Limited Partnership v. County of Alameda* (2003) 110 Cal.App.4th 1246, 1259-1266 [examining terms of the various measures, then applying rules of statutory construction to determine whether a conflict exists].)

The fundamental rule of statutory construction is to ascertain the intent of the legislative body in order to effectuate the purpose of the law. In doing so, we first look to the words of the enactment and try to give effect to the usual, ordinary import of the language, at the same time not rendering any language mere surplusage. The words must be construed in context and in light of the nature and obvious purpose of the statute where they appear. The statute must be given a reasonable and common sense interpretation consistent with the legislative body's apparent purpose and intention. The interpretation should be practical, not technical, and should result in wise policy rather than mischief or absurdity. If the language of a statute is clear, we should not add to or alter it to accomplish a purpose which does not appear on the face of the statute or from its legislative history. (*Kotler v. Alma Lodge* (1998) 63 Cal.App.4th 1381, 1390-1391.) Statutes should be interpreted with reference to the whole system of law of which they are a part (*People v. Comingore* (1977) 20 Cal.3d 142, 146-147), and sections relating to the same subject must be read together and harmonized (*Kotler v. Alma Lodge, supra*, at p. 1394). When construing a statute, we may consider its legislative history, including committee and bill reports, and other legislative records. (*In re John S.* (2001) 88

Cal.App.4th 1140, 1142, fn. 2.) These rules also apply when interpreting local ordinances. (*Big Creek Lumber, supra*, 115 Cal.App.4th at p. 967.)

The predecessor to section 49520 was the virtually identical former Health and Safety Code section 4272 (section 4272), which was repealed when the Waste Management Act was enacted. (*City of Alhambra, supra*, 61 Cal.App.4th at pp. 143-144, and fn. 9.) Its purpose was to provide trash haulers who were supplanted by a competitor's exclusive franchise time to amortize their capital investments in the locales where they had been providing disposal services. (*Id.* at pp. 146-147; *City of Santa Rosa v. Industrial Waste & Debris Box Rentals, Inc.* (1985) 168 Cal.App.3d 1132, 1136 (*City of Santa Rosa*).) The phase-out period for trash haulers with existing exclusive franchises was (and still is) limited to the lesser of five years or the termination date of their franchise because they are assumed to have anticipated and planned for their amortization needs when they first entered their franchises. Trash haulers with nonexclusive arrangements needed the guaranteed five-year period because their "existence is more precarious. In order to encourage such companies to capitalize sufficiently, the Legislature granted them this five-year right. *Of course, competition could put these companies out of business at any time*, but trash collection service would still be available and that is all that the public interest demands." (*Id.* at p. 1136, italics added.)<sup>5</sup>

As the italicized language from *City of Santa Rosa* suggests, section 4272 did not come with a guarantee of full amortization. While this carries some weight in our analysis, we do not believe the answer lies in the legislative intent behind section 49520's predecessor. Whatever its original intent, the statute also obtained a new one when it became part of the Waste Management Act, and section 49520 must therefore be

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<sup>5</sup> The *City of Santa Rosa* and *City of Alhambra* courts held that the purpose behind sections 49520 and 4272 was to protect the availability of waste disposal services in general, with a particular trash hauler protected only when necessary to achieve that goal. (*City of Alhambra, supra*, 61 Cal.App.4th at p. 146; *City of Santa Rosa, supra*, 168 Cal.App.3d at p. 1136.) We do not believe this means that a trash hauler is not entitled to the statute's phase-out period even though other trash haulers are available to take over its customers.

interpreted in light of that legislative scheme. (*People v. Comingore, supra*, 20 Cal.3d at pp. 146-147.)

As noted earlier, the Act requires local agencies to divert half of their trash from landfills through integrated waste management plans that rely on recycling and other means. Regulation of trash haulers has traditionally been left to local agencies and, even though the Act envisions a state-local agency partnership, the Act leaves local agencies with most of the authority and discretion when deciding how to comply with its terms. (§ 40059; *Waste Resource Technologies v. Dept. of Public Health, supra*, 23 Cal.App.4th at pp. 306-307.) This includes the right to determine all “[a]spects of solid waste handling which are of *local concern, including, but not limited to, frequency of collection, means of collection and transportation, level of services, charges and fees, and nature, location, and extent of providing solid waste handling services.*” (§ 40059, subd. (a)(1) (*italics added*)). It also includes the right to determine whether services are provided by means of exclusive or nonexclusive franchise or contract, with or without competitive bidding. (§ 40059, subd. (b)(1).)

When amending section 49520 in 1998, a legislative committee commented on this power.<sup>6</sup> A bill analysis noted that the Legislature allowed local agencies to accomplish the Act’s waste diversion goals by awarding exclusive franchises. “With this authority, the local agencies can choose those companies that have the means and have made the commitment to divert waste from the landfill, helping the local agencies meet the diversion requirement.” (Natural Resources Com., Assem. Republican Bill Analysis of Sen. Bill No. 2241.) Implicit in this, we believe, is the notion that a trash hauler awarded an exclusive franchise under the Act will commit a large portion of its resources

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<sup>6</sup> The amendment, stats. 1998, ch. 811 (Sen. Bill No. 2241), was designed to overturn part of the holding in *City of Alhambra*, which limited the five-year phase-out period to trash haulers who held trash disposal permits or licenses, not to those operating under a general business license. (*City of Alhambra, supra*, 61 Cal.App.4th at p. 146.) The Legislature amended section 49520 to state that it applied to trash haulers who had “lawfully” provided those services for the previous three years.

to fulfilling its obligations. For instance, as city staff reports in this case show, Athens agreed to many service upgrades, including use of a materials recovery facility, automated collection containers, and higher customer service standards. Athens' sales and marketing director stated in a declaration that Valley Vista was actively competing with Athens, had approached many of Athens's customers, told them of the pending legal actions, and claimed Valley Vista would soon be able to take on many new accounts. Allowing Valley Vista to compete with Athens and peck away at its newly-awarded customer base could undermine Athens's ability to recoup its costs and could discourage other disposal companies from seeking exclusive franchises.<sup>7</sup>

Also implicit in this analysis, and the Act itself, is the notion that a local agency may determine that it can best comply with the Act by choosing the one waste disposal company with the means and commitment to carry out its integrated disposal plan. Valley Vista does not contend that its collection methods complied with the Act's landfill diversion goals. Allowing trash haulers who do not conform to the city's new disposal system to expand their operations during the phase-out period could undermine the city's ability to comply with the Act, and therefore the Act itself.

In short, restricting trash haulers with nonexclusive franchises to their existing accounts during the section 49520 phase-out period is not inimical to the Waste Management Act. It does not "prohibit what the statute commands or command what it prohibits" (*Sherwin-Williams, supra*, 4 Cal.4th at p. 902), and is not "irreconcilable,

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<sup>7</sup> During oral argument, counsel for Valley Vista asked us to consider as part of our analysis a local newspaper article contained within the legislative history of the 1998 amendment to section 49520, which supposedly mentioned an instance where a city complained that during a trash hauler's phase-out period, it began competing with the new holder of an exclusive franchise. We have reviewed that news story, which accompanies numerous letters from trash haulers and other members of the public expressing their opinions about the proposed legislation. There is no indication the incident or the article was ever considered by the Legislature. Regardless, such articles are generally not considered part of a statute's legislative history. (*Tibbetts v. Van de Kamp* (1990) 222 Cal.App.3d 389, 395, fn. 5.)



clearly repugnant, and so inconsistent that the two cannot have concurrent operation.”

(*Big Creek Lumber, supra*, 115 Cal.App.4th at pp. 989-990.)

Because the ordinance neither duplicates, contradicts nor is preempted by the Act, Valley Vista’s constitutional challenge fails.<sup>8</sup>

#### DISPOSITION

For the reasons set forth above, the judgment is affirmed. Respondents to recover their costs on appeal.

#### CERTIFIED FOR PUBLICATION

RUBIN, J.

We concur:

COOPER, P.J.

FLIER, J.

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<sup>8</sup> The decisions relied on by Valley Vista do not alter our analysis. *City of Alhambra, supra*, 61 Cal.App.4th 136, concerned whether section 49520 applied to trash haulers who operated with a general business license as opposed to a specific trash hauling permit and was later legislatively overruled. *Rodeo Sanitary Dist. v. Board of Supervisors* (1999) 71 Cal.App.4th 1443, concerned whether a county ordinance assuming control of waste disposal from local sanitation districts conflicted with the Act. Neither considered the issue before this court. Valley Vista also points to section 40059, subdivision (b)(2), which states that nothing in the Act modifies or abrogates in any manner any contract, license or permit to collect solid waste that was previously granted. We believe that the more particular provisions of section 49520, which specifically deal with the rights of existing trash haulers when an exclusive franchise is granted under the Act, govern over these general terms. (Code Civ. Proc., § 1859; *Garcia v. County of Sacramento* (2002) 103 Cal.App.4th 67, 77.)

## DEPARTMENT OF PUBLIC WORKS

Revised 5/17/2011

BUREAU OF SANITATION  
BOARD REPORT NO. 1  
May 16, 2011

CD: ALL

AUTHORITY TO ISSUE 5-YEAR NOTIFICATION TO PERMITTED PRIVATE WASTE  
HAULERS OF THE CITY'S INTENT TO MODIFY EXISTING PRIVATE WASTE  
HAULING SYSTEM

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RECOMMENDATIONS

Authorize the Bureau of Sanitation to:

1. Approve and forward this report with transmittals to Mayor and City Council with the request that the Bureau of Sanitation be authorized to issue a 5-year notice to permitted private waste haulers notifying them of the City's intent to make modifications to the private waste hauling system in the City of Los Angeles.

FISCAL IMPACT STATEMENT

There will be no financial impact based on this action, as it only constitutes a notification.

TRANSMITTALS

1. Letter dated July 7, 2006, giving permitted private waste haulers a 7-year notification of the City's intent to modify the current waste hauling system for multifamily residential properties within Los Angeles.
2. Mid-year Financial Status Report and Three-year Plan to Fiscal Sustainability, January 29, 2010, page 247
3. Motion (CF#10-1797) introduced on November 16, 2010 by Councilmembers Huizar and Koretz.
4. Draft 5-year Notification Letter to Permitted Private Waste Haulers.
5. Summary of Proposed Mandatory Commercial Recycling Regulations issued by CalRecycle in January 2011.

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## DISCUSSION

The City of Los Angeles (City) has a goal of 70% waste diversion by 2013, and, through the efforts of the City's Zero-Waste Initiative, a further draft goal of 90% by 2025 is being developed. Through the implementation of City programs, voluntary efforts of private businesses, and the robust recycling industry, the City has reached a 65% diversion rate, the highest amongst large cities in the United States. However, to meet these ambitious goals, the Bureau of Sanitation (Bureau) will need to implement significant expansions of existing and new diversion programs for all sectors, including residential, commercial, industrial, and institutional residents and businesses.

The City has the responsibility and the right to determine the type of solid resources service that is provided to all residents and businesses in the City of Los Angeles, and may elect to provide services to large multifamily complexes, commercial businesses, and industrial complexes through a franchise system (California Public Resources Code (PRC) sections 40057-40059). Section 66.08 of the Los Angeles Municipal Code (LAMC) allows the City to grant a franchise for collection of solid waste. PRC section 49520 further states that "If a local agency has authorized, by franchise, contract, license, or permit, a solid waste enterprise to provide solid waste handling services and those services have been lawfully provided for more than three previous years, the solid waste enterprise may continue to provide those services up to five years after mailed notification to the solid waste enterprise by the local agency having jurisdiction that exclusive solid waste handling services are to be provided or authorized, unless the solid waste enterprise has an exclusive franchise or contract." As set forth above, PRC Section 49520 provides some protection to certain private haulers to continue providing solid waste handling services for a period of five years following mailing of the notice described herein.

The Bureau provides curbside collection services for blue bin recyclables, green bin yard trimmings, and black bin trash to all single family and a number of multifamily residences each week. By City policy, the Bureau is to provide solid waste services to all single family dwelling (SFD) and apartment complexes of 4-units or less (and larger if grandfathered) and bulky item collection service to the entire residential sector Citywide. Containers are provided to the customers, who then place the containers at the curb on a designated day of the week, Monday through Friday except after several designated holidays. Additional services include unlimited bulky item, white goods, electronics, and other special collection services.

On April 30<sup>th</sup>, 1991, the City Council approved a moratorium preventing apartment buildings of five (5) or more units from participating in the automated refuse collection program. A reaffirmation of the Council-imposed moratorium on adding apartment buildings with more than four units to the City's collection operations was adopted on March 17<sup>th</sup>, 1998. Since this moratorium was adopted, multifamily dwellings of five or more attached units have been primarily serviced by the private waste hauling community, although many buildings that have continually received City service before that time were 'grandfathered' and will continue to receive curbside services from the Bureau.



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The City currently operates under an open-market permit system for the collection and management of waste and recovered materials from large multifamily, commercial, industrial, and institutional customers within our borders. Businesses are allowed to select and negotiate a collection and disposal and/or recycling contract with any of the 134 currently permitted private waste haulers operating within the City. Private waste haulers are required only to submit a 10% AB939 Compliance fee and an annual report to the Bureau to be in compliance with, and retain, a permit to operate.

The AB939 Compliance permit system and fee was established in September 2002. All private waste haulers operating in the City are required to obtain an annual permit. Funds collected through the fee system are to be used only for recycling program that benefit the large multifamily, commercial, industrial, and institutional customers of private waste haulers. An auditing program conducts on-site evaluations of the AB939 fees collected, and the City aggressively pursues those that do not comply. Auditing and enforcement have resulted in judgments against past due haulers, revocation of permits, and the identification and recovery of hundreds of thousands of dollars in AB939 fees. The Bureau recommends implementation of a franchise system for the provision of solid waste handling services of private haulers, in part, in order to be able to more effectively audit and enforce any amounts that may become due to the City.

These AB939 Compliance fees have funded the establishment of many major recycling programs for commercial and multifamily participants. These programs include the multifamily recycling program, with over 430,000 units now participating; food waste collection and recycling at over 970 restaurants; blue bin recycling at 638 LAUSD schools, the adoption of the Citywide Construction and Demolition recycling program, a technical assistance and waste assessment program that has reached over 800 businesses, and a rebate program that creates an incentive to recycle for private waste haulers. The Bureau also provides all City Departments with recycling services as well as recycling education, and is developing the Solid Waste Integrated Resources Plan (SWIRP) to reach Zero Waste in L.A.

The Bureau also collects unlimited bulky items upon request from all residents. Illegally dumped bulky items in alleyways, parks, and on public thoroughfares cause blight and public safety and health issues throughout the City. In 2007, the City established the Multi Family Bulky Item program and fee (CF# 04-0881) to provide consistent and easily accessible service for the collection of bulky items by the Bureau across the City.

Private businesses within the City have demonstrated a high recycling rate with voluntary programs. Many large businesses within the City recycle many materials, both to help the environment and to save real money on their collection and disposal fees. These voluntary efforts have assisted greatly in the City's current 65% diversion rate. City staff have been working with businesses to provide voluntary waste assessments and technical assistance to help begin and expand recycling programs for commercial and industrial customers.



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In addition to meeting the City's ambitious diversion goals, measures currently in progress, such as the AB32 Mandatory Commercial Recycling regulations, will require the City to mandate recycling for large multifamily residential units, institutions, and businesses by July 2012. Requiring recycling in all hauling franchise contracts through private waste haulers is one method that can assist the City in complying with this measure. An additional benefit of moving to a franchise system is that a franchise contract will trigger SCAQMD Rule 1193, thus requiring the use of clean fuel vehicles to collect waste within the City.

### **Multifamily Residential Recycling Program**

The establishment of AB 939 compliance fees under the current permitted hauler system in September 2002 provided the funding for a three-year pilot recycling program specifically created to service multifamily residential properties beginning in 2004.

In 2007, the Bureau established a permanent, voluntary Multifamily Residential Recycling Program (Program) for multifamily residential properties of five (5) or more units that contract with private waste haulers for solid waste services. Five (5) year personal service contracts (with two 2-year extension options) were established with four (4) private waste haulers. The execution of these contracts transitioned the Program from a pilot program servicing 70,000 units to a permanent Citywide program servicing over 430,000 units in 2010. The last of these personal service contracts is due to expire March 13, 2013.

### **AB32 Mandatory Commercial Recycling Measure**

In 2006, the State's Global Warming Solutions Act (AB32) was adopted. One of the measures identified to reduce greenhouse gas emissions within the State was the adoption of mandatory recycling for multifamily, commercial, industrial, and institutional locations. Implementing this measure is expected to save the equivalent of at least 5 million metric tons of CO<sub>2</sub>. Recycled materials can reduce the greenhouse gas emissions from multiple phases of product production including extraction of raw materials, preprocessing and manufacturing. A co-benefit of increased recycling is avoided methane emissions at landfills which is 20 times more potent than CO<sub>2</sub>.

The final regulation package is expected to be presented to the California Air Resources Board by May 2011. In the regulations as currently drafted, the City would be required to pass a mandatory recycling measure by July 1, 2012, for all locations generating more than four cubic yards a week of refuse, monitor their compliance, and report to the State on our findings (Transmittal #5).

In order to comply with the proposed measure, the City may, for example, be required to expand the information gathered through its permit system, adopt a measure requiring all waste haulers to provide recycling services to customers, and adopt an ordinance requiring recycling at all locations serviced by private waste haulers.



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The Bureau will be required to monitor compliance and notify customers if they do not comply. At this time the draft measure does not require enforcement, however many municipalities are considering monetary fines for non-compliance.

### **Private Hauler Franchise Actions**

The City has taken several actions directing the Bureau to move forward with a franchise system for privately served multifamily residential properties. As the development of a Citywide multifamily recycling program progressed, the Bureau was directed to release a seven year notice (under California Public Resources Code 49500-49524) to permitted private waste haulers. This notice, released for mailing to the private waste hauling community on July 7, 2006, specified the City's intent with respect to the implementation of a franchise system for refuse and recycling collection from multifamily residential properties (Transmittal #1). By this notice, the City notified private haulers with permits that it may implement a franchise system for solid waste handling services for multifamily residential properties in 2013.

As part of the CAO's Mid-year report and Three-year Plan for Fiscal Sustainability, dated January 29, 2010, a proposal to issue a Request for Proposals (RFP) and to execute a franchise system for the multifamily residential sector was included (Transmittal #2). The Mayor and Council approved the recommendations in February 2010, and the actions were adopted in the fiscal year 2010-2011 budget. The Bureau held a series of stakeholder meetings in 2010, and has drafted the RFP as directed. This RFP is currently under review for submission to the Board of Public Works, but will be held until a more thorough analysis is completed that will assess various franchise issues, including but not limited to the use of Citywide or geographic service area franchises, the use of minimum service levels and quantitative diversion standards, and the use of separate franchise processes for multifamily and commercial vs. combined process for both.

On November 16, 2010, a motion (Huizar/Koretz CF#10-1797) was introduced in City Council which directed the Bureau to 1) assess the City of San Jose's solid waste system redesign, and 2) explore whether including the commercial sector in the proposed multifamily franchise would help the City reach its Zero Waste, environmental and financial goals more expediently and efficiently (Transmittal #3). The City of San Jose is transitioning from the current non-exclusive franchise system, to an exclusive franchise system for its commercial business sector. On April 5, 2011, the San Jose City Council authorized the negotiation of exclusive franchise agreements for solid waste handling services in each of two geographic service areas.

In response to the City Council motion, the Bureau has contracted with a consultant to address the questions raised by the City Council and provide an analysis of potential franchise systems. The analysis will examine the types of franchises available to the City, as well as the potential timing and financial impact of the options if selected. This analysis will be completed in summer 2011 for consideration by the Mayor and City Council, and the Bureau will then submit its report to the Board of Public Works and the Council, so the City may move forward immediately to complete the process necessary to meet financial and waste diversion goals.

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### Conclusions and Further Actions


The Bureau is seeking permission to mail a five-year notice to private waste haulers (Transmittal #4), regarding solid waste handling services for Commercial premises (other than certain construction and demolition services), in order to reserve to the City its rights with respect to the implementation of a franchise system in the City. As noted earlier, the City has already mailed such a notice to private waste haulers with respect to so-called multi-family solid waste handling services.

"Commercial premises," as used herein, would include all premises located in the City of Los Angeles other than: (1) those single family and multi-unit residential facilities for which solid waste hauling is provided directly by the Bureau and (2) those multi-family residential premises of five (5) units or more for which the Bureau does not provide such services, and which was the subject of the July 7, 2006 PRC Section 49520 notification referred to above. As used herein, "Commercial premises" would include, but not limited to, all industrial, retail, wholesale, services, restaurant, hotel, motel, institutional and other premises, which are subject to the existing City of Los Angeles permit system regulating the collection of solid waste, whether or not such premises are used for profit or non-profit purposes.

As set forth in the draft letter submitted herewith (Transmittal #4), the Bureau is not seeking authorization to issue a PRC Section 49520 notice with respect to solid waste handling services involving construction and demolition debris, as defined in Los Angeles Municipal Code Sections 66.32, *et seq.* Such non-recurring services are distinct from services those provided on an ongoing basis to other Commercial premises, involve different environmental and economic concerns, and are already regulated by City ordinance.

Permission is requested, as set forth above, as it may be necessary to implement a franchise for Commercial premises to fully comply with mandatory recycling, bring clean fuel vehicles to the City, and maximize the value of a franchise system.

Respectfully submitted,

  
ENRIQUE C. ZALDIVAR, Director  
Bureau of Sanitation

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### Stakeholder Meetings

During the months of July through September 2011, the City held eight community stakeholder meetings in order to provide an open forum to gather input from meeting attendees. The City also posted an online stakeholder survey on the Bureau's website to solicit additional feedback.

While all of the stakeholder meetings were open to all that wished to attend, six of the stakeholder meetings were focused on specific interest groups, and two of the stakeholder meetings were open to all groups. The table below shows the stakeholder meeting dates.

<b>Interest Group</b>	<b>Meeting Date</b>
Waste Haulers and Recyclers	July 19, 2011
Chamber of Commerce, Business Associations and BIDs	July 20, 2011
Environmental Organizations	July 20, 2011
Labor Organizations	July 27, 2011
Neighborhood Councils, Community and Renters	July 27, 2011
Apartment Owners and Associations	July 28, 2011
Open	August 30, 2011
Open	September 6, 2011

The minutes of the stakeholder meetings recorded by the City are included at the end of this Appendix. Included in the table below is a summary of the themes from the input gathered from each interest group.

<b>Interest Group</b>	<b>Input</b>
Waste Haulers and Recyclers	<ul style="list-style-type: none"> <li>• The waste haulers' association, and independent, smaller hauling companies strongly favored a non-exclusive system to allow the haulers to continue providing service, with the potential for a moratorium on future haulers under a non-exclusive system.</li> <li>• Independent haulers believe that their companies' value will be reduced or eliminated by an exclusive system since Los Angeles is the largest open market in the region.</li> <li>• Larger hauling companies were in attendance, but did not represent a position.</li> </ul>
Chamber of Commerce, Business Associations and BIDs	<ul style="list-style-type: none"> <li>• Business associations were strongly opposed to an exclusive system.</li> <li>• Larger businesses, or businesses with special collection requirements, such as movie studios, believe that their special service needs may not be well met under an exclusive system. The City may desire to exempt certain businesses from using the exclusive franchise hauler.</li> <li>• Participants raised concerns regarding customer leverage in the event of poor service under an exclusive</li> </ul>



	system.
Environmental Organizations	<ul style="list-style-type: none"> <li>• Support an exclusive system in order to: <ul style="list-style-type: none"> <li>○ Maximize diversion,</li> <li>○ Provide customers with equitable rates for the same level of service, and</li> <li>○ Reduce the number of solid waste trucks, thereby reducing air emissions, street maintenance costs, noise, and traffic.</li> </ul> </li> <li>• Concerned that the emissions created by overlapping truck routes cause adverse health impacts and is an environmental justice issue for lower-income multi-family residents.</li> </ul>
Labor Organizations	<ul style="list-style-type: none"> <li>• Favor an exclusive franchise system in order to improve hauling company accountability for worker health and safety, and environmental compliance.</li> <li>• Believes that an exclusive franchise system will raise worker safety, and environmental standards.</li> <li>• The labor organizations raised specific concerns regarding worker safety at material recovery facilities that may be addressed through franchise requirements.</li> </ul>
Neighborhood Councils, Community and Renters	<ul style="list-style-type: none"> <li>• Support exclusive franchise system</li> <li>• Believed that a smaller number of haulers under an exclusive system would be easier for the City to monitor and enforce standards.</li> <li>• Expressed concern that a non-exclusive system would not solve the current problems caused by multiple hauler trucks: <ul style="list-style-type: none"> <li>○ Overlapping routes</li> <li>○ Respiratory health impacts of solid waste vehicle emissions</li> <li>○ Noise</li> <li>○ Traffic (trucks blocking street access)</li> <li>○ Damage to City streets</li> </ul> </li> <li>• Environmental justice organization representatives stated that: <ul style="list-style-type: none"> <li>○ Low income communities are disproportionately impacted by solid waste vehicle and facility emissions and are in favor of minimizing the number of solid waste vehicles through the routing efficiencies of an exclusive franchise.</li> <li>○ Facility location should be considered during the proposal evaluation process.</li> </ul> </li> </ul>
Apartment Owners and Associations	<ul style="list-style-type: none"> <li>• Unanimously in favor of a non-exclusive franchise</li> <li>• Opposed regional service areas or waste sheds that would limit the ability to contract for service with one hauler at various locations throughout the City.</li> <li>• Concerned that exclusive franchise would reduce price</li> </ul>

	<p>competition, and owners and managers would lose the ability to change haulers if their hauler provider poor service, or could not accommodate special collection needs.</p> <ul style="list-style-type: none"> <li>Expressed concern regarding ability to pass through higher costs that they believe may result under an exclusive system (see Appendix 12 for excerpt on the City's Rent Stabilization Ordinance)</li> </ul>
Open	<ul style="list-style-type: none"> <li>This meeting was attended by interest groups that attended the previous six meetings, and therefore the input themes were the same.</li> </ul>
Open	<ul style="list-style-type: none"> <li>This meeting was attended by interest groups that attended the previous six meetings, and therefore the input themes were the same.</li> </ul>

## **Collection Exemptions from the Non-Exclusive or Exclusive Franchise**

### **Mandatory Exemptions**

#### **Source-Separated Recyclables and Green Waste**

On March 31, 1994, the Supreme Court of California noted that local governments may award an exclusive franchise for solid waste handling services; however, items with economic value to their owner do not fit the definition of solid waste.

*Text excerpted from Supreme Court of California Case No. S029150 Waste Management of the Desert, Inc. v. Palm Springs Recycling Center, Inc.*

“CA(2)(2) The commonly understood meaning of "waste" is something discarded "as worthless or useless." (Amer. Heritage Dict. (1985) p. 1365, col. 1; 19 Oxford English Dict. (2d ed. 1989), p. 958, col. 1.) If the owner sells his property--that is, receives value for it--the property cannot be said to be worthless or useless in an economic sense and is thus not waste from the owner's perspective. Conversely, if the owner voluntarily disposes of the property without receiving compensation or other consideration in exchange--that is, throws it away--the obvious conclusion is that the property has no economic value to the owner. The concept of value is in this sense related to the manner in which the property is disposed of.”

Therefore, the following are typically exempt from non-exclusive or exclusive solid waste collection franchise systems:

A. All recyclable materials source separated from solid waste by the owner and/or operator of the premises from which the solid waste was generated, whereby the generator of the waste sells or is otherwise compensated by a collector of the recyclable materials in a manner resulting in a net payment to the owner and/or operator.

B. Recyclable materials and green waste source separated at the premises by the owner and/or operator of the premises and donated to a youth, civic or charitable organization.

C. Green waste removed from premises by a gardening, landscaping, or tree trimming contractor, utilizing its own equipment, as an incidental part of a total service rather than as a hauling service.

#### **Hazardous and Medical Wastes**

Hazardous waste and medical waste transportation are regulated by the California Department of Toxic Substances Control (DTSC), the California Health and Safety Code, and the United States Department of Transportation. The majority of solid waste haulers do not hold the necessary registrations and licenses to haul hazardous and medical wastes as defined by the California Health and Safety Code. These services are typically exempted from exclusive solid waste franchises

Provided below are excerpts describing DTSC and California Health and Safety Code hazardous and medical waste transporter requirements and regulations.

*Hazardous Waste Transporter Requirements (DTSC): Excerpt from DTSC Fact Sheet, August 2007*

“In California, unless specifically exempted, it is unlawful for any person to transport hazardous wastes, unless the person holds a valid registration issued by the Department of Toxic Substances Control (DTSC). It is unlawful for any person to transfer custody of a hazardous waste to a transporter who does not hold a valid registration issued by DTSC. A hazardous waste registration issued by DTSC to a transporter is not transferable to any other person and is valid for one year only.

Any person who transports hazardous waste in a vehicle must have a valid registration issued by DTSC in his or her possession while transporting the hazardous waste.

The registration certificate must be shown upon demand to any representative of DTSC, any representative of a Certified Unified Program Agency (CUPA), officer of the Department of the California Highway Patrol (CHP), any local health officer, or any public officer designated by DTSC. A current list of registered hazardous waste transporters is available on the Internet at <http://www.dtsc.ca.gov/database/Transporters/Trans000.cfm>.

Statutory requirements governing hazardous waste transportation in California are contained in Division 20, Chapter 6.5, Article 6.5, Article 6.6, and Article 13 of the California Health and Safety Code (Health & Saf.Code). Regulations adopted pursuant to these statutes are found in, Division 4.5, Chapter 13, and Chapter 29 of the California Code of Regulations, title 22. (Cal. Code Regs., tit. 22). The Health & Saf. Code, Cal. Code of Regs, tit. 22, and other information pertaining to the management and transportation of hazardous waste are available on the Internet at <http://www.dtsc.ca.gov>.

Hazardous waste transporters must comply with the California Vehicle Code, CHP Regulations (Cal. Code Regs., tit. 13); the California State Fire Marshal Regulations (Cal. Code Regs., tit. 19); United States Department of Transportation (DOT) Regulations, Title 49, Code of Federal Regulations (49 Code of Federal Regulations); and U. S. Environmental Protection Agency (U.S. EPA) Regulations, Title 40 Code of Federal Regulations. In addition, hazardous waste transporters must comply with the Health & Saf. Code and Cal. Code Regs., tit. 22 which are administered by DTSC.”

*Medical Waste Management Act: California Health and Safety Code, Chapter 6, Section 11800 – Transportation of Medical Waste*

“(a) Except as otherwise exempted pursuant to Section 118030, all medical waste transported to an offsite medical waste treatment facility shall be transported in accordance with this chapter by a registered hazardous waste transporter issued a registration certificate pursuant to Chapter 6 (commencing with Section 118000) and Article 6.5 (commencing with Section 25167.1) of Chapter 6.5 of Division 20. A hazardous waste transporter transporting medical waste shall have a copy of the transporter’s valid hazardous waste transporter registration certificate in the transporter’s possession while transporting medical waste. The transporter shall show the certificate, upon demand, to any enforcement agency personnel or authorized employee of the Department of the California Highway Patrol.

(b) Except for small quantity generators transporting medical waste pursuant to Section 118030, medical waste shall be transported to a permitted offsite medical waste treatment facility or a permitted

transfer station in leak-resistant and fully enclosed rigid secondary containers that are then loaded into an enclosed cargo body.

(c) A person shall not transport medical waste in the same vehicle with other waste unless the medical waste is separately contained in rigid containers or kept separate by barriers from other waste, or unless all of the waste is to be handled as medical waste in accordance with this part.

(d) Medical waste shall only be transported to a permitted medical waste treatment facility or to a transfer station or another registered generator for the purpose of consolidation before treatment and disposal, pursuant to this part.

(e) Facilities for the transfer of medical waste shall be annually inspected and issued permits in accordance with the regulations adopted pursuant to this part.

(f) Any persons manually loading or unloading containers of medical waste shall be provided by their employer at the beginning of each shift with, and shall be required to wear, clean and protective gloves and coveralls, changeable lab coats, or other protective clothing. The department may require, by regulation, other protective devices appropriate to the type of medical waste being handled."

#### School Districts and State Agencies - Doctrine of Sovereign Immunity

Under the doctrine of sovereign immunity school districts and state agencies are not bound by local waste management regulations. The doctrine of sovereign immunity means that lower levels of government cannot regulate higher levels of government. So a state cannot regulate the federal government's activities and local government cannot regulate state government's activities. Therefore, a local government franchise cannot require that a state agency or public school only use the franchised hauler to collect the entity's refuse. An exception to this rule may occur when the higher level of government agrees to be regulated by the lower level of government.

In *Laidlaw Waste Systems, Inc. v. Bay Cities Services, Inc.*, the court concluded that "school districts are not bound by exclusive franchises for waste collection awarded by the local government in which they are located."

Citations for court cases that address the Doctrine of Sovereign Immunity include:

- *City of Santa Ana v. Board of Education* (1967) 255 Cal. App. 2d 178;
- *Del Norte Disposal, Inc. v. Department of Corrections* (1994) 26 Cal. App. 4<sup>th</sup> 1009, 1012, 1013; and,
- *Laidlaw Waste Systems, Inc. v. Bay Cities Services, Inc.*

**Commercial Solid Waste Hauler Arrangments in Los Angeles County**

City	Population	Commercial Solid Waste System		City	Population	Commercial Solid Waste System
Agoura Hills	23,000	Permit		Lancaster	145,000	Exclusive
Alhambra	89,000	Exclusive		Lawndale	34,000	Exclusive
Arcadia	57,000	Permit		Lomita	21,000	Exclusive
Artesia	18,000	Exclusive		Long Beach	493,000	Permit
Avalon	4,000	Exclusive		Los Angeles	4,066,000	Permit
Azusa	49,000	Exclusive		Lynwood	73,000	Exclusive
Baldwin Park	81,000	Exclusive		Malibu	14,000	Permit
Bell	39,000	Exclusive		Manhattan Beach	37,000	Exclusive
Bell Gardens	47,000	Non-Exclusive Contract		Maywood	30,000	Exclusive
Bellflower	77,000	Exclusive		Monrovia	40,000	Permit
Beverly Hills	36,000	Exclusive		Montebello	66,000	Permit
Bradbury	1,000	Exclusive		Monterey Park	65,000	Exclusive
Burbank	108,000	Permit		Norwalk	110,000	Exclusive
Calabasas	24,000	Exclusive		Palmdale	151,000	Exclusive
Carson	98,000	Non-Exclusive Contract		Palos Verdes Estates	14,000	Non-Exclusive Contract
Cerritos	55,000	Exclusive		Paramount	58,000	Exclusive
Claremont	38,000	Municipal		Pasadena	150,000	Non-Exclusive Contract
Commerce	14,000	Permit		Pico Rivera	67,000	Exclusive
Compton	99,000	Exclusive		Pomona	163,000	Non-Exclusive Contract
Covina	50,000	Exclusive		Rancho Palos Verdes	43,000	Non-Exclusive Contract
Cudahy	26,000	Exclusive		Redondo Beach	68,000	Exclusive
Culver City	41,000	Municipal		Rolling Hills	2,000	No commercial service
Diamond Bar	60,000	Exclusive		Rolling Hills Estates	8,000	Exclusive
Downey	113,000	Exclusive		Rosemead	58,000	Exclusive
Duarte	23,000	Exclusive		San Dimas	37,000	Exclusive
El Monte	126,000	Exclusive		San Fernando	25,000	Exclusive
El Segundo	17,000	Permit		San Gabriel	43,000	Exclusive
Gardena	62,000	Exclusive		San Marino	13,000	Exclusive
Glendale	207,000	Permit		Santa Clarita	177,000	Exclusive
Glendora	52,000	Exclusive		Santa Fe Springs	18,000	Non-Exclusive Contract
Hawaiian Gardens	16,000	Exclusive		Santa Monica	92,000	Municipal
Hawthorne	90,000	Exclusive		Sierra Madre	11,000	Exclusive
Hermosa Beach	19,000	Exclusive		Signal Hill	11,000	Exclusive
Hidden Hills	2,000	Exclusive		South El Monte	23,000	Exclusive
Huntington Park	65,000	Exclusive		South Gate	103,000	Exclusive
Industry	1,000	Exclusive		South Pasadena	26,000	Exclusive
Inglewood	119,000	Exclusive		Temple City	36,000	Exclusive
Irwindale	2,000	Non-Exclusive Contract		Torrance	149,000	Permit
La Cañada Flintridge	21,000	Permit		Vernon	100	Non-Exclusive Contract
La Habra Heights	6,000	Non-Exclusive Contract		Walnut	32,000	Exclusive
La Mirada	50,000	Exclusive		West Covina	113,000	Exclusive
La Puente	43,000	Exclusive		West Hollywood	38,000	Exclusive
La Verne	34,000	Exclusive		Westlake Village	9,000	Permit
Lakewood	84,000	Exclusive		Whittier	87,000	Municipal



## **Excerpt from City of San Jose Commercial ReDesign Whitepaper**

### **Survey of Other Major Cities**

Throughout the United States, each city's commercial collection strategy is influenced by their unique conditions such as: local and state laws, policies, and goals; historical role and existing infrastructure of collection companies; number, location, and ownership of recycling, transfer, and disposal facilities; customer interests; relationships among haulers, City staff, and elected officials; cost of landfill disposal; and, other considerations. The spectrum of options is very broad. With dozens of variables related to the type of customers, material types, hauler regulation methods, and geographic service areas, the combinations could result in hundreds of commercial system options. On one end of the spectrum are cities, such as Los Angeles, Denver, and Houston, where haulers service commercial customers in an open, unregulated market. On the other end of the spectrum are cities, such as San Francisco, Oakland, and Las Vegas, where only one hauler collects solid waste from commercial customers and the collection activities are regulated through exclusive franchise agreements.

In addition to the two collection system described above, other examples include, but are not limited to: (i) regulation of numerous haulers through permits or non-exclusive franchise agreements that allow for hauler competition throughout a city but in a regulated environment (e.g., San José, Sacramento, San Diego, Portland); and, (ii) regulation of multiple franchise haulers each assigned exclusive collection rights in a separate geographic service areas (e.g., Fresno County, San Bernardino County, and Charlotte, North Carolina). Additional differences in the wide range of collection systems include, but are not limited to, the handling of recyclable and organic materials and various customer categories (such as mixed used, multi-family, commercial, and roll-off accounts). For example, the level of exclusive rights can be defined in terms of: (i) geographic area; (ii) material type; (iii) customer type; and/or (iv) service type (cart, bin, drop box).

As part of this study, the general arrangements of commercial collection systems in 20 large jurisdictions (19 cities and one county) in the United States were identified. The 20 jurisdictions were considered because information was readily available about their commercial collection system and/or their commercial collection system was known to be structured in a manner that represented a different strategy than the others. A focus on western cities was a factor in the assessment although, where information was readily available about eastern cities, these cities were included.

Of these 20 jurisdictions, the City chose to survey five large cities that represented diverse methods of regulating commercial collection companies. The cities surveyed included: Austin, Texas; Portland, Oregon; San Francisco, California; Stockton, California; and, Seattle, Washington. The survey objectives were to learn about the unique characteristics of their systems and the diversion results. Table 5-1 provides a side-by-side summary of commercial collection systems and relevant City policies for San José and the five cities surveyed. Table 5-2 highlights any policies that may impact the commercial collection system. A description of each city's system is presented in the exhibit to this report.

The findings from the survey illustrate the range of commercial systems available and types of differences among the systems. The five systems begin to demonstrate that an "industry" or "regional" standard does not exist for commercial collection systems. The descriptions of the systems highlight the complexity and multitude of possibilities available to San José. These examples are intended to provide

a perspective on the types of alternatives that may be available to the City. It is interesting to note that two cities on the opposite end of the spectrum – Portland with 55 haulers competing for commercial collection service, and San Francisco with one hauler that has exclusive rights to commercial collection service – report similar commercial diversion levels (44% for San Francisco (excluding C&D diversion) and 57.5% for Portland (including C&D diversion)). For San Francisco, this high diversion level could be the result of the requirements placed on the exclusive franchise hauler for recycling and organics collection and their integrated waste management rate structure. For Portland, this high diversion level could be a result of the specific recycling requirements that Portland established for waste generators (businesses) themselves.

**Table 5-1**  
**Profile of Commercial Systems of Large Cities Surveyed**

	San José	Austin	Portland	San Francisco	Stockton	Seattle
Exclusive Hauling Arrangements						
Exclusive hauling arrangements	No	Yes	No	Yes	Yes	Yes
Service areas	---	1 area (covering downtown only)	---	1 area	1 area	2 areas
Number of haulers with exclusive rights	---	1 hauler	---	1 hauler	2 franchised haulers; 1 small permitted hauler	2 haulers
Scope of exclusive rights for commercial materials	---	Solid waste and single-sort recyclables	---	Solid waste, recyclables, yard waste, food scraps, mixed organics	Solid waste	Solid waste and C&D only
Open Market Arrangements						
Open market competition	Yes	Yes	Yes	Yes	Yes	Yes
Method of regulating open market collection and processing activities	Non-exclusive franchise agreements	Permit system for haulers in City (excluding downtown area)	Permit system	C&D haulers must be registered.	Permit system	"Recycling Business License" system
Number of permitted or non-exclusive franchise haulers	24 haulers	10 haulers	55 haulers	Unlimited	Unlimited	Approx. 100 haulers; 4 to 5 major haulers
Scope of haulers rights	All materials	All materials	All materials	C&D and recycling service provided at no charge to customers	<ul style="list-style-type: none"> <li>• Recyclables with 10% or less contamination/residue</li> <li>• Industrial waste materials (including C&amp;D)</li> </ul>	Recyclables
Commercial Statistics						

	San José	Austin	Portland	San Francisco	Stockton	Seattle
Number of Accounts	14,490 accounts	400 accounts (downtown only)	18,100 (commercial and multi-family accounts)	20,243 accounts	5,000 accounts	~10,000 accounts
Annual commercial tonnage						
Recyclables	42,350 tons	Unavailable	532,944 tons	57,006 tons	25,846 tons	150,818 tons
Organics	In recycling		In recycling	13,117 tons	2,216 tons	28,638 tons
Solid waste	<u>253,920 tons</u>		<u>393,700 tons</u>	<u>89,671 tons</u>	<u>83,986 tons</u>	<u>205,637 tons</u>
Total	296,270 tons (excludes C&D)		926,664 tons (includes C&D)	159,794 tons (excludes C&D recycled)	112,048 tons (includes some, but not all, C&D)	385,093 tons (includes C&D)
Diversion level (based on hauler tonnages)	16.7% excluding C&D; 36% including C&D	13% for downtown excluding C&D	57.5% including C&D	44% excluding C&D	25% in 2005; 40 to 50% estimated for 2006	47% including C&D



# **SOLID WASTE COLLECTION SYSTEM**

## **Option Analysis**

Los Angeles  
County  
Unincorporated  
Areas

www.  
**888CleanLA**  
.com

February 2001

# SOLID WASTE COLLECTION SYSTEM

## Option Analysis

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## **SECTION 1 INTRODUCTION**

### **1.0 Background**

The Los Angeles County unincorporated area encompasses approximately 2,700 square miles with a population of approximately one million. The area is comprised of approximately 80 distinct communities with their own demographic character and needs. Solid waste handling services in these areas are provided by private haulers which must have a "Waste Collector Permit" issued by the Los Angeles County Department of Health Services (DHS). The private haulers operate under an open market (free enterprise) solid waste collection system, except within six existing Garbage Disposal Districts (GDDs) where they operate under a contract with the Los Angeles County Department of Public Works (DPW). Under the open market system, residents and businesses individually arrange solid waste handling services with waste haulers.

The open market system has served the County well. It has fostered private enterprise and has provided residents and businesses with efficient solid waste handling services at reasonable costs. However, rules and regulations concerning management of solid waste has changed dramatically over the past decade. These changes were brought about by changing Federal and State laws and policies, public attitude towards solid waste management systems that are more protective of our natural resources, and public demand for improved services. The current open market system has been very slow in responding to these changes to the point that it is now inadequate to meet the County's needs in complying with the State laws and regulations, such as the State's waste reduction mandates, and to address concerns of residents.

The viability of the current open market system is also questionable due to many take-overs and consolidations in the waste management industry. In general, the mergers have resulted in increased service rates, lower quality service, and customer confusion.

In order to ensure public health and safety and be fully responsive to the State and Federal mandates while addressing citizens' needs, the County must have flexibility in exercising control over solid waste handling services in all County unincorporated areas. Solid waste handling services include, but are not limited to, frequency of collection, means of collection and transportation to solid waste processing and disposal facilities, level of services, and charges and fees. However, as provided by State law, under the current open market system, the County cannot have flexibility in exercising its full control over solid waste handling services without first giving a five-year's advance notice to permitted waste collectors that have continuously operated in the unincorporated area for the past three years. As a result, on June 16, 1998, the



Board of Supervisors instructed the DPW, in conjunction with County Counsel, to issue the statutory five-year advance notice to all permitted waste collectors that the County intends to provide exclusive refuse collection services in these areas five years from the date of the notice (Appendix 1-A). On June 23, 1998, the DPW issued the statutory five-year notice (Appendix 1-B). The notice indicated that the County is considering whether to provide or authorize exclusive refuse collection services in the areas after June 23, 2003, the termination date of the notice. The notice excluded the unincorporated areas of Lennox since the statutory five-year notice for the subject area was previously issued on September 2, 1997.

While the five-year notice is in effect, the DPW, in concert with County Counsel and the DHS, began an evaluation of the County's existing solid waste collection system. The intent is to formulate measures for the new system development and implementation in 2003, to identify the existing system deficiencies that can be improved in the interim, and to select a number of communities in which the new "pilot" system can be implemented in advance of the expiration of the five-year notice, subject to concurrence by the affected haulers servicing the pilot areas.

As part of this work, a working group was formed whose membership included representatives from the DPW, County Counsel, the DHS, and the solid waste industry including former Arklin Brothers Enterprises, Athens Service, Browning Ferris Industries, Waste Management, Inc., California Disposal Association, and the Greater Los Angeles Solid Waste Management Association. The main responsibility of this group was to evaluate the impacts the overhauling of the system will have on the solid waste industry and to assist in evaluating, developing, and selecting alternatives for consideration for implementation. Specifically, discussions of the working group included issues from the waste industry perspective and the County perspective, areas of concern/deficiency with the existing system, alternatives to the existing system, and recommendations for possible implementation. The working group's efforts were vital in formulating the recommendations of this report.

## **1.1 The County's Objectives**

It is the County's intent to evaluate and develop in a timely manner alternatives to overhaul the existing system so that the County and the waste industry may begin to plan accordingly. Of particular interest are a) identifying alternatives that can be implemented in the short term (before the end of the five-year notice period), if feasible, rather than after the end of the five-year period and which can achieve the County's identified needs and objectives, and b) formulating measures for the new system development and implementation upon expiration of the statutory five-year period.

Specifically, the County's objectives are:

- Protect the health, welfare, and safety of all citizens by addressing the solid

waste management needs of all unincorporated communities in Los Angeles County through an environmentally safe and technically feasible solid waste handling and disposal system

- ✓ • Provide County residents and businesses with efficient, high quality solid waste handling services at reasonable costs
- Comply with Federal and State laws and regulations governing solid waste management, including the mandates of the California Integrated Waste Management Act of 1989, as amended, including achievement of the State waste disposal reduction mandates
- ✓ • Provide solid waste handling services through the private sector in an environment which fosters private enterprise to the greatest extent possible, and provides for equitable competition between small and large solid waste enterprises/haulers
- ✓ • Provide the County with sufficient flexibility and adequate control over solid waste handling services to ensure compliance with established standards and codes
- Update the current Los Angeles County Code to reflect the changing needs of the County and solid waste industry
- If feasible, develop one or more alternatives which can be implemented on an interim basis, rather than at the termination of the five-year notice in 2003, and based on the results of the selected interim program(s) (pilot program(s)), formulate the new system's alternatives for implementation beyond the year 2003
- Develop a funding mechanism to provide for the County's administrative costs and resource needs in achieving the objectives

## 1.2 Work Plan

This report presents the first steps in overhauling the system. It includes reviews and evaluations of various solid waste collection systems in Southern California and provides an overview of the results as well as conclusions and recommendations. Additionally, the report addresses implementation issues regarding the establishment of an alternative solid waste collection system for the County unincorporated areas.

Specifically, the report includes:

- Identification of deficiencies in the existing open market system and an analysis of various solid waste collection systems in Southern California

- Evaluation of existing County Code to identify deficiencies and duplications and formulate appropriate revisions
- Evaluation of alternative solid waste collection system(s) for the unincorporated areas of Los Angeles County
- Recommendations on selecting an alternative solid waste collection system to implement in unincorporated County areas

## **SECTION 2**

### **THE EXISTING SOLID WASTE COLLECTION SYSTEM IN UNINCORPORATED LOS ANGELES COUNTY**

#### **2.0 Introduction**

This Section provides a description of the system for solid waste handling services in the County unincorporated areas including the open market and GDDs, service fees, the County Code, and the roles of the DPW and the DHS. Additionally, this Section includes a description of deficiencies and concerns with the current system.

The County unincorporated areas are comprised of 78 distinct communities which are scattered over an area of more than 2,700 square miles throughout Los Angeles County. Many of these areas are "islands" surrounded by incorporated cities. In these areas, solid waste handling services are provided by private haulers under an open market system, except within the six GDDs, where private haulers operate under contracts with the County. Approximately 170 private haulers have permits to operate within these areas (more are believed to operate without a permit).

In order to operate within County unincorporated areas, waste haulers offering solid waste handling services to customers must have a waste collection permit issued by the DHS. Under this permit, waste haulers must comply with requirements established in the County Code. Prior to obtaining a waste collector permit from the County, waste haulers must show proof that they have adequate financial resources and sufficient experience to properly meet the needs of waste collection activities. This includes, but is not limited to, filing a \$2,500 performance bond or equivalent security with the DHS. The security bond is to remain in effect for the term of the permit.

#### **2.1 Description of the Existing Open Market System**

In the open market system, waste haulers operate under the principles of free enterprise. Residents and businesses individually arrange for solid waste handling services including frequency, level of service, and rates with private waste haulers permitted by the County. Competition among private haulers affects fees charged and quality of services provided to customers. In general, service rates are higher, and the level and quality of service is lower in areas where the open market system exists as compared to areas within the GDDs as further discussed in this section. Furthermore, not all residences receive collection services. Rural unincorporated areas and isolated pockets of unincorporated areas are more likely not to have a formal waste collection service due to all or some of the following factors:



- The high cost of service due to the service area's geography and distance to solid waste facilities
- Waste haulers are resistant to serve rural/pocket areas because of higher operating costs and location
- There are no ordinances requiring residents in the unincorporated County areas to subscribe for waste collection services

Of the total number of haulers currently permitted to operate in the County unincorporated areas, approximately 19 percent provide service to the commercial sector, 23 percent provide service to the residential sector, 39 percent provide service to both the residential and commercial sector, and 19 percent are not currently operating or they provide roll-off service for construction and demolition waste. Each hauler in the open market chooses a service area based on a variety of criteria. Typically these criteria include the following:

- Proximity of service areas to solid waste disposal facilities
- If operating in more than one service area, proximity to each other
- Ability of service area to generate viable profit
- Proximity of service areas to waste collectors' facilities
- Required services to be provided to customers
- Existing competition in service area
- Number of customers in service area

## **2.2 Description of Existing GDDs**

In the GDDs, private haulers provide solid waste handling services under contract with the County which is administered by the DPW. The contracts are awarded through a Request for Proposal (RFP) process whereby proposals are solicited for the award of a contract to the lowest responsible proposer. The term of the contract is normally for five years. Both the competitive RFP process and a set customer base increases the County's chance of obtaining lower rates for customers.

Under the contract, the contractor is required to furnish all labor, supervision, materials, and equipment necessary for collecting, transporting, and disposing of refuse and the separate collection and management of recyclable materials and green waste

generated by single and multiple residences and commercial and industrial establishments within the designated GDD.

The six GDDs currently provide solid waste handling services to about 350,000 residents or approximately 35 percent of the unincorporated County population. Following is a description of the GDDs.

#### **Athens-Woodcrest-Olivita Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 7,110 parcels with an estimated population of 40,000 residents. The District encompasses only County unincorporated territory as shown in Appendix 2-A.

#### **Belvedere Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 23,000 parcels with an estimated population of 169,000 residents. The District encompasses County unincorporated territory and the City of Bell Gardens as shown in Appendix 2-B.

#### **Firestone Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 20,000 parcels with an estimated population of 100,000 residents. The District encompasses only County unincorporated territory as shown in Appendix 2-C.

#### **Malibu Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 2,480 parcels with an estimated population of 5,000 residents. The District encompasses County unincorporated territory and a portion of the City of Malibu as shown in Appendix 2-D.

#### **Mesa Heights Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 6,280 parcels with an estimated population of 18,500 residents. The District encompasses only County unincorporated territory as shown in Appendix 2-E.

## **Walnut Park Garbage Disposal District**

The District provides refuse collection and disposal and materials and green waste recycling services to approximately 2,930 parcels with an estimated population of 17,500 residents. The District encompasses only County unincorporated territory as shown in Appendix 2-F.

### **2.3 Garbage Collection and Disposal Service Fee**

Currently, in the unincorporated areas of the County where the open market system exists, solid waste handling services are negotiated directly between each hauler and the resident or business and service fees/rates are determined by the haulers.

In the GDDs, fees are collected from each property owner through the property tax bill by the County Tax Collector. Service fees in the GDDs are established in accordance with the Los Angeles County Code, Section 20.90.040. In September 1980, the Los Angeles County Board of Supervisors adopted Ordinances establishing service fees to supplement property taxes for services indicated above and for the collection of such fees on the tax roll as a garbage collection and disposal service fee. Collection of fees for solid waste handling services is exempt from voter approval as indicated in Proposition 218, Section 6 (c).

### **2.4 The Existing County Code**

Solid waste handling services within the unincorporated County areas are regulated by the Los Angeles County Code, Title 20, Utilities, Division 4, Solid Waste.

The County Code requires waste haulers operating in the unincorporated County areas to obtain a Waste Collector's Permit from the DHS. Additionally, the Code delineates the minimum level of service to be provided to customers including frequency of collection, capacity limits on containers, a description of allowable wastes for collection, a provision for bulky item service, the proper location for pick-up of containers, proper care of containers, the hours of container placement, the allowable hours for collection, procedures for the disposal of wastes, storage of waste collection vehicles, a requirement for a materials collection program, and requirements for inquiries and complaints. The requirements for inquiries and complaints include guidelines on how waste haulers are to deal with complaints and conflict resolution with customers, and a requirement to maintain a telephone line for the purpose of responding to inquiries and for the receipt of complaints.

The Code also requires waste haulers to provide a recycling program that includes recycling education, the submittal of monthly recycling service collection reports, and operating guidelines.

## **2.5 Responsibilities of the DHS**

The responsibilities of the DHS regarding waste collection include enforcing all provisions under Title 20, Division 4, of the Los Angeles County Code which entail:

- Issuing Waste Collector Permits
- Maintaining current records on haulers
- Collecting permit and regulatory fees
- Coordinating action in solid waste collection and disposal with other Federal, State, and local agencies and private persons
- Requesting enforcement by appropriate Federal, State, and local agencies, of their respective laws governing solid waste storage, collection and disposal
- Conducting biannual inspections of permitted waste collection vehicles and offices
- Conducting periodic surveys or other measures to determine if un-permitted haulers are operating in County unincorporated areas
- Taking appropriate administrative/criminal actions to ensure haulers' compliance with the County Code

Additionally, the DHS, acting under its Environmental Health Division, is responsible for enforcing sections of Title 11 that pertain to the proper disposal and storage of waste material. This includes managing the proper sanitation of premises to prevent the accumulation of garbage, rubbish, refuse and other waste at all times, enforcing garbage and rubbish storage restrictions, and managing the waste disposal responsibilities of vending operations. For much of Los Angeles County, the DHS also acts as the LEA for the California Integrated Waste Management Board (CIWMB) and is responsible for State minimum standards regarding waste handling and storage.

## **2.6 Responsibilities of the DPW**

The DPW is the lead County agency advising the Board of Supervisors on all matters of Countywide concern relating to waste management. These responsibilities are described in the Los Angeles County Code, Title 2, Division 2, and include:

- Administering the contracts for the six GDDs and enforcing all their requirements

- Ensuring County unincorporated area's full compliance with the State waste reduction mandates
- Developing and enforcing all waste diversion programs, including but not limited to, curbside recycling and separate collection of green waste, required to be provided by waste haulers to residences, multi-residential complexes, and commercial, institutional or industrial entities in all unincorporated areas of the County
- Implementing Countywide solid waste management programs
- Administering a variety of contracts and conducts programs for public information and education regarding solid waste issues

## **2.7 Deficiencies and Concerns with the Existing System**

There are deficiencies with the existing open market solid waste collection system that hamper the County's ability to provide a consistent level of service to its residents, comply with State and Federal laws and regulations, maintain free enterprise, and assure adequate enforcement to meet the needs of its constituents. The following is a discussion of these deficiencies and concerns.

### **Quality of Service**

Waste haulers do not regularly communicate to their customers what services they provide, why they have to provide those services, what areas they serve, and a description of their fee structure. Failure to disclose this type of information has an impact on the quality of service the customers receive.

This problem can result in customers not being able to compare the services and fees of competing waste collectors. Additionally, this leads to frustration on the part of customers because they do not have the necessary information to make intelligent decisions regarding their solid waste handling service. Subsequently, customers are unable to consistently arrange for services in the open market system. It is a burden for residents and businesses to have complete knowledge and understanding of all the laws and regulations pertaining to solid waste handling services. This responsibility rests solely with the waste haulers. The haulers are to comply with and inform their customers of the level of services that they are to provide resulting from laws and regulations.

Waste haulers not disclosing service information affects the County's ability to effectively address customer concerns regarding their services. This makes the County appear ineffective in meeting the needs of its residents and businesses. Just as important, this practice appears to be contrary to the open market system where



residents and businesses should have the option to arrange for their own individual service with waste haulers permitted by the County.

Another concern is that residents and businesses located in areas outside the GDDs do not receive or arrange for consistent services. The County has the responsibility to provide a consistent level of service to all residents and businesses within its jurisdiction. Waste haulers that provide solid waste handling services to areas outside the GDDs are required by County Ordinance to provide certain services to customers. Curbside recycling and green waste recycling are among the services required for residential customers. Currently a fee is charged for these services, and customers have the option to participate or not. Having this option leads to services not being consistently arranged.

Furthermore, the County Code requires waste haulers to provide a bulky item collection service to all residential customers. In the GDDs where the County has full control over the services, additional services such as bulky item collection, green waste collection, and annual cleanups are provided consistently to all residential customers at a flat rate. In the open market system most haulers fail to inform their customers of the availability of bulky item service at additional fees.

Current County Code Section 20.72.194 requires waste haulers to prepare monthly recycling reports. The lack of information in the reports such as recycling statistics and diversion rates further supports the concern that all residents and businesses are not receiving consistent services. Additionally, complaints from residents indicate that not all County residents are provided recycling services as required by the County Code.

### ✓ **Outmoded County Code**

Concerns and inconsistencies with the current County Code are summarized below:

- There are inconsistencies among the various Sections of the County Code in the definitions of the terms of solid waste, waste, garbage, refuse, rubbish, trash, etc. These terms must be clearly and consistently defined to avoid ambiguity in the interpretation, implementation, and enforcement of the various provisions of the County Code.
- The County Code is not consistent with State regulation relative to the solid waste storage and removal standards.
- The County Code does not place a time requirement mandate and penalty on waste haulers for the submittal of reports containing information on the waste collector's service areas, rates, and collection schedules.
- The County Code does not specify procedures to be followed and/or actions

to be taken by the enforcement agency in the event that the hauler has failed to resolve its conflict with the customers on issues relative to the quality of services provided.

- The County Code does not include mandatory cleanup campaigns for residential customers. There are no provisions for the mechanical collection of refuse, recyclable, and green waste materials. Additionally, the Code is not in conformity with Federal and State regulations and/or policies regarding collection and disposal of major appliances which may contain hazardous chemicals as well as collection, storage, and disposal of waste tires.
- The County Code does not require waste haulers to report the quantity of solid waste they dispose at solid waste landfill facilities.
- The County Code enforcement mechanism is outdated due to new State and Federal law requirements.

### **AB 939 Compliance**

As mandated by AB 939, the County is responsible for diverting 50 percent of its waste by the year 2000. However, limited cooperation from waste collectors in the County unincorporated areas outside the GDDs affects the County's ability/flexibility to implement necessary waste management programs; to accurately account for the quantities of solid waste being managed; and to ensure reasonable costs to residents.

The DPW is the lead County agency for advising the Board of Supervisors on waste management issues. It is responsible for implementing waste management programs, accounting for quantities of solid waste being managed, and ensuring reasonable cost for solid waste handling services to residents and businesses. In order for the DPW to be effective in meeting its responsibilities, it is critical that waste collectors fully cooperate with the County.

As previously stated, in a GDD, solid waste handling services are provided by one waste hauler under a contract with the County. The contract clearly specifies the programs and services that the contract waste hauler is required to provide and the provisions if the contractor fails to meet the requirements of the contract. In areas outside the GDDs where the only means currently available to implement diversion programs are through ordinances, the DPW has been encountering difficulties in implementing such programs. An example is the difficulty in determining if curbside recycling is available to all unincorporated County areas outside the GDDs due to some waste collectors' reluctance to provide specific information on the services they provide.

Lack of cooperation and/or lack of understanding of the importance of information that

waste haulers must provide to the DPW results in difficulties for the County. The County needs to know at all times, the quantity of solid waste being managed in order to determine the effectiveness of its programs. Additionally, the County needs to know where waste is going in order to determine trends, anticipate disposal needs, and accurately provide information to the Board of Supervisors and their constituents.

### **Competition Issues**

The current trend toward consolidation in the solid waste industry may result in County unincorporated areas that have an open market system being served by only one hauler creating an actual non-competitive "franchise." This situation may already exist in some areas where a hauler's established route may be "respected" by others thus resulting in non-competitive services.

Consolidation, companies being bought out, and mutual "respect" of routes by others are having a negative impact on the open market system. This trend could result in a noncompetitive marketplace dominated by a few large solid waste management companies with lower service levels and higher rates. A true and successful open market system encourages and is sustained by competition between companies. In a situation where services are controlled by a few companies and where routes may be "respected" by others, competition will not exist. Without competition, customers will not have a choice of service alternatives and reasonable fees for services. Additionally, the incentive to have programs available which can assist the County in meeting AB 939 mandates would be less in a non competitive environment.

Furthermore, some haulers' contracts with commercial/industrial establishments contain an "Evergreen Clause." This clause is a provision that allows for the automatic extension of the contract for specified periods beyond the primary term unless either party specifically elects to terminate the contract by giving the required notice prior to the anniversary date. This clause may inhibit a customer's ability to change to another waste hauler and it may also work against an open market system.

### **Enforcement Issues**

The existing County Code does not provide a way to enforce the regulations contained therein. For example, the Code requires haulers to submit a report with information on services provided, service areas, rates, and collection schedules but it does not put any time constraints on the submittal of the report nor does it offer any penalties for non-compliance. The Code also requires the waste collector to maintain a telephone for the purpose of responding to inquiries and for the receipt of complaints, however, it offers no procedures for handling unresolved customer complaints pertaining to the quality of service. Currently, there are no guidelines for classifying a waste hauler's actions as non-compliant, nor are there related procedures for handling issues of non-compliance or set penalties for such actions. This leaves the County powerless in such

instances. Furthermore, there are no step-by-step directions for handling the arbitration of disputes between the hauler and the County.

At this time, the County has no legal authority to require residents and businesses outside the GDDs to participate in diversion programs. Absence of this authority and the ability of customers to not participate in diversion programs, results in services not consistently arranged for, and could result in difficulties for the County in meeting AB 939 diversion mandates. Additionally, due to waste haulers' lack of cooperation, it is difficult for the County to expand diversion programs to all unincorporated County areas.

## **SECTION 3 THE FIVE-YEAR ADVANCE NOTICE**

### **3.0 Background**

As directed by the Board of Supervisors, on June 23, 1998, the DPW issued the statutory five-year advance notice (Appendix 1-B) to all permitted waste collectors that have continuously operated in the unincorporated County areas for the past three years. The notice indicates the County is considering whether to provide or authorize exclusive refuse collection services in the areas after June 23, 2003, the termination date of the notice. The notice excluded the unincorporated areas of Lennox since the five-year notice for the subject area was previously issued on September 2, 1997.

### **3.1 Legal Requirement**

State law provides private waste haulers, operating in an area for more than three years, with the right to continue operating in that area for up to five years after local jurisdictions notify them of the local jurisdiction's intent to manage waste collection services through the exclusive franchise/contract process (County Code, Title 20, Section 20.72.060, and State Public Resources Code Section 49520). Therefore, for the County to exercise possible control over the waste collection services in the future, the Board had to issue the State-mandated five-year advance notice to the private waste haulers.

### **3.2 Reasons**

Presently, solid waste handling services in the County unincorporated areas are provided by private haulers. The private haulers operate under an open market system, except within the six existing GDDs where they operate under a contract with the County.

As previously stated in Section 1:

- The existing open market system has served the residents well in providing solid waste management services. However, the system is slow or reluctant in responding to laws and regulations which have been enacted during the past several years.
- The County is under a State mandate to achieve the 50 percent waste diversion goal.



- Studies show that entities with greater control over their waste stream achieve higher levels of diversion. This is exemplified in the GDDs where control over the waste stream provides for quick implementation of diversion programs, uniformity of services, lower cost, more accurate and timely reporting of data, and program flexibility.
- The County may be subject to a penalty of \$10,000 per day for failure to meet the State-mandated diversion goals. The County needs to have flexibility in exercising control over the collection of solid waste by creating exclusive or non-exclusive franchise/contract areas for solid waste collection in all unincorporated areas of Los Angeles County.

The DPW has engaged in discussions with the private waste haulers associations, including the Greater Los Angeles Solid Waste Management Association and the California Disposal Association to discuss how their members would cooperate with the County to assist in meeting the State's mandate of 50 percent waste diversion goal. However, the actions by the two organizations have not been sufficient to assist the County in meeting the waste diversion mandates or responding to its citizens needs. Additionally, these organizations do not have the authority to enforce member compliance to cooperate with the County in meeting the State's mandates. Compliance with the needs of the County with regard to program implementation, reporting, and maintaining a reduced cost for the various programs has been a continuous problem. Service in the open market areas is generally more costly than that provided in such areas as the GDDs.

The County is also concerned that the current acquisitions and consolidations in the solid waste industry may result in a noncompetitive marketplace dominated by a few large solid waste management companies with lower service levels and higher rates. This situation has been demonstrated in some areas of the County.

## **SECTION 4**

### **ALTERNATIVE SOLID WASTE COLLECTION SYSTEMS**

#### **4.0 Introduction**

A solid waste collection system is a mechanism or method of providing solid waste handling services within an organized political boundary. Solid waste handling service is the collection, transportation, storage, transfer and processing of solid wastes for residential, commercial, institutional, or industrial users or customers and includes recycling.

This Section defines and describes waste collection systems that are available to Los Angeles County as alternatives to the current open market system. Additionally, this Section compares the various systems and provides the pros/cons of each. The solid waste collection systems are divided into two categories, namely, municipal and private enterprise.

Pursuant to State law, Public Resources Code, Section 40000, et. seq., the County is responsible for making adequate provisions for solid waste handling services in the unincorporated areas. The Board of Supervisors is authorized under State law to regulate matters of solid waste handling in the unincorporated areas of the County for the benefit of the public including, but not limited to, frequency of collection, means of collection and transportation, level of service, charges and fees, and the nature, location, and extent of providing solid waste handling services. The authority to provide solid waste handling services may be granted to a solid waste enterprise under terms and conditions specified by the County. Los Angeles County can provide solid waste handling services by utilizing its own forces, the private sector, or any combination of the two. The County may issue permits to the private waste haulers to operate within the County in the form of open market, contract, license, permit, franchise, etc.

#### **4.1 Municipal Solid Waste Collection System**

In a municipal system, a jurisdiction takes the responsibility upon itself to provide solid waste handling services within the jurisdiction's boundaries by using its own personnel, property, and equipment. The jurisdiction is responsible for the collection routes, rates, hours and schedules, and billing the customers. The jurisdiction is also responsible for providing its own insurance, customer service, and data collection. In addition, the jurisdiction will also have full control and responsibility for public education, recycling programs, and other services it deems necessary to ensure an effective service. The jurisdiction has the responsibility to meet the requirements of AB 939, and complete yearly status reports. Customers have no choice for other waste collectors because the jurisdiction provides all services.

## **4.2 Private Solid Waste Enterprise System**

In a private solid waste enterprise system, private waste haulers provide solid waste handling services to customers under an arrangement with a jurisdiction or in an open market system. Customers pay a service fee directly to the waste hauler or through a mechanism placed by the jurisdiction. The waste haulers are responsible for providing the labor, supervision, materials, and equipment necessary to provide service to the customers. The waste hauler has the responsibility of creating collection routes, hours, and schedules and is responsible for providing its own insurance, customer service, and data collection. The waste hauler may provide public education and recycling services/programs for an additional fee. Additionally, the waste hauler is responsible for its own legal fees and liability. The types of private collection service systems discussed in this Section are Open Market, GDD, Non-Exclusive Franchise/Agreement, and Exclusive Franchise/Agreement.

### **Open Market System**

In this system, private waste haulers provide solid waste handling services under the principles of free enterprise with minimal government regulation. Jurisdictions have little or no requirements for solid waste handling services in their code or ordinances beyond those specified by State law. A permit and/or business license may be the only requirement to operate in the jurisdiction. Jurisdictions generally have limited or no control in determining quality of service, collection routes, hours, schedule, or resolving customer complaints. Additionally, jurisdictions may have limited control in requiring waste haulers to provide recycling services/programs, public education, or necessary data collection that may assist the jurisdiction to meet the diversion mandates of AB 939. In this system, residents and businesses individually arrange for solid waste handling services. Also, the rates for services are determined by the waste haulers. The advantage of this system is that customers usually have a choice of more than one hauler to select for service.

### **Garbage Disposal District**

In a GDD, solid waste handling services are contracted out by a jurisdiction through private waste haulers for a specified service area. Contracts have very specific requirements which provide a jurisdiction with a high degree of control of service levels and quality. Under the GDD contract, the contractor can be required to furnish the labor, supervision, materials, and equipment necessary for providing the solid waste handling services. The contracts specify the programs and services that the contracted waste hauler is required to provide, and necessary provisions if the contractor fails to meet the requirements of the contract. Additionally, the contracts specify what information the waste hauler is required to account for and to report. Under this arrangement, services to residents and businesses of the GDD are consistently provided and maintained at

a reasonable cost. Cooperation by the waste hauler is maintained by the contract and through contract enforcement. The contract provides the contractor with the exclusive right to provide solid waste handling services for a specific service area of the jurisdiction's territory. Customers normally do not have the option of selecting a waste hauler other than the one under contract with the jurisdiction. However, service rates are generally lower than those offered in the open market system and the quality of service is generally high.

### **Non-Exclusive Franchise/Agreement**

A non-exclusive franchise/agreement is a system in which a jurisdiction allows solid waste handling services to be provided by private waste haulers but requires haulers to enter into a franchise/agreement which specifies a level of service to be provided as well as other requirements similar to GDDs. The franchise/agreement duration may be limited to a fixed period or may be an open-ended subject to specified requirements. Additionally, this system may require haulers to pay franchise or other fees which may assist a jurisdiction in financing its cost of administering and enforcing the franchise/agreement. Customers may have a choice of more than one waste hauler because the system is open to all waste haulers willing to enter into a franchise agreement. The waste haulers deal directly with the public in competing for customers. The jurisdiction has a high degree of control in mandating the level and quality of service, collection routes, rates, hours, and schedules as specified in the franchise/agreement. The jurisdiction has the authority to require waste haulers to resolve customer complaints and to offer special services such as cleanup days, bulky item pickup, etc. The jurisdiction can request information from waste haulers which may assist in reaching the diversion goals by requiring recycling program/services, demanding data collection/reports, and public education.

### **Exclusive Franchise/Agreements**

An exclusive franchise/agreement system is virtually the same as a non-exclusive franchise/agreement except for the following differences: 1) an exclusive franchise/agreement does not promote competition and awards the exclusive franchise/agreement to a waste hauler or group of waste haulers that can best satisfy the needs of the jurisdiction, 2) the waste hauler(s) provide waste handling services in service areas pre-defined by the jurisdiction, and 3) the jurisdiction can require the hauler(s) to fully comply with the diversion requirements, and other requirements which the jurisdiction determines to be in the public interest. However, customers have no choice for other waste collection because of the exclusivity of the franchise/agreement.

### 4.3 Pros and Cons of Alternative Solid Waste Collection Systems

Solid waste handling services can be provided by any one of the systems defined previously or a combination thereof. Each system has advantages and disadvantages and the selection of one system over another would involve trade-offs. The best solid waste collection system for the County would be one that best meets the County's objectives and addresses its concerns and deficiencies.

This Section presents the pros and cons for each alternative waste collection system. The pros and cons are grouped into major categories addressing the issues that are of importance and that can impact the ability of each system to meet the objectives of Los Angeles County. In general, a pro is something that will benefit the County in some way and a con is something that will not benefit the County or has a negative impact on achieving the objectives.

Table 4-1 lists the pros and cons for each alternative waste collection system by major category. The left column of the table lists the major categories. Moving to the right, the next column specifies whether the column contains pros or cons as relating to the issue. Across the top of the table are the five solid waste collection systems described in Sections 4.1 and 4.2. Listed directly below the solid waste collection systems are the pros and cons of that particular system. The following Sections present major categories that are listed in Table 4-1.

#### **Economics and Efficiencies**

Economics plays a major role in determining waste haulers' ability to provide solid waste handling services as well as the rates they charge their customers. The economics of collection systems are determined by the number of customers, service areas, level of services, number of service providers, level of competition, level of jurisdiction control, haulers providing service, and capital investments.

An established service area is beneficial to a hauler because it provides a customer base that can support consistent revenue to fund long-term investments in waste collection equipment and other business expenses. However, a large service area may have an impact on small haulers' capability to serve the area.

Organized systems such as a GDD are generally more efficient in providing solid waste handling services. The economics and efficiency of a collection system can have a direct impact on the service rates that are charged by a waste hauler to customers for waste handling services.

## **Service Rates**

It is the objective of the County to provide reasonable service rates for waste handling services to residents and businesses. Service rates that are charged to customers for solid waste handling services are generally determined by the economics of a particular system or region, the jurisdiction control, and the level of competition. Jurisdiction control is the ability of a governing body to review and/or establish service rates. Competition is generally a self-regulating force that involves the negotiation of service rates between the waste haulers and customers, where the customer has alternative choices for service providers. To ensure fair service rates for residents and businesses, the County must ensure that rates are being controlled by either competition or regulation.

## **AB 939 Compliance**

The County's intent is to be in full compliance with the State law regarding waste reduction mandates by implementing effective diversion programs. Programs are enumerated in the Los Angeles County Source Reduction and Recycling Element and include, but not limited to, curbside collection of recyclables and green waste, operation of recyclable drop-off centers, and public education and workshops that promote waste diversion. Also as important is the ability to collect accurate data for calculating diversion and disposal rates and preparing AB 939 reports. This ability will assist the County in complying with the State's waste reduction mandates.

## **Quality of Service**

The County's objective is to ensure that residents and businesses receive a high quality of service from their waste haulers at a reasonable cost. The overall quality of service for a solid waste collection system can be measured by customer service and service programs provided to meet the customers needs and County mandates. Customer service includes, but is not limited to, maintaining an office with trained personnel to answer questions and complaints, resolving complaints (dispute resolution), holding public meetings, and providing notification/assistance during transition from one waste hauler to another. Service programs may include bulky item pickup, cleanup campaign, drop-off centers, and annual cleanups. Service programs help reduce the burden on residents to dispose of large items and may help reduce litter and vectors.

## **Enforcement**

The County needs the authority to enforce all aspects of solid waste handling services to meet its objectives. Enforcement consists of provisions regarding the termination of permits/agreements, and ability to charge or offset enforcement related costs not recovered under penalties. Enforcement may also consist of provisions which create remedies and penalties of non-complying waste haulers.



## **Dispute Resolution**

Dispute resolution is a written step-by-step process that is agreed upon by both parties for resolving disputes. This process can be implemented through third-party negotiation, independent expert recommendation, arbitration, or litigation. A predefined procedure to handle disputes promotes fair treatment of all parties and expedites a quick resolution.

## **Administrative Costs**

Administration of a solid waste collection system includes the personnel and resources necessary to carry out the objectives of the jurisdiction. It involves management of operations, equipment and/or maintenance staff. Costs may include the expense of staff and equipment necessary to administer and enforce the agreements, permits, and/or ordinances.

## **Implementability**

The issues impacting management of solid waste in recent years have been very dynamic and will remain the same for the foreseeable future. Implementing change would require consideration of time constraints and the legal concerns such as the five-year notice. As a result, the County must have full flexibility to respond to these changes.

The cost to implement change is also of concern. The resources for implementation and ongoing administration can be expensive and must be considered to determine if it is feasible to implement change.

## **Legal and Regulatory Issues**

The County is responsible to ensure its compliance with all local, State, and Federal laws and regulations and avoid being penalized by the State for failure to implement appropriate waste reduction and diversion programs in its solid waste handling system.

**TABLE 4-1  
ADVANTAGES (PROS) AND DISADVANTAGES (CONS)  
OF VARIOUS SOLID WASTE COLLECTION SYSTEMS**

		MUNICIPAL SERVICE	OPEN MARKET	GARBAGE DISPOSAL DISTRICT	NON-EXCLUSIVE FRANCHISE/AGREEMENT	EXCLUSIVE FRANCHISE/AGREEMENT
<b>Economics and Efficiencies</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>Efficiency is high because the routes and schedules are organized, and overlapping collection routes are minimized</li> <li>Jurisdiction able to set collection routes</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction not required to commit to long-term investment in expensive trash collection equipment and support facilities</li> <li>Fosters private sector competition</li> <li>Allows small hauler entry into the market</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency is high because the routes and schedules are organized, and overlapping collection routes are minimized</li> <li>Jurisdiction has the ability to set collection routes</li> <li>Jurisdiction not required to commit to long-term investment in expensive trash collection equipment and support facilities</li> <li>Haulers have an established number of customers and an established service area so they are able to make long-term investments in equipment</li> <li>Economic benefits due to high efficiency and competitive bidding process</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction not required to commit to long-term investment in expensive trash collection equipment and support facilities</li> <li>Fosters private sector competition</li> <li>Allows small hauler entry into the market</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency is high because the routes and schedules are organized, and overlapping collection routes are minimized</li> <li>Jurisdiction has the ability to set collection routes</li> <li>Jurisdiction not required to commit to long-term investment in expensive trash collection equipment and support facilities</li> <li>Haulers have an established number of customers and an established service area so they are able to make long-term investments in equipment</li> <li>Economic benefits due to high efficiency and competitive bidding process</li> </ul>
	<b>C o n</b>	<ul style="list-style-type: none"> <li>Jurisdiction required to commit to long-term investment in expensive trash collection equipment and support facilities</li> <li>Jurisdiction must hire staff to administer the program and provide service operations</li> <li>Eliminates private sector competition</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency may be low because the routes and schedules are determined by many waste haulers and many overlapping collection routes exist</li> <li>Jurisdiction generally not able to set collection routes</li> <li>Lack of an established number of customers and an established service area may result in some waste haulers being unable to make long-term investments in equipment</li> </ul>	<ul style="list-style-type: none"> <li>Reduces competition among haulers</li> <li>Limits small hauler entry into the market (will depend on the size of the district; under most circumstances, it essentially keeps small haulers from participating in the bidding due to the significant resources needed to service a District)</li> </ul>	<ul style="list-style-type: none"> <li>Efficiency may be low since the routes and schedules are determined by many waste haulers and many overlapping collection routes exist</li> <li>Jurisdiction generally not able to set collection routes</li> <li>Lack of an established number of customers and an established service area may result in some waste haulers being unable to make long-term investments in equipment</li> </ul>	<ul style="list-style-type: none"> <li>Reduces competition among haulers</li> <li>Limits small entry into the market (will depend on the size of the district; under most circumstances, it essentially keeps small haulers from participating in the bidding due to the significant resources needed to service a District)</li> </ul>
<b>Service Rates</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>Jurisdiction has the ability to establish service rates for customers</li> </ul>	<ul style="list-style-type: none"> <li>Service rates in an open market system are determined by competition, and are dependent upon many factors including geographical region, number of customers in a particular area, population density, etc.</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction has the ability to establish/review service rates for customers</li> <li>Service rates are generally lower in a GDD system due to economy of scale, and efficiency of collection routes (the rates in a GDD are established based on the cost of the contract)</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction has the ability to establish/review service rates for customers</li> <li>Service rates can either be established by the jurisdiction or left to be determined by competition (rates are generally reasonable if they are determined by competition)</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction has the ability to establish/review service rates for customers</li> <li>Rates are generally reasonable because the system is efficient</li> </ul>
	<b>C o n</b>	<ul style="list-style-type: none"> <li>Services rates may be higher in comparison to those offered by a private waste hauler specializing in waste handling services</li> </ul>	<ul style="list-style-type: none"> <li>Jurisdiction generally unable to establish service rates for customers</li> </ul>			

**TABLE 4-1 (continued)**  
**ADVANTAGES (PROS) AND DISADVANTAGES (CONS)**  
**OF VARIOUS SOLID WASTE COLLECTION SYSTEMS**

		MUNICIPAL SERVICE	OPEN MARKET	GARBAGE DISPOSAL DISTRICT	NON-EXCLUSIVE FRANCHISE/AGREEMENT	EXCLUSIVE FRANCHISE/AGREEMENT
<b>AB 939 Compliance</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>• Jurisdiction has full control over implementing and revising programs to comply with AB 939</li> <li>• Jurisdiction can collect its own data and be assured of its accuracy and know how much solid waste is being disposed/recycled</li> </ul>		<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority, through written agreements, to require waste haulers to implement and revise programs to comply with AB 939</li> <li>• Jurisdiction has authority to require collection of data, review the hauler's books, and require reports to be submitted to the jurisdiction on regular intervals</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority, through written agreements, to require waste haulers to implement and revise programs to comply with AB 939</li> <li>• Jurisdiction has authority to require collection of data, review the hauler's books, and require reports to be submitted to the jurisdiction on regular intervals</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority, through written agreements, to require waste haulers to implement and revise programs to comply with AB 939</li> <li>• Jurisdiction has authority to require collection of data, review the hauler's books, and require reports to be submitted to the jurisdiction on regular intervals</li> </ul>
	<b>C o n</b>		<ul style="list-style-type: none"> <li>• Jurisdiction's authority to require waste haulers to implement programs to comply with AB 939 depends on the provisions of the jurisdiction's code and the five-year notice</li> <li>• Waste diversion and disposal quantities may be more difficult to track when dealing with many waste haulers</li> <li>• A jurisdiction usually has limited ability in requiring data needed to document compliance with AB 939 from waste haulers</li> <li>• A lack of an effective enforcement mechanism to ensure compliance with reporting requirements may hinder the jurisdiction's AB 939 reporting, and measuring accurate diversion</li> </ul>		<ul style="list-style-type: none"> <li>• Waste diversion and disposal quantities may be more difficult to track when dealing with many waste haulers</li> </ul>	
<b>Quality of Service</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>• Jurisdiction has full control over customer service and service programs because it is responsible for providing these services (level of service provided is usually higher and more responsive to customer needs)</li> </ul>	<ul style="list-style-type: none"> <li>• Residents may have the choice of selecting another waste hauler if they are not satisfied with their current service</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority to require waste haulers to provide minimum customer service and service programs for each service area/zone by specifying these conditions within the written agreement between the jurisdiction and waste hauler(s)</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority to require waste haulers to provide minimum customer service and service programs for each service area/zone by specifying these conditions within the written agreement between the jurisdiction and waste hauler(s)</li> <li>• Customers usually have a choice of service providers, and the option to switch if unsatisfied with their current service</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a high level of authority to require waste haulers to provide minimum customer service and service programs for each service area/zone by specifying these conditions within the written agreement between the jurisdiction and waste hauler(s)</li> </ul>
	<b>C o n</b>	<ul style="list-style-type: none"> <li>• Residents cannot choose another waste hauler if they are unsatisfied because the jurisdiction provides all services</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction generally does not have a high level of authority to require private waste haulers to provide customer services and service programs to residents unless specifically required and enforced within the jurisdiction's code</li> <li>• Customers may not know of an alternative waste hauler that will provide better services at a reasonable rate</li> </ul>	<ul style="list-style-type: none"> <li>• Customers may have only one choice for waste handling services (commercial customers may have the choice not to use the GDD service and instead use services provided by other private haulers)</li> </ul>	<ul style="list-style-type: none"> <li>• Customers may not know of an alternative waste hauler that will provide better services at a reasonable rate</li> </ul>	<ul style="list-style-type: none"> <li>• Customers usually have only one choice for waste handling services</li> </ul>

**TABLE 4-1 (continued)**  
**ADVANTAGES (PROS) AND DISADVANTAGES (CONS)**  
**OF VARIOUS SOLID WASTE COLLECTION SYSTEMS**

		MUNICIPAL SERVICE	OPEN MARKET	GARBAGE DISPOSAL DISTRICT	NON-EXCLUSIVE FRANCHISE/AGREEMENT	EXCLUSIVE FRANCHISE/AGREEMENT
<b>Enforcement</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>• Jurisdiction has full enforcement control (all enforcement is internal within the jurisdiction's government)</li> <li>• Jurisdiction does not have to employ staff to enforce requirements</li> </ul>		<ul style="list-style-type: none"> <li>• Jurisdiction has a greater level of enforcement when compared to an open market system (enforcement clauses that meet the needs of the jurisdiction can be included within the written agreements)</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a greater level of enforcement when compared to an open market system (enforcement clauses that meet the needs of the jurisdiction can be included within the written agreements)</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has a greater level of enforcement when compared to an open market system (enforcement clauses that meet the needs of the jurisdiction can be included within the written agreements)</li> </ul>
	<b>C o n</b>		<ul style="list-style-type: none"> <li>• Amount of enforcement ability that the jurisdiction has is dependent on the provisions of the jurisdiction's code and permit fees but is typically less in comparison to a system with a written contract, franchise, or agreement</li> <li>• Jurisdiction must employ staff to enforce requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction must employ staff to enforce contract</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction must employ staff to enforce contract</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction must employ staff to enforce contract</li> </ul>
<b>Dispute Resolution</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>• Dispute resolutions much easier due to need for a third party involvement</li> <li>• Jurisdiction does not have to deal with many waste haulers</li> </ul>		<ul style="list-style-type: none"> <li>• Jurisdiction able to specifically detail the procedure to resolve disputes in the language of the written agreement</li> <li>• Jurisdiction does not have to deal with many waste haulers</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has the ability to specifically detail the procedure to resolve disputes in the language of the written agreement</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction has the ability to specifically detail the procedure to resolve disputes in the language of the written agreement</li> <li>• Jurisdiction does not have to deal with many waste haulers</li> </ul>
	<b>C o n</b>		<ul style="list-style-type: none"> <li>• Usually, there is no dispute resolution process in an open market system because this process is typically not included as part of the code or ordinances (jurisdiction may become involved in expensive and time consuming litigations)</li> <li>• Jurisdiction must deal with many waste haulers</li> </ul>		<ul style="list-style-type: none"> <li>• Jurisdiction must deal with many waste haulers</li> </ul>	
<b>Administrative Costs</b>	<b>P r o</b>	<ul style="list-style-type: none"> <li>• The cost of administration can be included as part of the service fee and collected by direct billing of customers or included as a surcharge on tax bills (eliminating the need for a separate mailing of bills)</li> </ul>	<ul style="list-style-type: none"> <li>• The only administrative costs associated with an open market system are the costs of enforcing the solid waste collector's permits (because no administrative costs are associated with contract or franchise agreement enforcement, this is the least expensive system to administer)</li> </ul>	<ul style="list-style-type: none"> <li>• Contract administrative costs can be included with the service fee that is charged on the tax bill</li> <li>• Lower administrative cost compared to a municipal service</li> </ul>	<ul style="list-style-type: none"> <li>• The cost of administration for agreements can be recovered by charging waste haulers a franchise fee that is usually a portion of the hauler's gross revenues</li> </ul>	<ul style="list-style-type: none"> <li>• The cost of administration for agreements can be recovered by charging waste haulers a franchise fee that is usually a portion of the hauler's gross revenues</li> </ul>
	<b>C o n</b>	<ul style="list-style-type: none"> <li>• Jurisdiction must provide the management, operations, and maintenance staff to provide the service. This is an expensive alternative since the jurisdiction would incur the cost of providing solid waste handling services as well as administrative costs</li> </ul>		<ul style="list-style-type: none"> <li>• Jurisdiction must employ staff and purchase necessary equipment to administer/enforce contract</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction must provide the staff and equipment to administer and enforce the franchise/agreements</li> </ul>	<ul style="list-style-type: none"> <li>• Jurisdiction must provide the staff and equipment to administer and enforce the franchise/agreements</li> </ul>

**TABLE 4-1 (continued)**  
**ADVANTAGES (PROS) AND DISADVANTAGES (CONS)**  
**OF VARIOUS SOLID WASTE COLLECTION SYSTEMS**

		MUNICIPAL SERVICE	OPEN MARKET	GARBAGE DISPOSAL DISTRICT	NON-EXCLUSIVE FRANCHISE/AGREEMENT	EXCLUSIVE FRANCHISE/AGREEMENT
Implementability	P r o		<ul style="list-style-type: none"> <li>Jurisdiction does not have to issue a five-year notice and may implement this collection system at any time, provided no exclusive franchise/contract/agreement exists in the designated area</li> <li>Low implementation costs for jurisdiction</li> </ul>		<ul style="list-style-type: none"> <li>County may be able to implement this type of system in less than five years if the waste haulers waive their right to a five year advance notice and agree to enter into a non-exclusive franchise/agreement with the County</li> <li>The main cost of implementation is the development of the franchise/agreement; therefore, implementation cost is low</li> </ul>	<ul style="list-style-type: none"> <li>The main cost of implementing is the development of the franchise/agreement; therefore, implementation cost is low</li> </ul>
	C o n	<ul style="list-style-type: none"> <li>Requires the County to issue a five-year advance notice to haulers prior to implementing this system</li> <li>Requires the jurisdiction to acquire expensive trash collection equipment, facilities for storage and equipment maintenance, hire personnel, and provide for service operations (expensive alternative for the County)</li> </ul>		<ul style="list-style-type: none"> <li>Requires the County to issue a five-year advance notice to haulers prior to implementing a GDD</li> <li>The formation of a GDD must be approved by a majority of the registered voters in the district. Elections for the purpose of forming a GDD may be held during a general election. Additionally, there is a cost associated with the development of the contracts. Depending on the size of the proposed GDD, the cost of an election is estimated to be at least \$50,000.</li> </ul>	<ul style="list-style-type: none"> <li>Requires the County to issue a five-year advance notice to haulers prior to implementing this system</li> </ul>	<ul style="list-style-type: none"> <li>Requires the County to issue a five-year advance notice prior to implementing this system</li> </ul>

## **SECTION 5**

### **ANALYSIS - EXISTING SYSTEMS IN SOUTHERN CALIFORNIA**

#### **5.0 Introduction**

To evaluate alternatives to the open market system in the unincorporated County areas outside the GDDs, the DPW conducted a survey of solid waste collection system practices of the cities in Los Angeles County and counties within Southern California in 1999 (Appendix 5-A). As part of the survey, jurisdictions were asked to provide a copy of their current solid waste handling contracts or agreements.

The objective of the survey was to gather information regarding solid waste handling systems currently in existence in other jurisdictions. The survey included four questions that asked for a general description of each jurisdiction's existing system, system structure, system selection factors, and aspects for improvement. Table 5-1 summarizes the responses to the survey questions and lists the type of system currently operating in each jurisdiction.

Criteria were then developed to evaluate the characteristics of each jurisdiction's solid waste handling services, as specified in their contract or agreement, relating to the County's objective of providing the public with an efficient and cost-effective service, as well as meeting the State-mandated diversion requirements. The criteria outline the County's concerns and deficiencies in the open market system that exists in the unincorporated County areas outside the GDDs.

Using a point system to rank the solid waste handling services' agreements/contracts enabled the County to compare its current system with that of other jurisdictions. This will allow the County to compare systems and systems' characteristics to determine what best meets the County's objectives and addresses its concerns and deficiencies.

Additionally, in July 2000, the DPW conducted a supplemental survey of the service fees charged by the waste haulers and/or cities to provide solid waste collection services on a monthly basis. Section 5.4 further describes the survey. Table 5-4 summarizes the residential solid waste collection services and their monthly service fees.

#### **5.1 Summary of Solid Waste Collection System Practices Survey Responses**

Fifty-seven jurisdictions responded to the survey. Five of those responses were submitted by Orange, San Diego, Santa Barbara, Riverside, and Ventura Counties. Of notable importance, 52 cities within Los Angeles County submitted surveys and/or their solid waste handling services' agreements/contracts.



Thirty-six jurisdictions submitted both survey responses and solid waste handling agreements/contracts. Eighteen jurisdictions submitted only survey responses while three jurisdictions only turned in agreements/contracts. The following is a discussion of the survey responses by type of solid waste handling system:

### **Municipal Service**

Five jurisdictions including the Cities of Burbank, Los Angeles, Pomona, Santa Monica, and Torrance use their own forces to collect residential solid waste. The Cities of Claremont, Culver City, and Whittier use their own forces to collect solid waste from both residential and commercial/industrial customers. The City of Claremont claims that by using their own forces they can control waste flow and diversion programs. Additionally, Culver City reports that service is more efficient and truck traffic is kept to a minimum.

### **Open Market System**

Fifteen jurisdictions indicate that they have an open market system. Of these, the Cities of Diamond Bar and Glendale are the only jurisdictions that offer both residential and commercial/industrial open market systems. The other 13 cities only maintain an open market system within commercial/industrial sector. The City of Glendale claims that an open market system keeps prices down but makes recycling more difficult to implement.

Ordinances and permits can be used in conjunction with the open market system to further enforce the solid waste handling services. Twelve jurisdictions indicate that a permit is required for solid waste handling services within their jurisdiction. Four of these jurisdictions, including the Cities of Malibu, Monrovia, Pomona, and Ventura County, require permits for their non-exclusive franchises/agreements in their commercial sector. The City of Malibu also requires a permit for its residential franchise agreements. The other eight jurisdictions require permits for solid waste handling services within their open market system. The City of Torrance's Municipal Code established regulations for its 30 waste haulers in its commercial areas.

### **Garbage Disposal District**

Of the County's six GDDs, the Belvedere GDD, which was formed in 1927, encompasses unincorporated County area as well as the entire City of Bell Gardens. In addition to the County unincorporated area, the Malibu GDD, which was formed in 1949, also includes a portion of the City of Malibu. While the City of Bell Gardens does not have any jurisdiction over the matter of garbage collection services within the City, the City of Malibu currently has two separate permitted haulers or franchises providing residential garbage collection services in the portion of the City outside the Malibu GDD.

Under terms of the GDDs' existing contracts, residential and commercial customers in the GDDs have the option to enter into separate agreements with the GDDs' contract waste haulers or other waste haulers for additional or special services not specified in the GDD contracts.

### **Non-exclusive Franchises/Agreements**

Two jurisdictions, the City of Pasadena and the County of San Diego, have non-exclusive franchises/agreements for both their residential and commercial/industrial sectors. Six jurisdictions, including the Cities of El Monte, Irwindale, Monrovia, Pomona, Rancho Palos Verdes, and Ventura County, maintain non-exclusive franchises/agreements for commercial sectors only. Since the City of Bradbury does not have any commercial service within its jurisdiction, it only has a non-exclusive residential franchise. Each jurisdiction's non-exclusive franchises/agreements require a franchise fee, except for the City of Monrovia which requires its 11 haulers to pay a variable quarterly permit fee and San Diego County which requires each solid waste hauler to pay \$2.35 per ton of solid waste collected.

### **Exclusive Franchises/Agreements**

Forty-four of the jurisdictions have established residential exclusive franchises/agreements. Twenty-eight of these jurisdictions also have exclusive franchises/agreements for commercial sectors. While most of the jurisdictions maintain exclusive franchises/agreements with one waste hauler, the City of Santa Clarita and the County of Orange have exclusive residential and commercial franchises/agreements with two or more haulers. It is important to note that with exclusive franchises/agreements, a jurisdiction has more control over solid waste handling services, and thus allows implementation of specific programs with potential increase in diversion rates. According to the City of Westlake Village, an exclusive franchise/agreement can assist them in meeting AB 939 mandates in their residential sector with little involvement.

## **5.2 Evaluation Criteria for Existing Systems**

Before evaluating the jurisdictions' solid waste handling agreements/contracts, criteria were developed to address the County's concerns and deficiencies in the open market system in the unincorporated County areas outside the GDDs. The six evaluation criteria include: Type of Service, Quality of Service, AB 939 Compliance, Service Rates and other Fees, Enforcement, and Implementation/Competition. See Appendix 5-B for an outline of the evaluation criteria. The following is a description of the evaluation criteria:

## **Type of Service**

Type of Service evaluates the provisions/clauses which affect the term and type of each jurisdiction's agreement/contract. It indicates whether a permit is required for solid waste handling services in the jurisdiction. It defines the type of agreement as to whether it is a franchise or contract, exclusive or non-exclusive, includes residential and/or commercial/industrial, and any ordinances which may be applicable. The evaluation also specifies variable can rates (if any), open competition/free enterprise system, and any issuance of a five-year notice and associated time constraints.

## **Quality of Service**

Quality of Service evaluates provisions/clauses in the agreement/contract which affect the level and quality of service provided by waste haulers to their customers.

Each agreement was examined for various levels of service including bulky item pick-up, green waste collection, curbside recyclable collection, and annual cleanup/campaign. Customer service clauses were evaluated including requirements for customer or agency satisfaction, record keeping, and manned phone service during business hours. Other areas of concerns that were evaluated included conflict resolution between customers and waste haulers, service areas (route maps, schedules of collection routes, customer lists, notification of changes), transitional service (requirement for customer notification/assistance during transition), and the ability to specify or call a community meeting when necessary (also known as public performance review).

## **AB 939 Compliance**

AB 939 Compliance evaluates provisions/clauses in the agreement/contract which may assist jurisdictions to comply with the diversion requirements of AB 939. Characteristics include the requirements to achieve diversion mandate, requirements for data collection and reporting, flexibility to provide public education, flexibility to add and/or revise programs, and flexibility to change requirements for haulers (such as implementation of automated waste collection and incorporation of new technology).

## **Service Rates/Other fees**

Service Rates/Other Fees evaluate provisions/clauses in the agreement/contract which deal with franchise or permit fees paid to the jurisdiction and/or which may assist a jurisdiction to set and review collection fees.

## **Enforcement**

Enforcement evaluates provisions/clauses in the agreement/contract which create

remedies and penalties for non-complying waste haulers. It also considers the clauses regarding the termination of permits/agreements/contracts, ability to charge or offset enforcement related costs not recovered under penalties, and arbitration of disputes between the jurisdiction and waste hauler.

### **Implementation/Competition**

Implementation/Competition evaluates provisions/clauses in the agreement/contract which allow for the preservation of a free enterprise system which is the economic practice of permitting private industry to operate under freely competitive conditions with minimum government control. This Section also accounts for evergreen clauses and support for small haulers. An evergreen clause is a condition of the term of agreement that effects the extension of the approved agreement and its conditions. At the end of a predetermined term, evergreen clauses automatically extend an approved agreement and its conditions with an additional predetermined time frame, so as to provide for a continual, regenerating term.

## **5.3 Results and Findings of Evaluation**

Each solid waste handling service agreement/contract was carefully summarized and evaluated according to the above six criteria. (A summary of each agreement is available for review and inspection upon request.) Only the five evaluation criteria, including Quality of Service, AB 939 Compliance, Service Rates and Other Fees, Enforcement, and Implementation/Competition were rated based on how each criteria best addressed the County's objectives and/or concerns. (Note that Type of Service was not rated. It only categorized each solid waste handling system.) The rating is as follows:

**0 - Non Existent**

**1 - Least**

**2 - Average**

**3 - Best**

0 - Non Existent, indicates that the agreement/contract does not contain a provision or requirement that meets the criteria. 3-Best, indicates that the agreement/contract contains a provision or requirement that best meets the criteria. Therefore, a system obtaining an overall score of 10 (5 Criteria x 2 [average score]) would rate as being an average system. A system obtaining a score of 15 (5 Criteria x 3 [best score]) would rate as the best system. All agreements/contracts received, including Los Angeles County's current solid waste handling system and GDD contracts, were analyzed and rated. Table 5-2 illustrates the scores of each jurisdiction's solid waste handling system. This Table also provides information as to whether each contract/agreement contains a significant provision or clause in regard to the County's concerns and

deficiencies in the open market system in the unincorporated County areas outside the GDDs. N indicates that the contract/agreement does not contain such provision/clause. X indicates that the contract/agreement does contain such provision/clause. Table 5-3 presents the same data, listing the highest ranked solid waste handling systems in descending order.

The average score for all solid waste handling systems surveyed was 11 which indicates that most agreements/contracts reviewed were above average in addressing the concerns of the County. The solid waste handling systems that received the highest ratings were from Ventura County (commercial contract); the City of Covina (residential and commercial contract); Santa Barbara County (residential and commercial contract); and the City of Santa Clarita (residential contract).

The evaluation shows that the Ventura County Commercial Solid Waste Collection and Disposal Agreement best satisfied the County's objectives and/or concerns in every criteria. It received the best rating in all categories: Quality of Service, AB 939 Compliance, Service Rates/Other Fees, Enforcement, Implementation, and Competition. It is a non-exclusive agreement that provides a high level of customer service and defines enforcement provisions, therefore receiving a score of 15 (the highest score possible).

Although Ventura County's Commercial Solid Waste Collection and Disposal Agreement does not provide for collection and disposal of recyclables, a separate agreement exists for commercial recycling. However, the terms and conditions of both agreements are similar.

The Cities of Covina and Santa Clarita, and Santa Barbara County (residential contract) rated slightly below Ventura County's Commercial Agreement. Although these contracts received the best rating in four categories, they received an average rating in Implementation/Competition. The reason is that these jurisdictions have exclusive franchises/agreements which do not provide for a free enterprise system. Each of these solid waste handling systems received a score of 14.

The lowest score came from the County's current open market system in the unincorporated areas outside the GDDs. It scored the lowest (no points under the specified criteria) in the categories of AB 939 Compliance, Service Rates/Other Fees, or Enforcement. It did receive the maximum of three points under Implementation/Competition since it maintains a free enterprise system (a benefit for small waste hauling companies to thrive). It also received one point in Quality of Service since it offers a variety of services. The total score allocated for the County's open market system is 4, which is far lower than the average 11 as shown in Tables 5-2 and 5-3.

The Los Angeles County GDD contract received a score of 12. It received a score of 3 for Quality of Service and AB 939 Compliance but it only scored an average rating

of 2 for Service Rates/Other Fees and Enforcement. Although the GDD system is not as suitable for small waste hauler participation, it did score higher than the average 11.

#### **5.4 Description of Residential Solid Waste Collection Services Survey**

In July 2000, the DPW conducted a supplemental telephone survey of the type and cost of services currently provided in all jurisdictions in Los Angeles County, as well as other counties within Southern California. The County unincorporated areas are included in the survey and are divided into two categories which include the GDDs and unincorporated areas outside the GDDs. Of the 88 cities within Los Angeles County, 62 Cities responded to the survey. Ventura County and the City of Oxnard also responded to the Survey.

The survey included six major categories. These categories are System Type, Monthly Service Fee, Senior Discount, Billing Frequency, Service Provider, and refuse collection services. Table 5-4 summarizes the responses to the survey questions and provides the average, minimum and maximum monthly service fees charged by the waste haulers and/or municipalities for waste collection services.

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**Table 5-1**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
Agoura Hills (City)	<b>Residential</b> - Exclusive franchise agreements with two haulers <b>Commercial</b> - Open market; Must have permit from the City	<b>Residential -</b> - 5% franchise fee - Seven-year rolling evergreen - Haulers collect 50¢ AB 939 surcharge per household for the City <b>Commercial and Multi-Family</b> - Annual City permit is renewable for \$250/year - Haulers collect a quarterly 35¢ surcharge per cubic yard of service for the City	<b>Residential</b> - Two franchise haulers have historically served Agoura Hills <b>Commercial and Multi-Family</b> - Four or five haulers have historically serviced Agoura Hills; Open market system has allowed two or three new haulers to operate in the City	Increase the level of commercial and multi-family recycling
Baldwin Park (City)	<b>Residential and Commercial</b> - Exclusive franchise agreement with single hauler	Not applicable	- Competitive bid - Services available to the City	- Add green waste recycling program - Restructure commercial rates
Bell (City)	<b>Residential and Commercial</b> - Exclusive franchise agreement with single waste hauler	<b>Monthly Residential Rates -</b> Single-Family Dwelling: \$9.80/ per unit Curbside Recycling: \$1.85/per unit	- Cost - Availability - Service record	Convert to fully automated disposal system, including green waste collection (City intends to institute automated system in Spring 1999)
Bell Gardens (City)	<b>Residential and Commercial</b> - Provided by single hauler under contract with LA County	<b>Residential and Commercial</b> - Five-year contract; No roll-over or extension clause	- AB 939 guidelines - Control over haulers reporting of refuse, commercial bins, bulky goods, green waste, gross revenues, hazardous waste, recyclables, roll-off service, scavenging, education, vehicles and administration	Better reporting and compliance by franchisee
Bradbury (City)	<b>Residential</b> - Non-exclusive franchise agreement <b>Commercial</b> - No commercial service in the City	<b>Residential</b> - 7% franchise fee	- Lower rates - Fully automated system - AB 939 indemnification - Improved customer service	None

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
Burbank (City)	<b>Residential</b> - City collects trash, recyclables, and green waste from all residential properties with 5 units or less <b>Commercial</b> - Open market; May opt to have municipal service or outside haulers (approximately 30 permitted waste haulers)	<b>Residential</b> - Residents receive separate containers for refuse, recycling, and green waste; Materials collected on separate route; No additional charge for recycling program <b>Commercial</b> - Haulers pay a 16% SRRE fee for operating in the City	Meeting AB 939 mandates	Reduce costs
Cerritos (City)	<b>Residential, Commercial, Industrial and Construction Debris Removal</b> - Exclusive franchise agreement; Franchise is rebid every five years	<b>Residential</b> - Franchise fee; City does billing <b>Commercial, Etc.</b> - 8% franchise fee; Billing done by hauler	- Convenience to residents - Low rates - Meeting State mandates	Lower rates for temporary bin rentals for residents
Claremont (City)	<b>Residential and Commercial</b> - Municipal collection services only per City Ordinance	<b>Residential and Commercial</b> - Municipal sanitation fund pays a 10% franchise fee	- Service standards - Control of waste flow - Control of diversion programs	Need more assistance from LA County on regional waste disposal problems
Commerce (City)	<b>Residential</b> - Exclusive agreement <b>Commercial and Industrial</b> - Open market	No franchises	Information not available	Residential contractor has proposed an automated collection system; This may improve speed of collection
Covina (City)	<b>Residential, Commercial and Industrial</b> - Exclusive franchise agreement	<b>Residential, Commercial and Industrial</b> - 6% franchise fee of the gross amount of all monies for services collected by the City and Franchisee	Consultant study	Recycling for multi-family residents

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Culver City (City)	<b>All Sectors</b> - Municipal hauler, Culver City Sanitation is the exclusive hauler	<b>All Sectors</b> - Exclusive hauler status established by City Council in the Culver City Municipal Code, Section 15	- Efficient, immediate services - Keep truck traffic to a minimum	Automated residential collection would provide more efficient, cost-effective service
Diamond Bar (City)	<b>Residential and Commercial</b> - Open market; Haulers must obtain permit from the City	<b>Residential and Commercial</b> - Any hauler can obtain a permit to haul within the City as long as they meet Ordinance criteria and comply with standards	"Grandfathered" waste collection system from pre-incorporated areas; Permit system and standards were added	Currently reviewing advantages of converting to three-barrel automated system, variable can rates, and green waste collection
Duarte (City)	<b>Residential and Commercial</b> - Exclusive agreement	No response to this question	Service and price	- Commercial and multi-family recycling - City hauler does not collect from School District
El Monte (City)	<b>Residential</b> - Exclusive franchise agreement for properties with three units or less <b>All Others</b> - Non-exclusive franchise agreement	<b>Residential</b> - 10% franchise fee <b>All Others</b> - 10% franchise fee	<b>Residential</b> - Exclusive franchise has been in place for over 40 years <b>All Others</b> - Achieve adequate control to meet AB 939 goals	Additional measures need to be implemented to meet AB 939 goals
El Segundo (City)	<b>Residential and City Facilities</b> - Exclusive agreement <b>Commercial</b> - Open market	No separate response to this question	<b>Residential</b> - Cost issues; City does not charge residents for collection of waste <b>Commercial</b> - System would best serve the complex business community	Current system is satisfactory

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
Glendale (City)	Residential and Commercial - Open market, where City competes with private permitted haulers	City is the dominant collector due to use of basic refuse charges; City currently services all 1-4 unit properties and 80% of all properties with five units or more	Residential and Commercial - Open market keeps prices down, but makes recycling more difficult to implement	More free recycling services to commercial and multi-family sectors
Glendora (City)	Residential and Commercial - Exclusive franchise agreement	Residential and Commercial - City is currently revising the contract; Revisions tentatively will include a 15% franchise fee	- Historic practice - Least impact on the community - Greatest diversion potential - Transfer service potential	- Inclusion of AB 939 fee to support SRRE program implementation - Development of a commercial recycling program, and self hauling drop off - Increased diversion of residential recyclables
Hawaiian Gardens (City)	Residential and Commercial - Exclusive franchise agreement	Residential and Commercial - Franchise agreement also includes recycling	Prior franchise agreement was sold to Consolidated Disposal Services	- Recycling - Billing
Hermosa Beach (City)	Residential and Commercial - Exclusive franchise agreement	Residential and Commercial - Services provided by a single franchisee; Rates are set by City Council	Not sure how current system was selected	Increase frequency of rebidding franchise agreement

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Huntington Park (City)	Residential - Exclusive franchise agreement for single-family homes Commercial - Exclusive franchise agreement, including multi-family properties	No separate response to this question	Current system in place for many years	No response to this question
Industry (City)	Residential and Commercial - Exclusive franchise agreement	Residential - Residents are not charged for refuse collection Commercial - Franchise agreement with one hauler	- Type of equipment used - Experience in commercial collection	- Improve collection on outstanding customer accounts
Inglewood (City)	Residential and Commercial - Exclusive agreement	Residential and Commercial - Exclusive contract with one hauler	Single hauler system: - Eliminates duplication of efforts - Minimizes number of trucks in the City's service area	- Reporting by contract waste hauler - Customer service (additional staffing needed to handle customer inquiries and complaints)
Inwindale (City)	Residential - Informal letter agreement Non-Residential - Non-exclusive franchise agreements	Residential - Single hauler services limited residential base. No charge to residents Non-Residential - Five haulers service the City; Haulers pay a franchise fee and solid waste management fee to the City	Residential - Letter proposal to City Non-Residential - City Council recognized haulers currently operating in the City by establishing non-exclusive franchises	Having more than one franchise agreement creates problems in handling special wastestreams

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Lakewood (City)	Residential and Commercial - Long standing agreement with single hauler (not contract or franchise)	No response to this question	- Long-term service to community - Cost to residents	Newer collection fleet
La Verne (City)	Residential and Commercial - Exclusive franchise agreement	Residential and Commercial - - No franchise fee - City collects \$1.25 per month per account as an administrative fee	System has been in place for many years	- Expand recycling services - Implement automated system - Implement green waste collection
Los Angeles (City)	Residential (Four units or less) - Municipal Commercial, Industrial and Multi-Family - Open market	Not applicable	Residential (4 units or less) - System has been in place for many years. Change to automated collection has taken place over the past 10 years	- Promote greater recycling collection in the commercial, industrial and multi-family sector
Malibu (City)	Residential and Commercial - All haulers must have a permit issued by City of Malibu Public Works Department to operate in the City	No response to this question	Upon incorporation, City Council only wanted existing haulers to service the area. Permits for residential collection were limited until 2000	Need a local green waste recycling facility

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
Manhattan Beach (City)	Residential and Commercial - Exclusive franchise agreement with single hauler (does not include roll-off service)	Residential - Customers pay an "in-lieu" fee of \$2.39 per month Commercial - Customers pay a 10% "in-lieu" fee per month	Ability to service community and provide consistent service	<ul style="list-style-type: none"> <li>- Promote existing programs and increase customer awareness</li> <li>- Smaller vehicles to collect trash would be useful, due to narrow streets and dense development</li> </ul>
Maywood (City)	Residential - Exclusive franchise agreement All Other - Open market system	No separate response to this question	<ul style="list-style-type: none"> <li>- City Council approved company</li> <li>- Vote was upheld by the public</li> </ul>	Improve recycling program
Monrovia (City)	Residential - Exclusive franchise agreement Commercial and Industrial - Non-exclusive service agreements with 11 haulers Recycling - Must have permit from City to collect from commercial and industrial accounts	Residential (single/multi-family, hotels, motels, and trailer parks) - Hauler pays a 7% franchise fee of gross monthly billings or \$12,000, whichever is greater, and a \$20,000 annual public education fee Commercial and Industrial - Haulers pay quarterly fee based on a variable permit fee rate of 16%, 12% or 8% of gross revenues; Permit fee rate is calculated annually, and is based on hauler's 4th quarter diversion rate; Haulers also pay an annual public education fee based on performance Recycling - Annual Permit of \$100	<p>Residential:</p> <ul style="list-style-type: none"> <li>- Uniformity of service</li> <li>- Cost controls and lawful disposal of waste</li> </ul> <p>Commercial and Industrial:</p> <ul style="list-style-type: none"> <li>- Streamline reporting</li> <li>- Shared accountability for achieving State mandated goals</li> <li>- Creation of a level playing field for customers to negotiate trash service</li> </ul>	<ul style="list-style-type: none"> <li>- Inclusion of waste diversion targets</li> <li>- Reduction in the number of commercial haulers</li> </ul>
Montebello (City)	Residential - Exclusive contract (evergreen) Commercial - Open market system (39 haulers)	No response to this question.	System has been in place for some time	Reporting



**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Monterey Park (City)	Residential - Exclusive franchise agreement Commercial - Open market with permit	Residential - No franchise fee Commercial - 5% gross receipts (wear: trash on roads) - 8% gross receipts (Operating Industries Inc. Landfill settlement) - \$4 per ton (environmental liability fee) - \$300 permit application fee - \$75 per truck (business license fee) - Haulers must be at 25% diversion rate	Residential - Exclusive franchise agreement is over 30 years old Commercial - Wanted to keep open market system, while tightening up hauler reporting and diversion activities	Streamlining the commercial permit application process
Norwalk (City)	Residential and Commercial - Exclusive franchise agreements with two haulers	Residential and Commercial - Two franchised haulers; Separate service areas. - No franchise fee for residential - 5% franchise fee for commercial	System has been in place over 40 years	Implementing automated recycling
Orange (County)	Residential and Commercial - Exclusive franchise agreements	Residential and Commercial - County has exclusive franchise agreements with seven haulers that service nine franchise areas; Annual fee recovers actual County administrative costs	Residential - Exclusive franchise agreements were awarded to the haulers with the largest customer base in a franchise area Commercial - RFQ process used to select haulers; Board of Supervisors selected the haulers from a slate	- County unincorporated islands be annexed to Cities - Cities take over administration of franchises
Palos Verdes Estates (City)	Residential - Exclusive agreement Commercial - Open market system	No separate response to this question	- Cost - Service - Reputation - Recycling and yard waste services	- Level of service - Better methods of handling complaints when residents contact hauler directly
Pico Rivera (City)	Residential and Commercial - Exclusive franchise agreement with single hauler	No separate response to this question	Current system chosen for lack of any other choices	Updating collection system to automated

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Pomona (City)	Residential - Municipal Commercial - Open market with permit	Residential - Residents pay only for the service Commercial - City is planning to implement a non-exclusive franchise system in 1999; At which time, haulers will be required to pay a franchise fee	<ul style="list-style-type: none"> <li>- Maintain City ownership of the residential system</li> <li>- Minimize the cost for trash collection in the commercial sector</li> </ul>	Staff will initiate and perform a review of residential trash collection services
Rancho Palos Verdes (City)	Single and Multi-Family - Exclusive franchise agreement Commercial - Non-exclusive franchise agreement	Single Family - Franchise fee is ~ 5% of gross revenue Multi-Family and Commercial - Franchise fee is 5% of gross revenue	In process of preparing RFP for new services	Convert to automated system
Riverside (County)	Residential and Commercial - Permit system (until 01/01/99)	Residential and Commercial - Effective 01/01/99, County areas will be divided into 13 franchise areas served under exclusive contract; Franchise fees are 8% of net revenue minus disposal costs	<ul style="list-style-type: none"> <li>- Reduce vehicles on the road</li> <li>- Increase efficiency</li> <li>- Tailor services to areas</li> </ul>	Too soon to comment
Rolling Hills (City)	Residential - Exclusive franchise agreement with single hauler Commercial - No commercial accounts in the City	No separate response to this question	<ul style="list-style-type: none"> <li>- Compliance with AB 939</li> <li>- Regulate collection of solid waste and require recycling of solid waste materials</li> <li>- Regulation and reduction of the number of vehicles and vehicle trips using 3-wheel scooters and mini-trucks</li> <li>- Use of one or more exclusive or non-exclusive franchises</li> </ul>	No response to this question

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
Santa Barbara (County)	Residential and Commercial - Exclusive franchise agreements (five different areas)	Residential and Commercial - 2% franchise fee	<ul style="list-style-type: none"> <li>- Convenience to the user</li> <li>- Availability to collect</li> <li>- Cost</li> </ul>	Implement automated collection
San Diego (County)	Residential and Commercial - Non-exclusive solid waste management agreements	Residential and Commercial - <ul style="list-style-type: none"> <li>- County Code limits number of agreements to 29; This number can be changed by the Board of Supervisors</li> <li>- Agreements are for a term of 10 years; Term is extended one year at the end of the second year, so that the term will remain 10 years</li> <li>- Each hauler must pay a \$2.35 per ton of solid waste (not including recyclables) collected; Fees may be modified by the Board of Supervisors</li> </ul>	Provides competition, which is the presumed and desirable method for the allocation of economic resource	No response to this question
San Dimas (City)	Residential and Commercial - Exclusive franchise agreement with one hauler	Residential and Commercial - Franchise fee is 19%	System has been in place for over 20 years	None

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Santa Clarita (City)	<b>Residential</b> - Exclusive franchise agreements (three haulers) <b>Commercial</b> - Exclusive franchise agreements with three competing haulers <b>Roll-Off Services</b> - Open market system	<b>Residential</b> - Three franchised haulers each have separate collection areas; Haulers pay franchise fee of 10% of gross sales <b>Commercial</b> - Three franchised haulers compete with each other for commercial accounts; Haulers pay a franchise fee of 10% of gross sales	- AB 939 requirements - Implementation of City's solid waste municipal code - Awarded exclusive franchise agreements with the three companies holding the largest share of the market (as of 02/91)	- Include roll-off service under franchise - Increase participation in recycling programs
San Marino (City)	<b>Residential and Commercial</b> - Exclusive franchise agreements with two waste haulers	<b>Residential and Commercial</b> - Franchisees must pay business license fees and franchise fees as established by the City	- AB 939 mandates - Residents interest in backyard trash collection service - Residents requested to maintain two haulers opposed to an exclusive franchise	Improve recycling efforts through on site recycling by franchisees
Santa Monica (City)	<b>Single and Multi-Family Residential</b> - Municipal Commercial - Open market system; Haulers must have permit from the City	<b>Commercial</b> - All haulers must report monthly tonnages collected and pay a per ton fee to the City for hauling solid waste	No response to this question	Alleviate hauler traffic in downtown district
Signal Hill (City)	<b>All Services</b> - Exclusive franchise agreement with single hauler	<b>All Services</b> - Hauler must pay a AB 939 fee of 5.9% to cover the City's costs	Exclusive negotiations with existing hauler	Recovery of recyclables at MRF

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

JURISDICTION	EXISTING SYSTEM	SYSTEM STRUCTURE	SYSTEM SELECTION FACTORS	AREAS FOR IMPROVEMENT
South Gate (City)	Residential and Commercial - Exclusive franchise agreement	Current contract is under negotiation	<ul style="list-style-type: none"> <li>- Cost of automated service</li> <li>- Volume of customer complaints</li> <li>- Inclusion of recycling and green waste containers</li> <li>- Size of containers</li> <li>- Provide diversion control assistance to meet AB 939 mandates</li> <li>- Maintain operational status of transfer station</li> </ul>	<ul style="list-style-type: none"> <li>- Include green waste service</li> <li>- Have hauler provide more notices regarding types of services available to residents</li> <li>- More hauler aid in awareness programs</li> </ul>
South Pasadena (City)	Residential and Commercial - Exclusive franchise	<b>Residential</b> <ul style="list-style-type: none"> <li>- Franchise fee of 9.4% of gross receipts collected</li> </ul> <b>Multi-Family and Commercial</b> <ul style="list-style-type: none"> <li>- Franchise fee of 9.4% of gross receipts</li> </ul>	<ul style="list-style-type: none"> <li>- Service</li> <li>- Responsiveness</li> <li>- Knowledge of the community</li> <li>- Availability of MRF</li> </ul>	No response to this question
Torrance (City)	Residential (1-2 units; some 3-4 units) - Municipal Commercial - Non-exclusive franchise agreements (about 30 haulers)	<b>Commercial</b> <ul style="list-style-type: none"> <li>- Open franchise requires fee of 7.5% of gross revenues and 70¢ per ton disposal CERCLA fee</li> </ul>	<ul style="list-style-type: none"> <li>- Keep open competition</li> <li>- Choice for business community</li> </ul>	<ul style="list-style-type: none"> <li>- Hard to compare haulers disposal reports to County/landfill reports</li> <li>- Hard to give businesses credit for waste reduction</li> <li>- Difficulty to get haulers to provide various programs</li> </ul>
Ventura (County)	Residential - Exclusive franchise agreements (three haulers) - Multi-family units and mobile home parks are residential Commercial - Non-exclusive contracts-commercial haulers are required to obtain contracts	<b>Residential and Commercial</b> <ul style="list-style-type: none"> <li>- Collector Fee currently set at 3% of gross revenue, a Waste Management Fee currently set at 5% of gross revenue, and also a California Waste Management Program Fee of 50¢ per ton of waste disposed within Ventura County.</li> </ul>	<ul style="list-style-type: none"> <li>- To gain some control over the rates residents and/or business are charged for service</li> <li>- To meet the diversion rates required by the State under AB 939.</li> </ul>	<ul style="list-style-type: none"> <li>- All initial contracts include an evergreen clause which makes it difficult to terminate</li> <li>- Residential service area boundaries are inefficient (residential routes are discontinuous).</li> </ul>

**Table 5-1 (Continued)**  
**SUMMARY OF RESPONSES TO SURVEY OF JURISDICTIONS**  
**SOLID WASTE COLLECTION SYSTEM PRACTICES IN SOUTHERN CALIFORNIA**

<b>JURISDICTION</b>	<b>EXISTING SYSTEM</b>	<b>SYSTEM STRUCTURE</b>	<b>SYSTEM SELECTION FACTORS</b>	<b>AREAS FOR IMPROVEMENT</b>
Vernon (City)	Residential (less than 1%) - Contract Commercial and Industrial - Open market system	City is planning to enter into non-exclusive franchise agreements with all interested waste haulers in 1999	<ul style="list-style-type: none"> <li>- Allows businesses to competitively price waste hauling services</li> <li>- Keeps City from "controlling" management of solid waste</li> <li>- Limits City liability</li> </ul>	Difficulty collecting data to assist City in documenting AB 939 compliance
West Hollywood (City)	Residential and Commercial - Exclusive franchise with single hauler	Residential and Commercial - Franchise fee is 10% of gross receipts	<ul style="list-style-type: none"> <li>- Good curbside recycling program</li> <li>- Price</li> <li>- Ability to adapt to a large percentage of multi-family buildings</li> <li>- Hauler purchased all new equipment</li> </ul>	Commercial
Westlake Village (City)	Residential - Exclusive collection agreements with two haulers Commercial - Open market system, subject to permit	No separate response to this question	<ul style="list-style-type: none"> <li>- Increase diversion rate with as little involvement by the City as possible</li> <li>- Implement automated trash collection and variable can rates</li> <li>- Did not want to impose "pass-through" franchise fees</li> </ul>	System implementation began September 1998; No necessary improvements have been identified yet
Whittier (City)	Residential and Commercial - Municipal and exclusive franchise agreements	Residential and Commercial - City collects the trash in half of the City area. - Two franchised haulers collect trash in the other half of the City	<ul style="list-style-type: none"> <li>- Uniformity of service</li> <li>- Cost</li> <li>- Simplicity of operations</li> <li>- Rate structure</li> </ul>	Implementation of a three-barrel automated system

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**TABLE 5-2**  
**EVALUATION OF EXISTING 1999 SOLID WASTE COLLECTION SYSTEMS IN SOUTHERN CALIFORNIA (in alphabetical order)**

	Agoura Hills	Bell	Bradbury	Covina	Culver City	Duarte	El Segundo	Glendora	Hawaiian Gardens	Hermosa Beach	Industry	Inglewood	Irwindale	L.A. County GDD's	L.A. County Unincorp.	La Verne	Lakewood	Malibu	Manhattan Beach	Maywood	Monrovia Commercial	Monrovia Residential
<b>TYPE OF SERVICE</b>																						
Permit requirement	N	N	N	N	N	N	N	N	N	X	N	N	N	X	X	N	N	X	N	N	X	N
Type of Agreement (A)/ Franchise(F)/Contract(C)/ Ordinance(O) -Non-exclusive(NE) -Exclusive (E)	F,E	F, E	F, NE	F, E	O,E	C,E	F, E	C, E	F, E	A, E	F, E	C, E	F, NE	C, E	N	F, E	C, E	F, NE/E	F, E	C, E	C, NE	C, E
Type of Collection: Residential collection(R) -Commercial/industrial collections (C/I) -Residential and commercial/industrial collections(R/C/I)	R	R/C/I	R	R/C/I	R/C/I	R/C/I	R	R/C/I	R/C/I	R/C/I	R/C/I	R/C/I	C/I	R	R/C/I	R/C/I	R/C/I	R/C/I	R	R	C/I	R
Term of permit/agreement/ contract/franchise	7	6	11	8	N	10	5	5	7	6	N	7	6	5	1	N	5	5	5	7	3	2
Variable can rates	X	N	X	N	N	X	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	X
Open Competition/free enterprise system	N	N	X	N	N	N	N	N	N	N	N	N	X	N	X	N	N	N	N	N	X	N
Provide five-year notice and associated time constraints	N	X	N	N	N	N	N	N	X	N	N	N	N	N	X	N	N	X	N	N	X	N
<b>EVALUATION CRITERIA</b>																						
<b>Quality of Service</b>																						
Provides for various level of services (bulky item, green waste program, curbside recyclable collection, annual cleanup/campaign)	X	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	N	N	X	X
Customer Service (requirements for customer or agency satisfaction, recordkeeping, manned phone service during business hours)	X	X	X	X	X	X	X	X	X	X	X	X	X	X	N	X	N	X	X	X	N	X
Conflict Resolution (between customer and hauler)	X	X	X	X	X	X	N	X	N	N	N	X	X	X	N	X	N	X	X	X	N	N
Service areas (route maps, schedules of collection routes, customer notification/assistance during transition)	X	N	X	X	X	X	X	X	N	X	X	X	X	X	N	X	X	N	X	N	N	N
Transitional Service (requirement for customer notification/assistance during transition)	N	N	X	N	N	X	N	N	N	N	N	N	N	X	N	X	N	X	N	N	N	N
Ability to specify or call community meeting when necessary (public performance review)	N	N	N	X	N	X	X	N	N	N	N	N	X	N	N	N	X	X	N	N	N	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>AB 939 Compliance</b>																						
Requirement to achieve diversion mandate	X	X	X	N	N	X	X	X	X	N	N	N	X	N	N	N	X	N	X	X	X	N
Requirement for data collection and reporting	X	X	X	X	N	X	X	X	X	X	N	X	X	X	N	X	X	X	X	X	X	N
Flexibility to provide public education	X	X	X	X	N	X	X	X	N	X	N	X	X	X	N	X	N	N	X	X	X	X
Flexibility to add and/or revise programs	N	N	N	N	X	X	X	N	X	X	N	X	X	X	N	N	X	X	X	N	N	N
Flexibility to change requirements for haulers	N	X	X	X	X	X	X	N	X	N	N	X	X	X	N	X	N	X	X	N	N	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>
<b>Service and Other Fees</b>																						
Ability to review and set rates	X	X	X	X	X	X	X	X	X	X	X	X	N	X	N	X	X	X	X	X	X	X
Permit or franchise fees	X	X	X	X	X	X	X	X	X	X	N	N	X	N	N	N	N	X	X	X	X	X
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Enforcement</b>																						
Non-compliance clause	X	X	X	X	N	X	X	X	X	X	N	X	X	X	N	X	X	X	X	X	X	X
Remedies for non-compliance	X	N	X	X	N	X	X	X	X	X	N	X	X	X	N	X	X	X	X	N	X	X
Penalties for non-compliance (liquidated damages)	X	N	X	X	N	X	X	X	N	X	N	X	X	X	N	N	X	X	X	N	N	N
Termination of permits/agreements/contracts	X	X	X	X	N	X	X	X	X	X	N	N	X	X	N	X	X	X	X	X	X	X
Ability to charge or offset enforcement related costs (not recovered under penalties)	X	X	N	X	N	X	X	N	N	N	N	N	X	X	N	X	N	N	X	N	X	X
Arbitration of disputes (between County and hauler)	X	N	N	N	N	X	X	N	X	X	N	N	X	X	N	X	N	N	X	N	N	N
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>0</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>0</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Implementation/Competition</b>																						
Maintain a free enterprise system (non-exclusive agreements, contracts, franchise, etc.)	N	N	N	N	N	N	N	N	N	N	N	N	X	N	X	N	N	X	N	N	X	N
Impact on the small haulers (low performance bond, standard insurance, free enterprise)	X	X	N	N	N	N	N	N	N	N	N	N	N	N	X	N	N	X	N	N	X	N
Evergreen Clause	N	N	N	X	N	X	N	X	X	N	N	X	N	N	N	N	N	N	N	X	N	X
<b>Subtotal</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>1</b>

**Note:**

Rating is based on how each criteria best addresses the County's objectives and/or concerns regarding each itemized area on a scale of 0 to 3.

0 - non existent                      2 - average                      X - yes  
 1 - least                              3 - best                              N - no

**TABLE 5-2 (continued)**  
**EVALUATION OF EXISTING 1999 SOLID WASTE COLLECTION SYSTEMS IN SOUTHERN CALIFORNIA (in alphabetical order)**

	Orange Co.	Pasadena	Pico Rivera	Rolling Hills	San Dimas	San Marino	Santa Barbara	Santa Clarita Commercial	Santa Clarita Residential	Signal Hill	South Gate	South Pasadena	Torrance Commercial	Ventura Co. Commercial	Ventura Co. Residential	West Covina	West Hollywood	Westlake Village	Whittier Residential	Whittier Residential Recycling
<b>TYPE OF SERVICE</b>																				
Permit requirement	N	N	N	N	N	N	N	N	N	N	N	N	X	X	N	N	N	N	N	N
Type of Agreement (A)/ Franchise(F)/Contract(C)/ Ordinance(O) -Non-exclusive(NE) -Exclusive (E)	F, E	F, NE	C, E	F, NE	F, E	F, NE	F, E	F,E	F, E	F, E	F, E	F, E	O, NE	A, NE	A, E	F, E	F, E	A, E	F,E	F,E
Type of Collection: -Residential collection(R) -Commercial/industrial collections (C/I) -Residential and commercial/industrial collections(R/C/I)	R/C/I	R/C/I	R/C/I	R	R/C/I	R/C/I	R/C/I	C/I	R	R/C/I	R/C/I	R/C/I	C/I	C/I	R	R/C/I	R/C/I	R	R	R
Term of permit/agreement/ contract/franchise	9	3	7	5	6	5	10	7	6	7	6	8	N	7	7	5	5	7	5	3
Variable can rates	N	N	N	N	N	X	N	N	N	N	N	N	X	N	N	X	N	N	N	N
Open Competition/free enterprise system	N	X	N	X	N	X	N	N	N	N	N	N	X	X	N	N	N	N	N	N
Provide five-year notice and associated time constraints	N	N	N	N	N	N	N	N	N	N	N	X	N	N	N	N	N	N	N	N
<b>EVALUATION CRITERIA</b>																				
<b>Quality of Service</b>																				
Provides for various level of services (bulky item, green waste program, curbside recyclable collection, annual cleanup/campaign)	X	X	X	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	N
Customer Service (Requirements for customer or agency satisfaction, record keeping, manned phone service during business hours)	X	N	X	X	N	X	X	X	X	X	X	N	N	X	X	X	X	X	X	X
Conflict Resolution (between customer and hauler)	X	N	N	N	N	X	X	X	X	X	X	N	N	X	X	X	X	X	X	X
Service areas (route maps, schedules of collection routes, customer notification/assistance during transition)	N	N	X	N	N	N	X	X	X	N	X	N	X	X	X	X	X	N	N	N
Transitional Service (requirement for customer notification/assistance during transition)	N	N	N	N	N	N	X	X	N	N	X	N	N	X	X	N	N	N	N	N
Ability to specify or call community meeting when necessary (Public performance review)	N	N	N	N	N	N	X	N	N	X	N	N	N	N	N	X	N	X	N	N
<b>Subtotal</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>
<b>AB 939 Compliance</b>																				
Requirement to achieve diversion mandate	X	N	N	N	X	X	X	X	X	X	X	X	X	X	X	X	N	X	N	X
Requirement for data collection and reporting	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Flexibility to provide public education	X	X	X	X	X	N	X	X	X	X	X	N	N	N	N	N	X	N	N	X
Flexibility to add and/or revise programs	X	X	N	N	N	N	X	X	X	X	X	N	N	X	X	N	X	X	N	X
Flexibility to change requirements for haulers	X	N	N	X	N	N	X	X	X	X	X	N	X	X	X	X	X	X	N	X
<b>Subtotal</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>
<b>Services/Rates/Other Fees</b>																				
Ability to review and set rates	X	N	X	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X
Permit or franchise fees	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	X	X	X
<b>Subtotal</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Enforcement</b>																				
Non-compliance clause	X	X	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Remedies for non-compliance	X	N	X	N	N	N	N	X	X	N	X	X	X	X	X	X	X	X	X	X
Penalties for non-compliance (Liquidated damages)	X	N	N	N	X	N	X	X	X	N	X	N	N	X	X	N	X	X	X	X
Termination of permits/agreements/contracts	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Ability to charge or offset enforcement related costs (not recovered under penalties)	X	X	N	N	N	X	X	X	X	N	X	N	X	X	X	X	N	X	X	X
Arbitration of disputes (between County and hauler)	X	N	N	N	N	X	X	X	N	N	N	X	N	X	X	N	N	X	N	N
<b>Subtotal</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Implementation / Competition</b>																				
Maintain a free enterprise system (non-exclusive agreements, contracts, franchise, etc.)	N	X	N	X	N	X	N	N	N	N	N	N	X	X	N	N	N	N	N	N
Impact on the small haulers (Low performance bond, standard insurance, free enterprise)	X	N	X	X	N	X	X	N	X	N	N	N	X	X	N	N	N	X	N	N
Evergreen Clause	N	N	X	N	N	N	N	X	X	N	N	X	N	X	X	X	N	N	X	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>

**Note:**

Rating is based on how each criteria best addresses the County's objectives and/or concerns regarding each itemized area on a scale of 0 to 3.

0 - non existent

2 - average

X - yes

1 - least

3 - best

N - no

**TABLE 5-3**  
**EVALUATION OF EXISTING 1999 SOLID WASTE COLLECTION SYSTEMS IN SOUTHERN CALIFORNIA (listed in ranking order)**

	Ventura Co. Commercial	Covina	Santa Barbara	Santa Clarita Residential	Duarte	Orange Co.	Santa Clarita Commercial	South Gate	Torrance Commercial	Ventura Co. Residential	West Covina	Westlake Village	Bell	Bradbury	El Segundo	Irwindale	L.A. County GDD's	Malibu	Manhattan Beach	West Hollywood	Agoura Hills
<b>TYPE OF SERVICE</b>																					
Permit requirement	X	N	N	N	N	N	N	N	X	N	N	N	N	N	N	N	X	X	N	N	N
Type of Agreement (A)/Franchise(F)/Contract(C)/ Ordinance(O)																					
-Non-exclusive(NE)																					
-Exclusive (E)	A, NE	F, E	F, E	F, E	C, E	F, E	F, E	F, E	O, NE	A, E	F, E	A, E	F, E	F, NE	F, E	F, NE	C, E	F, NE/E	F, E	F, E	F, E
Type of Collection: -Residential collection(R) -Commercial/industrial collections (C/I) -Residential and commercial/industrial collections(R/C/I)																					
	C/I	R/C/I	R/C/I	R	R/C/I	R/C/I	C/I	R/C/I	C/I	R	R/C/I	R	R/C/I	R	R	C/I	R	R/C/I	R	R/C/I	R
Term of permit/agreement/ contract/franchise	7	8	10	6	10	9	7	6	N	7	5	7	6	11	5	6	5	5	5	5	7
Variable can rates	N	N	N	N	X	N	N	N	X	N	X	N	N	X	N	N	N	N	N	N	X
Open Competition/free enterprise system	X	N	N	N	N	N	N	N	X	N	N	N	N	X	N	X	N	N	N	N	N
Provide five-year notice and associated time constraints	N	N	N	N	N	N	N	N	N	N	N	N	X	N	N	N	N	X	N	N	N
<b>EVALUATION CRITERIA</b>																					
<b>Quality of Service</b>																					
Provides for various level of services (bulky item, green waste program, curbside recyclable collection, annual cleanup/campaign)	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	X	X	N	X	X
Customer Service (requirements for customer or agency satisfaction, recordkeeping, manned phone service during business hours)	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	X	X	X	X	X
Conflict Resolution (between customer and hauler)	X	X	X	X	X	X	X	X	N	X	X	X	X	X	N	X	X	X	X	X	X
Service areas (route maps, schedules of collection routes, customer notification/assistance during transition)	X	X	X	X	X	N	X	X	X	X	X	N	N	X	X	X	X	N	X	X	X
Transitional Service (requirement for customer notification/assistance during transition)	X	N	X	N	X	N	X	X	N	X	N	N	N	X	N	N	X	X	N	N	N
Ability to specify or call community meeting when necessary (public performance review)	N	X	X	N	X	N	N	N	N	N	X	X	N	N	X	X	N	X	N	N	N
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>
<b>Ability to Achieve Mandate</b>																					
Requirement to achieve diversion mandate	X	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	N	N	X	N	X
Requirement for data collection and reporting	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Flexibility to provide public education	N	X	X	X	X	X	X	X	N	N	N	N	X	X	X	X	X	N	X	X	X
Flexibility to add and/or revise programs	X	N	X	X	X	X	X	X	N	X	N	X	N	N	X	X	X	X	X	X	N
Flexibility to change requirements for haulers	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	N
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>
<b>Ability to Review and Set Rates</b>																					
Ability to review and set rates	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	N	X	X	X	X	X
Permit or franchise fees	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	N	X	X	X	X
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>
<b>Enforcement</b>																					
Non-compliance clause	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Remedies for non-compliance	X	X	N	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	X
Penalties for non-compliance (liquidated damages)	X	X	X	X	X	X	X	X	N	X	N	X	N	X	X	X	X	X	X	X	X
Termination of permits/agreements/contracts	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
Ability to charge or offset enforcement related costs (not recovered under penalties)	X	X	X	X	X	X	X	X	X	X	X	X	X	N	X	X	X	N	X	N	X
Arbitration of disputes (between County and hauler)	X	N	X	N	X	X	X	N	N	X		X	N	N	X	X	X	N	X	N	X
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>
<b>Implementation/Components</b>																					
Maintain a free enterprise system (non-exclusive agreements, contracts, franchise, etc.)	X	N	N	N	N	N	N	N	X	N	N	N	N	N	N	X	N	X	N	N	N
Impact on the small haulers (low performance bond, standard insurance, free enterprise)	X	N	X	X	N	X	N	N	X	N	N	X	X	N	N	N	N	X	N	N	X
Evergreen Clause	X	X	N	X	X	N	X	N	N	X	X	N	N	N	N	N	N	N	N	N	N
<b>Subtotal</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>

Note:

Rating is based on how each criteria best addresses the County's objectives and/or concerns regarding each itemized area on a scale of 0 to 3.

0 - non existent

2 - average

X - yes

1 - least

3 - best

N - no

Table 5-3

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**TABLE 5-3 (continued)**  
**EVALUATION OF EXISTING 1999 SOLID WASTE COLLECTION SYSTEMS IN SOUTHERN CALIFORNIA (listed in ranking order)**

	Glendora	Hawaiian Gardens	Industry	Monrovia Commercial	South Pasadena	Whittier Residential	Whittier Residential Recycling	Hermosa Beach	Inglewood	San Marino	Pasadena	Pico Rivera	Rolling Hills	San Dimas	Signal Hill	La Verne	Lakewood	Maywood	Monrovia Residential	Culver City	L.A. County Unincorp.
<b>TYPE OF SERVICE</b>																					
Permit requirement	N	N	N	X	N	N	N	X	N	N	N	N	N	N	N	N	N	N	N	N	X
Type of Agreement(A)/ Franchise(F)/Contract(C)/ Ordinance(O)																					
-Non-exclusive(NE)																					
-Exclusive (E)	C, E	F, E	F, E	C, NE	F, E	F, E	F, E	A, E	C, E	F, NE	F, NE	C, E	F, NE	F, E	F, E	F, E	C, E	C, E	C, E	O, E	N
Type of Collection:																					
-Residential collection(R)																					
-Commercial/industrial collections (C/I)																					
-Residential and commercial/industrial collections(R/C/I)	R/C/I	R/C/I	R/C/I	CI	R/C/I	R	R	R/C/I	R/C/I	R/C/I	R/C/I	R/C/I	R	R/C/I	R/C/I	R/C/I	R/C/I	R	R	R/C/I	R/C/I
Term of permit/agreement/ contract/franchise	5	7	N	3	8	5	3	6	7	5	3	7	5	6	7	N	5	7	2	N	1
Variable can rates	N	N	N	N	N	N	N	N	N	X	N	N	N	N	N	N	N	N	X	N	N
Open Competition/free enterprise system	N	N	N	X	N	N	N	N	N	X	X	N	X	N	N	N	N	N	N	N	X
Provide five-year notice and associated time constraints	N	X	N	X	X	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	X
<b>EVALUATION CRITERIA</b>																					
<b>Quality of Service</b>																					
Provides for various level of services (bulky item, green waste program, curbside recyclable collection, annual cleanup/campaign)	X	X	N	X	X	X	N	X	X	X	X	X	X	X	X	X	X	N	X	X	X
Customer Service (requirements for customer or agency satisfaction, recordkeeping, manned phone service during business hours)	X	X	X	N	N	X	X	X	X	X	N	X	X	N	X	X	N	X	X	X	N
Conflict Resolution (between customer and hauler)	X	N	N	N	N	X	X	N	X	X	N	N	N	N	X	X	N	X	N	X	N
Service areas (route maps, schedules of collection routes, customer notification/assistance during transition)	X	N	X	N	N	N	N	X	X	N	N	X	N	N	N	X	X	N	N	X	N
Transitional Service (requirement for customer notification/assistance during transition)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	N	X	N	N	N	N	N
Ability to specify or call community meeting when necessary (public performance review)	N	N	N	N	N	N	N	N	N	N	N	N	N	N	X	N	X	N	N	N	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>
<b>Agency Compliance</b>																					
Requirement to achieve diversion mandate	X	X	N	X	X	N	X	N	N	X	N	N	N	X	X	N	X	X	N	N	N
Requirement for data collection and reporting	X	X	N	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	N	N	N
Flexibility to provide public education	X	N	N	X	N	N	X	X	X	N	X	X	X	X	X	X	N	X	X	N	N
Flexibility to add and/or revise programs	N	X	N	N	N	N	X	X	X	N	X	N	N	N	X	N	X	N	N	X	N
Flexibility to change requirements for haulers	N	X	N	N	N	N	X	N	X	N	N	N	X	N	X	X	N	N	N	X	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>0</b>
<b>Financial Considerations</b>																					
Ability to review and set rates	X	X	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	X	X	N
Permit or franchise fees	X	X	N	X	X	X	X	X	N	X	X	X	X	X	N	N	N	X	X	X	N
<b>Subtotal</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>3</b>	<b>3</b>	<b>3</b>	<b>0</b>
<b>Environmental Considerations</b>																					
Non-compliance clause	X	X	N	X	X	X	X	X	X	X	X	N	X	X	X	X	X	X	X	N	N
Remedies for non-compliance	X	X	N	X	X	X	X	X	X	N	N	X	N	N	N	X	X	N	X	N	N
Penalties for non-compliance (liquidated damages)	X	N	N	N	N	X	X	X	X	N	N	N	N	X	N	N	X	N	N	N	N
Termination of permits/agreements/contracts	X	X	N	X	X	X	X	X	N	X	X	X	X	X	X	X	X	X	X	N	N
Ability to charge or offset enforcement related costs (not recovered under penalties)	N	N	N	X	N	X	X	N	N	X	X	N	N	N	N	X	N	N	X	N	N
Arbitration of disputes (between County and hauler)	N	X	N	N	X	N	N	X	N	X	N	N	N	N	N	X	N	N	N	N	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Implementation/Competition</b>																					
Maintain a free enterprise system (non-exclusive agreements, contracts, franchise, etc.)	N	N	N	X	N	N	N	N	N	X	X	N	X	N	N	N	N	N	N	N	X
Impact on the small haulers (low performance bond, standard insurance, free enterprise)	N	N	N	X	N	N	N	N	N	X	N	X	X	N	N	N	N	N	N	N	X
Evergreen Clause	X	X	N	N	X	X	N	N	X	N	N	X	N	N	N	N	N	X	X	N	N
<b>Subtotal</b>	<b>2</b>	<b>2</b>	<b>3</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>3</b>

Note:

Rating is based on how each criteria best addresses the County's objectives and/or concerns regarding each itemized area on a scale of 0 to 3.

0 - non existent

2 - average

X - yes

1 - least

3 - best

N - no



**TABLE 5-4**  
**RESIDENTIAL SOLID WASTE COLLECTION SERVICES AND FEES IN SOUTHERN CALIFORNIA**  
**(Including Selected County Unincorporated Communities)**

	Monthly Fee (\$)	Jurisdiction/Community
Average*	\$ 16.56	
Minimum*	\$ 9.61	Huntington Park
Maximum*	\$ 58.36	Rolling Hills

\* GDDs excluded

City/Community Name	City/GUA/GDD	System Type: Exclusive/Non-exclusive	Monthly Fee (\$)	Billing Frequency	Senior Discount (Y/N)	Private Hauler Name/ Municipal Provided Service	Trash Collection (Automated/ Semi-auto/ Manual)	Recyclables (MRF/Automated/ Semi-auto/ Manual/None)	Green Waste (MRF/Automated/ Semi-auto/ Manual/None)	Comments
<b>LOS ANGELES COUNTY (CITIES)</b>										
Aguira Hills	city	Exclusive	\$17 - \$19	Quarterly	Y	G.I. Rubbish/Consolidated	Auto	Manual	Auto	Low-income discount.
Alhambra	city	Exclusive	\$ 14.25	Monthly	N	BFI	Auto	Manual	Manual	\$11.32 per 90 gal., \$9.33 per 60 gal.
Arcadia	city	Exclusive	\$ 11.32	Quarterly	Y	Waste Management	Auto	Auto		
Artesia	city	Exclusive	\$ 11.91	Annual	N	Consolidated	Auto			
Avalon	city	Exclusive	\$ 27.42	Quarterly	N	Seagull Sanitation	Manual	Manual	No services	
Azusa	city	Exclusive	N/A							
Baldwin Park	city	Exclusive	\$ 26.94	Bi-monthly		Waste Management	Auto	Auto	No services	
Bel	city	Exclusive	\$ 11.75	Monthly	Y	Consolidated	Auto	Auto	Auto	Senior Discount Rate: \$8.00
Bellflower	city	Exclusive	\$ 15.96	Monthly	N	CalSan	Auto	Auto	Auto	
Bell Gardens	city	Exclusive	N/A							
Beverly Hills	city	Municipal	N/A	Bi-monthly	N	Municipal	Auto	Auto	Auto	refuse billing by 50-250 square footage
Bradbury	city	Non-exclusive	\$ 11.39	Quarterly	N	Burtec	Auto	Auto	Auto	Variable can rates
Burbank	city	Municipal	\$ 17.40	Monthly	N	Municipal	Auto	Auto	Auto	
Calabasas	city		N/A							
Carson	city	Exclusive	\$ 14.46	Annual	N	Waste Management	Manual	Manual	No services	Billed on tax roll an amount of \$173.52
Carroll	city	Exclusive	\$ 11.17	Bi-monthly	N	CalSan	Manual	Manual	Manual	
Claremont	city	Exclusive	\$ 14.71	Monthly	Y	Municipal	Auto	Auto	Auto	15% Senior/Low Income Discount
Commerce	city	Exclusive								
Compton	city	Exclusive	\$ 12.58	Monthly	N	CalSan	Manual	Manual	Manual	
Covina	city	Exclusive	\$ 13.72		N	Athens Disposal	Auto	Auto	Auto	
Cudahy	city	Exclusive	N/A							
Culver City	city	Exclusive	\$ 17.61	Monthly	N	Municipal	Auto	Auto	Auto	Billed on property tax/Recyclables picked up bi-weekly
Diamond Bar	city	Exclusive	\$ 13.96		Y	CalSan	Auto	Auto	Auto	
Downey	city	Exclusive	N/A							
Duarte	city	Exclusive	\$ 15.72	Quarterly	Y	Waste Management	Auto	Auto	Auto	
El Monte	city	Exclusive								
El Segundo	city	Exclusive	N/A		N	Consolidated	Manual	Manual		Covered under General Fund generated from commercial taxes
Gardenia	city	Exclusive	\$ 13.40		N	Waste Management	Manual	Manual		
Glendale	city	Exclusive	\$ 10.10	Bi-Monthly	N	Municipal	Auto	Auto	Auto	
Glendora	city	Exclusive	\$ 14.97			Athens Services	Manual	Manual	Manual	
Hawaiian Gardens	city	Exclusive	\$ 14.91	Monthly	N	Waste Management	Manual	Manual	Manual	
Hawthorne	city	Exclusive	\$ 17.41	Monthly	N	H & C Disposal	Manual	Manual	Manual	
Hermosa Beach	city	Exclusive	\$ 10.55	Quarterly	N	BFI	Manual	Manual	Manual	
Hidden Hills	city	Exclusive	\$ 39.70	Monthly	N	G.I. Rubbish	Auto	Auto	Auto	
Huntington Park	city	Exclusive	\$ 9.61	Quarterly	N	Waste Management	Auto	Auto	No service	
Industry	city	Exclusive	\$ 20.32		N	Municipal	Auto	No service	No service	
Inglewood	city	Exclusive	\$ 11.78		Y	Waste Management	Auto	No service	No service	
Inverdale	city	Exclusive	N/A							

Note: N/A means information not available.

**TABLE 5-4**  
**RESIDENTIAL SOLID WASTE COLLECTION SERVICES AND FEES IN SOUTHERN CALIFORNIA**  
**(Including Selected County Unincorporated Communities)**

City/Community Name	City/CUA/GDD	System Type: Exclusive/Non-exclusive	Monthly Fee (\$)	Billing Frequency	Senior Discount (Y/N)	Private Hauler Name/ Municipal Provided Service	Trash Collection (Automated/ Semi-auto/ Manual)	Recyclables (MRF/Automated/ Semi-auto/ Manual/None)	Green Waste (MRF/Automated/ Semi-auto/ Manual/None)	Comments
La Cañada Flintridge	city	Exclusive	N/A							
La Habra Heights	city	Exclusive	\$ 13.14	Quarterly	Y	Consolidated	Auto	Auto	Auto	Senior Discount Rate: \$ 7.90
La Mirada	city	Exclusive	\$ 9.81		Y	Valley Vista	Auto	Auto	Auto	Senior Discount Rate: \$8.83
La Puente	city	Exclusive	\$ 16.05	Bi-monthly	N	Waste Management	Auto	Auto	Auto	
La Verne	city	Exclusive	\$ 13.01	Monthly	N	BZ Disposal	Manual	Manual	Manual	Senior Discount Rate: \$13.80
Lakewood	city	Exclusive	\$ 17.57		Y	Waste Management	Auto	Auto	Auto	Senior Discount Rate: \$11.82
Lancaster	city	Exclusive	\$ 13.53		Y	Consolidated	Auto	Manual	Auto	
Lawndale	city	Exclusive	N/A							
Lomita	city	Exclusive	\$ 16.00	Monthly	N	Municipal	Auto	Manual		
Long Beach	city	Municipal	N/A			Municipal				
Los Angeles (City)	city	Municipal	\$ 12.66		N	Waste Management	Manual	Manual		
Lynwood	city	Exclusive								
Malibu	city	Exclusive/Non-exclusive								
Manhattan Beach	city	Exclusive	N/A							
Maywood	city	Exclusive	\$ 13.62	Quarterly	Y	Consolidated	Auto	Manual	Auto	
Monrovia	city	Exclusive	N/A							
Montebello	city	Exclusive	\$ 15.94	Monthly	N	Athens Municipal	Manual	Manual	Manual	
Monterey Park	city	Exclusive	\$ 16.05	Bi-monthly			Manual	Manual	Manual	
Norwalk	city	Exclusive	N/A							
Palmdale	city	Exclusive	\$ 17.30		Y	Waste Management	Varies			
Palos Verdes Estates	city	Exclusive	\$ 26.00	Monthly	N	Norcal	Manual	Manual	Manual	
Paramount	city	Exclusive	N/A							
Pasadena	city	Non-exclusive	N/A							
Pico Rivera	city	Exclusive	\$ 14.06	Monthly	N	Metropolitan Waste Municipal	Manual	Manual	Manual	
Pomona	city	Municipal	\$ 21.64	Bi-monthly			Auto	Auto	Auto	
Rancho Palos Verdes	city	Exclusive	\$ 19.10	Monthly	N	Multi-haulers	Manual	Manual	Manual	
Redondo Beach	city	Exclusive	N/A							
Rolling Hills	city	Non-exclusive	\$ 58.36		N	BFI	Manual	Manual	Manual	\$14.36 per month for condos. and townhomes
Rolling Hills Estates	city	Exclusive	\$ 17.33		N	BFI	Manual	Manual	Manual	
Rosemead	city	Exclusive	\$ 9.65		Y		Auto	Manual	Manual	
San Dimas	city	Exclusive	\$ 13.63	Monthly	N	Waste Management	Semi-Auto	Manual	Manual	
San Fernando	city	Exclusive	\$ 14.90	Monthly	N	Waste Management	Manual	Manual	Manual	
San Gabriel	city	Exclusive	\$ 16.70	Monthly		Athens Services	Manual	Manual	Manual	
San Marino	city	Exclusive	N/A							
San Clemente	city	Exclusive	\$ 22.13	Quarterly	Y	Republic	Auto	Auto	Auto	
Santa Fe Springs	city	Exclusive	\$ 12.50	Annual	N	Consolidated/Jackson Disposal	Manual	No service	No service	\$21.07/95 gal; \$17.77/68gal; \$14.85/40 gal.
Santa Monica	city	Municipal	\$ 21.07	Bi-Monthly	N	Municipal	Auto	Manual	Auto	
Sierra Madre	city	Exclusive	N/A							
Signal Hill	city	Exclusive	N/A							
South El Monte	city	Exclusive	N/A							
South Gate	city	Exclusive	\$ 13.28		Y	Waste Management	Auto	Manual	Manual	
South Pasadena	city	Exclusive	\$ 28.98	Monthly	N	Athens Services	Manual	Manual	Manual	
Temple City	city	Exclusive	\$ 14.91		N	Athens Services	Manual	Manual	Manual	
Torrance	city	Exclusive	\$ 13.50		Y		Auto	Manual	Manual	

**TABLE 5-4**  
**RESIDENTIAL SOLID WASTE COLLECTION SERVICES AND FEES IN SOUTHERN CALIFORNIA**  
**(Including Selected County Unincorporated Communities)**

City/Community Name	City/CUA/ GDD	System Type: Exclusive/Non-exclusive	Monthly Fee (\$)	Billing Frequency	Senior Discount (Y/N)	Private Hauler Name/ Municipal Provided Service	Trash Collection (Automated/ Semi-auto/ Manual)	Recyclables (MRF/Automated/ Semi-auto/ Manual/None)	Green Waste (MRF/Automated/ Semi-auto/ Manual/None)	Comments
Vernon	city	Exclusive	\$ 12.50		N	Multi-haulers	Manual	Manual	No service	
Walnut	city	Exclusive	\$ 16.73	Monthly	N	Waste Management	Auto	Auto	Auto	Senior Discount- 25%, \$17.66 per 90 gal barrel; \$14.74 per 60 gal.
West Covina	city	Exclusive	\$ 17.66	Quarterly	Y	Alhens	Auto	Auto	Auto	
West Hollywood	city	Exclusive	N/A							
Westlake Village	city	Exclusive	N/A							
Whittier	city	Exclusive	\$ 15.40		N	Consolidated/WMM/Muni.	Auto / Manual	Auto	Auto	3 pilot areas for green waste (Automated)
<b>GARBAGE DISPOSAL DISTRICTS</b>										
GDD-Alhens	GDD	Exclusive	\$ 10.56	Annual	N	Consolidated Disposal Service, LLC	Manual	Manual	Manual	
GDD-Belvedere	GDD	Exclusive	\$ 8.11	Annual	N	Waste Management	Manual	Manual	Manual	
GDD-Firestone	GDD	Exclusive	\$ 11.15	Annual	N	BFJ of California, Inc.	Manual	Manual	Manual	
GDD-Malibu	GDD	Exclusive	\$ 15.54	Annual	N	Malibu Rubbish and Recycling	Manual	Manual	Manual	
GDD-Mesa Heights	GDD	Exclusive	\$ 11.49	Annual	N	Perdomo and Sons, Inc.	Manual	Manual	Manual	
GDD-Walnut Park	GDD	Exclusive	\$ 8.29	Annual	N	Perdomo and Sons, Inc.	Manual	Manual	Manual	
<b>LOS ANGELES COUNTY (SELECTED UNINCORPORATED AREAS)</b>										
NORTH COUNTY- ANTELOPE VALLEY AREA										
	CUA	Open Market	Varies \$14.25 - \$22.00	Varies monthly or quarterly	Y	Waste Management	Varies	Varies	Varies	Senior Discount Rate: Varies \$11.25 - \$13.88

Note: N/A means information not available.

**TABLE 5-4**  
**RESIDENTIAL SOLID WASTE COLLECTION SERVICES AND FEES IN SOUTHERN CALIFORNIA**  
**(Including Selected County Unincorporated Communities)**

City/Community Name	City/CUA/ GDD	System Type: Exclusive/Non-exclusive	Monthly Fee (\$)	Billing Frequency	Senior Discount (Y/N)	Private Hauler Name/ Municipal Provided Service	Trash Collection (Automated/ Semi-auto/ Manual)	Recyclables (MRF/Automated/ Semi-auto/ Manual/None)	Green Waste (MRF/Automated/ Semi-auto/ Manual/None)	Comments
NORTH COUNTY- SANTA CLARITA VALLEY AREA	CUA	Open Market	Varies \$14.25 - \$22.00	Varies monthly or quarterly	Y	Varies	Varies	Varies	Varies	Senior Discount Rate: Varies \$11.25 - \$13.88
NORTHWEST COUNTY Mailbu-Topanga Area	CUA	Open Market	Varies \$18.00 - \$26.50	Varies monthly, bi-monthly, or quarterly	Y	Varies	Varies	Varies	Varies	Senior Discount Rate: Varies 10% - 20%
SOUTH BAY AREA Excludes Lennox and South Central L.A.	CUA	Open Market	Varies \$15.90 - \$22.00	Varies monthly or quarterly	Y	Varies	Varies	Varies	Varies	Senior Discount Rate: \$9.20
Lennox	CUA	Open Market	Varies \$15.90 - \$22.00	Varies monthly or quarterly	Y	BF/Waste Management	Manual	Manual	Manual	Senior Discount Rate: \$9.20
South Central L.A.	CUA	Open Market	Varies \$15.90 - \$22.00	Varies monthly or quarterly	Y	BF/Waste Management	Manual	Manual	Manual	Senior Discount Rate: \$9.20
EAST SAN GABRIEL VALLEY Excludes Hacienda Heights and Rowland Heights	CUA	Open Market	Varies \$17.00 - \$19.20	Varies monthly or quarterly	Y	Varies	Varies	Varies	Varies	Senior Discount Rate: Varies \$46.00 - \$48.90 per Quarter
Hacienda Heights/ Rowland Heights	CUA	Open Market	Varies \$17.00 - \$19.20	Varies monthly or quarterly	Y	Varies	Varies	Varies	Varies	Senior Discount Rate: Varies \$46.00 - \$48.90 per Quarter
SOUTHEAST AREA Excludes Whittier	CUA	Open Market	Varies \$15.90 - \$19.20	Varies monthly or quarterly	Y	Waste Management	Varies	Manual	Manual	Senior Discount Rate: Varies \$9.20 - \$16.30
North Whittier	CUA	Open Market	Varies \$15.90 - \$19.20	Varies monthly or quarterly	Y	Waste Management	Varies	Manual	Manual	Senior Discount Rate: \$16.30
Whittier	CUA	Open Market	Varies \$15.90 - \$19.20	Varies monthly or quarterly	Y	Jackson Disposal	Varies	Manual	Manual	

Note: N/A means information not available.



**TABLE 5-4**  
**RESIDENTIAL SOLID WASTE COLLECTION SERVICES AND FEES IN SOUTHERN CALIFORNIA**  
**(Including Selected County Unincorporated Communities)**

City/Community Name	City/CUA/GDD	System Type: Exclusive/Non-exclusive	Monthly Fee (\$)	Billing Frequency	Senior Discount (Y/N)	Private Hauler Name/ Municipal Provided Service	Trash Collection (Automated/ Semi-auto/ Manual)	Recyclables (MRF/Automated/ Semi-auto/ Manual/None)	Green Waste (MRF/Automated/ Semi-auto/ Manual/None)	Comments
<b>OTHER COUNTY UNINCORPORATED AREAS</b>										
Altadena	CUA	Open Market	Varies \$20.00 - \$24.10		Y	BFI / Athens		Manual	Manual	Senior Discount Rate: Varies \$15.75-\$21.67
Arcadia	CUA	Open Market	\$ 18.81		N	Athens		Manual	Manual	
East Pasadena	CUA	Open Market	Varies \$ 18.00 - \$ 19.20	Varies monthly or quarterly	Y	Varies	Varies	Manual	Manual	Senior Discount Rate: \$48.90 per Quarter
La Crescenta	CUA	Open Market	\$ 24.10		Y	BFI		Manual	Manual	Senior Discount Rate: \$65 per Quarter
Montrose	CUA	Open Market	\$ 24.10		Y	BFI		Manual	Manual	Senior Discount Rate: \$65 per Quarter
<b>VENTURA COUNTY</b>										
Oxnard	city	Exclusive	\$ 20.57	Monthly	N	Solid Waste Management	Auto	Auto	Auto	
Ventura Co. Unincorporated Area	CUA	Exclusive	\$ 23.00	Monthly	N	E.G. Harrison and Sons	Auto	Auto	Auto	

Source: Los Angeles County Department of Public Works, July 2000. Based on information provided by waste haulers in a telephone survey. This information is subject to change due to market dynamics.

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## **SECTION 6**

### **CONCLUSIONS AND IMPLEMENTATION ISSUES**

#### **6.0 Introduction**

This Section discusses the conclusions from the evaluation of the alternative solid waste handling systems and issues associated with measures necessary to successfully overhaul the existing solid waste handling system and implement a selected alternative system. These issues include implementation schedule, legal issues, potential impact on waste haulers, responsibilities of the DHS and the DPW under a new system, necessary modifications to the County Code, service areas, administrative costs and resource needs, funding mechanisms, and other requirements.

#### **6.1 Solid Waste Collection System Option Analysis**

As discussed in Sections 4 and 5, this report analyzed the various alternative solid waste collection system options available to the County, including the use of County forces versus the use of solid waste enterprise/private waste haulers. Based on the analysis and the objectives listed in Section 1.1, utilizing County forces to provide for solid waste collection is not considered a viable option at this time due to a) high cost of the initial capital investment which is estimated well in excess of \$100 million, b) substantial customer rate increases due to the capital investment cost, and c) elimination of the private sector.

Of the four alternative systems available through the use of the private sector, the open market system (the existing County system) was also considered not viable due to deficiencies previously identified. A review of the remaining options and evaluation of existing solid waste handling systems currently practiced in several cities in Los Angeles County and other neighboring counties, concluded that compared to a non-exclusive franchise system, an exclusive franchise system and/or GDD would best meet the County's objective. This conclusion supports the County's experience in the GDD areas where the County has a greater level of control over services, the quality of service is high, service rates are low, and there is less customer confusion when compared to the open market practiced in other unincorporated communities. To implement an exclusive franchise system and/or a GDD to accomplish the objectives, the County would need to establish service areas in either or both residential and commercial/industrial sectors. This is because the unincorporated areas, often small in size, are "islands" scattered throughout the County and organizing the various communities into clusters would be necessary to allow the County to effectively manage the services provided by waste haulers in each area.

A non-exclusive, exclusive, or GDD system will maintain the free enterprise system. However, while an exclusive franchise system or GDD will best accomplish the County's objectives, it may have a significant impact on small waste haulers. It has a potential to favor large solid waste enterprises/haulers to the detriment of small haulers since it may impair small haulers' ability to thrive in a dynamic, ever changing solid waste industry.

Furthermore, as discussed in Section 1.1, solid waste industry representatives have expressed a strong desire, if necessary, to replace the current open market system with a non-exclusive franchise system in both residential and commercial/industrial sectors. The industry would also like the term of the non-exclusive franchise to be open to permit haulers to enter agreements anytime and would prefer the Countywide service area (with performance zones) and no rate control. The industry also prefers the franchise agreement not to have an expiration date but is willing to accept a seven-year "evergreen" term. Even though the proposal serves the industry best, it is not considered viable for the County.

As a means to protect the interest of small waste haulers, consideration was provided to divide the unincorporated area in many service areas for a GDD formation or service by an exclusive franchise system. However, there is a limit as to the number of customers that can be served by a small hauler operating with one truck. At best, this will result in an enormous number of areas and franchises with a high cost of administration and, therefore, not a suitable remedy.

As discussed in Section 1, and further reemphasized in Subsection 6.2, now that the five-year notice has been issued, the goal of all stakeholders is to develop system alternatives that can be implemented now rather than waiting until June 2003. Therefore, in order to achieve this goal, minimize potential adverse impacts on small haulers, and be responsive to the waste industry's position previously discussed, the County could implement a non-exclusive franchise system in both residential and commercial/industrial sectors as an interim measure (pilot program) in selected communities of the County unincorporated areas. The pilot program would assess whether a non-exclusive franchise system in both residential and commercial/industrial sectors may accomplish the County's stated objectives over a period of two to three years.

A non-exclusive franchise system in both residential and commercial/industrial sectors will maintain the free enterprise system, protect and allow small waste haulers to thrive, and will give the County some authority and flexibility to establish a greater level of control over services in the selected County unincorporated areas. In order for a solid waste enterprise to do business within the selected County areas, it must comply with the requirements stipulated in the proposed non-exclusive franchise agreement.

The interim measure selected will assist the County in meeting the current objectives as stated in Section 1.2 and give the County some flexibility to better manage solid waste generated in the unincorporated areas. This measure will require that the County Code be revised to provide for a franchise agreement mechanism in addition to a Waste Collector's Permit and to incorporate new provisions for enforcement and penalties for non-compliance.

## **6.2 Reasons for Immediate Implementation**

Since the five-year notice was issued, solid waste enterprises/haulers have expressed concerns regarding the length of time needed to know what action the County may take after June 23, 2003. Their concerns are based on the need to start planning business strategies, capital investments, and what impact, if any, will the alternative solid waste handling system have on the areas that they currently serve.

Also, to assist the County to meet its objectives, the County must begin implementation of the alternative solid waste handling system as soon as possible particularly as a component of the overall plan of implementing programs to meet AB 939 mandates. Failure to act may subject the County to the following:

- The California Integrated Waste Management Act of 1989, as amended, Section 41850 of the Public Resource Code, specifies an administrative civil penalty of \$10,000 per day for failure to comply with AB 939 mandates.
- State law also specifies that the California Integrated Waste Management Board shall consider whether a jurisdiction has made a "good faith effort" to implement all reasonable and feasible measures to comply.
- Lastly, State law requires that the diversion estimate of a jurisdiction is consistent with the source reduction and recycling measures being implemented by the jurisdiction.

As such, the County needs to begin implementation of the pilot program immediately to assess whether a non-exclusive franchise system in both residential and commercial/industrial sectors may accomplish the County's stated objectives. Depending on the outcome of the pilot program and performance of the solid waste enterprises, the decision should be made on the viability of the non-exclusive franchise system prior to the expiration of the five-year notice.

This implementation schedule would reflect the County's desire to better serve the needs of its residents and businesses and to meet its objectives as stated in Section 1.2 of this report.

### **6.3 Legal Issues Associated with the Immediate Implementation of the Pilot Program**

As discussed in Section 3, on June 23, 1998, solid waste enterprises operating within the unincorporated areas of the County were issued a notice informing them that the County is considering whether to exercise its option to take exclusive control of the solid waste handling services. Under current State law, haulers who have continuously operated in the County unincorporated areas for the preceding three years may continue to operate for a period of five years from the date of the notice.

However, pursuant to Section 49523 of the PRC, the County may negotiate, upon mutually satisfactory terms, for the termination of all or any part of the business of the solid waste enterprise before the expiration of the five-year notice.

In order for the County to implement the pilot program, the interim alternative solid waste handling system, as soon as possible, the County will need to first consult/negotiate with the solid waste enterprises/haulers serving in a pilot program service area, to waive or terminate their right to the five-year notice and enter into a non-exclusive franchise agreement with the County pursuant to Section 49523 of the Public Resources Code.

The County will also need to continue consultations with the solid waste haulers to inform them of their rights to waive or terminate the five-year notice. In addition, the waste haulers will need to be notified of the available options proposed by the County under the interim system and how to go about acquiring a new Waste Collector's Permit with the DHS and a franchise/agreement with the DPW.

### **6.4 Potential Impact on Waste Haulers**

Implementation of a franchise/agreement system in the County unincorporated areas will raise the minimum standards for solid waste handling services. This may have an indirect effect of excluding some private haulers who may not be able to meet the new County minimum standards.

As discussed in Subsection 1.0, the County has consulted with the "working group" on the possible impacts on private haulers. The conclusions and recommendations of this report have taken into consideration the advice of the "working group." Although a non-exclusive franchise system may be implemented prior to June 23, 2003, it is not the intent of the County to revoke any existing Waste Collector Permits prior to that date or abridge the rights of any solid waste enterprise to continue operation as described in the five-year notice. All solid waste enterprises are encouraged to continue doing business within the unincorporated areas of the County and to enter into a non-exclusive franchise agreement on an interim basis.

## **6.5 Responsibilities of The Department of Health Services and The Department of Public Works Under The New System**

The DHS and the DPW are the two County agencies responsible for managing solid waste handling services. As discussed in Subsections 2.5 and 2.6, the DHS and the DPW have defined responsibilities under the existing Los Angeles County Code. However, the responsibilities of these two agencies sometime overlap and in some instances are unclear. Therefore, the responsibilities for each agency in the revised County Code will need to be clearly defined to eliminate any duplication and ambiguity.

### **Role of the Los Angeles County Department of Health Services, Solid Waste Management Program.**

As discussed in Subsection 2.5, the DHS, Solid Waste Management Program, is the enforcement agency and Health Officer, who is designated by the Board of Supervisors to enforce the State solid waste standards and is also responsible for enforcing all provisions under Title 20, Division 4 of the Los Angeles County Code. Under the proposed alternative system, whether exclusive or non-exclusive franchise, or GDD system, the DHS' role should remain relatively unchanged. The DHS will continue to be responsible for enforcing all the provisions of the Los Angeles County Code regarding minimum standards for solid waste storage and removal, including the issuance of the Waste Collector's Permit. This includes any additional provisions and non-compliance clauses added to the County Code for the purposes of enforcing the Waste Collector's Permit or the minimum standards for solid waste storage and removal in the County unincorporated areas.

### **Role of the Los Angeles County Department of Public Works**

As discussed in Subsection 2.6, the DPW is currently responsible for implementing solid waste management policies in the unincorporated areas of Los Angeles County. In addition, the DPW is the lead agency responsible for advising the Board of Supervisors on all matters of Countywide concerns relating to waste management. The DPW is also responsible for the preparation and administration of the Los Angeles County Source Reduction and Recycling Element and the Household Hazardous Waste Element to ensure compliance with the State waste reduction mandates.

The DPW's responsibilities under the alternative solid waste handling system analyzed will be expanded. The DPW will continue to be responsible for administration of the six GDDs as well as the franchise system.

## **6.6 Modifications to the County Code**

The existing County Code (Title 20, Utilities, Division 4, Solid Waste) needs to be revised to be consistent with State law, to address the current County needs as identified in this report including provisions for the franchise system, and those listed in Table 6-1.

## **6.7 Solid Waste Handling Service Areas**

Service areas or performance zones are geographical areas from which solid waste can logically be handled or delivered to a solid waste management facility. These areas are usually defined by jurisdictional or other boundaries and define an area in which a particular governmental entity has jurisdiction or responsibility for waste handling services. Within each service area, zones may be established by which solid waste collection service is provided through franchises, contracts, permits, municipal service, or open market. The organization of services within a service area for residential waste may be different from commercial and industrial waste.

Service areas have an impact on economics and competition especially for small haulers. Sometimes, small haulers establish their service areas based on number of commercial customers (regardless of jurisdictions) and how competitive they can be with other haulers. This will have a great deal of impact as to whether they will be serving residential customers.

As discussed in Section 2, the County unincorporated areas are comprised of 78 communities that are dispersed over the entire County. They cover approximately 2,700 square miles out of a total 4,083 square miles contained within the County's boundaries. Many of these communities are small in area and are surrounded by incorporated cities essentially making them "islands."

The majority of the unincorporated areas outside of the GDDs are similar in demographics to those in the GDDs. They are diverse in their population, ethnicity, and geography. Although the majority of the areas are "islands" and a large portion of the northern territory of the unincorporated areas are uninhabited mountainous regions, the residential population of the unincorporated areas lingers just below 1,000,000.

The unincorporated areas of the County accommodate various land uses including, but not limited to, residential, commercial, industrial, agricultural, open space, and significant ecological areas. Many of the communities are designated as residential which includes some medium to high density clusters. However, there are three major industrial clusters that fall under the County's jurisdiction and overlap with several cities: (1) Los Angeles Harbor area including West Compton and Rancho Dominguez, (2)



Los Angeles - Santa Fe Springs Corridor including small areas of Florence and East Los Angeles, and (3) City of Industry Corridor. These areas consist of manufacturing and extensive use by industrial suppliers and warehouse distribution centers.

The differing characteristics of the County unincorporated areas, and depending on the alternative solid waste handling system selected, may necessitate the establishment of service areas to better serve the needs of those communities. For the purpose of the future analysis, the unincorporated communities may be divided into service areas or performance zones, depending on the County's experience with the pilot program. In developing the service areas, consideration should be given to the following:

- Communities and areas with similar physical and demographic characteristics
- Number of households and businesses that can be economically and efficiently served
- Whether it may be viable for small waste haulers to thrive
- Proximity to surrounding city boundaries and possible impact that the city's waste collection will have on the County

Furthermore, depending on the experience with the pilot program, consideration should be provided in establishing service areas in either or both residential and/or commercial/industrial sectors. This will be based on the option that can best accomplish the County's stated objectives.

## **6.8 Administrative Costs And Resource Needs**

Implementation of the alternative solid waste collection system would require additional resources. The administrative costs and resource needs will vary depending on the type of system. With a non-exclusive franchise agreement, the County's administrative costs and resource needs will be high because of enforcement of the various provisions of the agreement with each waste hauler and the size of the many waste haulers involved. However, with an exclusive franchise agreement or GDDs, the County's administrative costs and resource needs will be lower when compared with a non-exclusive franchise agreement. Additional resources may also be required due to the proposed revisions to the County Code.

Depending on the type of solid waste handling system selected, the DPW administrative requirements and resource needs will grow with the expanded functions of the Department (see Subsection 6.5). A large portion of the administration and resource needs will be to ensure the waste haulers are complying with new standards and requirements specified in the franchise agreement and the revised County Code. These additional costs should be offset by the franchise fees and waste collector permit fees, as applicable.

## **6.9 Franchise Fees**

As discussed in Subsection 6.8, for a franchise system, the DPW will incur administrative costs and other resource needs in order to effectively carry out its responsibilities and other measures discussed in this report. Funding sources will need to be established to generate revenue to cover these costs. It is proposed that the following funding sources be established:

- An application processing fee
- A franchise fee

This would be an annual fee which is established based on the system type, service area, and length of the agreement. The annual fee is initially set by the Board of Supervisors and then adjusted annually as provided in the agreement.

It should be noted that, as shown in Table 5.2, Evaluation of Existing Solid Waste Collection Systems in Southern California, over 80 percent of jurisdictions surveyed in Southern California have ordinances, contracts, or franchise agreements which charge franchise or other fees to cover administrative costs, resource needs, AB 939 Programs, etc.

## **6.10 Solid Waste Collection Service Rates**

The Board of Supervisors is authorized, pursuant to PRC Section 40059, to regulate matters of solid waste handling in the unincorporated areas of the County for the benefit of the public including, but not limited to, frequency of collection; means of collection and transportation; level of service; charges and fees; and the nature, location, and extent of providing solid waste handling services.

The Board is also authorized, pursuant to PRC Sections 49521 and 49205(a)(1), to periodically review and set rates charged by a solid waste enterprise/hauler for the protection of public health and welfare. One of the deficiencies of the current open market system is its inadequacy in addressing the County's changing needs. Issues such as industry take-overs and consolidations eliminate market competition and result in higher service rates, lower quality service, and customer confusion.

As indicated in Table 5.2, Evaluation of Existing Solid Waste Collection Systems in Southern California, about 90 percent of jurisdictions surveyed in Southern California have ordinances or franchise agreements which periodically review and set rates to be charged customers by franchise or permit holders. Experience in these jurisdictions is similar to the County's experience in the GDDs, where the County sets rates for solid waste handling services. In general, service rates are higher and the quality of service is lower in areas where the open market system exists as compared to areas within the GDD or in jurisdictions which set service rates.

Therefore, the County should reserve its right, when in the public interest, to periodically review and set rates charged by a solid waste enterprise for services provided in any community in the unincorporated areas of the County. This will ensure that new requirements and programs will not result in unreasonable rate increases for residents and business and will ensure that rates are comparable to those in other jurisdictions.

### **6.11 Agreement Specifications**

For a new GDD, the requirements should remain the same as those applicable to the existing GDD. In reference to a franchise system, in addition to the GDD requirements, as applicable, the following should apply:

#### Term of Agreement

- Similar to the current GDDs' contracts, the franchise agreement term should be limited to five years. This will provide the County with the flexibility it needs to adapt to changes in State laws and regulations.

#### Termination Upon Default or Breach

If a solid waste enterprise/hauler is in material default or breach, the Director of Public Works may immediately terminate the agreement. Additionally, the franchise agreement may be terminated as follows:

- Upon 60 days written notice to the solid waste enterprise/hauler by the County with "cause."
- Upon 120 days written notice by the franchisee (solid waste enterprise/hauler) to his/her customers and the County
- Upon 30 days notice to the franchisee (solid waste enterprise/hauler) by his/her customers

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**Table 6-1**  
**COUNTY CODE ANALYSIS**  
**SOLID WASTE HANDLING SERVICES**

Issue	Existing County Code	Recommended Revisions / Comments
Definitions on the terms of Solid Waste, Garbage, Refuse, Rubbish, Trash, Market Refuse, Combustible and Non-Combustible Rubbish, etc.	<p>County Code Title 20, Division 4, Sections 20.56.060, 20.72.190, and 20.88.020 define the meaning of "Solid Waste" or "Wastes".</p> <p>County Code Title 7, Sections 7.02.140, 7.02.190, 7.02.230, 7.02.240, and 7.02.290 define the meanings of "Combustible Rubbish", "Garbage", "Market Refuse", "Non-combustible Rubbish", and "Rubbish", respectively.</p> <p>County Code Title 11, Sections 11.16.010, 11.16.020, and 11.16.030, and 11.16.050 use of the terms of garbage, combustible and non-combustible, rubbish, and/or refuse without defining the specific meanings of and/or differences among these terms.</p>	<ul style="list-style-type: none"> <li>- There are inconsistencies among the various Titles of the County Code in the definitions of the terms of solid waste, wastes, garbage, putrescible refuse, rubbish, trash, etc. These terms must be clearly and precisely defined to avoid ambiguity in the interpretation, implementation, and enforcement of the various provisions of the County Code.</li> <li>- All definitions are to be placed in one section and they must be consistent with the State definitions.</li> </ul>
Information on service areas, rates, collection schedule, etc.	<p>County Code Title 20, Division 4, Section 20.72.050</p> <p>All residential waste haulers operating within the unincorporated area of Los Angeles County shall, within 30 days after April 13, 1979, the effective date of the ordinance codified in Division 4, file a report indicating areas served, type(s) of services provided, rates and description of standard type services, holiday schedules, and the other related information required by the enforcement agency.</p>	<p>This is an outdated provision. For the existing and future open market system, this provision must be revised to require all residential and commercial haulers operating in the unincorporated County area to file the said report with the Department of Health Services (DHS) and the Department of Public Works (DPW) on an annual basis or other appropriate time frame as determined by the Director of Public Works</p>
Complaints and conflict resolution between customer and hauler	<p>Section 20.72.160</p> <p>Every waste hauler shall maintain a telephone for the purpose of responding to inquiries and for the receipt of complaints. The hauler shall maintain a written record of complaints received, and the written record of each complaint shall be retained for at least 90 days. The record of complaints and other records pertaining to solid waste collection and disposal shall be open to the inspection of the DHS at all reasonable times.</p>	<p>This Section of the County Code does not specify procedures to be followed and/or actions to be taken by the enforcement agency in the event that the hauler has failed to resolve its conflict with the customers on issues relative to the quality of services provided. To protect the interest of the customers, this and other appropriate sections of County Code must be revised to give the County power and authority to settle disputes between the haulers and the customers.</p>

**Table 6-1**  
**COUNTY CODE ANALYSIS**  
**SOLID WASTE HANDLING SERVICES**

Issue	Existing County Code	Recommended Revisions / Comments
Standard residential solid waste collection services	<p><b>Section 20.72.080</b> Existing County Code specifies a minimum level of service to be provided to property owners or tenants who have paid for such service.</p>	<p>As a measure to address the illegal dumping issues, this Section of the County Code should also include mandatory cleanup campaigns for all residential customers in the unincorporated County area.</p> <p>The standard services as specified in the existing County Code are provided through manual collection only. Provisions relative to mechanical collection for refuse, recyclables, and green waste should also be included.</p> <p>Further, the existing County Code should also be in conformity with the Federal and State regulation and/or policy regarding collection and disposal of major appliances which may contain hazardous chemicals, as well as collection, storage, and disposal of waste tires.</p>
Recycling and green waste collection services	<p><b>Sections 20.72.170 and 20.72.186</b> Recycling services shall be provided to selected communities in the unincorporated County areas. The County may upon 30 days' written notice, require waste hauler to provide services for collecting other recyclable materials including green waste.</p>	<p>It is necessary to revise this Section to reflect that mandatory recycling services are provided to all residential and commercial customers throughout the unincorporated County area. Additionally, the County Code must also be revised to specify separate collection of green waste as well as requirements and procedures for implementing the green waste collection program. Provisions must also be provided when a mechanical collection and/or a "dirty MRF" system is used.</p>
Reporting requirements for regular, special, and recycling services	<p><b>Section 20.72.194</b> Waste haulers shall prepare monthly recycling service collection reports. All such reports are to be submitted on a quarterly basis to the DPW. Failure to submit the monthly report shall constitute a cause for the DHS to revoke the waste collector permit.</p>	<p>For the open market system, the reporting should also include quantity of solid waste disposed. Additionally, the reporting requirements should also be applicable to solid waste disposed at landfill facilities. Provisions for enforcing the reporting requirements should be included.</p>
Franchise systems, et. al.	Unknown	Provisions must be included for development and operation of franchise systems.

**Table 6-1**  
**COUNTY CODE ANALYSIS**  
**SOLID WASTE HANDLING SERVICES**

<b>Issue</b>	<b>Existing County Code</b>	<b>Recommended Revisions / Comments</b>
Consistency with minimum State standards (Title 14, Article 5, Sections 17301 through 17345 of the California Code of Regulations)	-	The County Code must be consistent with State regulations relative to the solid waste storage and removal standards.
County Agencies Responsibilities	--	Define the respective responsibilities of the DHS and the DPW relative to the operations and enforcement, and all other aspects of the solid waste handling services.
Waste Hauler Fee Structure	<b>Chapters 20.64 and 20.88</b>	Update the County's waste hauler fee structure to accommodate recent changes in State regulations as well as additional responsibilities being proposed.
Hearing Panel	<b>Chapters 2.66 and 20.84</b>	Revise existing County Code to update the Solid Waste Facilities Hearing Board (SWFHB) responsibilities to be consistent with State law as well as replacing the existing independent hearing panel. The SWFHB will handle the appeals process for the Solid Waste Facilities and the Waste Collector Permits.
Minimum Standards, Experience of Waste Hauler, and Performance Bond	<b>Chapter 20.72</b>	<p>a) Minimum Standards Revise the minimum standards for waste collection to include standards which are health-related.</p> <p>b) Experience of Waste Hauler Provide criteria for waste hauler experience relative to the Waste Collector Permit.</p> <p>c) Performance Bond Change the current performance bond/security requirements. Amount of the Performance Bond shall be based on the size of the waste hauler's operation.</p>

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## **SECTION 7**

### **SUMMARY AND RECOMMENDATIONS**

#### **7.0 Summary**

Rules and regulations concerning management of solid waste have changed dramatically over the past decade. These changes were brought about by changing Federal and State laws and policies, a public attitude towards solid waste management system that is more protective of the environment and concerned with the preservation of natural resources, and public demand for improved services. Consequently, the current open market system of waste collection in County unincorporated areas is now inadequate to meet the County's changing needs, such as the need to comply with the State's disposal reduction mandates, the need to improve the level of current solid waste handling services, and the need to address concerns of residents.

The viability of the current open market is also questionable due to many take-overs and consolidations within the solid waste management industry. In general, the mergers have resulted in higher service rates, lower quality service, and customer confusion. The waste industry's response to the County's needs and residents' concerns has been very slow or indifferent. These events have highlighted the inadequacy of the current open-market system to adapt to a continually changing waste management environment.

To address these concerns and to ensure public health and safety, the County must have full flexibility in exercising control over solid waste handling services in all County unincorporated areas. To accomplish this, the County issued the statutory five-year notice to all waste haulers in the County. Additionally, the DPW, in concert with County Counsel and the DHS, began an evaluation of the County's existing solid waste collection system and how it can be overhauled. As part of this evaluation, a "working group" was formed whose membership included representatives from the DPW, County Counsel, DHS, and the solid waste industry. This working group assisted in evaluating, developing, and selecting alternatives to consider for implementation and advised the County on the impact of the various alternatives on the solid waste industry.

Based on the findings discussed in this report, a majority of the cities in Los Angeles County and neighboring counties, when compared to the County unincorporated areas, have a greater level of control over their solid waste handling services through exclusive or non-exclusive franchise/agreements with solid waste enterprises/private haulers. Most of these jurisdictions also require the haulers to pay franchise or other fees for the jurisdiction's solid waste handling services' enforcement and administrative costs. The level of control exercised by these jurisdictions put them in a better position to specify terms and conditions in the franchise/agreements which

may facilitate the accomplishment of waste reduction and recycling goals, assist them in meeting the State's waste disposal reduction mandates, as well as provide efficient solid waste handling services at reasonable costs.

## **7.1 The County's Objectives**

It is the County's intent to evaluate and develop alternatives to overhaul the existing system so that the County and the waste industry may begin to plan accordingly. Of particular interest to the County are a) identifying alternatives that can be implemented in the short term (before the end of the five-year notice period), if feasible, rather than after the end of the five-year period and which can achieve the County's identified needs and objectives, and b) formulating measures for the new system development and implementation upon expiration of the statutory five-year period. Specifically, the objectives are:

- Protect the health, welfare, and safety of citizens by addressing the solid waste management needs of all unincorporated communities in Los Angeles County through an environmentally safe and technically feasible solid waste handling and disposal system
- Provide County residents and businesses with efficient, high-quality solid waste handling services at reasonable costs
- Comply with Federal and State laws and regulations governing solid waste management, including the mandates of the California Integrated Waste Management Act of 1989, as amended, including achievement of the State waste disposal reduction mandates
- Provide solid waste handling services through the private sector in an environment which fosters private enterprise to the greatest extent feasible and provides for equitable competition between small and large solid waste enterprises/haulers
- Provide the County with sufficient flexibility and adequate control over solid waste handling services to ensure compliance with established standards and codes
- Update the current Los Angeles County Code to reflect the changing needs of the County and solid waste industry

- If feasible, develop one or more alternatives as interim programs which can be implemented now, rather than at the termination of the five-year notice in 2003, and based on the results of the interim programs, formulate the new system's alternatives for implementation beyond the year 2003
- Develop a funding mechanism to provide for the County's administrative costs and resource needs in achieving the objectives

## **7.2 The County's Responsibility and Authority**

Under State law, PRC Section 40002, each jurisdiction is responsible to ensure public health and safety, and the well-being of the public, by making adequate provisions for solid waste handling services within their corporate or political boundaries. Proper collection and management of solid waste is an essential service that must be provided to all residents and businesses in order to protect public health and safety while conserving natural resources.

The Board of Supervisors is authorized, pursuant to PRC Section 40059, to regulate matters of solid waste handling in the unincorporated areas of the County for the benefit of the public including, but not limited to, frequency of collection; means of collection and transportation; level of service; charges and fees; and the nature, location, and extent of providing solid waste handling services. The Board may also determine whether solid waste handling services are to be provided by means of exclusive, partially exclusive, or non-exclusive franchise, contract, license, permit, or otherwise and either with or without competitive bidding.

## **7.3 Recommendations**

Currently, the Los Angeles County Code requires a solid waste enterprise to obtain only a Waste Collector's Permit to operate in the County unincorporated areas. This permit is issued by the DHS and provides the only means of regulating solid waste handling activities.

Based on detailed analysis and discussion provided in Sections 5 and 6, Los Angeles County's existing open market system and permitting structure for solid waste handling services needs to be changed. The needed changes can be best implemented by formation of GDDs and/or an exclusive franchise system as well as updating the County Code. This recommendation is based on careful review and evaluation of existing solid waste collection systems in the unincorporated communities of Los Angeles County and other cities and counties in Southern California; consideration of the reasons for the five-year notice given to the haulers; review of the County Code; consultation with local waste hauling industry representatives in a "working group," and; identification and option analysis of alternative solid waste collection systems available to the County. However, as strongly expressed by representatives of waste haulers serving on the "working group," the two systems best suitable for the County do not

seem to be responsive to the needs of small waste haulers and may provide undue advantages to large solid waste enterprises/waste management industries. Dividing the County into many small subregions may eliminate the concerns of small waste haulers, but will substantially increase the County's administrative costs. Overall, the waste hauling industry prefers a non-exclusive system, with no term limit (or a minimum of a seven-year "evergreen"), and with a continual "open-door" mechanism which provides for waste haulers to enter into the agreement with the County whenever they wish. However, this option is not responsive to the County Objectives as listed in Subsection 7.1.

### Interim Program

As a compromise for small waste haulers and to provide additional opportunity to the waste hauling industry to demonstrate service improvement, establishing a non-exclusive franchise arrangement for solid waste handling services in both the residential and commercial/industrial sectors may achieve the County's stated objectives on an interim basis. Depending on the results of the interim program and waste management industry's performance, decisions will be made on whether to implement GDDs, exclusive or non-exclusive franchise system, or a combination thereof. It is recommended that the non-exclusive franchise system be administered by the Department of Public Works.

It is further proposed that the interim system (non-exclusive franchise) implementation begin immediately within selected unincorporated areas of the County. However, implementation of a franchise system (or any other system except the open market) in any area of the County, excluding areas within the GDDs, prior to expiration of the five-year notice will require approval of all waste haulers that have served that area for three consecutive years prior to the five-year notice issuance date. Therefore, upon the Board of Supervisors approval, the DPW will proceed with selection of the pilot area(s) and negotiate with appropriate waste haulers for the system implementation.

Based on the foregoing, the following actions are recommended for implementation of the interim program:

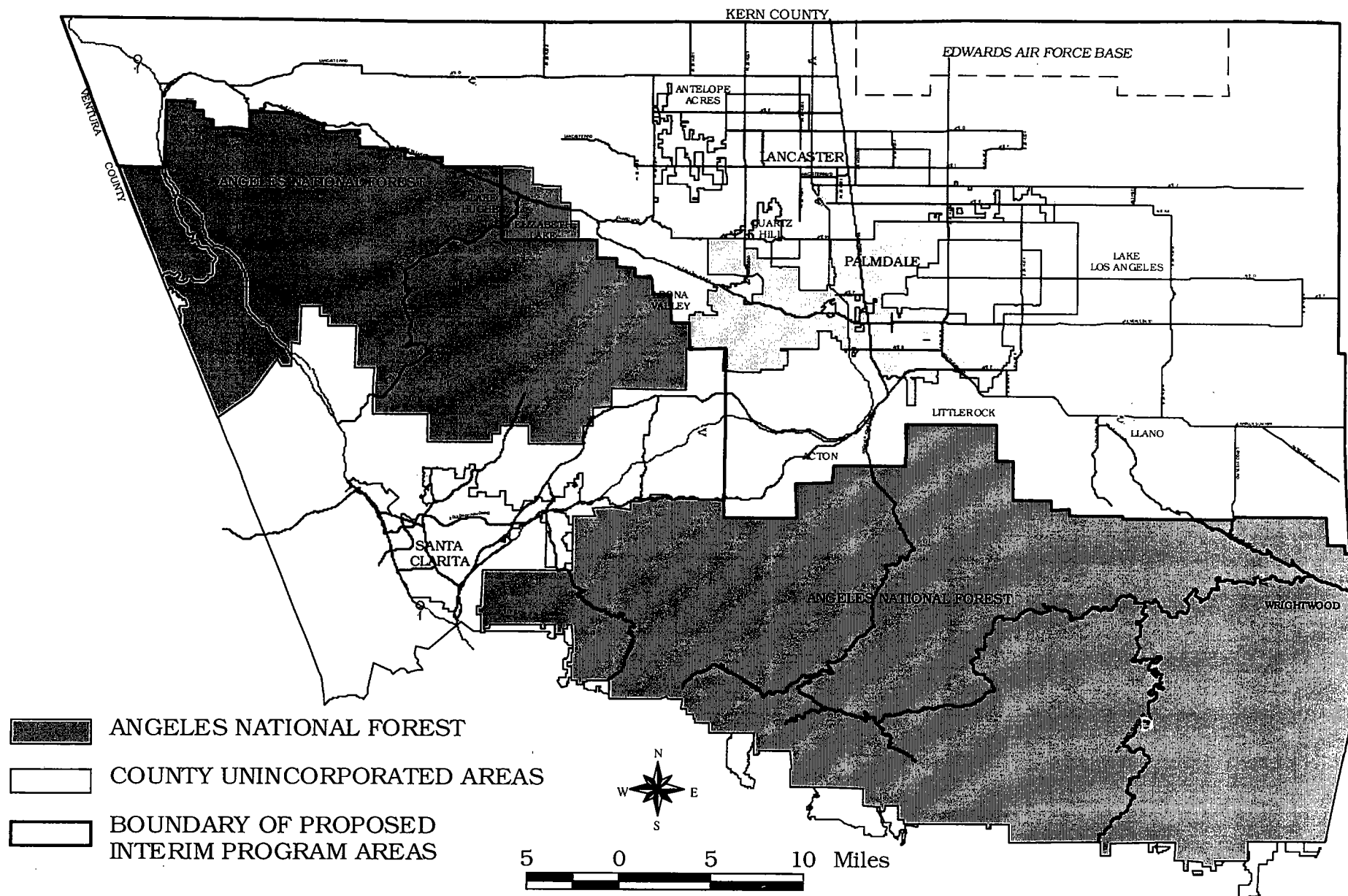
1. County Counsel, in concert with the DPW and DHS, to draft revision to the Los Angeles County Code (Title 20, Utilities, Division 4, Solid Waste) for the Board of Supervisors to:
  - A. Update the Los Angeles County Code to be consistent with current State laws as well as to include all appropriate provisions for exclusive, partial, and non-exclusive franchise agreements for providing solid waste handling services, and to address concerns/issues listed in Table 6-1.

- B. Require solid waste enterprises that operate in the County unincorporated areas to obtain a Waste Collector's Permit issued by the DHS, and when applicable, a franchise/agreement issued by the DPW
  - C. Require the DHS to enforce all duties assigned as it relates to the Waste Collector Permit and enforcement of the State's solid waste minimum standards stipulated under the Los Angeles County Code. Require the DPW to enforce all duties relating to the GDDs and franchise agreements for the purposes of providing solid waste handling services in the unincorporated communities of Los Angeles County
  - D. Require that a new Waste Collector Permit be issued concurrent with the franchise agreement issued by the County for the unincorporated areas where a non-exclusive franchise system is in existence. Additionally, require that a Waste Collector Permit not be renewed without the DPW concurrence for haulers serving within the said areas.
2. The DPW, in concert with the DHS and County Counsel, to prepare a standardized non-exclusive franchise agreement for the Board of Supervisors' approval. The standardized agreement will include provisions for the franchise fees to provide for administration and enforcement of agreements. The standardized non-exclusive franchise agreement may also include provisions for the Board of Supervisors to allow the County to enter into agreements with solid waste enterprises for the purposes of providing solid waste handling services at preset rates for such services in a number of selected unincorporated communities, "pilot areas."
- A. The term of the non-exclusive franchise agreement will be for a period of five years. During the interim program implementation period, beginning from the date of agreement, every year on the anniversary date of the agreement, the term of agreement is subject to an annual performance review and written approval by the Director of Public Works. At his sole discretion, the Director of Public Works may refuse to approve the annual performance of a franchisee and may terminate the franchise agreement without cause anytime after the expiration of the five-year notice (June 2003 for all County unincorporated areas with exception of the community of Lennox for which the five-year notice expires on September 2002).
  - B. The non-exclusive agreement may be canceled by the DPW for "cause" upon 60 days written notice to the waste hauler/franchisee.

- C. The waste hauler/franchisee may terminate the non-exclusive agreement with the County upon providing 120 days written notice to the DPW, the DHS, and his/her customers within the area served by the said agreement.
- 3. Subject to provisions of Recommendation 2, authorize the Director of Public Works to set and review rates charged by solid waste enterprises/haulers for solid waste handling services in selected unincorporated communities.
- 4. Upon the Board of Supervisors' approval of Recommendations 1,2, and 3, the DPW, in concert with waste haulers, the DHS, and the community leaders, will select the pilot areas. Initially, the pilot areas will be limited to the unincorporated areas of the Antelope Valley (see Figure 7-1) and the following unincorporated communities in the East San Gabriel Valley (See Figures 7-2 and 7-3), identified as:
  - 1. South San Gabriel
  - 2. Charter Oaks Islands
  - 3. Covina Islands
  - 4. West Pomona Islands, and
  - 5. East Azusa Islands

Upon successful negotiation with waste haulers who waive or terminate any continuation rights they may have under PRC Section 49520, and subject to provisions of Recommendation 2, the DPW will recommend approval by the Board of Supervisors for the system implementation in the selected unincorporated communities.

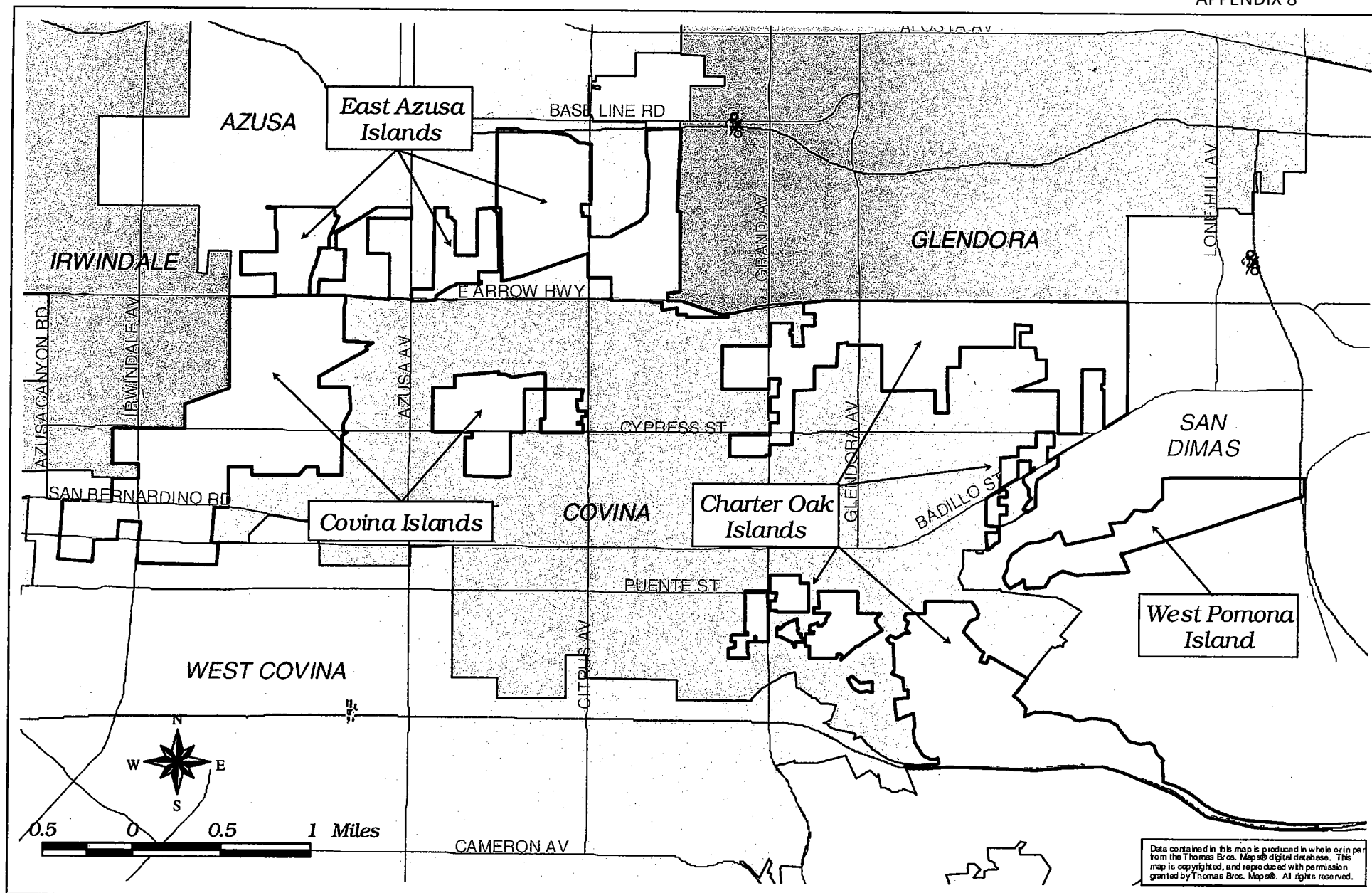
- 5. For the unincorporated community of Lennox, the DPW, in concert with the community leaders, will survey/evaluate formation of a GDD or annexation to the Athens-Woodcrest-Olivita GDD, as well as implementation of an exclusive franchise system. Based on the survey results and the type of system selected by the community and approved by the Board of Supervisors, the DPW will begin system implementation on or after the expiration of the five-year notice on September 2, 2002.
- 6. Based on the results of the interim program implementation and the waste industry's performance, the DPW, in concert with the DHS, County Counsel, and the waste industry "working group," will prepare a report with further recommendations for the Board of Supervisors' consideration by January 31, 2003.



**SOLID WASTE COLLECTION SYSTEM  
INTERIM PROGRAM  
UNINCORPORATED AREAS OF ANTELOPE VALLEY**

**FIGURE 7-1**

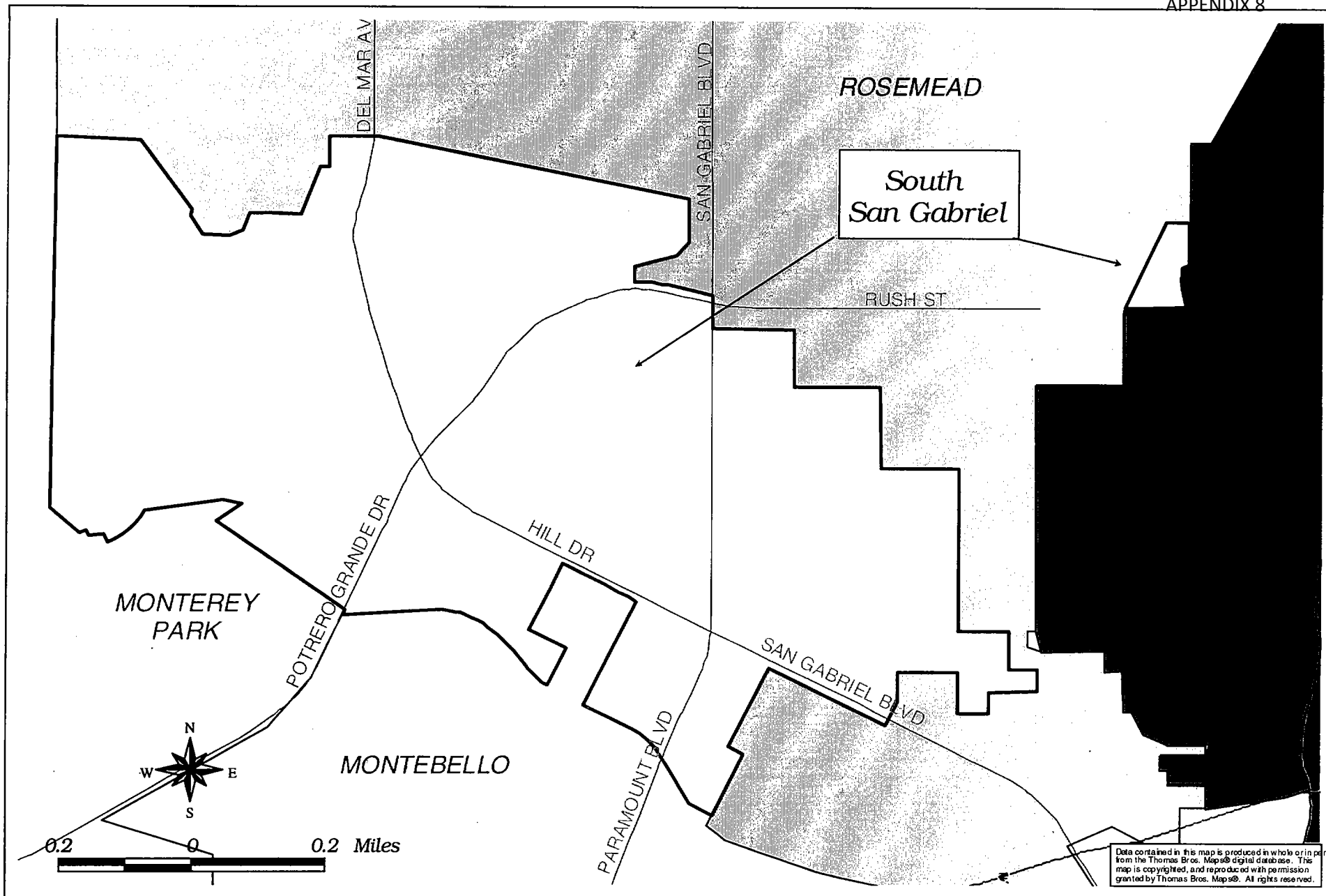
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## SOLID WASTE COLLECTION SYSTEM INTERIM PROGRAM AREAS

**FIGURE 7-2**





## SOLID WASTE COLLECTION SYSTEM INTERIM PROGRAM AREAS

**FIGURE 7-3**

**APPENDIX 1-A**

**BOARD OF SUPERVISORS ACTION TO ISSUE  
FIVE-YEAR ADVANCE NOTICE**

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MINUTES OF THE BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES, STATE OF CALIFORNIA

Joanne Sturges, Executive Officer  
Clerk of the Board of Supervisors  
383 Kenneth Hann Hall of Administration  
Los Angeles, California 90012

County Counsel  
Director of Public Works

At its meeting held June 16, 1998, the Board took the following action:

8

Supervisor Molina made the following statement:

**"With the exception of the County's six Garbage Disposal Districts, solid waste collection services in the unincorporated areas of the County are provided by the private sector through an open market system. Residents and businesses arrange for service individually with waste haulers permitted by the County.**

**"The Director of Public Works is concerned that acquisitions and consolidations in the solid waste industry may result in a noncompetitive marketplace dominated by a few large solid waste management companies with lower service levels and higher rates.**

**"State law requires that before the County can take control of garbage collection services in an area where the service is provided through an open market system, it must issue a five-year advance notice to all permitted waste haulers who have operated in that area."**

Therefore, on motion of Supervisor Molina, seconded by Supervisor Yaroslavsky, unanimously carried (Supervisor Knabe being absent), the Director of Public Works was instructed, in conjunction with County Counsel, to issue the statutory five-year notice within 30 days to all permitted waste collectors that have continuously operated in the unincorporated County areas for the past three years, that the County intends to provide exclusive refuse collection services in the areas five years from the date of notice.

6061698.8

Copies distributed:

Each Supervisor

Chief Administrative Officer

Chief Engineer, Sanitation Districts

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**APPENDIX 1-B**  
**STATUTORY FIVE-YEAR ADVANCE NOTICE**

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# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100

HARRY W. STONE, Director

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE.

June 23, 1998

EP-2

FIELD (Company)  
FIELD (Address)  
FIELD (City, State, Zip)

Dear Hauler:

### NOTICE TO PROVIDE EXCLUSIVE SOLID WASTE HANDLING SERVICES UNINCORPORATED AREAS OF LOS ANGELES COUNTY

The County of Los Angeles has determined that the public interest may require that all solid waste handling services within the unincorporated areas of Los Angeles County ultimately be provided or authorized exclusively by the County. On June 16, 1998, the Board of Supervisors of the County of Los Angeles instructed the County Director of Public Works to notify all permitted solid waste collectors serving the unincorporated areas of Los Angeles County for the past three years of the County's intention in this regard.

You are hereby notified, pursuant to California Public Resources Code Sections 49500-49523, that the County is considering whether to provide or authorize exclusive solid waste handling services for residential, commercial, institutional or industrial premises within the unincorporated areas of Los Angeles County. Such services would be provided/authorized no sooner than five years after the date of this letter for all unincorporated areas of Los Angeles County, except the unincorporated area of Lennox, as shown on the enclosed map. Solid waste handling services for the unincorporated area of Lennox would be provided or authorized exclusively by the County, no sooner than September 2, 2002, pursuant to the previous action by the Board of Supervisors on August 12, 1997, and this office's notification of September 2, 1997.

All waste haulers licensed or permitted by the County of Los Angeles, who are providing and have provided solid waste handling services in the unincorporated areas of Los Angeles County, except the unincorporated area of Lennox, as noted above,



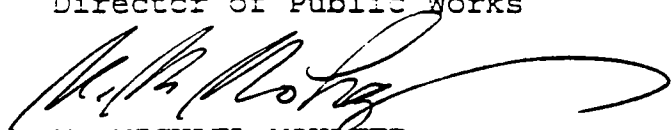
June 23, 1998  
Page 2

for more than three previous years, may continue to provide such services for at least five years from the date of this letter, subject to compliance with all applicable County, State, and Federal laws and regulations.

This is the only notice you will receive on this matter. Should you have any questions regarding this matter, please contact Mr. Hector J. Bordas, at (626) 458-3561, or Ms. Shari Afshari, at (626) 458-3572, Monday through Thursday, 7:00 a.m. to 5:30 p.m.

Very truly yours,

HARRY W. STONE  
Director of Public Works



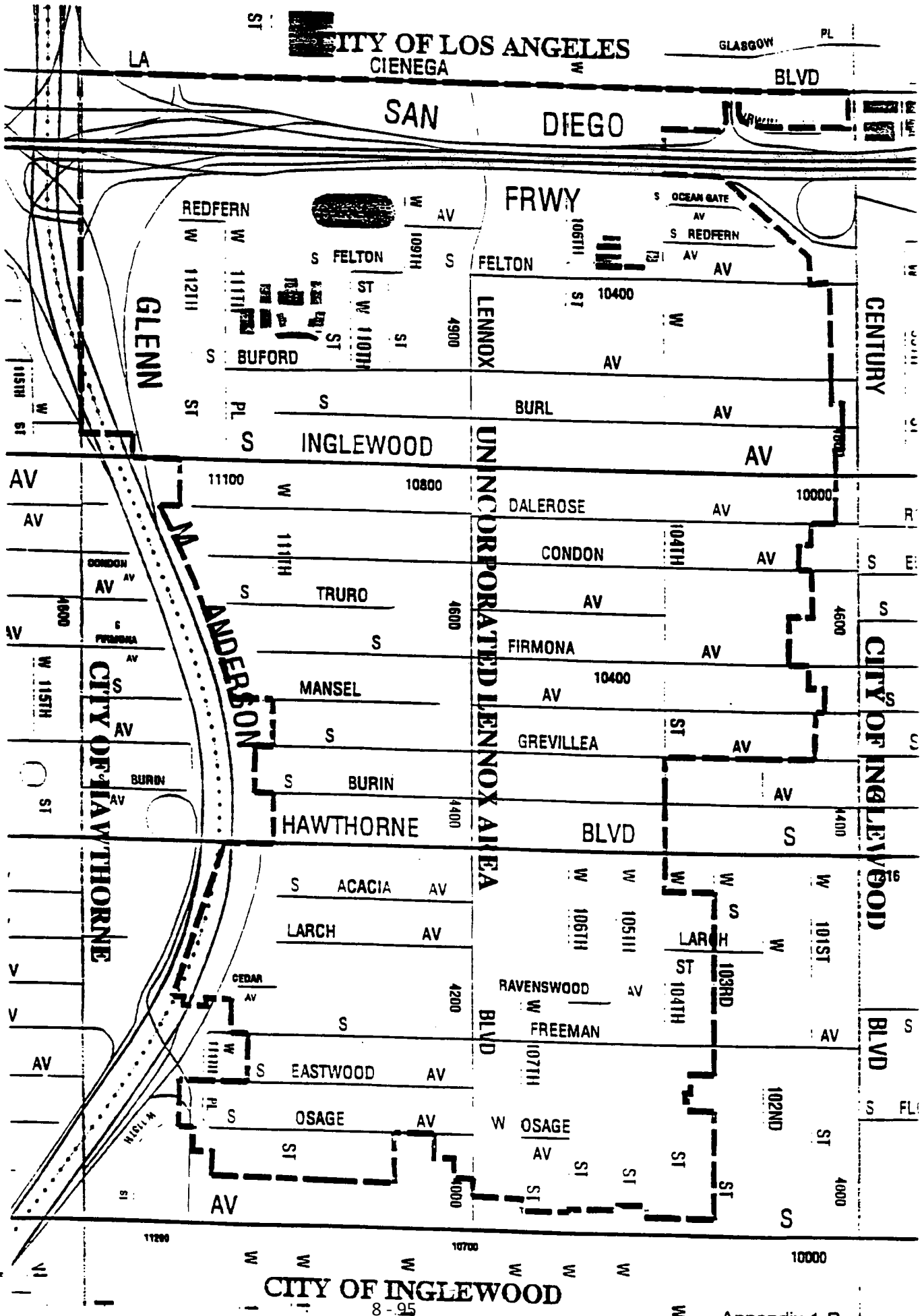
M. MICHAEL MOHAJER  
Assistant Division Engineer  
Environmental Programs Division

MA:smm

P:\EPPUB\ENGPLAN\H\_BORDAS\LETTERS\NOTE\_5.FRM

Enc.

cc: Los Angeles County Department of Health Services



Area within the dashed line depicts the unincorporated Lennox area of Los Angeles County

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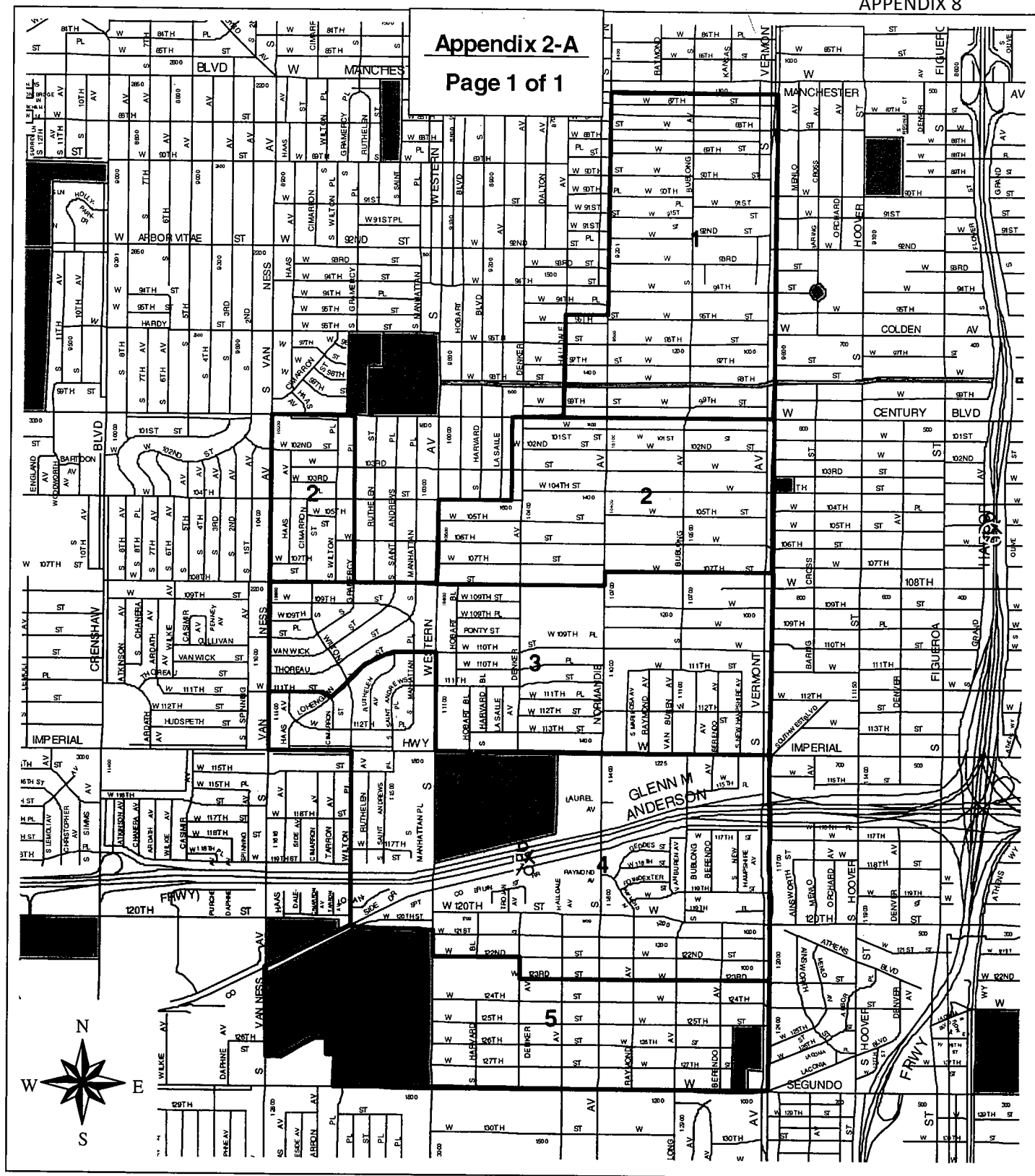
**APPENDIX 2-A**

**ATHENS-WOODCREST-OLIVITA  
GARBAGE DISPOSAL DISTRICT**

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Appendix 2-A

Page 1 of 1



AREA

REGULAR  
PICK-UP

- |   |           |
|---|-----------|
| 1 | Monday    |
| 2 | Tuesday   |
| 3 | Wednesday |
| 4 | Thursday  |
| 5 | Friday    |

# Athens-Woodcrest-Olivita Garbage Disposal District

0.2 0 0.2 0.4 Miles



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**APPENDIX 2-B**  
**BELVEDERE**  
**GARBAGE DISPOSAL DISTRICT**

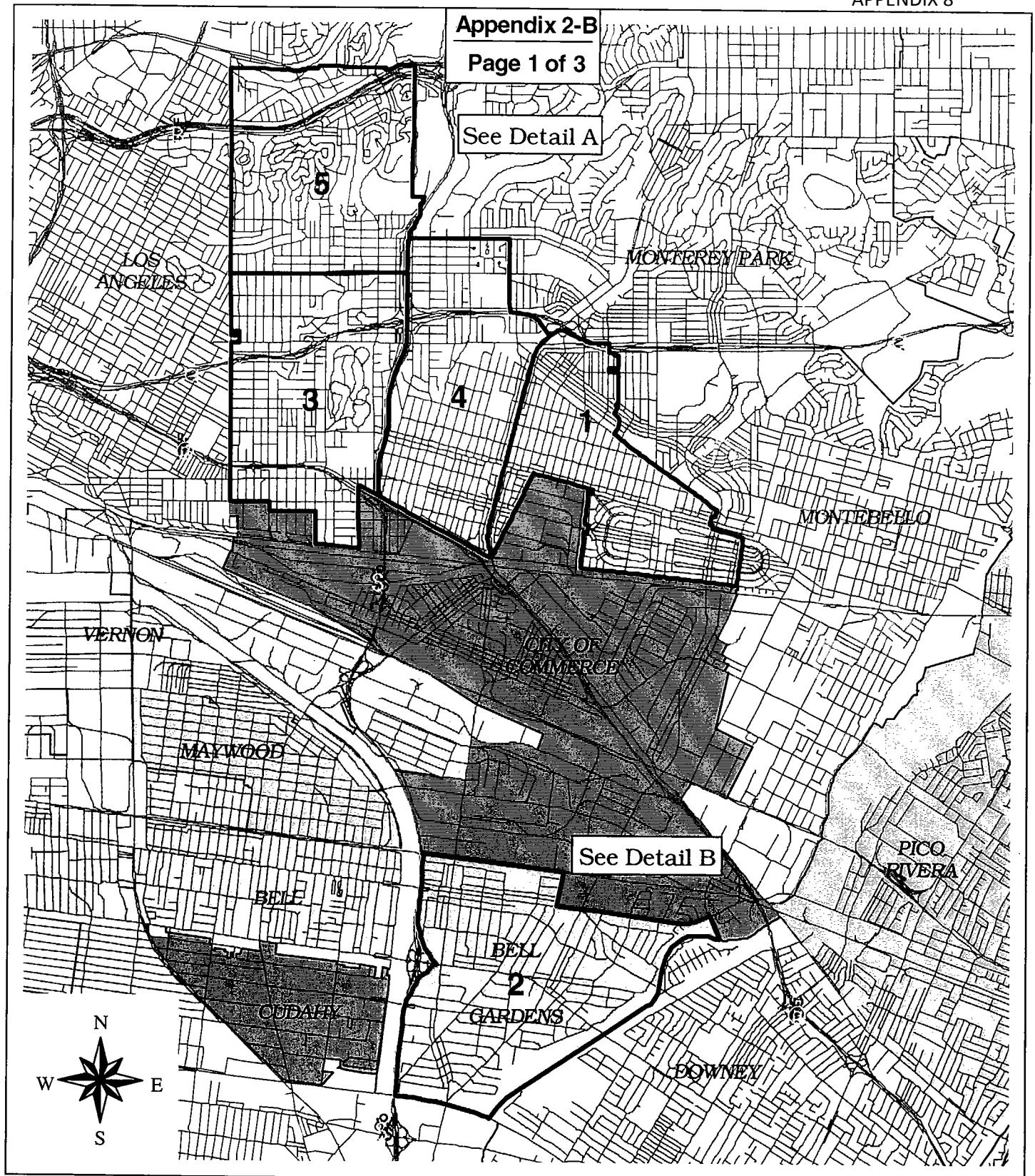
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Appendix 2-B

Page 1 of 3

See Detail A

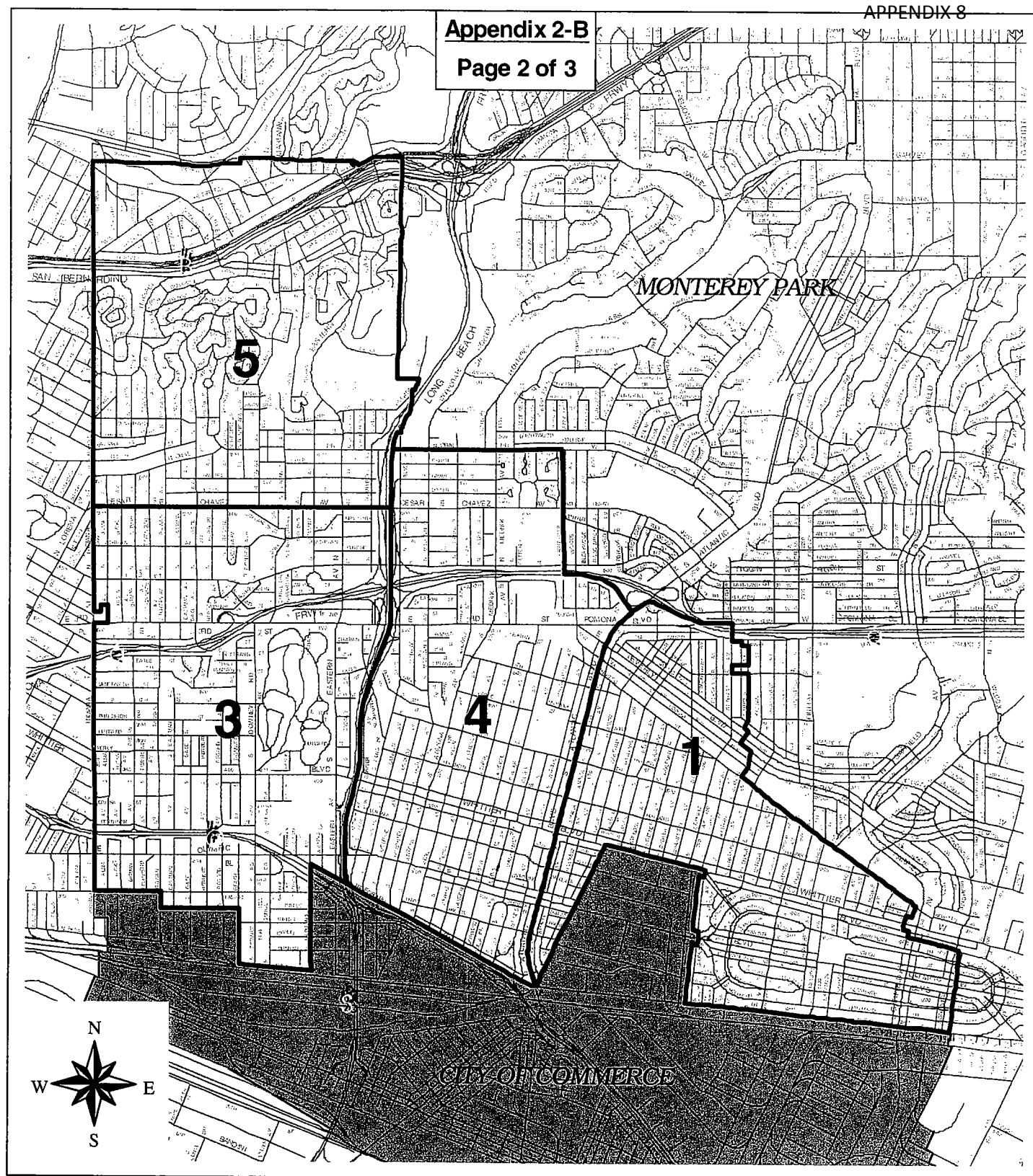


AREA	REGULAR PICK-UP
1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday

## Belvedere Garbage Disposal District



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AREA	REGULAR PICK-UP
------	--------------------

1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday

## Detail A Belvedere Garbage Disposal Districts

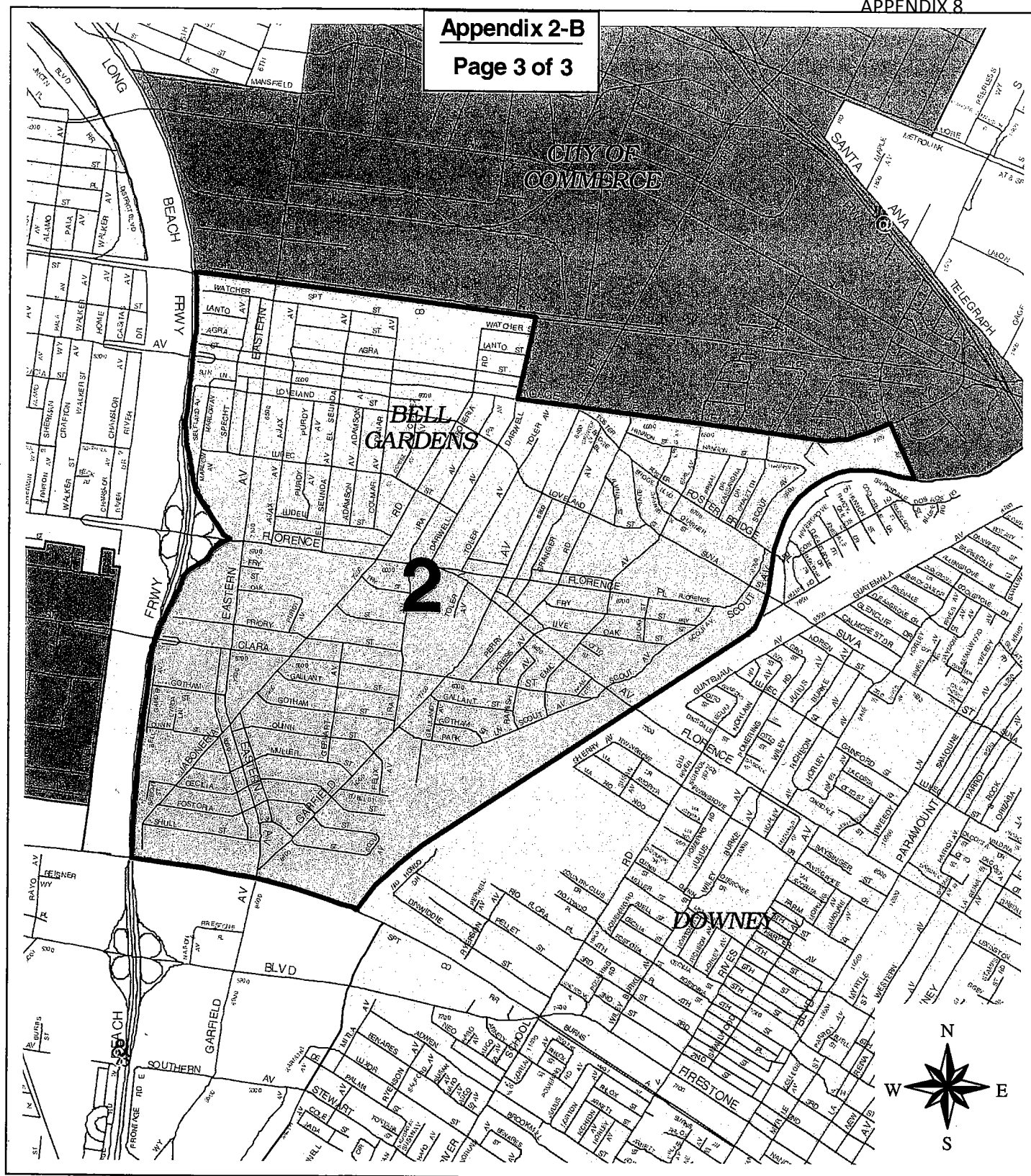
0.2 0 0.2 0.4 Miles



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## Appendix 2-B

Page 3 of 3



AREA

REGULAR  
PICK-UP

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|---|-----------|
| 1 | Monday    |
| 2 | Tuesday   |
| 3 | Wednesday |
| 4 | Thursday  |
| 5 | Friday    |

## Detail B Belvedere Garbage Disposal Districts

0.2 0 0.2 Miles



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**APPENDIX 2-C**

**FIRESTONE  
GARBAGE DISPOSAL DISTRICT**

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Appendix 2-C  
Page 1 of 4

See Detail A

HUNTINGTON  
PARK

LOS ANGELES

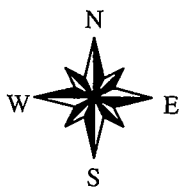
SOUTH GATE

See Detail B

LYNWOOD

See Detail C

COMPTON



AREA	REGULAR PICK-UP
1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday

## Firestone Garbage Disposal District

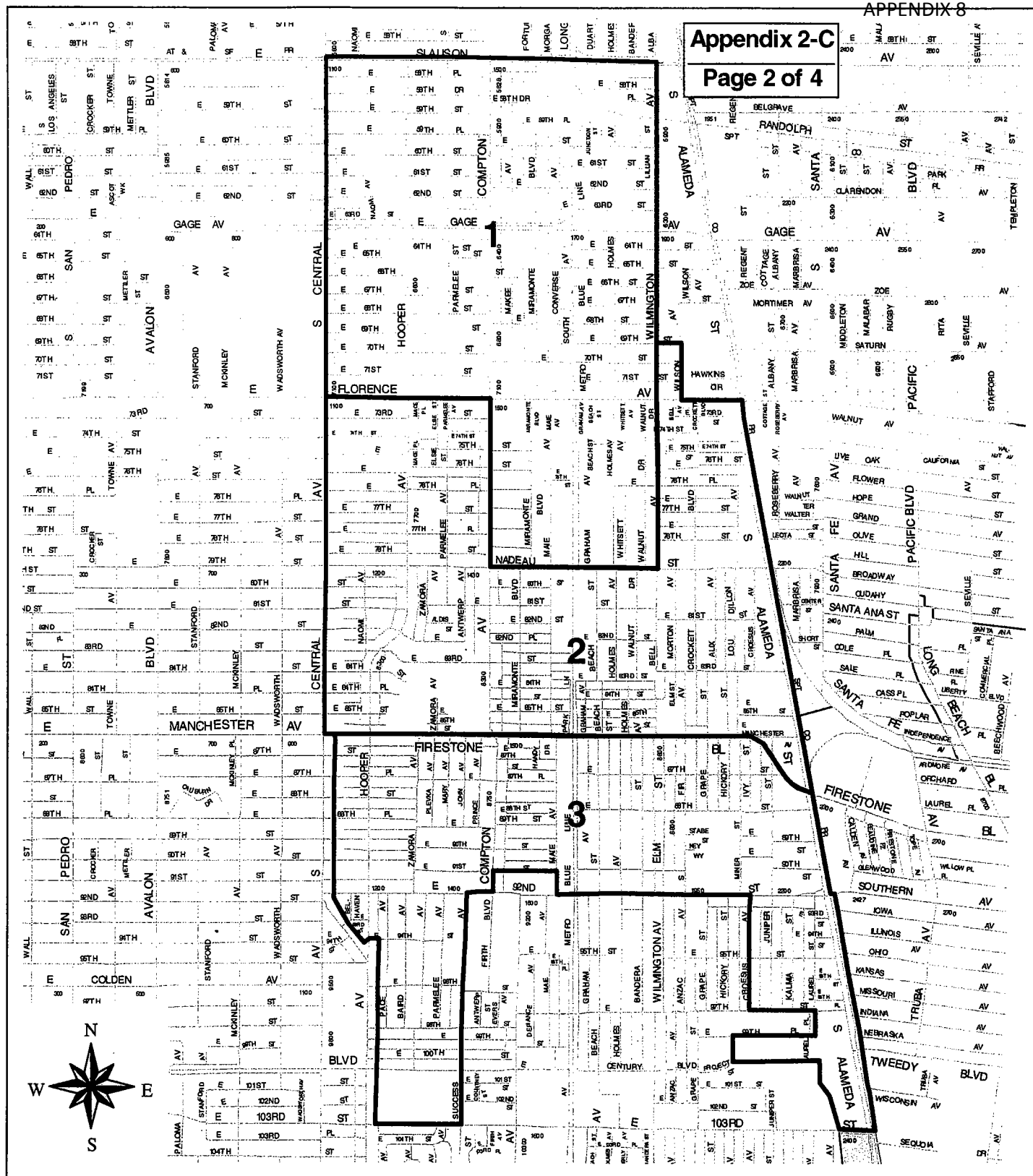
0.5 0 0.5 1 Miles



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Appendix 2-C

Page 2 of 4



AREA

REGULAR  
PICK-UP

- |   |           |
|---|-----------|
| 1 | Monday    |
| 2 | Tuesday   |
| 3 | Wednesday |
| 4 | Thursday  |
| 5 | Friday    |

**Detail A**  
**Firestone**  
**Garbage Disposal District**

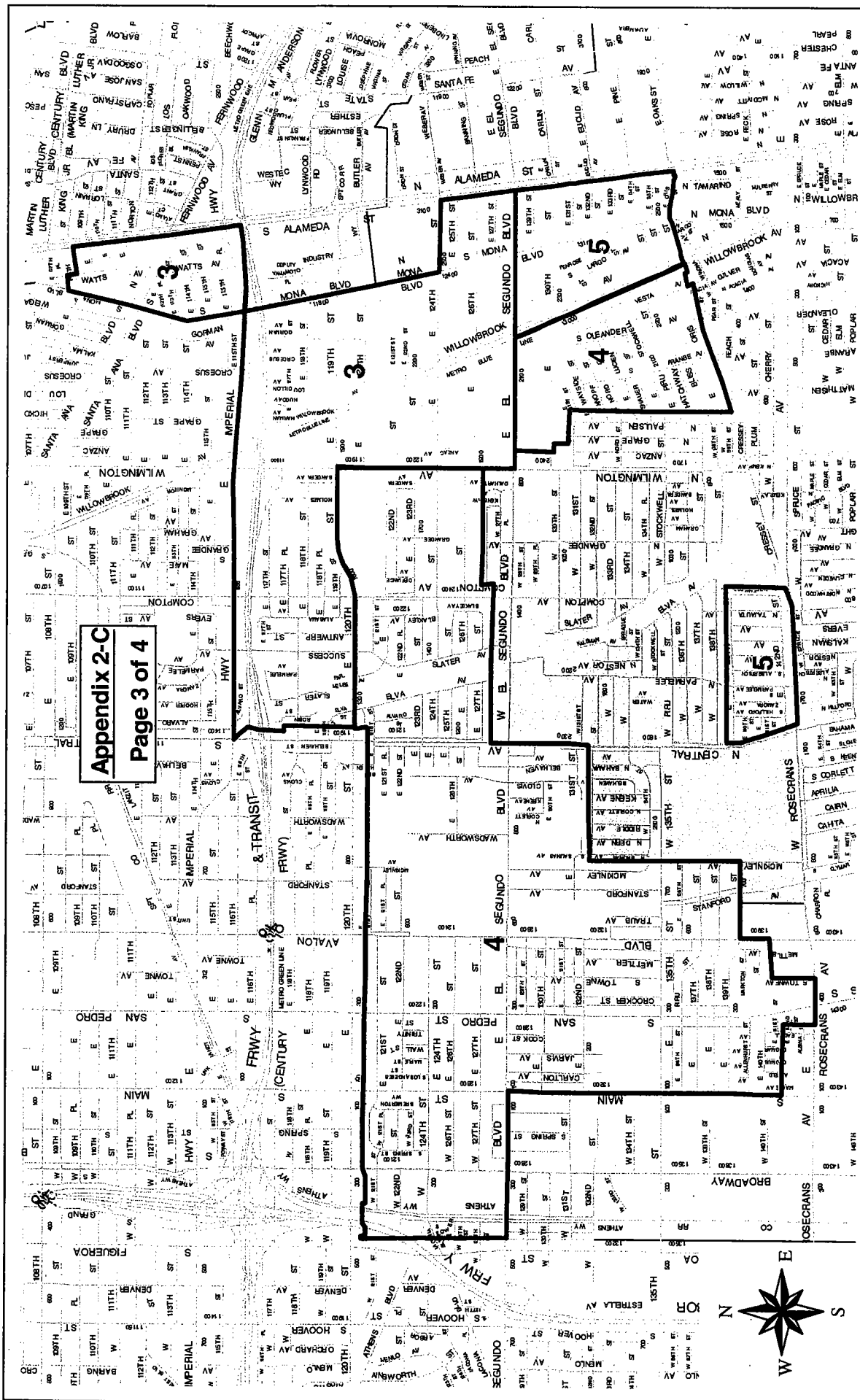
0.2 0 0.2 0.4 Miles



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Appendix 2-C

Page 3 of 4

# **Detail B** **Firestone** **Garbage Disposal District**

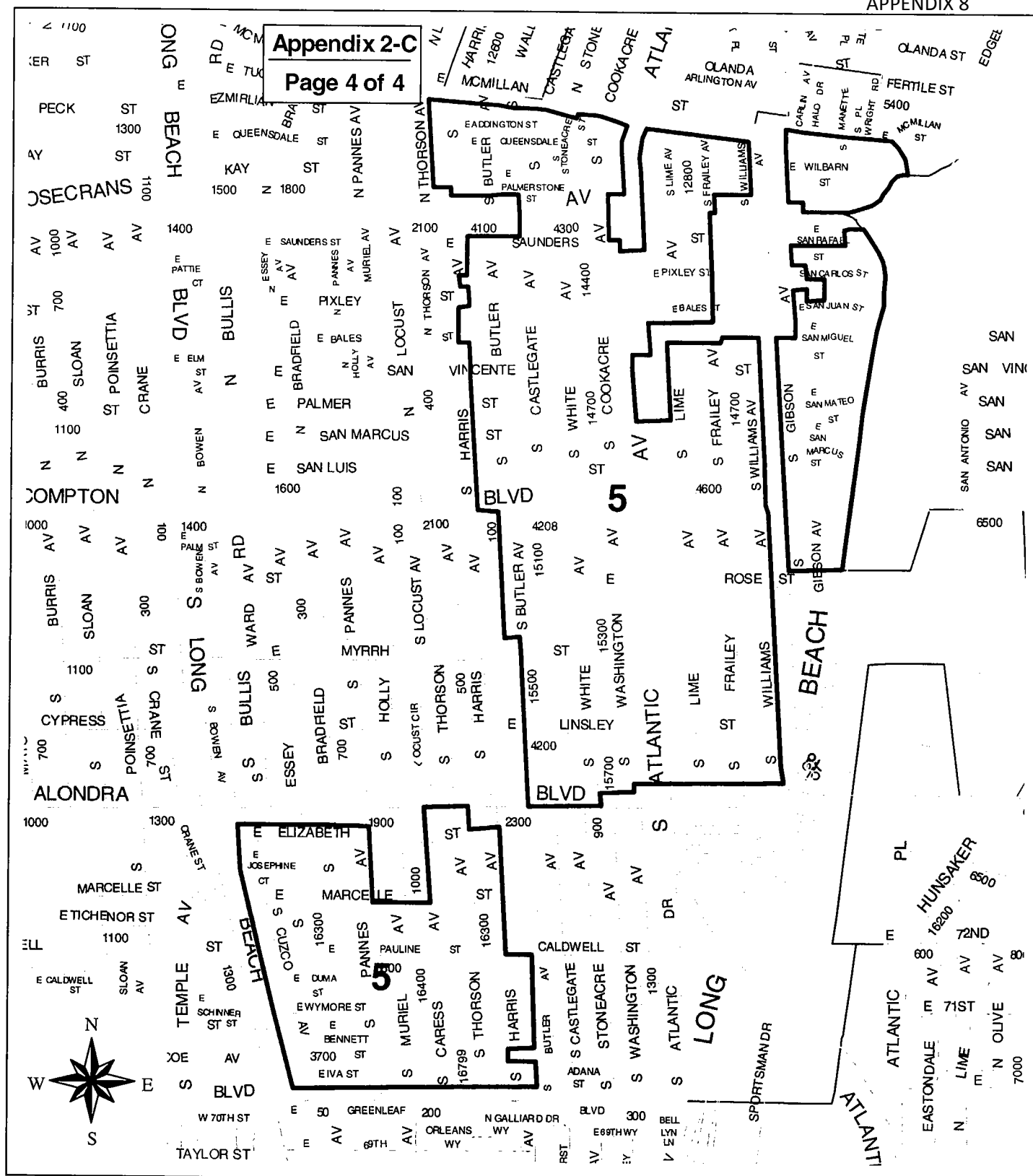
0.2 0 0.2 0.4 Miles

AREA	REGULAR PICK-UP
1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday



## Appendix 2-C

Page 4 of 4



AREA	REGULAR PICK-UP
1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday

## Detail C

### Firestone

### Garbage Disposal District

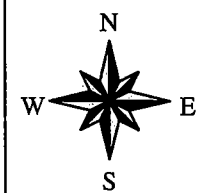
0.2 0 0.2 Miles



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**APPENDIX 2-D**  
**MALIBU**  
**GARBAGE DISPOSAL DISTRICT**

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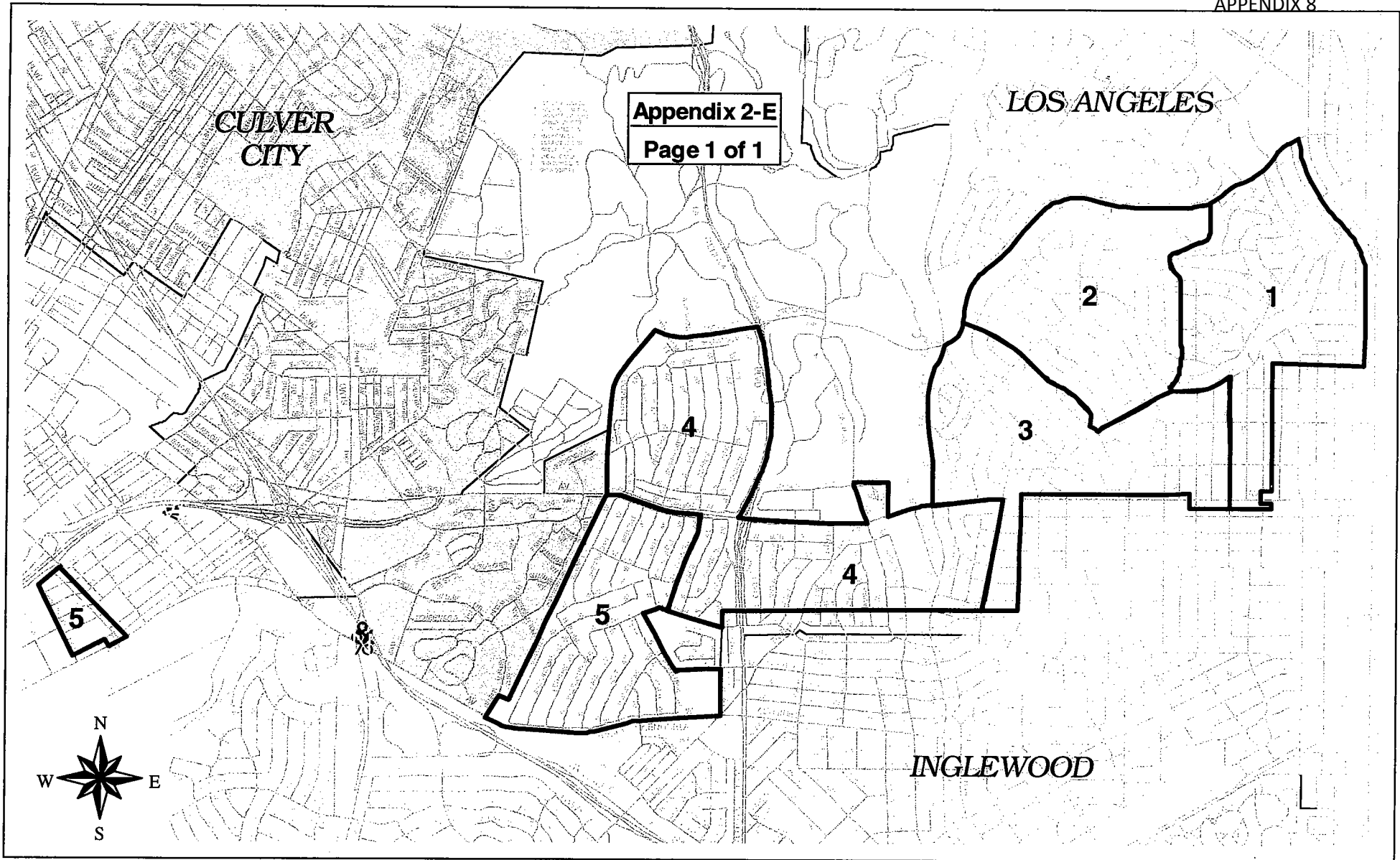


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**APPENDIX 2-E**  
**MESA HEIGHTS**  
**GARBAGE DISPOSAL DISTRICT**

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Appendix 2-E  
Page 1 of 1



AREA	REGULAR PICK-UP
1	Monday
2	Tuesday
3	Wednesday
4	Thursday
5	Friday

## Mesa Heights Garbage Disposal District

0.2 0 0.2 0.4 Miles



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**APPENDIX 2-F**

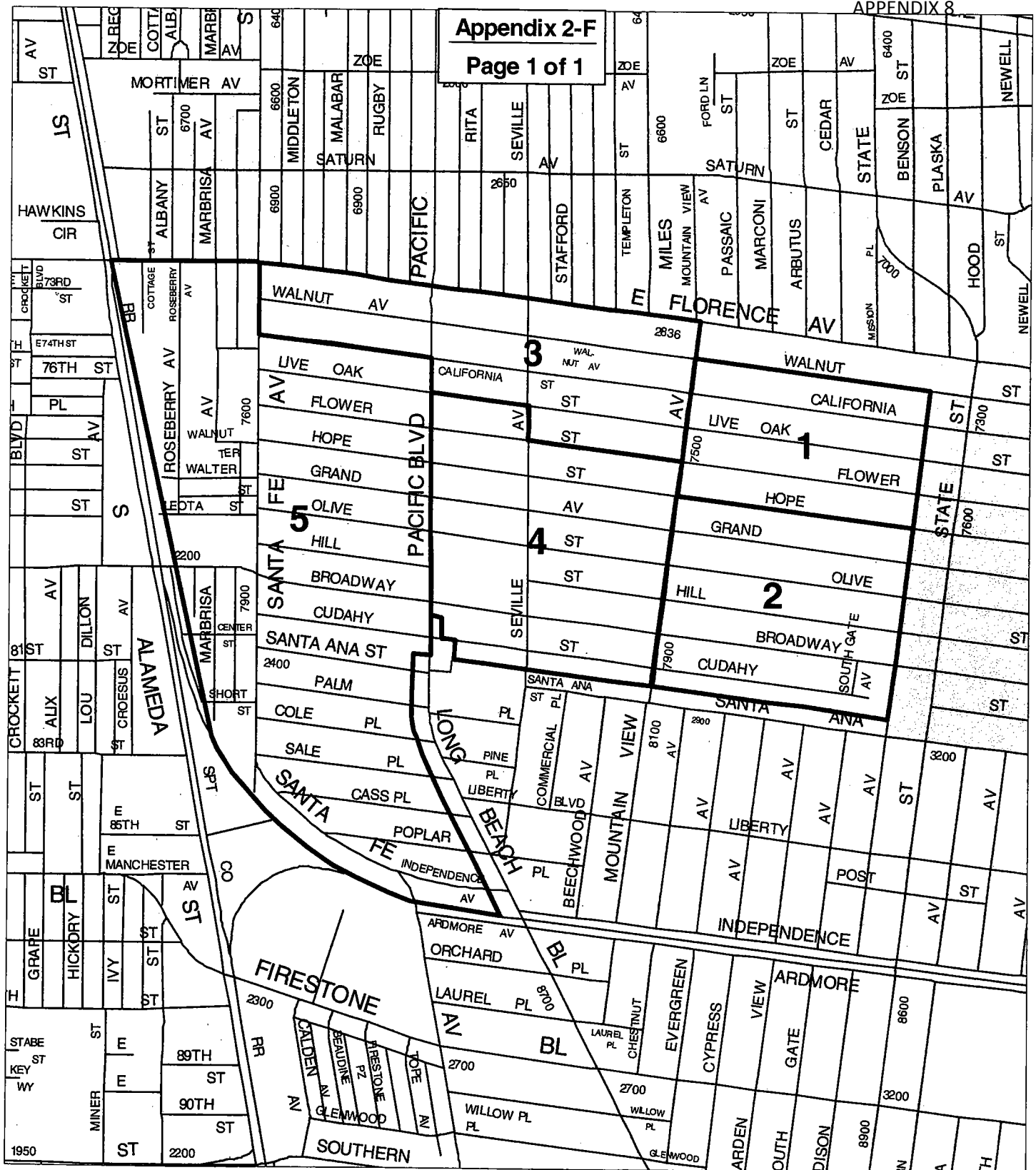
**WALNUT PARK  
GARBAGE DISPOSAL DISTRICT**



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## Appendix 2-F

Page 1 of 1



AREA	REGULAR PICK-UP
------	-----------------

- |   |           |
|---|-----------|
| 1 | Monday    |
| 2 | Tuesday   |
| 3 | Wednesday |
| 4 | Thursday  |
| 5 | Friday    |

## Walnut Park Garbage Disposal District

0.2      0      0.2 Miles



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**APPENDIX 5-A**  
**SURVEY OF JURISDICTIONS**  
**IN SOUTHERN CALIFORNIA**

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HARRY W. STONE, Director

# COUNTY OF LOS ANGELES

## DEPARTMENT OF PUBLIC WORKS

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331  
Telephone: (626) 458-5100

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

IN REPLY PLEASE  
REFER TO FILE: **EP-2**

November 17, 1998

FIELD(NAME)  
FIELD(CITY OFFICE)  
FIELD(ADDRESS)  
FIELD(CITY STATE ZIP)

FIELD(SALUTATION)

### SOLID WASTE COLLECTION SERVICES

The Los Angeles County Department of Public works is in the process of evaluating the existing solid waste collection system in the County unincorporated areas. As a part of this process, the Department is gathering information regarding alternative solid waste collection systems currently in existence in other jurisdictions.

We would appreciate you taking a few minutes to complete the enclosed form regarding your jurisdiction's solid waste system. In addition, we would appreciate a copy of any current franchise or contract agreement and specification used by your jurisdiction for solid waste collection. If your jurisdiction has separate agreements for residential collection, commercial collection, curbside recycling, and/or green waste collection, or a combination of any of the aforementioned, please include the agreements and specifications for each type of service.

Please return the completed form, along with agreements and specifications to the address below. In order to meet our current schedule, we would appreciate receiving your City's information by Monday, November 30, 1998.

Los Angeles County Department of Public Works  
Environmental Programs Division  
P.O. Box 1460  
Alhambra, CA 91802-1460

Attention: Janis Takemura

November 17, 1998  
Page 2

Thank you for your cooperation. If you have any further questions, please contact Mr. Hector J. Bordas, of this office, at (626) 458-3561, Monday through Thursday, 7:00 a.m. to 5:30 p.m.

Very truly yours,

HARRY W. STONE  
Director of Public Works

M. MICHAEL MOHAJER  
Assistant Division Engineer  
Environmental Programs Division

HJB:mmm  
P:\SEC\WASTESERVICE.FRM

# SOLID WASTE COLLECTION SYSTEM SURVEY

JURISDICTION: \_\_\_\_\_  
 CONTACT: \_\_\_\_\_ TITLE: \_\_\_\_\_  
 ADDRESS: \_\_\_\_\_  
 PHONE: \_\_\_\_\_ FAX: \_\_\_\_\_ E-MAIL: \_\_\_\_\_

1. Describe your jurisdiction's existing solid waste collection system (open/free market, permit, contract, franchise, other).

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2. If your jurisdiction provides solid waste collection services under one or more franchises, please describe the structure of the franchise(s) and, if applicable, the franchise fees. As an example, residential services are provided under a franchise while commercial services are under an open/free market system.

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3. Describe what factors were considered to select the current solid waste collection system to serve your jurisdiction.

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4. What aspects of your current system could be improved?

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Attach additional sheets if necessary.

**Thank you for taking the time to complete this survey. Please remember to include a copy of your jurisdiction's franchise/contract agreement and specifications with your survey response.**

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**APPENDIX 5-B**  
**OUTLINE OF EVALUATION CRITERIA**

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## OUTLINE OF EVALUATION CRITERIA

### Page 1

#### 1. Type of Service

Type of Service evaluates provisions/clauses in the agreement/contract which affect the term and type of the agreement.

- ▶ Permit requirement
- ▶ Type of agreement(A)/franchise(F)/contracts(C)/ordinance(O)
  - Non-exclusive(NE)
  - Exclusive(E)
- ▶ Type of collection
  - Residential collection (R)
  - Commercial/industrial collections (C/I)
  - Both residential and commercial/industrial collections (R/C/I)
- ▶ Term of permit/agreement/contract/franchise
- ▶ Variable can rates
- ▶ Open competition/free enterprise system
- ▶ Provide five-year notice and associated time constraints

#### 2. Quality of Service

Quality of Service evaluates provisions/clauses in the agreement/contract which affect the level and quality of service provided by waste haulers to their customers.

- ▶ Provides for various level of service (bulky item, green waste program, curbside recyclable collection, annual cleanup/campaign)
- ▶ Customer Service (Requirements for customer or agency satisfaction, record keeping, manned phone service during business hours)
- ▶ Conflict resolution (between customer and hauler)
- ▶ Service areas (route maps, schedules of collection routes, customer lists, notification of changes)
- ▶ Transitional Service (Requirement for customer notification/assistance during transition)
- ▶ Ability to specify or call community meeting when necessary (Public performance review)

#### 3. AB 939 Compliance

AB 939 Compliance evaluates provisions/clauses in the agreement/contract which may assist jurisdictions to comply with the diversion requirements of AB 939.

- ▶ Requirement to achieve diversion mandate
- ▶ Requirement for data collection and reporting
- ▶ Flexibility to provide public education
- ▶ Flexibility to add and/or revise programs
- ▶ Flexibility to change requirements for haulers

## OUTLINE OF EVALUATION CRITERIA

### Page 2

#### 4. Services Rates/Other fees

Service Rates/Other Fees evaluates provisions/clauses in the agreement/contract which deal with franchise or permit fees paid to the jurisdiction and/or which may assist a jurisdiction to set and review collection fees.

- ▶ Ability to review and set rates
- ▶ Permit or franchise fees

#### 5. Enforcement

Enforcement evaluates provisions/clauses in the agreement/contract which create remedies and penalties for non-complying waste haulers.

- ▶ Non-compliance clause
- ▶ Remedies for non-compliance
- ▶ Penalties for non-compliance (Liquidated damages)
- ▶ Termination of permits/agreements/contracts
- ▶ Ability to charge or offset enforcement related costs (not recovered under penalties)
- ▶ Arbitration of disputes (between County and hauler)

#### 5. Implementation/Competition

Implementation/Competition evaluates provisions/clauses in the agreement/contract which allow for the preservation of a free enterprise system and support for small haulers.

- ▶ Maintain a free enterprise system (non-exclusive agreements, contracts, franchise, etc.)
- ▶ Impact on the small haulers (Low performance bond, standard insurance, free enterprise)
- ▶ Liability and general indemnification
- ▶ CERCLA indemnification
- ▶ Evergreen clause

**Note:** Rating/score is based on how each criteria best addresses the County's objectives and/or concerns regarding each itemized area on a scale of 0 to 3.

**0 - non existent**  
**1 - least**

**2 - average**  
**3 - best**

The criteria was developed to evaluate the characteristics of each jurisdiction's solid waste handling services, as specified in their contract or agreement, relating to the County's objective of providing the public with an efficient and cost effective service, as well as meeting the State-mandated diversion requirements. The six evaluation criteria include Quality of Service, AB 939 Compliance, Service Rates/Other Fees, Enforcement, and Implementation/Competition.

**The City of San José**

**Commercial Redesign White Paper**

**Current System Performance and  
Alternative System Arrangements**

**November 14, 2007**

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**Exhibit:** Commercial Collection Strategies in Five Major Cities

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## Section 1

### Executive Summary

HF&H Consultants, LLC (HF&H) was retained by the City of San José (City) to prepare this white paper to examine the current performance of commercial collection system and present alternatives for redesigning the City's commercial collection system. The commercial collection system provides all commercial customers with collection services for solid waste, recyclable materials, organic materials, and construction and demolition debris (C&D) materials and provides for the regulation of haulers conducting the collection services.<sup>1</sup> In this section, the purpose of the white paper is described and key findings and issues of the current commercial collection system are summarized. In addition, the organization of the report is described.

#### 1.1 Purpose of White Paper

In San José, 24 collection companies serve commercial customers under terms and conditions of non-exclusive commercial franchise agreements. Four agreements expire June 30, 2008, and the remaining agreements expire June 30, 2009 (unless extended). The upcoming expiration of the existing franchise agreements provides an excellent opportunity to make system improvements. In addition, the City is also planning to achieve higher diversion levels established through recent City policies. In summary, the City's Environmental Services Department (ESD) is evaluating the merits of redesigning its commercial collection system as part of its planning efforts related to the:

- Expiration of the commercial franchise agreements;
- Council-adopted goal of 75% waste diversion by 2013;
- Council-Adopted Goal of Achieving Global Sustainable City Status as defined by the Urban Environmental Accords; and,
- The City's Green Vision Goals.

ESD's proposed Commercial Redesign Project will focus on improvements to the existing system to support Zero Waste and the Green Vision goals by increasing diversion and reducing collection vehicle impacts. In addition, the City's goals include improving the quality of commercial collection services provided to the business community and provision of rational customer rates.

Deciding how to redesign the commercial collection system is complex. It requires an understanding of the current situation and needs; examination and analysis of options; stakeholder input, and consideration of various customer types and different materials. This report address begins the process by describing the current system and why improvements are

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<sup>1</sup> For the purposes of this report, recyclable materials include the following material categories: cardboard, food and beverage containers, glass, green waste, metal, mixed paper, office paper, organics, plastics, and other recyclables items. Organics include green waste and food waste. C&D includes C&D materials, inerts, and wood waste.

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*Commercial Redesign White Paper: Current Performance and Alternative Systems*

warranted and introduces the types of collection system alternatives the City may want to evaluate. It does not include analysis of alternatives or assessment of approaches to handling of various types of customer classes and material types.

## 1.2 Key Findings and Issues of the Current System

An assessment of the current non-exclusive franchise system (refer to Sections 3 and 4) identifies several components that do not meet the City's goals and interests. The key findings and issues that may need improvement are summarized below.

- **Supporting City Goals**

- Diversion - The commercial diversion level for FY 2006/07 is 36.0%, which is 25.5% C&D and 10.5% recyclables and organics. The diversion level is low compared to the estimated quantities of materials being disposed and compared to results of other cities. To achieve the 75% diversion and Zero Waste goals, the commercial diversion level will need to be significantly improved.
  - Minimize Environmental Impacts - Opportunities exist to reduce the impact of the collection vehicles by converting fleets to newer equipment with improved emissions technology and by using alternative fuels. Furthermore, routes of front-load collection vehicles (that service multiple customers before traveling to the processing or disposal site) may be more efficient if fewer haulers operate which may result in a reduction of traffic, fuel consumption, wear and tear on streets, noise, etc. These improvements support the City's Green Vision.
- **Customer Participation in Diversion** - Currently, recycling accounts equal 51% of the solid waste accounts. As the City plans for 75% diversion and Zero Waste additional participation of businesses in diversion programs will be key for success. Customer participation may be improved by strengthening financial incentives through rate structure policies or adoption of City policies mandating customer recycling efforts.
  - **Hauler Participation in Diversion** - 10.5% of the tonnage collected by haulers is recyclables and organic materials. While some haulers are achieving higher diversion levels for these materials than others, the two largest haulers are diverting only 7% to 8% of the materials they collect through recyclables and organics diversion. (Note that these figures exclude C&D). Significant quantities of recyclables and organics remain in the waste stream and can be captured for diversion.
  - **Rational Customer Rates** - Current rates favor some customers and not others. Implementation of changes in the commercial system could include establishment of rational and consistent rates for customers encourage diversion.
  - **Customers' Quality of Service** - Few performance standards are established and monitored through the current non-exclusive franchise agreements. New performance standards can be established and enforced to manage the quality of collection containers and aesthetics of container setouts, reliability of service, and customer assistance. To increase customers' understanding and convenience of the collection services, haulers can be required to offer a consistent and comprehensive set of services that may allow for focused public education and a clear message about diversion programs. Current

haulers tend to focus on providing an array of recycling services to larger businesses. However, small and medium size businesses appear to participate less in recycling services likely because haulers do not explain the availability of the recycling services or price the recycling services in a manner that discourages participation.

It is possible that these improvements may be accomplished by modifying the requirements of the current non-exclusive franchise system or through implementation of some form of exclusive franchise system for collection of some or all types of materials. In an exclusive system, one franchise hauler is granted rights to collect (i.e., not competing with other haulers) some or all types of materials from some or all types of customers. Section 5 of this white paper introduces systems in place in five major cities and Section 6 describes several collection system scenarios that the City can evaluate to determine which system can best support the types of improvements needed to meet the City's goals and interests.

### **1.3 Report Organization**

The organization of the report is as follows.

- Section 1 provides an executive summary.
- The next three sections of the report (Sections 2 through 4) provide the background needed to understand why the City is considering changes to the commercial collection system.
  - Section 2 presents the City's goals and interests for the redesign.
  - Section 3 describes the current commercial collection system and diversion results.
  - Section 4 explains why a change may be needed to support City goals.
- Section 5 summarizes a survey of five major cities, with different commercial collection systems, to provide perspective on what other commercial collection system options are available to the City.
- Section 6 focuses on how the City's commercial collection system can be changed.
- Lastly, the Exhibit provides summary information of five large cities surveyed about their commercial collection systems.

## Section 2

### City Objectives

ESD is evaluating the merits of redesigning its commercial collection system as part of its planning efforts related to the expiration of the commercial franchise agreements, the City's adoption of the Urban Environmental Accords and Zero Waste Policy, and the City's Green Vision.

#### 2.1 Guiding City and State Policies

In March 2006, ESD introduced the commercial redesign project to the City Council and described its objectives to improve services to the business community, support the City's environmental goals, and provide tools to improve the administration of the system and stabilize revenue flow. The project included consideration of an exclusive franchise arrangement for the downtown area to better manage traffic, noise, and collection container appearance and set out issues. The City's focus on increasing City-wide diversion activities has recently intensified. In November 2005, the City approved support of the Urban Environmental Accords including Action 4 of the Accords, which sets a goal of 75% diversion by 2013. Furthermore, the City adopted a goal of Global Sustainable City on October 30, 2007, which is achieved by implementing at least 19 Urban Environmental Accords actions. In October 2007, two new and significant policies were adopted by the City Council that further support the need to examine the commercial collection system and its diversion results. One policy, the Zero Waste Policy, sets a goal of 75% diversion by 2013 and Zero Waste by 2022 (adopted by Council October 30, 2007). Another policy, the City's Green Vision, is comprised of ten goals including diversion of 100% of waste from landfill and converting waste to energy (adopted by Council October 30, 2007).

The Urban Environmental Accords, Zero Waste Policy, and the Green Vision all identify a key City objective of substantially increasing diversion activities. This increase will be needed to raise the City's current diversion rate of 61% to 75% by 2013 and then to Zero Waste by 2022. This effort will require all sectors – single-family, multi-family, and commercial – to make changes. In addition to the City's aggressive diversion goals, the Green Vision introduces a goal of ensuring that 100 percent of the public fleet use alternative fuels to reduce vehicle-related impacts such as air emissions. While the City does not own the commercial collection fleet, the size of the fleet and the City's ability to establish standards may make this a significant opportunity to help achieve the goal.

The above discussion highlights three City policies (Urban Environmental Accords, Zero Waste Policy, and Green Vision) driving the commercial redesign. Other City and State policies also need to be supported by the commercial redesign project. These relevant policies and laws are summarized on the following page.

## City Policies

- Commitment to source reduction, recycling, and composting rather than disposal pursuant to the City's Source Reduction and Recycling Element, approved by Council in 1995.
- More than 50% diversion of waste from disposal and provision of storage and collection of recyclables at every location solid waste is generated per Level of Service Policy 20 of the San José 2010 General Plan.

## State Laws

- 50% diversion by January 1, 2000 as mandated by the California Integrated Waste Management Act (Division 30 of the California Public Resources Code - AB 939 of 1989).
- 80% recycling goal for beverage containers pursuant to the California Beverage Container Recycling and Litter Reduction Act (Division 12.1 of the California Public Resources Code - AB 2020 of 1987).
- Pending legislation (Senate Bill 1020) that would establish a goal of achieving a 75% statewide diversion rate on or before January 1, 2020 (Council approved support of SB 1020 on August 17, 2007).

## 2.2 City Goals

As described above, the City's policies clearly identify a goal of substantially increasing diversion and reducing vehicle impacts. ESD identified several other interests in a March 7, 2006 Council report. These included: improving services provided to businesses; supporting the City's environmental goals; and providing tools for improved administration of the system and stabilization of revenue flow.

During the process of preparing this white paper on the commercial redesign project, the City's goals were discussed by the ESD staff members, including the Deputy Director and members of the commercial services team, and the consultant team. The key goals, which are presented in Table 2-1, were established to guide the commercial redesign discussion presented in this white paper.

**Table 2-1  
Key City Goals**

Goals	Measures of Achievement
Supporting City's Zero Waste Goals, Urban Accords, and City's Green Vision	<ul style="list-style-type: none"> <li>• Increased diversion of commercial solid waste</li> <li>• Increased customer and hauler participation in diversion programs</li> <li>• Reduced traffic, which reduces congestion, noise, and wear and tear on streets and increases public safety</li> <li>• Reduced fuel consumption and vehicle emissions</li> </ul>
Increasing Customer and Hauler Participation in Diversion Programs	<ul style="list-style-type: none"> <li>• Higher percentage of commercial accounts with recycling and organics service</li> <li>• Higher diversion level for recycling and organics</li> </ul>
Delivering Rational Customer Rates	<ul style="list-style-type: none"> <li>• Equivalent costs for comparable services, and appropriate costs for "greener" and higher quality service</li> </ul>
Improving Customers' Quality of Service	<ul style="list-style-type: none"> <li>• Improved aesthetics (control of graffiti and litter; and specification of container types, quality, and placement)</li> <li>• Improved customer convenience (such as broader range of collection programs and container options; improved call center responsiveness; and enhanced outreach assistance)</li> </ul>

## Section 3

### Current Non-Exclusive Commercial Collection Arrangements

The City of San José established a non-exclusive franchise system in 1995 for collection of commercial solid waste, recyclable materials, organic materials, and C&D from businesses. This section includes an overview of the system and presents data about the commercial customers, quantities of materials collected, the non-exclusive haulers, and diversion results.

#### 3.1 Overview

In San José, private haulers compete with each other to provide solid waste, recyclable materials, organic materials, and C&D materials collection services to commercial customers. All haulers are required to obtain a Commercial Solid Waste and Recyclables Collection Franchise granted by the City Council that allows them to provide these hauling services on a “non-exclusive” basis. The current non-exclusive franchise agreements grant the franchise haulers the right to compete to collect solid waste and commingled recyclables from non-residential properties in San José and to provide temporary debris box services to residences and construction sites. There are currently 24 companies with commercial franchises. Four commercial franchise agreements expire June 30, 2008 and 22 expire June 20, 2009, unless extended. Businesses are able to choose the franchised hauler that offers the rates and services which meet their needs. .

Current non-exclusive franchise haulers rely on traditional collection methods. These methods include customer use of cans, wheeled carts, 1 to 6 cubic yard bins, 10 to 40 yard drop boxes, and compactors with bins or drop boxes. These containers are serviced primarily by two types of collection vehicles. One vehicle type, the front-load collection vehicle, makes multiple stops servicing many bins before filling the collection vehicle and traveling to the processing site or landfill. Because there are multiple haulers operating in the City, each day several front-load collection vehicles cross each other’s paths to service customers on the same streets. This routing inefficiency may result in increased traffic, fuel consumption, air emissions, and hauler operating costs. The second vehicle type, the roll-off truck, services drop box containers and roll-off compactor units. Because drop boxes and compactor units are large in size, roll-off trucks separately collect and transport each box to the processing or disposal site.

Haulers offer customers a range of collection services including solid waste, recyclables, organics, and C&D collection services. Materials are separated by customers and haulers for the purposes of disposal and processing. Solid waste is collected and transported to a landfill site for disposal. Commingled recyclables (mixed recyclables such as bottles, cans, and papers) are collected and delivered to processing facilities. Source separated recyclables (such as cardboard, office paper, and metals) are placed in separate containers and hauled to buy-back centers or processing facilities. C&D is also segregated for collection and processing. Organics, including separated materials such as green waste and food scraps or mixed food scraps and green waste, are collected and delivered to composting facilities.



## 3.2 Customer Account and Tonnage Information

The non-exclusive franchise agreements require that haulers submit monthly reports to the City. The reports include the number of customers served and the volume (cubic yards) and tonnage of materials collected, listed separately for various material types. In addition, the City made a special request in August 2007 to the four haulers providing front-load collection service in the downtown area to report downtown customer account data.<sup>2</sup> This data was used to compile statistics presented in Table 3-1.

The hauler-provided data indicates that 51% of the customers have recycling service City-wide, while only 37% of the customers in the downtown area have recycling service. In a focus group study, all downtown business owner participants reported recycling at least some of their business's waste.<sup>3</sup> Among the non-downtown business owners, two-thirds of the participants reported recycling in some capacity.<sup>4</sup> An opinion research study of commercial businesses reported that 71% of businesses with fewer than 100 employees are recycling at some level.<sup>5</sup>

## 3.3 Hauler Information

The City has granted non-exclusive franchise agreements to 24 companies. Two haulers, Allied Waste Services (Allied) and Stevens Creek Disposal (a Norcal Waste Systems company) service 87% of the commercial accounts according to December 2006 account data, capturing 82% of solid waste tonnage and 61% of total tonnage collected by the non-exclusive franchise haulers. Front-load collection service is provided by only four haulers: Allied, Stevens Creek Disposal, GreenWaste Recovery, and GT Waste. Drop-box collection service is provided by all 24 haulers.

Hauler data reported to the City indicates that approximately 75% of the annual solid waste volume is hauled in front-load collection vehicles, and the remaining 25% of the solid waste is hauled in drop boxes. Some recyclable materials and organic materials are collected in carts and bins serviced by front-loaders and some are collected and hauled in drop boxes. All C&D material is hauled in drop boxes. Table 3-2 presents hauler information reported to the City including tonnage collected annually and number of accounts.

<sup>2</sup> For the purpose of data collection in this study, the downtown area was defined as the areas bounded on four sides by 280, Park Ave, 11 Street, and Hedding Street.

<sup>3</sup> "Garbage and Recycling Services in San José Businesses, Report on Focus Group Findings," Fairbank, Maslin, Maullin & Associates, June 2003.

<sup>4</sup> Ibid.

<sup>5</sup> "Finding from Opinion Research, San José Commercial Sector Recycling Study," Goodwin Simon Strategic Research, April 2005.



**Table 3-1**  
**Account, Volume and Tonnage Data**  
**for the Downtown Area and City-Wide**

	Downtown Area*	City-Wide**	Downtown as % of City-Wide
<b>Accounts</b>			
Solid waste accounts	854	9,616	8.9%
Recycling accounts	315	4,874	6.5%
Total accounts	1,169	14,490	8.1%
Recycling accounts as % of solid waste accounts	37%	51%	
<b>Monthly Volume (cubic yards)</b>			
Solid waste volume	21,344	297,294	7.2%
Recyclables and organics volume***	9,368	N.A.	---
Total volume	30,712	505,998	6.1%
Recycling and organics as % of Total	31%	---	---
<b>Annual Tonnage (FY 2006/07)</b>			
Recyclables and organics tonnage***	N.A.	42,350	---
C&D tonnage****	N.A.	105,287	---
Solid waste tonnage	N.A.	253,920	---
Total tonnage	N.A.	401,558	---
Recycling and organics as % of total	N.A.	10.5%	---
C&D as % of Total	N.A.	26.2%	---
<b>Total Diversion</b>	N.A.	<b>36.7%</b>	---

N.A. - not available

\* Downtown data as of August 2007

\*\* City-wide account data reflects monthly average for 2006; City-wide monthly volumes based on 2006 data; annual tonnage based on FY 2006/07 data.

\*\*\* Recyclables and organics tonnage includes materials diverted by the non-exclusive haulers reported under the following categories: cardboard, food and beverage containers, glass, greenwaste, metal, mixed paper, office paper, organics, other, and plastics.

\*\*\*\* C&D tonnage include materials diverted by the non-exclusive haulers reported under the following categories: C&D, inerts, and wood.

**Table 3-2**  
**Hauler Tonnage and Account Data\***

	Allied	Stevens Creek Disposal	Green Waste Recovery	GT Waste	Other Haulers	Total
<b>Annual Tonnage</b>						
Solid waste	109,587	98,946	7,598	11,792	25,997	253,920
Recyclables	4,681	6,557	1,726	3,287	3,851	20,102
Organics	3,714	1,997	4,749	10,348	1,440	22,248
C&D	6,513	14,425	43,842	385	40,122	105,287
Total Materials	124,495	121,925	57,915	25,813	71,410	401,558
Hauler Diversion (excluding C&D)	7.1%	8.0%	46.0%	53.6%	16.9%	10.5%
<b>Hauler % of Annual Tonnage</b>						
Solid waste	43.2%	39.0%	3.0%	4.6%	10.2%	100.0%
Recyclables	23.3%	32.6%	8.6%	16.3%	19.2%	100.0%
Organics	16.7%	9.0%	21.3%	46.5%	6.5%	100.0%
C&D	6.2%	13.7%	41.6%	0.4%	38.1%	100.0%
Total Materials	31.0%	30.4%	14.4%	6.4%	17.8%	100.0%
<b>Accounts</b>						
Solid waste	3,134	4,029	379	259	60	7,861
Recycling	1,861	1,244	240	580	24	3,949
Total	4,995	5,273	619	839	84	11,810
Hauler % of Total	42.4%	44.6%	5.2%	7.1%	0.7%	100.0%

\* Accounts as of December 2006; tonnage reported for FY 2006/07.

Note that the City has not audited the accuracy of hauler-provided information in Tables 3-1 and 3-2, and inaccuracies have been identified in account information. However, the information should provide a perspective on the haulers' operations.

In FY 2006/07, 13 of the 24 non-exclusive franchise haulers provided recyclables collection services to the City's commercial generators. Of these haulers, only four companies provided front-load recyclables collection service; the others provided service using roll-off boxes. Recyclable materials collected by these haulers included: cardboard, food and beverage containers, mixed paper and office paper, scrap metal, and plastics.

Annually since 2003, 4 to 6 haulers have been responsible for organics collection and 3 to 7 haulers have been responsible for green waste collection.

Using the tonnage data provided by the hauling companies, it is estimated that:

- City-wide approximately 40 to 60 front-load collection vehicles collect solid waste, recyclable materials, and organic materials;
- City-wide approximately 15 to 30 roll-off vehicles collect solid waste, recyclable materials, and C&D;
- The downtown area requires operation of 3 to 4 solid waste front-load trucks and 1 to 2 recycling/organics collection vehicles per day;
- Annual collection in the downtown area is approximately 19,400 tons of solid waste, 3,400 tons of recyclables, and 470 tons of organics; and,
- Annual revenues for the downtown accounts may be in the range of \$2 to \$3 million, based on the number of cubic yards serviced and the average rate per cubic yard.

### **3.4 Diversion Results**

San José's diversion rate is 61%, as reported in the City's 2005 Annual Report, pending California Integrated Waste Management Board (CIWMB) approval. This diversion rate reflects diversion activities of residential and commercial franchise haulers, self haulers, processing facility and landfill operators, developers handling C&D, and other programs.

To understand how the commercial sector contributes to the City-wide diversion level, commercial tonnage data can be used to estimate the diversion accomplished through the non-exclusive franchise system. Annually, from 2003 through 2006, 34% to 40% of the materials collected have been diverted from disposal. C&D, inerts, and wood waste make up a significant portion of the quantity of materials diverted. For FY 2006/07, C&D, inerts, and wood waste were 71.3% of the tonnage collected and diverted from disposal. Recyclable materials including cardboard, food and beverage containers, glass, metal, mixed recyclables, mixed paper, office paper, and plastics, accounted for 13.6% of tonnage collected and diverted from disposal. Green waste, food scraps, and organics accounted for the remaining 15.1%. Table 3-3 presents FY 2006/07 solid waste, recyclables, organics, and C&D data.

**Table 3-3**  
**FY 2006/07 Diversion Data**

<b>Material Type</b>	<b>Tons*</b>	<b>% of Total</b>
Mixed C&D	67,317	
Inerts	22,282	
Wood	11,411	
<b>Subtotal C&amp;D</b>	<b>101,010</b>	<b>25.5%</b>
Food and Beverage Containers	831	
Glass	46	
Metal	2,016	
Cardboard	6,287	
Mixed Paper	7,067	
Office	3,302	
Plastics	73	
Other	286	
<b>Subtotal Recyclables</b>	<b>19,908</b>	<b>5.0%</b>
Greenwaste	5,036	
Food waste	4,252	
Organics	12,511	
<b>Subtotal Organics</b>	<b>21,800</b>	<b>5.5%</b>
<b>Total Diversion</b>	<b>142,718</b>	<b>36.0%</b>
Solid Waste	253,920	64.0%
<b>Total Collected</b>	<b>396,638</b>	

\* Tons diverted equals tons collected less residue.

In FY 2006/07, 36.0% of the commercial materials collected were diverted through recycling, organics, and C&D programs. C&D accounts for 25.5% of the total tonnage diverted, while recycling and organics account for approximately 5.0% and 5.5%, respectively. The CIWMB waste stream profile for commercial waste disposed in San José estimates that 15% of disposed tons are food scraps; 5.2% of disposed tons are leaves and grass; and 30% are recyclables (including paper, cardboard, glass bottles and containers, and PET and HDPE containers).<sup>6</sup> This CIWMB data illustrates significant opportunities to capture more recyclable and organic materials from commercial businesses.

The 4 largest haulers (Allied, Stevens Creek, GT Waste, and GWR) collected approximately 88% of the total recycling and organics tonnage in FY 2006/07, excluding the C&D materials. The largest two haulers (Allied and Stevens Creek), which collect approximately 82% of the commercial solid waste tonnage, only diverted 7% to 8% of the total tonnage they collected (excluding C&D, inerts, and wood). GT Waste diverted 54% and GreenWaste Recovery

<sup>6</sup> CIWMB Solid Waste Characterization Database, San José: 1999 Overall Commercial Waste Stream Sorted by Percent of Waste Stream.

diverted 46%. Both GT Waste and GreenWaste Recovery diversion efforts include a focus on organics collection as well as recyclables.

### 3.5 Hauler Compensation and Customer Rates

Commercial franchise haulers are compensated for the collection services through the rates they charge commercial customers. The rates are agreed upon between the hauler and the customer and are influenced by direct competition between haulers. The City does not regulate these rates.

While limited rate information was available from haulers, the available data demonstrated a wide range in the customers' cost for service as shown in Table 3-4.

**Table 3-4**  
**Rate per Cubic Yard**  
**Collected per Week**

	Minimum Rate	Average Rate	Maximum Rate
<b>Solid Waste</b>			
Carts (average for all carts customers)	\$7.28	\$18.26	\$34.86
Bins (average for all bin customers)	\$2.84	\$7.96	\$32.69
2 cubic yard bin, 1 per week pick-up	\$57.44	\$97.76	\$279.44
3 cubic yard bin, 1 per week pick-up	\$47.25	\$119.30	\$196.75
4 cubic yard bin, 1 per week pick-up	\$79.45	\$139.60	\$222.40
<b>Recycling Bin Customers</b>			
Average for all bin customers	\$0.51	\$4.21	\$15.94
2 cubic yard bin, 1 per week pick-up	\$26.25	\$54.07	\$87.99
3 cubic yard bin, 1 per week pick-up	\$16.91	\$49.40	\$119.99
4 cubic yard bin, 1 per week pick-up	\$16.81	\$72.65	\$200.39

While variations in the solid waste rates are difficult to explain, variations in rates for recyclable materials may be attributable to different commodity values. Examination of the limited rate data reveals that haulers do not appear to use a formulaic calculation to determine rates because the average per cubic yard rate varies so significantly and because rates for identical service are different. This rate information demonstrates that there is rate inequity among customers and inconsistent rate-setting methods.

### 3.6 City Fees

Franchise haulers are required to pay franchise fees to the City for the privilege of collecting, transporting, or disposing of commercial solid waste. Franchise fees are directed to the General Fund. Franchise haulers also collect Source Reduction and Recycling Fees, referred to as the

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“AB 939 Fee,” that are assessed by the City on the generators of solid waste based on the total cubic yards of solid waste service. AB 939 Fees are used by the City’s Integrated Waste Management (IWM) Division to implement and manage its diversion activities under the State’s AB 939 mandate.

Recyclables collection is also subject to franchise fees and AB 939 fees; however, historically, these fees have been set to \$0.00. By not assessing fees for recyclables collection, commercial haulers are provided a financial incentive to reuse or recycle and divert materials from landfill disposal. This financial incentive is substantial as the franchise fees and AB 939 fees add 10% to 25% to solid waste rates and the City’s landfill disposal facility tax levied at City landfills increase the haulers’ cost of providing solid waste collection even more.

## Section 4

### Need for Change

In this section, the findings of the current non-exclusive franchise system are compared to the City's goals to identify the areas of performance that are not currently meeting the City's goals. This analysis highlights improvements needed for the commercial redesign project.

#### 4.1 Assessment of Current System

##### Supporting City's Zero Waste Goals, Urban Accords, and City's Green Vision

###### Higher Diversion

One method of examining the potential for increasing the diversion level beyond the current rate is to understand what recoverable materials may be in the waste disposed that can be targeted for diversion. The CIWMB 1999 waste stream profile for commercial waste disposed in San José estimates that 15.0% of disposed tons are food scraps and 5.2% of disposed tons are leaves and grass. If the current diversion level of organics is 5.5%, significant volumes of organics have not yet been captured. The CIWMB waste stream profile estimates that 30.0% of disposed tons are recyclables (including paper, cardboard, glass bottles and containers, and PET and HDPE containers). Like organic materials, the current diversion level of recyclables (5.0%) can be increased to capture more of the volumes disposed.

Results in other cities can provide benchmarks for comparison. Obtaining comparative data can be challenging as detailed below:

- Differences in the non-exclusive, exclusive, permit systems, and/or open market collection systems;
- Variations in the scope of services provided to customers;
- Different types of recyclable and organic materials collected;
- Variations and capabilities of processing facilities;
- The type, methodology, and accuracy of reported information; and,
- Other factors.

As a result, the few benchmarks provided herein should be used to provide a perspective rather than a direct comparison to the City's results.

**Table 4-1**  
**Diversion Levels in Other Major Jurisdictions**

	Commercial Diversion Level	Notes
SBWMA*	20.7% in 2006	Reflects diversion accomplished by the one exclusive franchise hauler; does not include non-putrescible and C&D tonnage collected in drop boxes in an open market; includes commercial food waste
Austin, TX	13% for downtown area only	Exclusive franchise in downtown area and hauler only collects paper and cardboard; remainder of City serviced by 10 permitted haulers; diversion level excludes C&D diversion
Portland, OR	57.5%	Open market collection; mandatory recycling requirement for commercial generators of 50% diversion; diversion level includes C&D diversion
San Francisco, CA	44%	Exclusive franchise City-wide; commercial food scraps collection; integrated waste management rate structure; diversion level excludes recycling and C&D collected in the open market
Seattle, WA	47%	Two exclusive franchise agreements for two different service areas; mandatory recycling for commercial generators; diversion level includes C&D diversion
Stockton, CA	40-50%	Two exclusive franchise agreements granting two haulers right to compete with each other City-wide; mandatory generator recycling requirement; diversion level includes some, but not all C&D
Fremont, CA	45% in 2006	Reflects diversion accomplished by the one exclusive franchise hauler; does not include C&D tonnage; includes commercial food waste

\* The SBWMA is the South Bayside Waste Management Authority, which is a joint powers authority that represents 12 member agencies in San Mateo County, including Atherton, Belmont, Burlingame, East Palo Alto, Foster City, Hillsborough, Menlo Park, Redwood City, San Carlos, San Mateo, West Bay Sanitary District, and some unincorporated portions of the County.

The higher commercial diversion levels in other major jurisdictions and the CIWMB waste stream profile data, which shows that high levels of organics and recyclables are in the



commercial disposal tonnage, demonstrate that the current non-exclusive commercial franchise system is not achieving the levels of diversion that are reasonably attainable.

### **Reduced Adverse Environmental Impacts**

Four hauling companies provide front-load collection service of solid waste, recyclables, and organics throughout the City. As a result, their collection vehicles are traveling throughout the City crossing each other's routes and traveling the same streets to service different customers. This results in inefficient routing, which leads to more truck time on the streets (compared to a routing system implemented by one company where routes are typically efficiently planned to minimize route hours). The increased truck time translates into higher fuel consumption and air emissions (including green house gas emissions); more traffic, noise, and wear and tear on the streets; and, increased public safety concerns. These vehicle-related impacts could be reduced if fewer haulers or one hauler provides front-load collection service.

In addition to impacts related to routing inefficiencies, air emissions impacts may be higher than with other systems because the 24 hauling companies may be using older collection vehicles to minimize costs and because the companies are not using alternative fuels. The average age of the trucks is eight years old based on data from two of the City's haulers. Of these vehicles, 80% are 5 to 10 years old, and 6% are more than 10 years old. While the older vehicles are required to comply with California Air Resources Control Board (CARB) regulations, the vehicles are not likely to be relying on the latest technology, which can yield better fuel efficiency and reduced air emissions. New equipment and use of alternative fuels may result in air emission reductions.

### **Increasing Customer and Hauler Participation in Diversion Programs**

Customer participation in diversion programs can be improved as commercial recycling accounts equal only 51% of the solid waste accounts. At this time, haulers offer some different solid waste, recycling, and organics programs. Haulers may offer some services to some customers and not to others depending on the size or characteristics of the businesses. In an opinion research study, it was reported that one in four San José businesses surveyed that were not recycling claimed they were prevented from doing so by lack of availability; and those businesses that were recycling reported not receiving adequate containers for recycling collection.<sup>7</sup> Customer participation may be improved by offering a wide range of services to all customers on a consistent basis and educating the customers about their choices, which was expressed as a need in the 2005 opinion survey. The current system, which includes setting the City's franchise and AB 939 fees to zero for recyclable, organic, and C&D materials does not seem to create a financial incentive for businesses to recycle as evidenced by the low diversion rates for commercial recyclables and organic materials. To reach 75% diversion and Zero Waste goals, additional participation of businesses in diversion programs will be a key for success.

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<sup>7</sup> "Finding from Opinion Research, San José Commercial Sector Recycling Study," Goodwin Simon Strategic Research, April 2005.

## Delivering Rational Customer Rates

While the current system allows customers to negotiate their own rates, the customers do not know what others are paying for comparable service so the customer does not know if their arrangement is reasonable compared to others. Limited rate data revealed that there is both an inequity in the rates charged customers for the same type of service and an inconsistency in the rates charged by the same hauler.

The City may want to provide customers with rational rates that:

- Reflect the cost of service;
- Reflect a logical relationship of volumes and frequency of service;
- Are applied consistently;
- Are communicated to customers; and,
- Create incentives for improving customer recycling participation.

## Improving Customers' Quality of Service

Currently, collection quality is difficult to enforce due to the large number of companies operating and the challenge of identifying which company is responsible for specific complaints filed by customers. Many collection containers are damaged and/or not well maintained. Numerous containers are regularly overflowing and surrounded by spilled materials. A wide variety of container types and sizes are used, which results in non-uniform set outs and can be confusing for customers that are negotiating services and rates. All of these container issues lead to poor aesthetics in the container storage and set out areas, a condition that is more visible in the downtown area. The City is interested in minimizing these quality issues.

While the City provides customer service to residential customers, commercial customers work directly with their franchise hauler. As a result, the City does not routinely receive customer complaints unless customers were unable to resolve their concerns with their haulers. Because the haulers are the primary point of contact for businesses, the City does not track commercial customers' level of customer satisfaction with the hauling companies. To understand commercial customer perception of the collection system, the City has conducted opinion surveys. A 2003 focus group study reported that business owners were very satisfied with the garbage and recycling service they receive.<sup>8</sup> In a 2005 opinion survey conducted of San José commercial businesses, recycling collection companies received very high satisfaction ratings from the businesses.<sup>9</sup> In survey results in other communities, customers often rate their collection companies favorably. For example, in Milpitas, 86% of the businesses reported having recycling service, and 98% of these businesses rated the recycling service provided by

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<sup>8</sup> "Garbage and Recycling Services in San José Businesses, Report on Focus Group Findings," Fairbank, Maslin, Maullin & Associates, June 2003.

<sup>9</sup> "Finding from Opinion Research, San José Commercial Sector Recycling Study," Goodwin Simon Strategic Research, April 2005.

the single franchise hauler as good to excellent.<sup>10</sup> The South Bayside Waste Management Authority's commercial survey data showed that 83% of the respondents had recycling services, and 79% of these businesses secure recycling services from the exclusive solid waste franchise hauler even though they have the choice of selecting a recycler in an open market.<sup>11</sup>

While the opinion surveys reflect high satisfaction levels for haulers, the quality of service can also be evaluated by the convenience provided to customers and the array of service options. The availability and type of solid waste, recycling, and organics programs are determined by the haulers at their discretion. As described on the previous page, many businesses were not recycling because of the lack of availability; and many businesses that were recycling reported not receiving adequate containers for recycling collection.<sup>12</sup> The quality of the customers' service may be enhanced by providing a higher level of convenience. Convenience may include offering a wide range of services to all customers on a consistent basis and educating the customers about their choices, which was expressed as a need in the 2005 opinion survey. Given that some customers reported a lack of recycling program availability, inadequate recycling containers, and the need for education on the choices available, it seems that customers are not fully satisfied with the convenience of recycling service. The level of convenience may not have been reflected in the high customer satisfaction ratings as questions pertaining to convenience or the range of services offered may not have been asked.

Effectively monitoring and managing 24 haulers is time consuming, difficult, and practically impossible in some instances. For example, it is difficult for City staff to determine which party is responsible for particular problems related to collection spills, overflowing containers, collection outside of authorized hours, noise, etc.

## 4.2 Summary of Improvements Needed

The analysis of the current non-exclusive franchise system identifies several facets that do not meet the City's goals and interests. Improvements are needed as summarized below.

- **Increase Diversion** – The commercial diversion level for recyclables and organics is low compared to the estimated quantities of these materials being disposed and compared to results of other cities. Customer and hauler participation in the programs can be enhanced beyond current levels. To achieve the 75% diversion and Zero Waste goals, the commercial diversion level will need to be significantly increased.
- **Minimize Adverse Environmental Impact of Collection Vehicles** – Opportunities may exist to reduce the impact of the collection vehicles by converting fleets to newer equipment with improved emissions technology and by using alternative fuels. Front-load collection routes may be more efficient if operated by one hauler resulting in

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<sup>10</sup> "2006 Customer Service Satisfaction Survey, Allied Waste Services – City of Milpitas Commercial Garbage and Recycling Services and Comparative Analysis of 2004-2005 Surveys," Environmental Planning Consultants, 2006.

<sup>11</sup> The South Bayside Waste Management Authority: Survey of Commercial Facility Managers," GLS Research, April 2006.

<sup>12</sup> "Finding from Opinion Research, San José Commercial Sector Recycling Study," Goodwin Simon Strategic Research, April 2005.

reduction of traffic, fuel consumption, wear and tear on streets, noise, etc. More efficient routing is likely to decrease hauler operating costs.

- **Rational and Consistent Rates** – Current rates favor some customers and not others. Implementation of changes in the commercial system can include establishment of rational and consistent rates for customers. Because of the wide variation in rates, it is likely that some customers will experience rate increases for the same services or expanded services and other customers will experience rate decreases.
- **Improve Quality of Service** – Establishing and enforcing new performance standards may result in improvement management of the quality of collection containers and aesthetics of container setouts, reliability of service, and customer assistance. To increase customers' understanding and convenience of the collection services, requiring all haulers offer a consistent and comprehensive set of services may allow for focused public education and a clear message about recycling programs.

## Section 5

### Survey of Other Major Cities

Throughout the United States, each city's commercial collection strategy is influenced by their unique conditions such as: local and state laws, policies, and goals; historical role and existing infrastructure of collection companies; number, location, and ownership of recycling, transfer, and disposal facilities; customer interests; relationships among haulers, City staff, and elected officials; cost of landfill disposal; and, other considerations. The spectrum of options is very broad. With dozens of variables related to the type of customers, material types, hauler regulation methods, and geographic service areas, the combinations could result in hundreds of commercial system options. On one end of the spectrum are cities, such as Los Angeles, Denver, and Houston, where haulers service commercial customers in an open, unregulated market. On the other end of the spectrum are cities, such as San Francisco, Oakland, and Las Vegas, where only one hauler collects solid waste from commercial customers and the collection activities are regulated through exclusive franchise agreements.

In addition to the two collection system described above, other examples include, but are not limited to: (i) regulation of numerous haulers through permits or non-exclusive franchise agreements that allow for hauler competition throughout a city but in a regulated environment (e.g., San José, Sacramento, San Diego, Portland); and, (ii) regulation of multiple franchise haulers each assigned exclusive collection rights in a separate geographic service areas (e.g., Fresno County, San Bernardino County, and Charlotte, North Carolina). Additional differences in the wide range of collection systems include, but are not limited to, the handling of recyclable and organic materials and various customer categories (such as mixed used, multi-family, commercial, and roll-off accounts). For example, the level of exclusive rights can be defined in terms of: (i) geographic area; (ii) material type; (iii) customer type; and/or (iv) service type (cart, bin, drop box).

As part of this study, the general arrangements of commercial collection systems in 20 large jurisdictions (19 cities and one county) in the United States were identified. The 20 jurisdictions were considered because information was readily available about their commercial collection system and/or their commercial collection system was known to be structured in a manner that represented a different strategy than the others. A focus on western cities was a factor in the assessment although, where information was readily available about eastern cities, these cities were included.

Of these 20 jurisdictions, the City chose to survey five large cities that represented diverse methods of regulating commercial collection companies. The cities surveyed included: Austin, Texas; Portland, Oregon; San Francisco, California; Stockton, California; and, Seattle, Washington. The survey objectives were to learn about the unique characteristics of their systems and the diversion results. Table 5-1 provides a side-by-side summary of commercial collection systems and relevant City policies for San José and the five cities surveyed. Table 5-2 highlights any policies that may impact the commercial collection system. A description of each city's system is presented in the exhibit to this report.

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The findings from the survey illustrate the range of commercial systems available and types of differences among the systems. The five systems begin to demonstrate that an “industry” or “regional” standard does not exist for commercial collection systems. The descriptions of the systems highlight the complexity and multitude of possibilities available to San José. These examples are intended to provide a perspective on the types of alternatives that may be available to the City. It is interesting to note that two cities on the opposite end of the spectrum – Portland with 55 haulers competing for commercial collection service, and San Francisco with one hauler that has exclusive rights to commercial collection service – report similar commercial diversion levels (44% for San Francisco (excluding C&D diversion) and 57.5% for Portland (including C&D diversion)). For San Francisco, this high diversion level could be the result of the requirements placed on the exclusive franchise hauler for recycling and organics collection and their integrated waste management rate structure. For Portland, this high diversion level could be a result of the specific recycling requirements that Portland established for waste generators (businesses) themselves.

**Table 5-1**  
**Profile of Commercial Systems of Large Cities Surveyed**

	San José	Austin	Portland	San Francisco	Stockton	Seattle
Exclusive Hauling Arrangements						
Exclusive hauling arrangements	No	Yes	No	Yes	Yes	Yes
Service areas	---	1 area (covering downtown only)	---	1 area	1 area	2 areas
Number of haulers with exclusive rights	---	1 hauler	---	1 hauler	2 franchised haulers; 1 small permitted hauler	2 haulers
Scope of exclusive rights for commercial materials	---	Solid waste and single-sort recyclables	---	Solid waste, recyclables, yard waste, food scraps, mixed organics	Solid waste	Solid waste and C&D only
Open Market Arrangements						
Open market competition	Yes	Yes	Yes	Yes	Yes	Yes
Method of regulating open market collection and processing activities	Non-exclusive franchise agreements	Permit system for haulers in City (excluding downtown area)	Permit system	C&D haulers must be registered.	Permit system	"Recycling Business License" system
Number of permitted or non-exclusive franchise haulers	24 haulers	10 haulers	55 haulers	Unlimited	Unlimited	Approx. 100 haulers; 4 to 5 major haulers
Scope of haulers rights	All materials	All materials	All materials	C&D and recycling service provided at no charge to customers	<ul style="list-style-type: none"> <li>Recyclables with 10% or less contamination/residue</li> <li>Industrial waste materials (including C&amp;D)</li> </ul>	Recyclables

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	San José	Austin	Portland	San Francisco	Stockton	Seattle
<b>Commercial Statistics</b>						
Number of Accounts	14,490 accounts	400 accounts (downtown only)	18,100 (commercial and multi-family accounts)	20,243 accounts	5,000 accounts	~10,000 accounts
Annual commercial tonnage						
Recyclables	42,350 tons	Unavailable	532,944 tons	57,006 tons	25,846 tons	150,818 tons
Organics	In recycling		In recycling	13,117 tons	2,216 tons	28,638 tons
Solid waste	<u>253,920 tons</u>		<u>393,700 tons</u>	<u>89,671 tons</u>	<u>83,986 tons</u>	<u>205,637 tons</u>
Total	296,270 tons (excludes C&D)		926,664 tons (includes C&D)	159,794 tons (excludes C&D recycled)	112,048 tons (includes some, but not all, C&D)	385,093 tons (includes C&D)
Diversion level (based on hauler tonnages)	16.7% excluding C&D; 36% including C&D	13% for downtown excluding C&D	57.5% including C&D	44% excluding C&D	25% in 2005; 40 to 50% estimated for 2006	47% including C&D



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**Table 5-2**  
**Relevant Policies of Large Cities Surveyed**

	San José	Austin	Portland	San Francisco	Stockton	Seattle
Zero Waste Goal or High Diversion Goal	Yes, Zero Waste by 2022 (adopted Oct. 2007)	Yes, Zero Waste by 2040 per Long-Range Solid Waste Plan	Yes, 75% by 2015	Yes, Zero Waste by 2020 (75% by 2010)	No	Yes, 60% by 2012; 70% by 2025
Mandatory Commercial Recycling Requirements for Waste Generators (Businesses)	No	Yes, all multi-family complexes with 100+ units; businesses office buildings with 100+ employees	Yes; customers to divert 50% (established Jan. 1996)	No, but City is planning on requiring mandatory customer participation in recycling programs	Yes, businesses are required to separate recyclables from solid waste	Yes (see ban described below)
Bans on Disposal of Recyclables	No	No	Collectors prohibited from using material recovery facilities	Food vendors prohibited from using polystyrene foam disposable food service ware. (June 2007)	No	Yes (Jan. 2005); significant amounts of paper, cardboard, and yard waste can not be disposed
Other	No	No	City considering restructuring commercial system; considering exclusive franchises	<ul style="list-style-type: none"> <li>Food vendors must use compostable or recyclable to-go containers</li> <li>Plastic bag ordinance requiring recyclables and compostable bags</li> </ul>	Commercial rates include 4 cubic yards of recycling and 90 gallons of green waste/food waste	Franchise haulers required to provide small businesses with recycling service

## Section 6

# Alternative Collection System Arrangements

The City's commercial collection system makes available to all commercial customers with collection services for solid waste, recyclable materials, organic materials, and C&D and regulates the haulers conducting the collection services. It is possible that improved recycling may be accomplished by modifying the requirements of the current non-exclusive franchise system, particularly if new policies and requirements are established to increase diversion responsibilities for customers and haulers and materials processing opportunities are expanded. Alternatively, the improvements identified for the current system may be best accomplished through implementation of some form of exclusive franchise system for collection of some or all types of materials. In an exclusive system, one or more franchise haulers would be granted rights to collect exclusively (i.e., not competing with other haulers) for some or all types of materials from some or all types of customers.

This section of the white paper reviews a wide range of municipal commercial collection systems. It introduces several collection system scenarios that the City may want to consider to determine which scenario can best support the types of improvements needed to meet the City's goals and interests. To illustrate the complexity of the analysis that will be involved in selecting a future commercial collection system, potential advantages and disadvantages of two commercial collection system scenarios are presented.

### 6.1 Wide Array of Commercial Collection Systems

The commercial collection system must address the requirements of all types of commercial customers, various classifications of material types, geographic service areas, and hauler regulation arrangements. Table 6-1 on the following page provides a sampling of the variables that need to be addressed in designing the commercial collection system.

Different commercial collection systems handle these variables in different ways. Some materials such as solid waste may be collected on an exclusive basis and others such as recyclables on a non-exclusive basis as exemplified by Seattle's system. Services such as C&D drop box collection can be collected in an open market environment (through non-exclusive agreements or permits) while one hauler has exclusive rights to solid waste like San Francisco's model. Multiple service areas can be created as Seattle has done to accommodate more than one hauler. Mandatory commercial customer recycling requirements can be adopted as demonstrated by the Sacramento Regional Solid Waste Authority (SWA), California; Santa Cruz County, California; Portland, Oregon; Seattle, Washington; and, Montgomery County, Maryland.

**Table 6-1**  
**Example of Variables in Commercial Collection Systems**

Customer Type	Material Types	Geographic Areas	Hauler Regulation
Retail	Recyclables	City-wide area	Non-Exclusive
Small (cart)	Commingled	Downtown area	franchise
Medium (bin)	Separated	Industrial area	Exclusive franchise
Large (roll-off)	Specialty types	Multiple areas	Exclusive with
Office	Organics	Other	exceptions
Small	Green waste		Permit system
Medium	Food waste		Unregulated
Large	Mixed organics		
Industrial	Unique organics		
Small	(spent grain, food		
Medium	processing		
Large	residuals)		
Mixed Use	C&D		
Small	Mixed		
Medium	Separated		
Large	Mixed Waste		
Other	Putrescibles		
	Dry waste		
	Other		

There are potentially hundreds of system options available to the City. Analysis of all options is not practical so the City will want to focus on identifying and evaluating scenarios that reflect a range of options on the spectrum of commercial collection systems. The City's analysis of its options will need to start with a focus on making "big picture" decisions such as:

- Will haulers be regulated through an exclusive or non-exclusive system or a combination thereof?
- If an exclusive system is implemented,
  - Will it be implemented on a City-wide basis, for a small portion of the City, or through establishment of multiple service areas?
  - Will separate contracts be granted for collection of different material types by different companies?
  - What are the parameters of system design which could impact customer rates?
- If a non-exclusive system is continued,
  - Will the City regulate some or all types of materials?
  - Will it apply on a City-wide basis or for a designated portion of the City?

## 6.2 Example Collection System Scenarios

The City plans to conduct an analysis of collection system scenarios focused on the “big picture” framework by assessing a representative range of scenarios. Table 6-2 presents seven examples of collection systems that cover a range of options. Example 1 represents one end of the spectrum of choices. It considers a non-exclusive franchise system supported by City policies for mandatory customer and hauler participation in diversion programs. This example is the existing system with enhanced diversion through mandatory participation policies. Example 7, an exclusive City-wide franchise system for all materials, represents the other end of the spectrum. Examples 3 through 6 represent other points in between these two ends of the spectrum. These examples consider establishing an exclusive franchise for some or all of the City or for a portion of the material types generated by commercial customers.

**Table 6-2**  
**Example Collection System Scenarios**

Example	Description	City Surveyed
1	Non-exclusive system throughout the City with multiple collection companies and mandatory customer participation and hauler responsibilities.	Portland, OR
2	One exclusive franchise agreement for the downtown area for all materials with a non-exclusive system for the other portions of the City.	Austin, TX
3	Multiple exclusive franchise agreements for all materials assigning each hauler a different area of the City. Under this scenario, two or more service areas can be established.	Seattle, WA
4	Exclusive franchise agreements assigning two or three haulers the right to collect different material types (e.g., solid waste, recyclables, organics) throughout the City.	None (Note: This is San José’s approach for two of its residential service areas.)
5	Exclusive franchise agreement(s) for recyclable and/or organic materials and non-exclusive system for solid waste.	None
6	Two exclusive franchise agreements allowing two haulers to compete throughout the City.	Stockton, CA
7	One City-wide exclusive agreement with one company for all materials.	San Francisco, CA

## 6.3 Future Evaluation Process for System Scenarios

The City plans to initiate analysis of various collection system alternatives. The evaluation of the alternative commercial collection systems may involve two phases. The first phase is the big picture phase; and, the second phase involves defining the details of the big picture. Both phases are described in this section.

## First Phase – Defining the General Framework of the Collection System

The first phase of the evaluation process encompasses making the “big picture” decisions about the general framework of the commercial system. The City will commence this phase of the evaluation process by defining the number and nature of the commercial collection systems it wants to evaluate. It will then establish criteria for its analysis and analyze how each scenario would fulfill the City’s evaluation criteria. The findings of the analysis will serve as the basis for selecting the future commercial collection system.

Tables 6-3 and 6-4 present a preliminary examination of two systems that represent examples on opposite ends of the spectrum – Example 1, Non-Exclusive System with Mandatory Participation Policies; and Example 7, Exclusive City-Wide Franchise System. These tables are introduced at this time to illustrate the complexity of the issues the City will be examining in its analysis. The information is preliminary in nature and not intended for decision-making purposes.

For the purposes of Table 6-3, the non-exclusive system anticipates that the existing hauling companies in San José can continue to operate and other hauling companies can establish business in the City at their option. It also anticipates that the City would establish requirements for increasing customer and hauler participation in diversion programs. For example, customer participation may be required through a mandatory generator recycling policy and hauler participation may be required through new provisions of the non-exclusive franchise or City ordinance requiring that the haulers provide specific diversion programs and establish performance standards for diversion. This type of system resembles Portland’s system.

For the purposes of Table 6-4, Example 7 considers establishing one exclusive franchise agreement for commercial collection in the City, that would result in a single service provider for all types of materials generated by commercial premises (with a few minor exceptions). It anticipates that the exclusive franchise will encompass all materials collected in carts and bins (including bins with compactor units) including solid waste, recyclable materials, and organic materials. The example does not consider service for drop boxes and roll-off compactors that transport solid waste, C&D, recyclables, and organic materials because roll-off trucks do not achieve the same types of benefits from an exclusive franchise agreement, as each drop box is separately hauled so hauling efficiencies can not be enhanced.

**Table 6-3**  
**Example 1 Preliminary Examination:**  
**Non-Exclusive System, Mandatory Participation**

	Advantages	Disadvantages
Supporting City Zero Waste Goals, Urban Accords' Goals, and Mayor's Green Vision	<ul style="list-style-type: none"> <li>City may benefit from haulers' creativity of an open market environment</li> <li>City can increase diversion control by requiring customer to have recycling and/or organics services</li> <li>City can increase diversion through diversion standards for haulers</li> <li>City structured franchise and AB 939 fees may be adjusted to create more incentives for diversion</li> <li>City may establish vehicle requirements to benefit from state-of-the-art air emissions control and fuel efficiency technology and use of alternative fuels</li> </ul>	<ul style="list-style-type: none"> <li>City may not realize diversion objectives if mandatory customer and hauler participation policies are not effective or are not enforced</li> <li>City's fee structure, which is designed to incentivize diversion because franchise fees and AB 939 fees (as well as disposal facility taxes) are not paid on recyclables collected, does not seem to be providing adequate incentives for haulers and customers to participate in recycling programs</li> <li>City does not minimize adverse vehicle-related environmental impacts associated with route inefficiencies</li> <li>Additional staff would be needed to ensure that businesses City-wide are complying with City requirements</li> <li>Customer rates may be impacted because economies of scale may not be realized if extensive recycling services are required in an open market system because haulers may have limited customer base</li> </ul>
Increasing Customer Participation in Diversion Programs	<ul style="list-style-type: none"> <li>Customers can be offered a wide range of diversion services if City specifies haulers' obligations to provide them</li> <li>Customer compliance with mandatory participation policy may increase commercial diversion levels</li> </ul>	<ul style="list-style-type: none"> <li>Customers can be confused about different programs offered by different haulers.</li> <li>Educating businesses can be difficult for the City due to variety of hauler programs</li> <li>Customers may object to mandatory participation policies</li> </ul>
Increasing Hauler Diversion Results	<ul style="list-style-type: none"> <li>Haulers can be innovative in providing service for the City-approved recycling and organic materials categories</li> <li>Haulers' compliance with diversion standards may increase commercial diversion levels</li> </ul>	<ul style="list-style-type: none"> <li>If financial incentives or diversion requirements are weak, haulers may not achieve diversion goals</li> <li>Some haulers are not focused on diverting materials</li> <li>When recyclable materials market conditions are down, haulers often stop collecting low value recyclables</li> </ul>

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	Advantages	Disadvantages
Delivering Reasonable Customer Rates	<ul style="list-style-type: none"> <li>• An open market environment provides competition among haulers that should, theoretically, result in lower rates for the customers</li> <li>• Competitive pricing of open market benefits some customers</li> </ul>	<ul style="list-style-type: none"> <li>• City can not easily adopt rate policies to incentivize customer diversion</li> <li>• Difficult for haulers in an open market system to take advantage any of economies of scale, including infrastructure, equipment, and efficient routing; this can result in higher customer rates</li> <li>• Rates may increase due to new hauler requirements related to diversion programs, equipment, education, etc.</li> <li>• Average cubic yard rate for solid waste and recyclables varies widely, demonstrating inequity in charges</li> <li>• Smaller businesses may have limited time or experience to negotiate effectively with haulers</li> </ul>
Improving Customers' Quality of Service	<ul style="list-style-type: none"> <li>• Customers have a choice of companies, which allows them to negotiate services and their rates</li> <li>• Customers have control over the quality of service because they can change haulers if they are unhappy with service</li> <li>• Performance standards, including diversion goals, can be established and monitored to ensure customers receive quality service</li> </ul>	<ul style="list-style-type: none"> <li>• Collection quality is difficult to measure and enforce due to large number of companies operating and the challenge of identifying which company is responsible for specific complaints filed by customers</li> <li>• Smaller customers are often overlooked by haulers because profit margins are typically low. As a result, the smaller customers may not know about the services available</li> </ul>

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	Advantages	Disadvantages
Other City Benefits	<ul style="list-style-type: none"><li>• City does not need to displace any haulers</li></ul>	<ul style="list-style-type: none"><li>• City franchise and AB 939 fee revenues may be impacted by increased diversion if a new basis for setting these fees is not established</li><li>• City's task of monitoring and managing 24 haulers and enforcing mandatory business recycling policy may be challenging</li><li>• City's ability to enforce hauler contract provisions or resolve complaints can be difficult because identification of the responsible hauler may not be practical or the haulers may blame other companies</li><li>• City's ability to audit accuracy of franchise and AB 939 fee payments requires considerable time. As a result, City may not collect its full share of fees</li></ul>



**Table 6-4**  
**Example 7 Preliminary Examination:**  
**One Exclusive City-Wide Franchise**

	Advantages	Disadvantages
Supporting City Zero Waste Goals, Urban Accords' Goals, and Mayor's Green Vision	<ul style="list-style-type: none"> <li>• City may more easily implement diversion services with one company</li> <li>• City may create financial incentives for increasing hauler's diversion results</li> <li>• With one hauler, it may be easier to ensure compliance with performance standards for quality and diversion</li> <li>• City's increased control may lead to higher diversion</li> <li>• A reduction in green house gases and other air emissions may result from: <ul style="list-style-type: none"> <li>– Improved routing efficiencies with only one company</li> <li>– Newer collection vehicles with latest air emissions and fuel technology</li> <li>– Use of alternative fuels</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• City does not benefit from creativity and competitive pricing of an open market environment</li> <li>• City may not realize diversion objectives if hauler does not have strong financial incentives or does not perform well</li> </ul>
Increasing Customer Participation in Diversion Programs	<ul style="list-style-type: none"> <li>• All customers have access to recycling and organics programs, whether big or small generators</li> <li>• Customers can be offered a wide array of services tailored to meet their needs</li> <li>• Customer's understanding of services may increase because public education focused on a single message</li> <li>• Incentives offered hauler for diversion results may benefit customer rates</li> <li>• Customer can be assured diversion programs when market conditions are down</li> </ul>	<ul style="list-style-type: none"> <li>• Customers may not be able to secure extra diversion-related services from hauler such as floor-to-floor collection or confidential document destruction</li> <li>• Customer rates may reflect hauler obligation to deliver wide array of diversion programs</li> </ul>

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	Advantages	Disadvantages
Increasing Hauler Diversion Results	<ul style="list-style-type: none"> <li>Hauler may be incentivized to achieve diversion goals</li> <li>Hauler may have more control over materials and customers</li> </ul>	<ul style="list-style-type: none"> <li>If financial incentives are weak, hauler may not achieve diversion goals</li> <li>The hauler may not have recycling expertise, and/or may not consider recycling “core” part of business</li> <li>Without competition of other haulers, one company may not be driven to meet performance goals</li> </ul>
Delivering Reasonable Customer Rates	<ul style="list-style-type: none"> <li>Customers will be charged consistent rates for same level of service</li> <li>City may structure rates to incentivize customers to divert materials</li> <li>City may review and adjust rates</li> <li>This scenario may be most cost-effective scenario because of numerous collection and operational efficiencies for hauler operating one large system</li> </ul>	<ul style="list-style-type: none"> <li>Competitive pricing of open market eliminated, and customers can not negotiate rates</li> <li>Consistent rates may result in rate increases for some customers and rate decreases for others</li> <li>Current rates may increase as a result of new programs, equipment specifications, quality standards, and performance requirements</li> </ul>
Improving Customers’ Quality of Service	<ul style="list-style-type: none"> <li>Performance standards, including diversion goals, can be established and monitored to ensure customers receive quality service</li> <li>City can specify standards for quality and monitor only one hauler</li> <li>Complaints received may be attributable to only one hauler</li> <li>Customer does not negotiate services and rates, which is particularly convenient for small business</li> </ul>	<ul style="list-style-type: none"> <li>Customers will not have ability to negotiate arrangements and rates</li> <li>Customers can not change haulers if they receive poor service</li> <li>City can not compare company performance to another company to create a competitive environment if only one franchise; this could be mitigated by creating more than one franchise similar to the Recycle Plus residential service.</li> </ul>
Other City Benefits	<ul style="list-style-type: none"> <li>City can audit franchise fees and AB 939 fees more thoroughly to ensure City collects all fees due</li> <li>May result in reduced staff time allowing staff more time to focus on diversion program efforts and other City initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Revenues from franchise and AB 939 fees may be impacted by increased diversion if the method of calculating fees is not modified</li> <li>By selecting only one contractor to service the entire area, the ability for another contractor to replace them quickly in the event of default or termination may be reduced</li> </ul>

## Second Phase – Defining the Details of the Collection System

The second phase of the analysis of commercial collection system alternatives will occur after the City makes its big picture decision for the general framework of the commercial collection system. The City will then need to make numerous decisions to define all aspects of the collection system.

For example, if the City determines that establishment of one or more exclusive commercial franchise agreements is in the best interest of the businesses and the City, the scope of the exclusive franchise agreement(s) needs to be defined. Key questions that typically arise when considering the scope of exclusive collection services include:

- What types of customers will be serviced by the exclusive commercial hauler? Small commercial customers? Medium commercial customers? Large commercial customers? Mixed use customers? City facilities? Government and school facilities?
- Will temporary and/or permanent drop-box service be provided by the exclusive hauler?
- What exclusive rights to collection of recyclable and organic materials (e.g., source separated recyclables, commingled recyclables, source separate greenwaste and/or food waste, mixed organics, wet waste, etc.) will be granted to haulers?
- What “exceptions” to exclusive rights will be appropriate such as the right of federal, state, and public schools to use a hauler they select and the right of individuals to self-haul materials?

If a non-exclusive franchise system is continued for some or all aspects of the commercial collection system, the City will need to identify changes to improve the system to more fully achieve the City’s goals and interests. These changes may include:

- Establishing requirements in the non-exclusive franchise agreements to:
  - Expand the types of recycling and organics collection programs required of the haulers;
  - Specify diversion level goals for the haulers and incentives and disincentives to encourage compliance;
  - Increase reporting obligations to gather data on customer participation levels, service volumes, and hauler compliance with diversion standards;
  - Establish more performance standards related to collection quality that can be effectively monitored; and,
  - Mandate use of alternative fuels for some or all of the collection fleet.
- Identifying and making available to haulers processing sites with capabilities of processing various types of materials (e.g., mixed organics, mixed waste, etc.).

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- Adopting new City policies focused on requiring more customer participation in diversion programs similar to the mandatory customer recycling programs of Portland and Seattle.
- Making recycling technical assistance readily available to businesses.

## Exhibit

# Commercial Collection Strategies in Other Major Cities

As part of this white paper effort, the City chose to survey five large cities that represented diverse methods of regulating commercial collection companies. The cities surveyed included: Austin, Texas; Portland, Oregon; San Francisco, California; Stockton, California; and, Seattle, Washington. The five cities illustrate the range of commercial systems available and types of differences among the systems. The survey objectives were to learn about the unique characteristics of their systems and the diversion results. This section presents a description of each City's commercial collection system highlighting exclusive and open market arrangements, key statistics about collection including the diversion level, and relevant policies.

### Austin, TX

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#### Exclusive Hauling Arrangements

Austin, Texas has a hybrid collection system that includes an exclusive commercial franchise for collection of solid waste and single-sort recyclables (separated cardboard and office paper) in the downtown area. The downtown franchise was established, after input from businesses and other stakeholders, to reduce truck traffic and clean up the alleyways and collection areas. The City periodically selects the franchise hauler through competitive bid processes. The term of the franchise agreement is one year plus up to four one-year extensions. Paper and cardboard collection are provided by the franchise hauler at no additional charge to the customer. The recyclables are hauled to the City's material recovery facility. City handles billing services.

The downtown service area was initially established in the mid 1980s to encompass the entertainment district. The area was expanded by approximately seven blocks to include the Congress Avenue area. The expansion was supported by the Downtown Austin Alliance because the exclusive franchise arrangements in the entertainment district had successfully resulted in clean alleys and quality service. When the service area was expanded, customer rates increased but the customers received expanded services.

#### Open Market Arrangements

Outside of the downtown area, 10 haulers service commercial customers in an open market environment that is regulated through a permit system.

#### Commercial Statistics

The downtown franchise area includes 400 customers including small and large businesses and mixed use properties. The City estimates that 30% of the customers participate in the recycling program resulting in a diversion rate of 14%. Note that only paper and cardboard collection services are provided to businesses.

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*Commercial Redesign White Paper: Current Performance and Alternative Systems***Relevant Policies**Mandatory Generator Recycling Requirements

All multi-family complexes with 100 or more units and all businesses with 100 or more employees are required to recycle.

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**Portland, OR****Exclusive Hauling Arrangements**

The City of Portland has not granted any exclusive hauling rights to provide solid waste, recyclables, organics, or C&D collection services to the commercial sector.

**Open Market Arrangements**

Portland has 55 permitted haulers that are permitted to collect solid waste, recyclables and organics from commercial customers. The City also allows “Independent Recyclers” to collect recyclables and organics. The independent recyclers must register with the City to enable the tracking of quantities of recyclables and organics; however, the overall requirements for the independent recyclers are far less than for the permitted haulers. All haulers compete against each other to service commercial customers. Haulers set their own rates for collection services.

**Commercial Statistics**

The permitted haulers and independent recyclers service approximately 15,000 commercial customers and 3,100 multi-family complexes. The City reported a commercial diversion rate of 57.5%, which includes C&D diversion. This diversion rate reflects tonnage collected by permitted haulers and independent recyclers (393,720 tons of solid waste and 532,944 tons of recyclables, organics, and C&D).

**Relevant Policies**Diversion Goal

The City has implemented a goal to divert 75% of its waste stream from landfills by 2015.

Mandatory Commercial Generator Recycling Requirements

While the City focuses its efforts on technical assistance and public education to increase commercial recycling, the City did institute a mandatory commercial recycling program in January 1996 targeting uncooperative businesses. Businesses are required to recycle 50% of the materials they generate. The mandatory program includes a financial penalty for noncompliance with a maximum of \$500 per incident, increasing for each subsequent incident. City regulations provide for an “assistance period” of 30 days, instead of allowing an immediate penalty for noncompliance.

Bans on Disposal of Recyclables

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While there are no materials that are banned from the waste stream, haulers are prohibited from using material recovery facilities for the processing of mixed waste.

#### Other

In August 2007, the Portland City Council directed staff to investigate commercial collection options that would not only improve diversion levels but also reduce noise, fuel use, and air pollution. These options could include financial incentives, rate setting, and/or a franchise approach.

## **San Francisco, CA**

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### **Exclusive Hauling Arrangements**

San Francisco has an exclusive permit system for collection services, under which only one company provides collection services throughout the city. Norcal Waste Systems, Inc. (dba Golden Gate Disposal & Recycling and Sunset Scavenger Company) serves 20,243 commercial customers under the permit provisions of an ordinance initially implemented in 1932. Norcal holds exclusive rights to collect solid waste, yard trimmings, food scraps and mixed organics from the commercial sector. Norcal offers both source-separated and commingled recycling services to its customers; however, the City is moving toward a completely commingled recycling system.

Norcal's food scrap program is targeted primarily toward the hospitality and restaurant sectors. Norcal has dedicated staff that deal exclusively with these sectors to expand existing organics collection. The City works closely with Norcal to promote organics collection and provides valuable resources through its outside technical assistance contract that supports these efforts by providing both initial and follow up training to customers and their employees. All organics are accepted in the program including meat scraps, vegetable scraps, yard waste, soiled paper and waxed cardboard.

In San Francisco, a commercial rate structure includes two components: the base rate and variable rate which is reduced by a recycling discount. The base rate, 5 percent of the bill, covers certain fixed costs. The variable rate, 95 percent of the commercial bill, is based on the service volume for refuse, recycling and composting collection. Under the structure, the variable rate is discounted in proportion to the percentage of recycling service volume up to 75 percent, while the fixed costs remain the same. By charging for collecting all three containers (garbage, recycling and compost) the uniform rate structure accounts for all costs and revenues associated with collecting and recycling waste materials. And, by discounting commercial bills as businesses recycle and compost more of their waste, the uniform structure provides a direct financial incentive for businesses to actively participate in San Francisco's blue and green cart programs.



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*Commercial Redesign White Paper: Current Performance and Alternative Systems***Open Market Arrangements**

San Francisco has an open-competition system for the collection and diversion of C&D. C&D collectors/recyclers must be registered with San Francisco.

**Commercial Statistics**

The City reported a commercial diversion rate of 44% based on information received from Norcal for the period July 1, 2006 through July 1, 2007. Materials included in the reported diversion rate include: commercial recyclables and organics collected by Norcal. This diversion percentage does not include recyclables or C&D collected by non-permitted haulers in the open market.

**Relevant Policies**Zero Waste

San Francisco adopted goals of 75% diversion by 2010 and Zero Waste by 2020.

Bans on Disposal of Non-Recyclable Food Service Ware

Since June 2007, food vendors and restaurants have been prohibited from using polystyrene foam and disposable food service ware. In place of these items, food vendors and restaurants are required to use compostable or recyclable take-out containers.

In November 2007, the City passed an ordinance prohibiting supermarkets that conduct more than \$2 million business annually from using non-compostable plastic checkout bags. Instead, all stores are required to provide only checkout bags that are made of recyclable paper or compostable plastic.

Mandatory Commercial Generator Recycling Requirements

The City has been exploring this issue for a number of years and anticipates moving it forward in the next calendar year. Although, the City has not finalized the structure of the mandatory commercial recycling, they anticipate some form of financial incentives for recycling and surcharges for non-participants. As of the date of this survey, the City had not received stakeholder input.

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**Seattle, WA****Exclusive Hauling Arrangements**

Seattle established two exclusive franchise areas served by two different haulers. One area covers approximately 70% of the city including the downtown. The other area covers approximately 30% of the city. Prior to 2001, four haulers were operating in the City but two of the haulers were bought by the other two larger haulers.

The franchise haulers service residential and commercial customers and provide temporary and permanent drop box services. Exclusive rights are granted to collect solid waste and C&D. The franchise haulers offer commercial organics collection services to businesses at prices 20% less



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than solid waste prices. The City offers food waste training to businesses and their employees through a contractor and provides a free six-month supply of biodegradable bags.

### **Open Market Arrangements**

In Seattle, recyclables are collected from businesses in an open market environment. There are approximately 100 recyclers competing in the commercial market, with four to five haulers who serve the majority of customers. The recyclers must obtain a "Recycling Business License" to collect in the City. The business license assists the City in tracking diversion. While the two exclusive franchise haulers compete with the other recyclers, the exclusive franchise haulers are required to provide small businesses with two 95-gallon recycling containers that are serviced every other week.

### **Commercial Statistics**

Solid waste and recycling services are provided to approximately 10,000 commercial accounts. The City estimated a 47% commercial diversion rate in 2005.

### **Relevant Policies**

#### Mandatory Commercial Generator Recycling/Ban on Disposal of Recyclables

Effective January 1, 2005, the City prohibited "significant amounts of recyclables" from disposal by commercial customers, where significant amounts are defined as 10% or more by volume of paper, cardboard, and greenwaste. During the first year, non-compliant customers received education notices. Commencing January 1, 2006, customers can be fined for non-compliance after receipt of two warning notices.

## **Stockton, CA**

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### **Exclusive Hauling Arrangements**

In 2004, the city of Stockton established a franchise system. The City entered into two exclusive franchise agreements that granted two haulers rights to collect solid waste from residents and commercial businesses throughout the City. The two companies compete against each other for solid waste customers. In addition to solid waste collection services, the two franchise haulers are also required to offer recyclables and organics collection services to commercial customers, but must compete against permitted recycling haulers. The hauler's commercial rates, which are regulated by the City, include 4 cubic yards of recycling and 90 gallons of green waste/food waste at no additional charge to the customers to encourage participation in the diversion programs. Customers can negotiate additional recycling service.

Prior to commencement of the two franchise agreements, the City had no control over commercial and industrial waste as materials were collected in an unregulated, open market. The commercial and industrial waste was 80% of the total City-wide generation. With the franchise agreements, the City was able to apply a 50% diversion requirement to the overall franchised collection materials (residential and commercial combined).

In addition to the two exclusive franchise haulers, one small hauler (with approximately 30 accounts) has a permit and short-term contract for solid waste collection, which was arranged to comply with the state's five-year noticing requirement related to implementation of exclusive hauling agreements. Another hauler has a permit and short-term contract for industrial waste collection.

### **Open Market Arrangements**

Recyclables and industrial waste materials are collected in an open market environment that is regulated with permits. In the city of Stockton, haulers can secure permits to collect recyclable materials. The permits allow for collection of source separated or mixed recyclable materials provided that the contamination level is less than 10% or the residue from the processing of the recyclables is less than 10%. Haulers can also secure an industrial waste permit that allows for collection of materials from industrial generators including C&D provided that 50% of the materials collected are diverted from disposal. The 50% diversion compliance is not measured on a load-by-load basis but rather monitored on a periodic basis (e.g., quarterly or semi-annually basis).

### **Commercial Statistics**

Approximately 5,000 commercial accounts are serviced. The City estimates that the current diversion level for commercial customers is 40% to 50%. This is an estimate only, but data following the first four quarters of implementation showed at least 25% commercial diversion solely from the tonnages collected through the franchised haulers cart and front-load service, but did not include any diversion by permitted recyclers or baled material. Data from 2006 shows up to 50% diversion from commercial accounts, including some baled material and occasional roll-off boxes.

The calculated diversion level for 2005 is 25%. For 2005, the tonnage collected included the following: 25,846 tons of recyclables, 2,216 tons of organics, and 83,986 tons of solid waste for a total of 112,048 tons excluding materials collected by permitted recyclers. The recyclables are likely to include some, but not all, C&D as C&D collected by the industrial permit haulers is not included in the recycling tonnage.

There has been a very large increase in recycling since the 2004 implementation of the new franchise agreements. All businesses received, at a minimum, cart service for recycling and green waste/food waste with the implementation of the franchise services. A limited number of businesses rejected the minimum recycling service due to space constraints or lack of will. Additionally, vague definitions or undocumented expectations regarding the green waste/food waste program has led to many barriers to full implementation from the franchised haulers as intended by the City. Due to uncertainties in the availability of composting facilities and operational constraints of such processing facilities, Stockton's commercial food waste program has stagnated and

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is currently being interpreted as a program that only collects food waste along with green waste and does not separately collect food waste from businesses.

### **Relevant Policies**

#### Mandatory Commercial Generator Recycling

City code requires that generators separate recyclable material, green waste, and food waste from solid waste for collection. However, the code states that the hauler shall not refuse to collect solid waste from containers properly placed according to this article because it contains incidental amounts of recyclable material. This code provision is only monitored on a case by case basis and is sporadically enforced through periodic waste audits and technical assistance if a problem is noticed.

# Definition of Commercial Hauling System Options

System	Notes
1. Full Open Non-Regulated System/Non-Exclusive Permit System	<ul style="list-style-type: none"><li>• Current system for City of Los Angeles</li><li>• Unlimited number of haulers</li><li>• Subject to permitting requirements</li></ul>
2. Non-Exclusive Franchise	<ul style="list-style-type: none"><li>• Usually a limited number of haulers competing for customers on price and service (but could be unlimited)</li><li>• Subject to requirements of franchise agreement</li></ul>
3. Single or Multiple Exclusive Franchise	<ul style="list-style-type: none"><li>• One or more exclusive service areas with each area served by one hauler</li><li>• Rates approved or regulated by jurisdiction</li></ul>



# Commercial Hauling System Options

## Impact on: City Fees

System	Impact
<b>Full Open Non-Regulated System/Non-Exclusive Permit System</b> <ul style="list-style-type: none"> <li>Current system for City of Los Angeles</li> </ul>	<ul style="list-style-type: none"> <li>Subject to the city's legal interpretation of statutes, a franchise fee could be established if a non-exclusive contracting mechanism is used within the open market. AB 939 fees and administrative permit fees may also be established</li> </ul>
<b>Non-Exclusive Franchise</b> <ul style="list-style-type: none"> <li>Multiple haulers competing citywide for customers based on price and service under a franchise agreement</li> </ul>	<ul style="list-style-type: none"> <li>Franchise fees and other fees may be established by contract</li> </ul>
<b>Single or Multiple Exclusive Franchise</b> <ul style="list-style-type: none"> <li>One or more exclusive service areas, each served by one hauler. Rates approved by City.</li> </ul>	<ul style="list-style-type: none"> <li>Franchise fees and other fees may be established by contract</li> </ul>



# Commercial Hauling System Options

## Impact on: Diversion

System	Impact
<b>Full Open Non-Regulated System/Non-Exclusive Permit System</b> <ul style="list-style-type: none"> <li>Current system for City of Los Angeles</li> </ul>	<ul style="list-style-type: none"> <li>No current numeric diversion requirement for haulers to achieve, but could be added to permit system requirements</li> <li>Would be difficult for many haulers to cost effectively achieve an aggressive diversion goal due to limited economies of scale and access to processing facilities</li> </ul>
<b>Non-Exclusive Franchise</b> <ul style="list-style-type: none"> <li>Multiple haulers competing citywide for customers based on price and service under a franchise agreement</li> </ul>	<ul style="list-style-type: none"> <li>Economies of scale from higher tonnage volumes per hauler and routing efficiencies would generally allow more aggressive diversion goals than in an open market.</li> <li>Diversion goals that are too aggressive may make it difficult for some customers whose solid waste has low-diversion potential to obtain service at a competitive rate</li> <li>Some small haulers with unique recycling niches, if not awarded contracts, would no longer be able to offer specialized programs</li> </ul>
<b>Single or Multiple Exclusive Franchise</b> <ul style="list-style-type: none"> <li>One or more exclusive service areas, each served by one hauler. Rates approved by City.</li> </ul>	<ul style="list-style-type: none"> <li>Would allow for the most aggressive overall diversion goal as a contract requirement due to routing and processing efficiencies</li> </ul>



# Commercial Hauling System Options

## Impact on: Rates/Costs

System	Impact
<b>Full Open Non-Regulated System/Non-Exclusive Permit System</b> <ul style="list-style-type: none"> <li>Current system for City of Los Angeles</li> </ul>	<ul style="list-style-type: none"> <li>Rates negotiated between hauler and customer. Some customers may negotiate very favorable rates, while others may pay far more than others for similar services</li> <li>Routing inefficiencies, which include increased labor and fuel costs, limit the overall cost effectiveness of the haulers</li> <li>New competitors may easily enter the market and help maintain cost effective service offerings</li> </ul>
<b>Non-Exclusive Franchise</b> <ul style="list-style-type: none"> <li>Multiple haulers competing citywide for customers based on price and service under a franchise agreement</li> </ul>	<ul style="list-style-type: none"> <li>Rates negotiated between hauler and customer</li> <li>If a sufficient number of service providers are actively competing, pricing should be similar to an open market system</li> </ul>
<b>Single or Multiple Exclusive Franchise</b> <ul style="list-style-type: none"> <li>One or more exclusive service areas, each served by one hauler. Rates approved by City.</li> </ul>	<ul style="list-style-type: none"> <li>Rates determined through competitive proposal process to award franchise, and then adjusted annually through defined rate adjustment formula</li> <li>Routing efficiencies should result in lowest overall contractor costs</li> <li>Some customers will experience rate increases and others decreases, since an “average” rate is charged for each service level and rates are not negotiated on a customer-by-customer basis</li> <li>Long-term cost effectiveness to customers will depend on competent and diligent contract management and oversight throughout the term, and rebidding the contract at the end of a fixed term</li> <li>Some cities with combined single family residential/commercial franchises may have rates that are not fully-independent</li> </ul>



# Commercial Hauling System Options

## Impact on: Number of Trucks

System	Impact
<b>Full Open Non-Regulated System/Non-Exclusive Permit System</b> <ul style="list-style-type: none"><li>• Current system for City of Los Angeles</li></ul>	<ul style="list-style-type: none"><li>• Largest number of trucks operating in the city due to routing inefficiencies, resulting in higher traffic, vehicle emissions, pavement impacts, and noise than the other systems</li></ul>
<b>Non-Exclusive Franchise</b> <ul style="list-style-type: none"><li>• Multiple haulers competing citywide for customers based on price and service under a franchise agreement</li></ul>	<ul style="list-style-type: none"><li>• Fewer number of trucks operating in the city</li></ul>
<b>Single or Multiple Exclusive Franchise</b> <ul style="list-style-type: none"><li>• One or more exclusive service areas, each served by one hauler. Rates approved by City.</li></ul>	<ul style="list-style-type: none"><li>• Fewest number of trucks operating in the city</li></ul>





# Commercial Hauling System Options

## Impact on: Administration

System	Impact
<b>Full Open Non-Regulated System/Non-Exclusive Permit System</b> <ul style="list-style-type: none"> <li>Current system for City of Los Angeles</li> </ul>	<ul style="list-style-type: none"> <li>Largest number of haulers to monitor, resulting in higher auditing and enforcement costs</li> </ul>
<b>Non-Exclusive Franchise</b> <ul style="list-style-type: none"> <li>Multiple haulers competing citywide for customers based on price and service under a franchise agreement</li> </ul>	<ul style="list-style-type: none"> <li>Fewer haulers to monitor than open market, reducing administrative costs, unless contract requirements are more complex and require additional administrative effort to enforce compared to the open market</li> </ul>
<b>Single or Multiple Exclusive Franchise</b> <ul style="list-style-type: none"> <li>One or more exclusive service areas, each served by one hauler. Rates approved by City.</li> </ul>	<ul style="list-style-type: none"> <li>Smaller number of haulers to monitor than an open system, but typically increased number of contract requirements to monitor. Administrative effort compared to non-exclusive system would depend on the number of haulers in the non-exclusive system versus the number of exclusive service areas in the exclusive system. Significant administrative effort whenever the contract is rebid</li> </ul>



(Adopted June 16, 2000)  
 (Amended June 7, 2002)(Amended June 6, 2003)  
 (Amended July 9, 2010)

**RULE 1193. CLEAN ON-ROAD RESIDENTIAL AND COMMERCIAL REFUSE  
 COLLECTION VEHICLES**

(a) Purpose

For solid waste collection fleets operating in the South Coast Air Quality Management District (District), this rule requires public and private solid waste collection fleet operators to acquire alternative-fuel refuse collection heavy-duty vehicles when procuring or leasing these vehicles for use by or for governmental agencies in the South Coast Air Quality Management District (District) to reduce air toxic and criteria pollutant emissions.

(b) Applicability

This rule applies to government agencies that operate solid waste collection fleets with 15 or more solid waste collection vehicles and private fleet operators that provide solid waste collection services to governmental agencies. This rule shall not apply to:

- (1) solid waste collection vehicles where the combined total of government operated solid waste collection vehicles and private fleet operated solid waste collection vehicles providing solid waste collection services to the government agency is fewer than 15 vehicles,
- (2) vehicles used by a private solid waste collection fleet operator that provide services to a governmental agency not requiring a contract or franchise agreement,
- (3) transfer vehicles owned by, and operated at, a privately-operated transfer station, and
- (4) vehicles or services pursuant to subdivision (g).

(c) Definitions

For purposes of this rule, the following definitions shall apply:

- (1) **ALTERNATIVE-FUEL HEAVY-DUTY VEHICLE** means a heavy-duty vehicle or engine that uses compressed or liquefied natural gas, liquefied petroleum gas,

methanol, electricity, fuel cells, or other advanced technologies that do not rely on diesel fuel.

- (2) **APPROVED CONTROL DEVICE(s)** is an exhaust control device(s) that is verified or certified by CARB to reduce particulate matter and possibly other precursor emissions. For the purposes of this rule, a new heavy-duty vehicle equipped with approved control devices means that the engine family has been certified by CARB. A pre-owned heavy-duty vehicle equipped with approved control devices means that the device has been verified or certified by CARB. To be considered fitted with an approved control device(s), all diesel exhaust from the vehicle must be vented through such a device(s) that has been fitted at the time of vehicle purchase or fitted by a certified device installer at the time the device is delivered to the operator.
- (3) **BACKUP VEHICLE** means a solid waste collection vehicle, rolloff vehicle, or transfer vehicle that is not an alternative-fuel, dual-fuel, or pilot ignition heavy-duty vehicle, and is driven fewer than 1,000 miles annually.
- (4) **CONTRACT** means an agreement between a private solid waste collection fleet operator and a governmental agency to perform residential or commercial solid waste collection services, in which the contractor's compensation for providing services, or a formula for determining compensation, is specified. Any option to renew the contract or automatic renewal that extends the contract performance period shall be considered a new contract and shall meet the requirements in subdivision (d).
- (5) **DUAL-FUEL HEAVY-DUTY VEHICLE** means a heavy-duty vehicle equipped with a diesel engine that uses an alternative fuel (such as compressed or liquefied natural gas, liquefied petroleum gas, methanol, or other advanced technologies) in combination with diesel fuel to enable compression ignition. A dual-fuel engine typically uses the alternative fuel to supply 85 percent of the total engine fuel requirement on a BTU basis. A dual-fuel engine must be certified by CARB to meet an applicable optional nitrogen oxide or combined nitrogen oxide plus non-methane hydrocarbons exhaust emission standard and be fitted with an approved control device that achieves a particulate matter emissions reduction level no less stringent than the particulate matter emissions reduction level achieved by the latest CARB verified or certified particulate matter control device for the applicable engine family operating entirely on diesel fuel.

- (6) EQUIPMENT BREAKDOWN means any malfunction to an alternative fuel solid waste collection vehicle subject to this rule, including a traffic accident, which causes the vehicle to operate in an unsafe or unusable manner.
- (7) FRANCHISE AGREEMENT is considered a contract as defined in paragraph (c)(4), regardless of any provision that specifies a rate structure, provided that the franchise agreement sets a limit on the number of private waste collection fleet operators that can provide waste collection services or the governmental agency limits the number of franchise agreements issued to private waste collection fleet operators.
- (8) GOVERNMENTAL AGENCY includes any state, regional, county, city, or governmental department or agency, and any special district, such as, but not limited to water, air, sanitation, transit, and school districts.
- (9) HEAVY-DUTY VEHICLE means any vehicle having a gross vehicle weight of at least 14,000 pounds.
- (10) PILOT IGNITION HEAVY-DUTY VEHICLE means a heavy-duty vehicle equipped with an engine designed to operate using an alternative fuel as defined in paragraph (c)(1), except that diesel fuel is used for pilot ignition at an average ratio of no more than one part diesel fuel to ten parts total fuel on an energy equivalent basis. The engine shall not operate or idle solely on diesel fuel at any time.
- (11) PRIVATE SOLID WASTE COLLECTION FLEET OPERATOR is a person that owns, leases, or operates substantially in the District, solid waste collection, rolloff, or transfer vehicles. A person is an individual firm; limited liability company; association; partnership; or corporation or any other non-governmental agency that collects, transports, or transfers solid waste, yard waste, or recyclable materials.
- (12) PUBLIC SOLID WASTE COLLECTION FLEET OPERATOR is a governmental agency that owns, leases, or operates substantially in the District, solid waste collection, rolloff, or transfer vehicles.
- (13) ROLLOFF VEHICLE means any heavy-duty vehicle used for the express purpose of transporting waste containers such as open boxes or compactors.
- (14) SOLID WASTE means all putrescible and nonputrescible solid, and semisolid wastes, including garbage, trash, refuse, paper, rubbish, ashes, industrial wastes, demolition and construction wastes, abandoned vehicles and parts thereof, discarded home and industrial appliances, manure, vegetable or animal solid and

semisolid wastes, and other discarded solid and semisolid wastes. Solid waste does not include hazardous waste, radioactive waste, or medical waste as defined in Section 40191(b) of the Public Resources Code.

- (15) **SOLID WASTE COLLECTION VEHICLE** means any heavy-duty vehicle used for the express purpose of collecting solid waste, yard waste, or recyclable materials from residential or commercial establishments. A solid waste collection vehicle is a vehicle having the capability to collect solid waste using, either manual or automated, front, side or rear loaders and generally operates on fixed routes.
- (16) **TRANSFER VEHICLE** means any heavy-duty vehicle used for the express purpose of transferring solid waste. A transfer vehicle is usually a tractor/trailer combination where the trailer is loaded at a processing or transfer station.
- (17) **VEHICLE** means any self-propelled, motorized device that is permitted to operate on public roads through Department of Motor Vehicle registration or the federal government.

(d) **Fleet Requirements**

- (1) Beginning July 9, 2010, all additions to an existing fleet, or formation of a new fleet of solid waste collection vehicles shall be by purchase or lease of alternative-fuel or pilot ignition heavy-duty vehicles, for public solid waste collection fleet operators and private solid waste collection fleet operators providing collection services subject to paragraphs (d)(3) or (d)(4) who have 15 or more solid waste collection vehicles or a combined total of 15 or more rolloff, transfer, or solid waste collection vehicles.
- (2) Beginning July 9, 2010, all additions to an existing fleet, or formation of a new fleet, of transfer or rolloff vehicles shall be by purchase or lease of alternative-fuel, pilot ignition, or dual-fuel heavy-duty vehicles when adding or replacing transfer or rolloff vehicles, for public solid waste collection fleet operators and private solid waste collection fleet operators providing collection services subject to paragraphs (d)(3) or (d)(4) who have a combined total of 15 or more transfer or rolloff vehicles.

- (3) Any governmental agency that obtains new residential solid waste collection services from private fleet operator(s) shall contract for 100 percent use of alternative-fuel or pilot ignition solid waste collection vehicles, rolloff vehicles, or transfer vehicles.
- (4) Prior to January 1, 2020, any governmental agency that obtains new commercial or renewed residential or commercial solid waste collection services from private fleet operator(s) shall contract for:
- (A) 100 percent use of alternative-fuel or pilot ignition solid waste collection vehicles, rolloff vehicles, or transfer vehicles:
- (i) no later than five (5) years from the date of contract service, and
  - (ii) placing a minimum number of alternative fuel vehicles into service in accordance to the following schedule:

Minimum Percentage	Deadline
20%	1 year after initial service
40%	2 years after initial service
60%	3 years after initial service
80%	4 years after initial service
100%	5 years after initial service

OR

- (B) alternative-fuel, pilot ignition, or diesel solid waste collection, roll-off, or transfer vehicles. All replacement vehicles shall meet the provisions of Paragraphs (d)(1) or (d)(2). Existing diesel powered vehicles shall be:
- (i) twelve (12) model years or newer, for each year from the date of contract renewal or start date of new contract services, and
  - (ii) equipped with approved control devices.
- (5) Vehicles that are removed from service in compliance with subparagraphs (d)(4)(A) or (d)(4)(B) shall not be used in any other refuse collection service contracts, but would be allowed in any other refuse service if the vehicles are replacing older vehicles.
- (6) Notwithstanding subparagraphs (d)(4)(A) or (d)(4)(B), all vehicles used for refuse services subject to subdivision (d) shall be alternative-fueled or pilot ignition beginning January 1, 2020.

- (7) Within 30 days upon execution of a new contract or renewed contract, the governmental agency and private fleet operator under contract shall submit a compliance report to the Executive Officer that provides the following information, at a minimum:
- (A) Private Fleet Service Provider Contact Information, including
    - (i) name of private fleet operator,
    - (ii) street address,
    - (iii) contact person, and
    - (iv) telephone number.
  - (B) Description of service contract, including
    - (i) start of service date,
    - (ii) general description of services to be provided, and
    - (iii) contract timeframe for base year, option years, and renewal provisions if applicable.
  - (C) Inventory of refuse vehicles to begin service under a new or renewed contract, identified by:
    - (i) application (solid waste collection, rolloff, or transfer),
    - (ii) vehicle identification number,
    - (iii) license plate number,
    - (iv) engine model year,
    - (v) fuel type, and
    - (vi) domicile location.
  - (D) For renewed contracts, identification of rule provision, either subparagraphs (d)(4)(A) or (d)(4)(B), and planned purchases of alternative-fuel or pilot solid waste collection, rolloff, and transfer vehicles, to be used for rule compliance through January 1, 2020.
- (e) Equipment Breakdown
- (1) A public or private solid waste collection fleet operator is permitted to substitute the use of a non-rule compliant backup solid waste collection, rolloff, or transfer vehicle if there is a breakdown of a rule compliant vehicle for a period lasting no longer than fourteen (14) calendar days provided that the following requirements are satisfied:
    - (A) a rule compliant solid waste collection vehicle, rolloff vehicle, or transfer vehicle is not available, and

- (B) except for traffic accidents, the breakdown was not caused by operator error, neglect, improper operation or maintenance procedures, as determined by the Executive Officer.
  - (2) If the vehicle breakdown will last for more than fourteen (14) calendar days, the public or private solid waste collection fleet operator shall submit a signed and dated Technical Infeasibility Certification Request (TICR) as required under Subdivision (f) to the Executive Officer for approval prior to the expiration of the fourteen (14) day period, pursuant to paragraph (f)(2).
- (f) Technical Infeasibility Certification Request
- (1) If non-rule compliant vehicles need to be temporarily used due to either:
    - (A) delayed delivery of rule compliant vehicles beyond the applicable compliance dates according to paragraphs (d)(3), (d)(4), and (d)(6), or
    - (B) the availability of an alternative fuel refueling infrastructure at the time of execution of a new contract or renewal of an existing contract,
 the government agency and private solid waste collection fleet operator shall submit a signed and dated Technical Infeasibility Certification Request (TICR) to the Executive Officer for approval at least thirty (30) days prior to the use of noncompliant vehicles. TICRs shall demonstrate:
    - (i) the unavailability of rule compliant vehicle(s), or
    - (ii) the unavailability of alternative-fuel refueling infrastructure within 5 miles from where the rule compliant vehicles are domiciled or that the existing alternative fuel refueling infrastructure is not capable of refueling the alternative fueled vehicles.
 This demonstration shall consist of vehicle purchase order(s), expected delivery timeframe(s), and vehicle manufacturer information that verifies delayed delivery of vehicles; or expected timeframe for the construction of an alternative-fueled refueling infrastructure, but no more than two (2) years from the date of approval of a TICR.
  - (2) TICRs submitted pursuant to paragraph (e)(2) shall demonstrate the length of time necessary to repair the vehicle breakdown, or if the vehicle is rendered completely inoperable, the time to order a new rule-compliant vehicle or the time needed to place a rule-compliant vehicle into service, beyond the initial fourteen (14) calendar day breakdown period. At a minimum the demonstration shall identify the vehicle undergoing repair by type and VIN, vehicle repair location, specific repairs being performed, and justification for period of time necessary for repair.



- (3) Pursuant to requirements contained in paragraphs (d)(1) or (d)(2), a TICR may be submitted to the Executive Officer to obtain approval for the purchase and use of non-rule compliant solid waste collection vehicle(s), rolloff vehicle(s), or transfer vehicle(s) where:
  - (A) no rule compliant engine and chassis configuration is available commercially or could be used, or
  - (B) dedicated vehicles are used to routinely transport solid waste into and out of the District.
- (4) If a private solid waste collection fleet operator complying with the provisions of subparagraph (d)(4)(A) demonstrates that within the fleet's total refuse vehicle count as provided in subparagraph (d)(4)(A), there is a sufficient number of alternative-fueled or pilot ignition refuse vehicles that meet or exceeds the minimum requirements in each year of the phase-in, the private solid waste collection fleet operator may request a TICR to extend compliance of the phase-in by one year.
  - (A) Up to two (2) one-year extensions may be granted under this request. The second request for a one-year extension shall be based on the requirements of the applicable year from the date of execution of the new contract or contract renewal.
  - (B) All vehicle purchases shall meet the provisions of paragraphs (d)(1) or (d)(2).
  - (C) The fleet must demonstrate full compliance by the end of the extended phase-in period by submitting a new or revised compliance report as required under subparagraph (d)(7).
- (5) A private fleet operator with a combined total of less than 50 solid waste collection vehicles, rolloff vehicles, or transfer vehicles may obtain up to two (2) one-year extensions to extend compliance under paragraph (d)(4), if the private fleet operator demonstrates to the Executive Officer that the operator does not have the financial resources to purchase a sufficient number of rule compliance vehicles as required under paragraph (d)(4).
- (6) Within seven (7) calendar days of receipt of a completed TICR submitted pursuant to paragraphs (f)(1) and (f)(2), and within forty-five (45) calendar days of receipt of a completed TICR submitted pursuant to paragraph (f)(3), the Executive Officer will either approve or disapprove the TICR in writing, indicating the reasons for disapproval. The Executive Officer shall disapprove a

TICR if it does not meet the demonstration requirements of paragraphs (f)(1), (f)(2), or (f)(3). If a TICR is disapproved by the Executive Officer:

- (A) The reasons for disapproval shall be given to the applicant in writing.
- (B) Upon receipt of a notice of a disapproved TICR, the fleet operator shall use rule compliant vehicles pursuant to subdivision (d).
- (C) The fleet operator may resubmit a TICR at any time after receiving a disapproval notification, but must still use rule compliant vehicles pursuant to subdivision (d) until such time as the Executive Officer approves a TICR.

(7) A TICR is subject to plan filing and evaluation fees as described in Rule 306.

(g) Exemptions

The provisions of this rule shall not apply to the following:

- (1) No more than ten evaluation/test vehicles per fleet, provided by or operated by vehicle manufacturer for testing or evaluation, exclusively.
- (2) Heavy-duty vehicles not used for the express purpose of collecting solid waste from residential or commercial establishments or transferring of solid waste from a waste transfer station to a landfill.
- (3) Any vehicle added to or replacing a vehicle in an existing fleet after the applicable implementation date of this rule, as specified in subdivision (d), as long as the purchase contract for acquisition of such vehicle is signed before the date of adoption of this rule. This exemption does not apply to the execution of options to acquire vehicles where the option is executed after the date of adoption of this rule and where vehicle delivery does not occur until after the applicable implementation date as specified in subdivision (d).
- (4) Notwithstanding the provisions of paragraph (d)(3) and prior to January 1, 2020, if a private solid waste collection fleet operator acquires the entire collection fleet vehicles for one or more service segments (such as residential recycling, residential garbage, commercial recycling or commercial garbage) from a public solid waste collection fleet operator and contracts with that public solid waste collection fleet operator for those collection services, the private solid waste collection fleet operator may elect to comply with the provisions of paragraph (d)(4).
- (5) Vehicles contracted for solid waste collection services provided that the solicitation to obtain new or renewed solid waste collection services from private solid waste collection fleet operators was opened prior to June 1, 2010.

- (6) Private fleets with a combined total number of fifteen (15) or fewer vehicles operating under a franchise agreement may elect to comply with the provisions of paragraphs (d)(1) and (d)(2) in place of paragraphs (d)(3) and (d)(4), provided that all non-alternative fueled vehicles are equipped with approved control devices as defined in paragraph (c)(2).
- (7) When the remainder of the fleet subject to subdivision (d) consists of alternative-fuel or pilot ignition heavy-duty vehicles,
  - (A) for public or private fleets with greater than 15 but less than or equal to 50 solid waste collection, rolloff, and transfer vehicles, no more than three (3) heavy-duty vehicles that do not meet the requirements of subdivision (d) may be part of the fleet at any given time, and
  - (B) for public or private fleets with greater than 50 solid waste collection, rolloff, and transfer vehicles:
    - (i) no more than three (3) percent of the solid waste collection vehicles subject to Subdivision (d) that do not meet the requirements of subdivision (d) may be part of the fleet at any given time; and
    - (ii) no more than twenty (20) percent of the rolloff and transfer vehicles subject to Subdivision (d) that do not meet the requirements of subdivision (d) and meet 2010 or cleaner exhaust emission standards may be part of the fleet at any given time.
  - (C) Any vehicles subject to the provisions of this section shall be equipped with approved control devices if the engines do not meet 2010 exhaust emission standards.
- (h) Compliance Auditing and Enforcement
  - (1) The fleet operator shall provide at the request of the District any files and/or records created to comply with subdivisions (d) and (e) including fleet-specific information, such as a list of official DMV registrations, manufacturer, model-year, model, engine family number, fuel type, fuel usage of each fleet vehicle, and backup vehicle annual mileage. The fleet operator shall keep all required records for a minimum of two years.
  - (2) Any fleet operator seeking an exemption under subdivision (g) shall supply proof that their vehicle or fleet is exempted from this rule when requested by the District.

- (3) No later than December 31, 2011, any fleet operator with 15 or more, but fewer than 50 vehicles subject to subdivision (d) shall submit a letter to the Executive Officer outlining the intended source of alternative fuel to be used for compliance purposes.
  - (4) Any violation by a government agency of any provision of this rule or by a fleet operator of a contract or franchise agreement requirement for the use of alternative-fuel, pilot ignition, or dual-fuel vehicles, or the use of vehicles that are not authorized by this rule, is a violation of this rule.
- (i) **Severability**
- If any provision of this rule is held by judicial order to be invalid, or invalid or inapplicable to any person or circumstance, such order shall not affect the validity of the remainder of this rule, or the validity or applicability of such provision to other persons or circumstances. In the event any of the exceptions to this rule is held by judicial order to be invalid, the persons or circumstances covered by the exception shall instead be required to comply with the remainder of this rule.

## I. THE RENT STABILIZATION ORDINANCE (RSO)

### A. PURPOSE

The Rent Stabilization Ordinance (RSO), Chapter XV of the Los Angeles Municipal Code (LAMC) was enacted by City Council through Ordinance #152120 in 1978 and went into effect on May 1, 1979. The purpose of the RSO is to allow landlords a reasonable return on their investments while protecting tenants from excessive rent increases. The City Council is the legislative body with the authority to change or amend the RSO.

The Los Angeles Housing Department (LAHD) is responsible for administering the City's RSO. This function is funded entirely by the annual rental unit registration fees. As a result of this funding, administration of the RSO does not increase the City's tax base.

### B. SCOPE

The Ordinance covers four broad categories:

1. Registration of rental units (LAMC 151.05);
2. Allowable rent increases (LAMC 151.06);
3. Legal reasons for eviction (LAMC 151.09);
4. Relocation assistance payable to the tenants for certain types of evictions (LAMC 151.09 G).

### C. QUALIFYING CRITERIA

To be under the RSO of the City of Los Angeles, a property **must** meet the following three criteria:

1. The property must be in the City of Los Angeles;
2. There must be two (2) or more units on the lot;
3. The building must have a Certificate of Occupancy issued on or before October 1, 1978.

### D. EXEMPTIONS

Properties exempt from the RSO are as follows:

1. Properties located in other municipalities or unincorporated areas within the County of Los Angeles;
2. Single family dwellings, used as such;
3. Properties with a Certificate of Occupancy issued after October 1, 1978 (new construction);

4. Government owned properties;
5. Units occupied by an owner or family member where no rents are collected;
6. Vacant units (10 days to register upon rental of the property);
7. Properties permanently removed from the rental market;
8. Luxury Housing Accommodations issued a Department Certificate;
9. Demolished RSO properties;
10. Schools/Hospitals;
11. Hotel/Motels - with tenancy under 30 days;
12. Non-profit owned units, with certain qualifications.

### **RENT ADJUSTMENT COMMISSION (RAC)**

The RAC, consists of seven members who are neither landlords nor tenants of residential rental property and who are authorized by the RSO (Section 151.03 and 151.08) to issue orders and to promulgate policies, rules, and regulations which carry out the purpose of the Ordinance and other provisions of the Los Angeles Municipal Code to the extent that such provisions impact on rents.

The RAC has prepared guidelines and regulations for the implementation of: Major Rehabilitation, Capital Improvements, Just and Reasonable Rent Increases, and establishing Relocation Escrow Accounts just to name a few. Copies of the guidelines and regulations are available to the public upon request and free of charge. They may also be accessed at the Housing Department's website at <http://lahd.lacity.org>.

## II. RENT STABILIZATION PROGRAM

### A. CUSTOMER SERVICE & INFORMATION SECTION

The Public Information and Outreach Section provides information to rental property owners, tenants, and interested citizens regarding the full scope of the Rent Stabilization Ordinance and its respective mandated rights, requirements and habitability programs. This information is available by calling the LAHD Hotline, visiting the public counters listed below, or accessing the Department's web page at <http://lahd.lacity.org>. Information may also be requested by e-mail at [rso@lahd.lacity.org](mailto:rso@lahd.lacity.org).

**Telephone Hotline** - This telephone information service is staffed each business day from 9:00 am to 4:00 pm. After regular business hours, a voice mail system will accept messages and information requests for follow up. The Information Hotline numbers are as follows:

**(213) 808-8888**  
**(866) 557-RENT outside (213) area code**  
**(213) 978-3231 TTY**

**Public Information Counters** - Citizens may register properties, file landlord declarations, verify rental property registration, pay registration and Systematic Code Enforcement (SCEP) fees, file both rent and habitability complaints, and receive brochures and applications regarding current LAHD programs. The counter hours are from 9:00 a.m. to 4:00 p.m., Monday through Friday. Staff from the Customer Service and Information Section is also available to make presentations to schools, business, and community groups upon written request.

The LAHD offices are located at:

**3550 Wilshire Boulevard, #1500**  
**Los Angeles, CA 90010-2314**

**6640 Van Nuys Boulevard**  
**Van Nuys, CA 91405-4617**

**3415 South Sepulveda Boulevard, #150**  
**Los Angeles, CA 90034-6060**

**8475 South Vermont Avenue, 2<sup>nd</sup> Floor : Open T & Th only**  
**Los Angeles, CA 90044-3424**

**690 Knox Street, #125**  
**Los Angeles, CA 90502-1305**

**2215 North Broadway Street**  
**Los Angeles, CA 90031**

**B. BILLINGS SECTION**

The Billings and Collections Section handles the registration of rental units and collection of rent stabilization and code enforcement program fees, including late registration fees; delinquent fees; verification of registration status; and processes permanent exemption applications.

**C. RENT INVESTIGATIONS SECTION**

The Rent Investigations Section receives and processes tenants' complaints concerning violations of the Rent Stabilization Ordinance. These complaints may cover five areas:

1. Unit(s) not registered;
2. Notice to quit based on false and deceptive grounds;
3. Non-payment of relocation assistance fees;
4. Illegal rent increases; and
5. Illegal reduction of services.
6. Failure to post RSO notice.

**D. CASE ANALYSIS SECTION**

The Case Analysis Section receives and processes landlord applications for Capital Improvement surcharges, Rehabilitation Work (cited) rent increases, Just and Reasonable rent increases, Luxury Exemptions, non-profit certifications, Landlord Declarations of Intent to Evict, and applications for Re-rental Certificates.

**E. LANDLORD DECLARATION SECTION**

The Landlord Declaration Section receives and processes Landlord Declarations of Intent to Evict and applications for non-profit exemptions.

**F. HEARING SECTION**

The Hearing Section coordinates General Manager hearings for code violations and habitability complaints. This section also coordinates hearings in response to landlord and tenant appeals of Departmental decisions regarding rent adjustment and exemption certificate applications.

**G. RENT ADJUSTMENT COMMISSION (RAC) (LAMC 151.03 A)**

The Rent Adjustment Commission adopts and revises regulations that carry out the purposes of the Rent Stabilization Ordinance and hears appeals of General Manager decisions for certain habitability and rent increase cases.

**H. RENT ESCROW ACCOUNT PROGRAM (REAP)**

This program provides for the reduction of rent and placement of reduced rents into Rent Escrow Accounts for those rental properties with habitability deficiencies and violations of the Los Angeles Housing Code when owners have failed to comply with enforcement agency notices and/or orders. Tenants may deposit their reduced rents with the Los Angeles Housing Department until the landlord corrects the cited deficiencies.



### III. RENTAL UNIT REGISTRATION (LAMC 151.05)

#### A. RENTAL UNITS SUBJECT TO THE RSO (LAMC 151.02)

The RSO applies to the entire City of Los Angeles, including San Pedro and the San Fernando Valley. Residential rental units covered by the RSO include: apartments, condominiums, town homes, duplexes, two or more dwelling units on the same lot, mobile homes, mobile home pads, and rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for thirty (30) or more consecutive days (LAMC 151.02).

Unless specifically exempted from RSO registration, an owner cannot legally collect from a tenant unless the owner has paid the annual rent registration fee and provided a copy of a valid registration statement to the tenant. Tenants may raise the non-payment of RSO registration and/or Systematic Code Enforcement Program fees by the owner as an affirmative defense against eviction of the tenant.

#### B. EXEMPTIONS (LAMC 151.02)

Rental units that are **exempt** from the provisions of the RSO include:

- Housing accommodations located in a structure for which the first Certificate of Occupancy was issued after October 1, 1978;
- Single family residential dwellings where only one dwelling unit exists on the lot (exemption shall not apply to duplexes or condominiums);
- Government-owned housing;
- Non-profit housing accommodations specifically exempted by the LAHD;
- Artist-In-Residence units where the owner has obtained from the Department of Building and Safety a conditional use permit for a change of the Certificate of Occupancy and meets the requirements specified in *Los Angeles Municipal Code Section 91.8501*;
- Luxury units issued a LAHD Exemption certificate;
- Substantially Renovated units issued a Los Angeles Housing Department certificate. (As of October 4, 1989, this exemption is no longer granted).

Units occupied by the landlord or family members where no rents are collected.

**This exemption must be requested on a yearly basis.**

**Luxury Exemption** - Luxury Exemptions require that an application be filed with the Case Analysis Section and that a certificate be issued from LAHD before the landlord can claim the unit as exempt. For further information, prospective applicants should obtain and review the Luxury Exemption Regulations that are available at the LAHD Public Information Counters, by e-mail at [rso@lahd.lacity.org](mailto:rso@lahd.lacity.org), or by calling LAHD's Public Hotline at (213) 808-8888 or (866) 557-RENT.

**Substantial Renovation** - The Substantial Renovation exemption was eliminated effective October 4, 1989. The exemption is applicable to only those rental units for which the landlord submitted an application for a certificate of exemption on or before October 4, 1989, and which were issued a certificate from the LAHD.

### **CLAIMING AN EXEMPTION FROM RSO REGISTRATION AND/OR SCEP FEES**

Annual bills reflect the Los Angeles Housing Department's record of any permanent exemption, along with a temporary exemption for owner-occupancy. However, other exemptions must be re-asserted annually. To claim an exemption which is not indicated on the annual bill, the landlord should follow the instructions provided with the annual bill.

### **C. REGISTRATION PROCEDURES**

Under the City's RSO, landlords may not demand or accept rent without first obtaining a valid rental unit registration certificate from the LAHD. Registration of rental units requires payment of annual fees (\$18.71 per unit) and providing an emergency phone number.

Only the property owner or his/her designated agent may register the rental units subject to the Rent Stabilization Ordinance. In cases of new ownership or first time registrants, legal ownership must be established by providing a copy of one of the following documents:

- Recorded Trust Deed;
- Recorded Grant Deed;
- Recorded Quit Claim Deed;
- Recorded Corporation Deed;
- Court Receivership papers.

**New Owners** - New owners have forty-five (45) days from the close of escrow or recording of the ownership change with the Los Angeles County Recorder's Office to register the rental units. No penalties are incurred for a previous owner's non-registration; however, no rent may legally be collected unless the units are currently registered. If registration fees are current, a new owner will not have to pay additional fees for the calendar year, but must change legal ownership on the registration record.

**Yearly Registration Renewals** - Landlords are required to renew their registration annually **by the last day in February**. Renewal applications are mailed during the last week of December to all landlords whose property has a registration record on file with the LAHD. The address used will be the address on file with the Los Angeles County Assessor's office. **If a landlord does not receive a renewal application, it is the landlord's responsibility to make certain the annual registration fee is paid between January 1 and the end of February to avoid any penalties.**

**Registration Certificates** – Certificates are issued in April of each year. Registration certificates are good from April 30 of the year registered through April 30 of the following year.

**Payment Due Date and Penalties for Late Registration - *Both Systematic Code Enforcement Program and Rental Registration fees are due yearly and may be paid between January 1 to the last day in February.***

Beginning March 1<sup>st</sup>, the City assesses late charges of \$14.00 per rental unit for RSO registration and \$17.76 per rental unit for SCEP, which are added to the basic fees due. After July 1, the City sends out delinquent bills to landlords who have unpaid annual fees and assess additional penalties of \$14.00 for RSO registration and \$35.52 for SCEP which are added to the basic fees and the earlier late charge. Failure to pay the required fees may result in the additional collection efforts, including referral to a private collection agency which reports to credit bureaus and/or the filing of a legal action against the landlord by the City.

**D. REGISTRATION OF RENTAL UNITS BY MAIL**

Landlords who receive an annual Rental Unit Registration Application form are encouraged to register by mail. Each application includes an instruction sheet and a self-addressed return envelope. The landlord must complete the application form if there are any changes. Any changes regarding ownership, owner's address, telephone number and related information should be made to the pre-printed information on the form.

Exemptions are not automatically "carried over" from the previous year. If any of the exemptions listed on the application form apply, the required information should be provided and the number of units to be registered modified accordingly. Landlords who do not receive an application form may register their rental property by mail. The landlord must include the following information when registering *without* a preprinted application notice:

1. Exact street address of the property (use lowest house number on the lot –the Rent Stabilization Ordinance records are set up by the lowest number on county records);
2. Name and mailing address of the owner or owner's agent (include telephone number if available);
3. Number of units on the lot (total number of units before exemptions);
4. Number of units to be registered (may be less than the total units on the property due to exemptions);
5. Specific units to be exempted and the reason for exemption;
6. Exact dates of ownership. If property was purchased within 45 days, you must provide a copy of the document reflecting legal ownership; and check or money order payable to: City of Los Angeles-LAHD
7. Registration is not complete without the furnishing of an emergency phone number as required in Section 151.05B of the RSO. Please provide this information on your invoice when you submit your payment.

## E. REGISTRATION QUESTIONS

- ***What are the registration fees and penalties per unit?***

- **Regular Registration fee:** \$18.71 per unit
- **Late fee:** \$14.00 per unit plus the \$18.71 per unit regular fee if paid on or after March 1<sup>st</sup>.  
(\$14.00 + \$18.71 = \$32.71)
- **Delinquent fee:** \$28.00 per unit plus \$18.71 per unit regular fee, due upon LAHD notification.  
(\$28.00 + \$18.71 = \$46.71)

- ***Why must landlords register?***

The Los Angeles Municipal Code requires all owners of rental units who are subject to the Rent Stabilization Ordinance to register the units on a yearly basis **before** the owners can legally demand or accept rent (LAMC 151.05).

- ***Does a landlord pay a registration fee for every unit rented?***

No. There are exemptions if the unit qualifies and proof of qualification is given. The exemptions are listed on page 5.

- ***How can I find out if a unit is registered?***

Contact the Billings and Collections Section by telephone at (877) 614-6873 or (213) 808-8900, or by e-mail at [Billing@lahd.lacity.org](mailto:Billing@lahd.lacity.org).

- ***Is a landlord allowed to pass through part of the registration fee to the tenant?***

Yes, the landlord may pass through \$9.35 of the \$18.71 annual rental unit registration fee to the tenant(s), as a lump sum surcharge payable during the month of June, provided the landlord has paid the fee and given a 30-day written notice.

- ***Are registration fees the only fees due for my rent-stabilized units?***

No. The annual Systematic Code Enforcement Program (SCEP) fee is also billed annually on the same bill as the annual rental unit registration fees. (See page 40.) Other fees which may be collected include: additional inspection fees, substandard fees, Rent Escrow Account Program (REAP) fees, and legal fees. You may call the number above if you have any questions about a bill.

- ***What part of the Systematic Code Enforcement Program fee may the pass through to the tenant(s)?***

A landlord may pass through 100% of the annual \$35.52 SCEP fee per rental unit in the form of a monthly surcharge of \$2.96, provided that the landlord has paid the SCEP fee and given the tenant a thirty-day notice.

- ***I did not receive a bill. Does that mean I do not have to pay?***

Annual bills are provided as a courtesy. However, the property owner is responsible for timely payment regardless of whether or not a bill is received.

- ***What do I do if I do not receive an annual rental unit registration/SCEP bill from the Los Angeles Housing Department?***

If you own rental property in the City of Los Angeles for which you did not receive an annual bill, call the Housing Department at (213) 808-8900.

- ***What should I do if the information on the annual bill is incorrect?***

The information on property owner and number of units is obtained from the County Assessor. Should the information on the annual bill be incorrect, or if you wish to use a different billing address in the future, please provide updated information on the front of the payment coupon. The Department encourages you to ensure that the information on file with the County Assessor for your property is current.

## **E. RSO NOTIFICATIONS**

Effective August 16, 2009, landlords, who rent properties subject to the Los Angeles Rent Stabilization Ordinance, must post a notice providing information about the Rent Stabilization Ordinance as well as contact information for the Los Angeles Housing Department. The notice must be given in the attached LAHD form and be posted in a conspicuous location in the lobby of the property, near a mailbox used by residents of the property, or in or near a public entrance to the property. The notice must be written in English and Spanish and in any other languages required by the Los Angeles Housing Department (LAHD).

LAHD will inspect properties and notify property owners who fail to post the required notice. Landlords have 7 days to comply by posting the required notice. If the landlord fails to comply, a fine of \$250 per day may be charged after the seventh day that the landlord has failed to post the required notice.

See a sample of this notice in the back of the handbook Appendix 1.

## V. ALLOWABLE RENT INCREASES (LAMC 151.07)

### A. INCREASES REQUIRING PRIOR LAHD APPROVAL/DECLARATION

There are four types of rent increases that require either an application to be approved by or a declaration form be filed with the LAHD's Rent Stabilization Division. Department approval is required before the landlord can pass through any of these types of rent increase to the tenant. It is strongly recommended that landlords applying for Capital Improvement, Primary Renovation, Rehabilitation or Just and Reasonable rent increases obtain and read the applicable guidelines prior to filing. Incomplete or incorrect applications will be returned to the landlord.

The information may be obtained at LAHD's Public Information Counter, by calling the Public Information Hotline at (866) 557-RENT or (213) 808-8888, or by e-mail at [rso@lahd.lacity.org](mailto:rso@lahd.lacity.org), and requesting that this information be mailed.

**NOTE** - Once a rent increase is approved by LAHD, the landlord must serve a thirty (30) day written notice to the tenants, as required by California Law (Civil Code Section 827(2)(3)). If the rent is increased by more than 10% in a twelve (12) month period, a sixty (60) day written notice must be served.

#### 1. CAPITAL IMPROVEMENT

A Capital Improvement is the addition or replacement of an item in the rental unit or common areas of the housing complex containing the rental units. A Capital Improvement must meet the following minimum criteria:

- a. The improvement must primarily benefit the tenant rather than the landlord;
- b. The improvement must have a life expectancy of five years or more;
- c. The improvement must be permanently fixed in place or relatively immobile;
- d. The application must be submitted within 12 months of the completion of the work;
- e. Normal routine maintenance is not a Capital Improvement.

Examples of Capital Improvements are: roofing; carpeting; stuccoing or painting the exterior of a building; garbage disposals; hot water heaters; meter conversions; smoke detectors; etc. (Refer to LAMC Chapter XV, Section 151.02, Definitions.)

### **Capital Improvement Surcharge**

The following Capital Improvement provisions have been effective since October 1, 1989 (LAMC 151.07 A1a):

- A Capital Improvement increase is a temporary monthly surcharge, which must be removed from the rent after the allowable amount of time, normally 72 months.
- The Capital Improvement rent surcharge is 1/60<sup>th</sup> of fifty percent (50%) of the average per unit cost.
- Except as indicated below, Capital Improvement surcharges terminate after 72 months or six (6) years.
- **\$55 per month maximum surcharge.** The temporary monthly Capital Improvement surcharge is limited to \$55 per unit unless otherwise agreed upon in writing by the landlord and the tenant. If the surcharge as calculated (1/60 of 50%) exceeds \$55 per month, then the surcharge period of six (6) years may be extended until the allowable Capital Improvement expenses are recovered.
- The surcharge may be terminated if the Capital Improvement fails. The temporary surcharge will terminate if the Department determines there has been a complete failure of a Capital Improvement.
- A Capital Improvement surcharge for complete exterior painting is eligible only once every ten (10) years (LAMC 151.02 Definitions).
- There is no charge for the first application for a property in a calendar year. Subsequent applications for the same property in the same calendar year must be accompanied by a \$25 filing fee (LAMC 151.07 A2a).

### **Capital Improvement Questions**

- ***Does the landlord need the tenant's permission to do a Capital Improvement?***
- No. The landlord is required to give the tenant a 24-hour notice that he or she intends to enter the unit to make improvements.\* If the tenant does not provide the landlord reasonable access to the unit, the tenant runs the risk of being evicted under Section 151.09 A6 of the Ordinance. (Refer to Section VI – Evictions.)

\*Civil Code Section 1954(a).

- ***Can a tenant object to the proposed rent increase?***

Yes. After the landlord files an application with the Department, the tenants are mailed a "Notice of Proposed Rent Increase." Tenants have ten (10) days (from the postmark on the envelope) to submit a written letter of objection (LAMC 151.07A2b). The objection cannot be based on the fact that the tenant did not want the improvement. Objections can be made if the improvement was not completed, if the facts were inaccurate, if the tenant moved in after the work was completed, or if more than one year elapsed since the completion of the work (LAMC 151.07 A1a).

- ***What can a landlord do if the tenant refuses to pay the approved monthly surcharge?***

The landlord can evict the tenant for failure to pay the approved monthly surcharge in addition to the rent under Section 151.09 A1 of the Ordinance. (See Section VI – Evictions.)

- ***Can the approved surcharge be added to the security deposit?***  
No.

- ***Is there an appeal process?***

Yes. (Please refer to Section XIII – Hearings and Appeals.)

- ***How long after the completion of the work does the landlord have to apply for the increase?***

The landlord must file the application within one (1) year (twelve months) after the completion of the work (LAMC 151.07A2a).

## **2. PRIMARY RENOVATION WORK**

The City of Los Angeles adopted the Primary Renovation Program to encourage landlords to reinvest in the infrastructure of their properties through primary renovation work. At the same time, the program enacts safeguards to protect tenants both from unsafe living conditions while renovation work is undertaken and from extreme rent increases following the completion of such renovation work.

The amendment to the RSO implementing the Primary Renovation Program became effective on May 2, 2005, and replaced the major rehabilitation provisions of the RSO.



### The Primary Renovation Program:

- eliminates major rehabilitation as a ground for eviction;
- creates a new cost recovery program allowing landlords to increase rents to pay for improvements to major building systems and the abatement of hazardous materials, such as lead-based paint and asbestos; and
- imposes tenant habitability requirements, including temporary relocation, when improvements to major building systems or the abatement of hazardous materials is likely to temporarily affect the habitability of occupied units.

Before a landlord may obtain a permit to undertake primary renovation work that affects an occupied rental unit, the landlord must file a Tenant Habitability Plan with the Housing Department. This plan must mitigate conditions related to the primary renovation work that could make occupied rental units temporarily uninhabitable, either through precautions to ensure that tenants can safely remain in place during construction, or through the temporary relocation of tenants to replacement housing. The Rent Adjustment Commission has adopted regulations with specific requirements for tenant habitability plans.

Once the Housing Department accepts a Tenant Habitability Plan, the landlord must notify affected tenants about the work that will be done and the option available to the tenants.

### **Primary Renovation Questions**

- ***What is primary renovation work?***

Construction work that involves repairing or replacing major building systems, such as central heating/air conditioning, water and sewage piping, wiring inside walls, elevators, or reinforcement of the building structure. It also includes work which is undertaken to abate hazardous materials, such as lead-based paint or asbestos.

- ***What is a Tenant Habitability Plan?***

It is a plan that describes the kind of work the landlord is planning to do, how the work will affect then tenants and their units, and how long the work will take. The Plan should describe the safe work practices the landlord plans to use. For example, lead safe practices must be used to minimize the spread of lead dust, paint chips, soil, and debris during construction. The landlord must submit this plan to the Housing Department before any work begins.

- ***What if the tenant disagrees with the plan?***

If the tenant objects to the temporary housing arrangements made by the landlord, the tenant has fifteen (15) days from receipt of the 60-day Notice of Primary Renovation Work to file an appeal of the Plan with the Housing Department.

- ***How soon can the renovation work begin?***

The work may begin no sooner than sixty (60) days after the landlord has served the tenant with (1) a copy of the Plan; (2) a Notice of Primary Renovation Work; (3) a summary of the provisions of the Tenant Habitability Program; and (4) a permanent relocation form if the work will last thirty (30) days or more.

- ***Can the tenant remain in their rental unit while the renovation work is done?***

Yes, if the work does not make the rental unit uninhabitable outside construction hours and will not expose tenants to toxic or hazardous materials.

- ***Are there restrictions on hours when work may take place?***

The landlord is permitted to do construction work from Monday through Friday between the hours of 8 am and 5 pm and must restore all housing services such as utilities by 5 pm.

- ***When can the tenant choose permanent relocation?***

If the work will take thirty (30) days or more, the tenant can choose permanent relocation. The tenant may also choose permanent relocation if the work continues 30 days longer than the completion date stated in the Plan, or 30 days longer than any later Plan modification accepted by the Housing Department.

- ***If the tenant chooses permanent relocation, what is the amount of assistance required?***

A qualified tenant may receive \$18,300 per household. All others will receive \$9,650 per household. A “qualified tenant” is someone who is age 62 or older; is disabled; or has at least one dependent child under 18. If you choose permanent relocation and receive the money, you must move out. If you do not, eviction proceedings may be brought against you.

- ***When is a tenant required to temporarily relocate?***

When the unit will not be habitable outside of construction hours or the tenants will be exposed to hazardous materials at any time.

- ***What are the options for temporary relocation if the relocation lasts less than thirty (30) days?***

If temporary relocation will last less than thirty (30) days, the landlord may:

- Move the tenant(s) to another “habitable” unit in the same building or another building; or
- Move the tenant(s) to a motel or other housing; or
- Offer the tenant a daily dollar amount to find temporary housing.

- ***What are the options if temporary relocation lasts thirty (30) days or more?***

If temporary relocation will last (thirty) 30 days or more, the landlord may:

- Move the tenant to another “comparable” unit in the same building or another building; or
- Offer the tenant a daily dollar amount to find temporary housing; or
- The tenant may choose to vacate the unit and get permanent relocation money.

- ***What if the tenant fails to temporarily relocate ?***

If the tenant fails to temporarily relocate in accordance with an accepted Tenant Habitability Plan, eviction proceedings may be commenced.

- ***What if the tenant fails to pay rent while they are living in temporary housing ?***

While living in temporary housing, the tenant must continue to pay rent to your landlord as usual. Otherwise, eviction proceedings may be commenced.

- ***Who is responsible for the cost of temporary housing?***

The landlord must pay for all temporary housing costs.

- ***What happens to the tenants’ personal belongings while they are temporarily relocated?***

The landlord must take steps to secure and protect the tenants’ property from damage or loss and the Tenant Habitability Plan should describe what precautions will be taken to safeguard the tenants’ belongings. The tenant and landlord may agree to a payment to allow the tenant to move or store their own belongings.

- ***Can the landlord raise the rent for the unit after doing the primary renovation work?***

Maybe. Within twelve (12) months after finishing the work, the landlord may file an application for rent increase with the Housing Department.

- ***How much can the rent be raised for primary renovation work?***

If the landlord's application for a rent increase is approved, the rent may be increased by 10% divided equally over two years. This increase is in addition to any regular yearly rent adjustment (e.g. 3%-5% a year).

- ***How much can my rent be raised for a low-income tenant?***

A 10% increase for primary renovation work can be imposed no more than once during the lifetime of a tenancy for a low-income tenant whose annual household income is at or below 80% of the HUD area median income for the Los Angeles area.

- ***What if the landlord does not follow the Tenant Habitability Plan?***

If the landlord fails to follow the Plan, the Housing Department will deny the landlord's application for a rent increase. If the landlord does not provide permanent relocation assistance, the tenant can sue the landlord for damages, in the amount of the unpaid relocation assistance, attorney's fees and costs. If a landlord fails to carry out his or her obligations under a temporary relocation plan, the tenant can sue the landlord for all actual damages, special damages (twice actual damages or \$5,000, whichever is greater), punitive damages (if the failure was intentional), attorney's fees and court costs.

- ***Where can I find the additional information, forms, and the Tenant Habitability regulations?***

Both the Primary Renovation Program Ordinance and the Rent Adjustment Commission's Tenant Habitability Program Regulations may be found at the Housing Department's website: <http://lahd.lacity.org>.

### 3. **REHABILITATION WORK (CITED)**

Temporary rent surcharges are allowed for cited rehabilitation work required by the Dorothy Mae Ordinance (requires all pre-1943 residential buildings or R-1 occupancy, three or more stories in height, to meet certain specified retroactive fire safety requirements. Ordinance No. 158,963, effective 6/20/84), impact hazard glazing and any other code requirement passed after January 1, 1979 (LAMC 151.02), as well as for work performed in order to repair damage resulting from fire, earthquake, or natural disaster. However, if the landlord has obtained a rehabilitation loan, the landlord shall only be entitled to a temporary monthly rent increase amortized over the life of the loan which is calculated based only on the loan's principal.

This temporary monthly surcharge shall not exceed \$75.00 per month or 10% of the Maximum Adjusted Rent; whichever is less, for each rental unit unless agreed upon in writing by the landlord and the tenant. If the surcharge, as calculated under the above formula, would exceed \$75.00 per month or 10% of the Maximum Adjusted Rent, whichever is less, then the surcharge period of five years may be extended until the allowable rehabilitation expenses are covered.

The total allowable cost is amortized over a five-year period. The total allowable cost is divided by 60, and then divided by the number of units benefiting from the work.

The landlord has one (1) year from the completion date of the work to file an application with LAHD. The first application for a building in a calendar year is free. A \$25 filing fee must accompany subsequent applications for the same building in the same calendar year (LAMC 151.07 A2a).

### 4. **JUST AND REASONABLE (LAMC 151.07 B & RAC Regs. 240.00)**

A Just and Reasonable rent increase is an increase which may be authorized by a hearing officer in situations where the landlord may have incurred reasonable operating expenses which have exceeded the rent increases allowed by the Ordinance (RAC Regulations 240.03). Landlords should be able to maintain the same level of net operating income as they experienced in 1977, prior to the adoption of the Rent Stabilization Ordinance, with a price level percentage adjustment. A landlord is required to submit a completed application with copies of all supporting documentation and a \$25 filing fee (LAMC 151.07 B3). LAHD staff reviews the application and documentation and prepares an analysis for the hearing officer. A public hearing is held after which the hearing officer renders a decision to grant, modify or deny a requested rental increase (RAC Regulations 240.02).

**Just and Reasonable Questions*****What kinds of items are considered in an application for a Just and Reasonable rent increase?***

- Actual rental income (RAC Regulations 241.03)
- Management and administrative expenses (RAC Regulations 241.09A)
- Landlord performed services (RAC Regulations 241.09 B)
- Operating expenses (such as electricity, water and sewer, gas and other building services) (RAC Regulations 241.09C)
- Maintenance expenses (such as security, grounds maintenance, building maintenance and repairs and painting) (RAC Regulations 241.09 D)
- Taxes and insurance expenses (including real estate taxes) (RAC Regulations 241.09 E).

**Examples of Items Not Considered:**

- Penalties and late fees imposed by Ordinance (RAC Regulation 241.13B1)
  - Debt service (mortgage and interest payment)
  - Depreciation
  - Increased costs which are prohibited from being passed through to tenants by the City or State (RAC Regulation 241.13B3)
  - Costs for which a landlord has already received a rent increase based on the Capital Improvement Regulations or other RAC regulations (RAC Regulation 241.13B5)
  - Reimbursed expenses.
- ***Is there an appeal process if the landlord and/or tenant objects to the hearing officer's decision?***  
 Yes, the Hearing Officer's decision may be appealed to the Rent Adjustment Commission. See Section XIII, Hearings and Appeals (LAMC 151.07 B4a).

**B. INCREASES NOT REQUIRING LAHD APPROVAL****1. ANNUAL ALLOWABLE RENT INCREASE**

The annual allowable rent increase is based on the Consumer Price Index (CPI) average for the Los Angeles - Long Beach - Anaheim areas for a twelve (12) month period ending September 30 of each year (LAMC 151.07 A6). Under the RSO, the percentage can be no lower than three percent (3%) and no higher than eight percent (8%). The percentage is published on or before May 30 of each year for the following twelve (12) month period beginning on July 1st and ending on June 30. The chart on the next page indicates the chronology of allowable rent increases:

<u>DATE</u>	<u>PERCENTAGE ALLOWED</u>
5/1/79 - 6/30/85	7%
7/1/85 - 6/30/86	4%
7/1/86 - 6/30/87	5%
7/1/87 - 6/30/88	4%
7/1/88 - 6/30/89	4%
7/1/89 - 6/30/90	5%
7/1/90 - 6/30/91	5%
7/1/91 - 6/30/92	5%
7/1/92 - 6/30/93	5%
7/1/93 - 6/30/94	3%
7/1/94 - 6/30/95	3%
7/1/95 - 6/30/96	3%
7/1/96 - 6/30/97	3%
7/1/97 - 6/30/98	3%
7/1/98 - 6/30/99	3%
7/1/99 - 6/30/00	3%
7/1/00 - 6/30/01	3%
7/1/01 - 6/30/02	3%
7/1/02 - 6/30/03	3%
7/1/03 - 6/30/04	3%
7/1/04 - 6/30/05	3%
7/1/05 - 6/30/06	3%
7/1/06 - 6/30/07	4%
7/1/07 - 6/30/08	5%
7/1/08 - 6/30/09	3%
7/1/09 - 6/30/10	4%
7/1/10 - 6/30/11	3%

The annual increase may be imposed only if twelve (12) months or more have elapsed since the last such rent increase. The increase is neither cumulative nor retroactive. Landlords are required to serve tenants with a written 30-day notice before the increase may be collected (RAC Regulations 360.00 and California State Civil Code).

### **Allowable Rent Increases Questions**

- ***Can the landlord charge for utility services?***

Yes. The landlord may increase the annual percentage by one percent (1%) for gas and/or another one percent (1%) for electric service that is available in the unit when the landlord pays for such service (LAMC 151.06 D).

- ***Does the one percent (1%) increase apply to hot water or gas used to heat water in a common boiler?***

No. Neither cost can be passed through to the tenant.

- ***When can the increase percentage exceed the annual allowable increase?***

If the rental unit has not had an increase since May 31, 1976, then the landlord can increase the rent by an amount not to exceed nineteen percent (19%) (LAMC 151.06 A), or if the unit has not had an increase since May 31, 1977, then the increase can be thirteen percent (13%) (LAMC 151.06 B). The one percent (1%) for each utility also applies. (Also, see Managers as Tenants, Section IV B5.)

- ***Are there any exceptions to the annual increase?***

Yes, an increase may not be imposed for a substandard housing unit for which a notice of noncompliance has been sent to the State Franchise Tax Board, if the violations that were the subject of the notice have not been corrected (LAMC 151.06 D Exception). Rent increases are also not allowed for units in the REAP or rent reduction program.

- ***Can a security deposit, last month's rent, etc. be increased?***

Yes, only by the annual allowable percentage and only at the same time that the percentage is applied. A new landlord cannot ask for an additional security deposit. Security Deposits are defined under ***California Civil Code 1950.5*** (LAMC 151.02 Definitions – Rent).

- ***Can the landlord request the annual allowable increase if the tenant has a two-year lease?***

It depends on whether or not the increase violates the terms of the lease. Any increase must be addressed in the terms of the lease agreement.

- ***Can a late fee be charged if a tenant is late with the rent?***

Yes, but only if the late fee amount is included in the original rental agreement/contract (California State Civil Code Section 1812.626). Otherwise, addition of a late fee amount would violate the maximum allowable rent allowed under the RSO.

- ***When is rent considered late?***

Rent is due on the day specified by the landlord or the lease agreement. The Ordinance does not provide for a grace period. A grace period and its specified duration exist only if it is a part of the original rental agreement/contract.



## 2. RECOVERY OF REGISTRATION FEE (LAMC 151.05 F)

Rental property owners may recover \$9.35 of the \$18.71 Registration fee from the tenant **only during the month of June** of the year in which the registration fee was paid. The property owner must serve the tenant with a 30-day written notice before collecting this annual surcharge.

## 3. RECOVERY OF SYSTEMATIC CODE ENFORCEMENT PROGRAM (SCEP) FEE

Rental property owners may recover \$100% of the annual \$35.52 SCEP fee per rental unit in the form of monthly surcharge of \$2.96, provided that the landlord has paid the SCEP fee and given the tenant a thirty-day notice of the increase from the previous monthly surcharge amount.

## 4. ADDITIONAL TENANT (LAMC 151.06 G & RAC Regulations 310.00)

The maximum rent or maximum adjusted rent may be increased by an amount not to exceed ten percent (10%) for each additional tenant who joins the occupants of the rental unit. **However, the rent may not be increased for the first minor dependent child added to a tenancy.** When the additional tenant(s) vacate(s) the unit, the remaining tenant(s) must notify the landlord in writing, and the rent shall be reduced by a dollar amount equal to the increase.

### **Additional Tenant Questions**

- ***Can the landlord increase the rent for a newborn baby?***

Not if the baby is the first minor dependent child added to the tenancy after December 8, 1990. Multiple births (twins, etc.) shall be considered as one child added to an existing tenancy.

- ***Is the amount of the additional tenant increase subject to the annual increase?***

Yes. However, it should be noted that once the additional tenant has left the unit or has been removed from the unit, the ten percent (10%) increase must be removed from the rent amount. The yearly allowable increase remains as part of the rent.

- ***Is a replacement roommate considered an additional tenant?***

No. For example, when two (2) tenants occupy a unit and one of the tenants vacates the unit and the remaining tenant gets a replacement roommate, the replacement roommate does not constitute an additional tenant. However, the landlord does have the right to approve the new tenant. Approval cannot be unreasonably withheld.

#### 4. **SMOKE DETECTORS** (RAC Regulations 340.00)

All landlords are required by law to have installed permanently wired smoke detectors in all dwelling units in the City of Los Angeles by August 1, 1983 (LAMC 151.06.1).

The landlord can assess a \$3 per detector per month surcharge until the cost, including installation of the detectors, is recovered. If a landlord adds an automatic surcharge, the landlord may add an interest charge to the actual cost of materials and labor to compensate the landlord for the use of the money in making the installation. The landlord must serve a tenant with a written 30-day notice, within two (2) months after installation, showing the actual purchase and installation cost and the month and year the surcharge will terminate. Eligible costs are detailed in the Smoke Detector Guidelines (RAC Regulations 343.02).

#### **Smoke Detectors Question**

- ***When can the cost of a smoke detector be recovered? Can the cost be recovered if the landlord fails to notify the tenant within the two (2) month deadline?***

Yes. The landlord can apply for a Capital Improvement rent increase within 12 months of installation of new smoke detectors (LAMC 151.07A).

#### 5. **MANAGERS AS TENANTS**

The landlord-manager relationship is an employer-employee business arrangement (RAC Regulations 920.00). Managers having concerns over termination procedures of their services are advised to seek legal advice.

#### **Rental Level after Termination of Manager's Services**

The establishment of the rent level and applicable rent increases when a manager's services are terminated depends upon a variety of situations:

- Whether the manager received paid compensation in addition to housing accommodations.
- Whether the manager was a previous tenant and became a manager before or after May 31, 1978.

**Managers as Tenants Questions**

- ***Which guideline provides information on the subject of apartment managers?***

The RAC Guidelines (Section 920.00) and the bulletin titled, “Managers as Tenants,” may be obtained at LAHD’s Public Counter or by calling LAHD’s Public Information Hotline at (213) 808-8888 or (866) 557-RENT.

- ***Which agency administers the City law that requires that a manager be on the premises of a building having 16 or more units?***

The City of Los Angeles Fire Department administers the Responsible Resident Required law (LAMC 57.112.04, amended by Ordinance 170954, effective 4/16/96). For questions regarding this Ordinance, contact the Fire Safety & Education Program at (213) 978-3600 or (818) 756-9675. Local fire stations enforce this Ordinance. The property owner needs to register at the properties nearest fire station or go on line at <http://www.lafd.org/>.

**6. ADDITIONAL SERVICES CONTRACT (LAMC 151.18)**

A landlord and tenant may enter into a contract for a housing service that was not part of the original terms of tenancy. A valid additional services contract must:

- Be written;
- Describe the additional service(s);
- Specify the length of the service(s);
- Specify the monthly charge for the service(s).

Monies paid for an additional service are not considered rent. Additional services contracts are voluntary, and neither the refusal of a tenant to enter into such agreement, nor the breach of such a contract by the tenant shall be grounds for eviction.

**C. RENT LEVEL AFTER A VACANCY**

The allowable rent level after a vacancy depends on the reason for the vacancy. The Rent Stabilization Ordinance provides that the rent levels be decontrolled on a rental if the vacancy is due to any of the following reasons:

- The tenant voluntarily vacated the unit.
- The tenant was evicted for non-payment of legal rent.
- The tenant was evicted for violating the terms of the rental agreement and failing to cure the violation.

The Ordinance requires the rent for a new tenant to remain the same if the vacancy occurred for any other reason.

**Examples of circumstances under which the landlord may NOT raise the rent upon re-rental:**

- The landlord evicted the previous tenant to recover the unit for the occupancy by the landlord or the landlord's spouse, parent(s) or children.
- Following an eviction for occupancy by the landlord or a member of his immediate family, and the landlord or his family member subsequently vacated the rental unit.
- The tenant was evicted for using or permitting the rental unit to be used for an illegal purpose.
- The tenant was evicted for refusing to enter into a new written rental agreement, of like terms and duration.
- The tenant was evicted for refusing the landlord reasonable access to the rental unit.
- Rental assistance was terminated when the landlord canceled or failed to renew a Section 8 Housing Assistance Payments contract. (City Ordinance 174,501 in effect as of April 9, 2002, makes it “unlawful for any landlord to terminate or fail to renew a rental assistance contract with the Housing Authority of the City of Los Angeles (HACLA), and then demand that the tenant pay rent in excess of the tenant’s portion of the rent under the rental assistance contract.” This ordinance is intended to prohibit landlords from terminating Section 8 rental assistance payments as a means of forcing a tenant, who could not otherwise be evicted, to voluntarily vacate the unit or evict them on the grounds of nonpayment of rent.

## V. PAYMENT OF INTEREST ON SECURITY DEPOSITS

The Los Angeles City Council amended the Rent Stabilization ordinance effective December 6, 1990, requiring rental property owners subject to the provisions of Section 1950 of the California Civil Code, to pay interest on security deposits. The Ordinance was further amended on June 7, 2001 (Ordinance Number 174017), which revised the interest rates accrued to security deposits.

- ***What is a security deposit?***

A security deposit is essentially any money paid by a tenant to a landlord, which is subsequently held by the landlord for the purposes of providing compensation for a tenant's failure to pay rent. Additionally, the deposit may be used for repairing damages to the premises (exclusive of ordinary wear and tear), caused by the tenant or a guest or licensee of the tenant; for cleaning the premises upon termination of the tenancy; and for remedying any future defaults by the tenant in complying with any term under the rental agreement to restore, replace, or return personal property or appurtenances, exclusive of ordinary wear and tear, should the rental agreement authorize the security deposit for this use. For an expanded discussion of what a security deposit is, please refer to Subsection (b) of Section 1950.5 of the California Civil Code.

- ***Under what conditions must landlords pay interest on security deposits?***

Landlords of rental units covered by the Los Angeles City RSO, which includes dwelling units, suites, condominiums, duplexes, guest rooms, and rooms in a hotel, motel, rooming house or boarding house occupied by the same tenant for more than 30 consecutive days, with a certificate of occupancy first issued before October 1, 1978, for units which are subject to the provisions of Section 1950.5 of the California Civil Code, must pay annually interest on all security deposits held for at least one (1) year for their tenants. This provision does not cover mobile home parks.

- ***What is the interest which must be paid on tenants' security deposits?***

Under the current provisions of the Rent Stabilization Ordinance, landlords may pay either the actual rate of interest earned or by percentage established each year by the Rent Adjustment Commission. The following are the interest rates adopted by the Commission:

• November 1, 1990 through	December 31, 2000:	5%
• January 1, 2001 through	December 31, 2001:	2%
• January 1, 2002 through	December 31, 2002:	0%*
• January 1, 2003 through	December 31, 2003:	1%
• January 1, 2004 through	December 31, 2004:	0.26%
• January 1, 2005 through	December 31, 2005:	1.21%
• January 1, 2006 through	December 31, 2006:	1.74%
• January 1, 2007 through	December 31, 2007:	2.39%
• January 1, 2008 through	December 31, 2008:	3.22%
• January 1, 2009 through	December 31, 2009:	1.76%
• <b>January 1, 2010 through</b>	<b>December 31, 2010:</b>	<b>0.55%</b>

\*No interest was required on security deposits for the period of January 1, 2002, through December 31, 2002 by Council action (Ordinance 175020).

- ***How and when is payment of interest on security deposits to be made?***

- a. During the Tenancy - A tenant is to be given the unpaid accrued interest on security deposit in the form of either a direct payment or a credit against rent. The landlord must choose between the two (2) methods of payment and must notify the tenant in writing of his/her choice. The landlord may choose to pay the accrued interest on a monthly or yearly basis.
- b. Upon Termination of the Tenancy - Payment of any unpaid accumulated interest on the tenant's security deposit must be made at the same time and in the same manner as required for return of security deposits in California Civil Code Section 1950.5(f).
- c. Upon Termination of a Landlord's Interest in a Property - All accumulated interest on security deposits must be disposed of in the same manner as required for security deposits by California Civil Code Sections 1950.5(g) and 1950.5(h).

- ***May landlords still exercise their own discretion in investing security deposits?***

Yes. Nothing in the Ordinance prevents landlords from exercising their own discretion rights in investing deposits (LAMC No. 151.06 .02F).

- ***What happens if a tenant who is entitled to interest on a security deposit, as provided for in Ordinance No. 174017, is not paid the interest, and what action may the tenant take to recover the amount owed?***

The tenant may bring an action in a court of appropriate jurisdiction including, but not limited to, Small Claims Court to recover the amount owed, as per LAMC 151.06.02G.

The Rent Stabilization Division of the City of Los Angeles will not investigate complaints concerning non-payment of interest on security deposits as the Ordinance provides only a civil remedy. For more information on Section 1950.5 of the California Civil Code, you may contact:

1. The Los Angeles County, Department of Consumer Affairs  
500 W. Temple Street, Room B-96, Los Angeles, CA 90012  
(213) 974-1452      <http://consumer-affairs.co.la.ca.us>
2. The California Department of Consumer Affairs Website:  
<http://www.dca.ca.gov>

## VI. EVICTIONS (LAMC 151.09)

### A. TWELVE LEGAL REASONS FOR EVICTIONS

**A landlord may bring an action to recover possession of a rental unit only upon one of the following grounds (LAMC 151.09):**

1. The tenant has failed to pay the rent to which the landlord is entitled including amounts due under Subsection D of Section 151.06.
2. The tenant has violated a lawful obligation or covenant of the tenancy other than the obligation to surrender possession, upon proper notice and has failed to cure such violation after having received written notice thereof from the landlord.
3. The tenant is committing or permitting to exist a *nuisance* in or is causing damage to the rental unit, or to the appurtenances thereof, or to the common areas of the complex containing the rental unit, or is creating an unreasonable interference with the comfort, safety, or enjoyment of any of the other residents of the rental complex or within a 1,000 foot radius extending from the boundary line of the rental complex.
4. The tenant is using, or permitting a rental unit, the common areas of the rental complex containing the rental unit, or an area within a 1,000 foot radius from the boundary line of the rental complex to be used for any *illegal purpose*.
5. The tenant, who had a written lease or rental agreement which terminated on or after the effective date of this Chapter, has refused, after a written request or demand by the landlord to execute a written extension or renewal **for a further term of like duration with similar provisions** and in such terms as are not inconsistent with or violate of any provision of this Chapter or any other provision of law.
6. The tenant has refused the landlord reasonable access to the unit for the purpose of making repairs or improvements, or for the purpose of inspection as permitted or required by the lease or by law, or for the purpose of showing the rental unit to any prospective purchaser or mortgagee.
7. The person in possession of the rental unit at the end of a lease term is a subtenant not approved by the landlord.
8. The landlord seeks in good faith to recover possession of the rental unit for use and occupancy by:
  - a. The landlord, or the landlord's spouse, children, or parents, grandparents, grandchildren provided the landlord is a natural person (not a corporation or partnership). However, a landlord may use this ground to recover possession for use and occupancy by

the landlord, landlord's spouse, child, parent, grandparents or grandchildren only once for that person in each rental complex of the landlord; or

- b. A resident manager, provided that no alternative vacant unit is available for occupancy by the resident manager; except that where a building has an existing resident manager, the owner may only evict the existing resident manager in order to replace him/her with a new manager.

**Ordinance 180741** which became effective **August 1, 2009**, changes the requirements for evictions from rent-stabilized units for occupancy by an owner, family or resident manager and provides for reduced relocation amounts in limited circumstances for “Mom and Pop” landlords.

#### New Ownership Requirements for Evictions for Occupancy by a Family Member or Resident Manager

The new Ordinance expanded the list of eligible family members who may qualify to recover an RSO rental unit for family occupancy to include grandchildren and grandparents. Previously, these types of evictions were limited to spouses, children or parents. The new ordinance provides that in order to recover possession of a rental unit for owner occupancy, a landlord must own title to at least 25 percent of the property or be a beneficiary with an interest of at least 25 percent in a trust that owns the property. A landlord may recover possession of a rental unit for resident manager only if the landlord is a natural person who possesses legal title to at least 50 percent of the property or is a beneficiary with an interest of at least 50 percent in a trust that owns the property.

#### Good Faith Intention to Occupy and Verification Requirement

Under the new provisions of Section 151.30 B, the new occupant must move in within 3 months of vacancy and intend to occupy the rental unit for at least 2 years. Failure to do either may be evidence of a bad faith eviction. The landlord must file a re-rental notice with LAHD within **3 months of evicting a tenant and on the 1st and 2<sup>nd</sup> year filing anniversary** after the tenant vacates the rental unit, stating the replacement tenant still occupies the unit. An owner who offers a rental unit that was subject to tenancy termination under Subdivision 8 of Subsection A of Section 151.09 for rent or lease within two years after the tenant vacated the rental unit must first offer to rent the rental unit to the displaced tenant(s), provided that the tenant(s) advised the landlord in writing within 30 days of displacement of the tenant's desire to consider an offer to renew tenancy.

#### Tenant Protections

The new Ordinance imposes certain tenant protections and limits the selection of the unit for eviction. A landlord cannot evict if a comparable unit is vacant. Also, the landlord must evict the most recent tenant to occupy a unit with the needed number of bedrooms, unless the landlord needs a different unit because of medical necessity as certified by a treating physician. Further, certain tenants are protected from evictions for resident manager or owner/family occupancy, including tenants who have resided in the rental unit for at least ten years and are at least 62 years of age or disabled, and tenants who are terminally ill as certified by a treating physician.

#### Penalties and Fees

There is an administrative fee of \$75 per tenancy termination for move-in of a resident manager or owner or family member. A landlord who evicts in bad faith is liable to the



evicted tenant for treble damages, equitable relief and attorneys' fees, and the City may sue for punitive damages and equitable relief. If a landlord fails to file the required notices, the landlord is liable for a fee of \$250 per day of delinquency.

### **REDUCED RELOCATION FEES FOR “MOM & POP” LANDLORDS**

Once every three years, a qualifying landlord (“Mom and Pop”) can pay a reduced relocation fee for a good faith eviction for occupancy by the owner, family member or a resident manager, provided that certain requirements are met as prescribed in Section 151.30 of the LAMC. In these instances, the required relocation assistance is **\$7,000** for a **eligible tenants** and **\$14,000** for **qualified tenants**. This reduced fee applies if the property containing the rental unit contains 4 or less units, the landlord owns no more than one other single-family home on a separate lot in Los Angeles, and the eligible relative moving into the rental unit does not own residential property in the City. For more information, please refer to Ordinance 180747.

9. The landlord, having complied with all applicable notices and advisements required by law, seeks in good faith to recover possession so as to undertake Primary Renovation Work of the rental unit or the building housing the rental unit, in accordance with a Tenant Habitability Plan accepted by the Department, and the tenant is unreasonably interfering with the landlord's ability to implement the requirements of the Tenant Habitability Plan by engaging in any of the following actions:
  - a. The tenant has failed to temporarily relocate as required by the accepted Tenant Habitability Plan; or
  - b. The tenant has failed to honor a permanent relocation agreement with the landlord pursuant to Section 152.05 of the RSO.  
(Amended by Ordinance no. 176544, effective May 2, 2005.)
10. The landlord seeks in good faith to recover possession of the rental units under either of the following circumstances:
  - a. to demolish the rental unit or
  - b. to remove the rental unit permanently from rental housing use.  
(Amended by Ordinance no. 176544, effective May 2, 2005.)
11. The landlord seeks in good faith to recover possession of the rental unit in order to comply with a governmental agency's order to vacate the building housing the rental unit as a result of a violation of the Los Angeles Municipal Code or any other provision of law.
12. The Secretary of Housing and Urban Development is both the owner and plaintiff and seeks to recover possession in order to vacate the property prior to the sale and has complied with all tenant notification requirements under federal law and administrative regulations.  
(Amended by Ordinance No. 173224, effective May 11, 2000.)

## B. EVICTIONS REQUIRING THE FILING OF A DECLARATION

The following reasons for eviction require that a landlord file a “*Landlord Declaration of Intent to Evict*” form with the LAHD:

- #3 - Nuisance, related to illegal drug or gang activity
- #4 - Illegal purpose, related to illegal drug or gang activity
- #8 - Owner, family member, or resident manager’s occupancy
- #10 - Permanent removal & Demolition
- #11 - To comply with a governmental order
- #12 - HUD eviction.

The landlord must attach a copy of the processed declaration to the written eviction form.

For evictions for reason #8 (owner or family occupancy or for installation of a resident manager), a copy of the filed Declaration must be served upon the tenant on the date in which the tenant is served a written Thirty (30) Day Notice to Quit as required by State law. As of January 1, 2007, the required notice time is 60 days.

For evictions for reason #10, demolition or permanent removal, a copy of the filed Declaration must be served upon the tenant on the date on which the tenant is served a written 120-day notice, and

- a. Tenants who are at least 62 years of age or disabled and have lived in the property for one year or more when the units are to be withdrawn from the rental market (amended by Ordinance Number 173868), are entitled to an extension of up to one year from the date of service to the tenant. The landlord must disclose this entitlement on the original 120-day notice.
- b. Qualified tenants have the first 60 days of the 120-day notice to respond in writing to the owner requesting the entitlement of up to one year.

For evictions for reason #11, to comply with a governmental order, a copy of the governmental order must be attached to the declaration and must be served to the tenant in the manner prescribed by Section 1162 of the California Code of Civil Procedure instead of simply attaching the standard written notice to quit.

All of these evictions (#8, 10, 11 and 12) require that Relocation Assistance defined in Section VII) be paid by the landlord within the first fifteen (15) days of the service of the Notice to Quit. This can either be done by direct payment to the tenant or by an escrow account. However, when utilizing the eleventh (11th) legal reason for eviction, should the hazardous conditions resulting in the governmental agency's order to vacate be due to hazardous conditions caused by natural disaster, no relocation assistance is required (LAMC 151.09G).

### C. EVICTIONS NOT REQUIRING PRIOR APPROVAL OF A DECLARATION

Landlords must file a Landlord Declaration of Intent to Evict for reasons #3 and #4 when evicting for illegal drug activity, but this eviction does not require the LAHD's prior approval. No relocation assistance is required.

The evictions numbered 1, 2, 5, 6, and 7 of Section A above do not require a Declaration or any additional forms to be filed with the LAHD.

Ellis eviction Declarations when stamped received by the Landlord Declaraton staff and are to be served on the tenant within 5 days.

#### **Eviction Questions**

- ***What steps follow a Three (3) Day Notice to Pay or Quit?***

If the obligation demanded (i.e., payment of rent) has not been satisfied within three (3) days after the notice was served, the landlord may then file suit against the tenant in Municipal Court to have the tenant evicted. This legal document is known as an Unlawful Detainer. The purpose of this process is for the landlord to recover the possession of the rental unit from the tenant.

- ***How can I learn more about the Unlawful Detainer process?***

State law regulates the Unlawful Detainer process. Further questions should be directed either to:

Los Angeles County Consumer Affairs at:  
(213) 974-1452

Los Angeles Superior Court General Information line at:  
(213) 974-6135  
<http://www.lasuperiorcourt.org>

Los Angeles Superior Court -Unlawful Detainer Section at:  
(213) 893-2392 or (213) 974-7802

See also the Legal Services list under section # XIV Referral Agencies, beginning on Page 57.

- ***What if the tenant pays part of this rent?***

The landlord is legally entitled to the full amount of rent when it is due. If only partial rent is paid, the landlord is entitled to file a 3-Day Notice to Pay or Quit.

- ***What if the landlord refuses to accept timely rent?***

*It is illegal for a landlord to refuse to accept rent when it is due.* However, such refusal is not covered under the Rent Stabilization Ordinance. Please call Los Angeles County Consumer Affairs at (213) 974-1452 for relevant State laws. The tenant may wish to send the rent due to the landlord via Registered or Certified Mail with a return receipt requested.

- ***Is there a grace period for late rent?***

Rent is due on the day stated in the rental agreement. If that date has passed, the landlord is entitled to file a 3-Day Notice to Pay or Quit. The landlord may allow a grace period in a written rental agreement, which may include late fees. **The law does not mandate a grace period.**

- ***How long can a tenant remain in the dwelling without paying rent if he is moving out or he is being evicted?***

The tenant is responsible for rent for every day he remains in the unit. The landlord may sue the tenant in court for any unpaid rent.

- ***Can a security deposit be used for the last month's rent?***

No. If a tenant has not specifically paid the last month's rent when he moved in, he must pay his regular rent during his last month of tenancy. However, a landlord may use the security deposit if the tenant defaults by not paying all of his rent before he moves out (Civil Code Section 1950.5 (b)(1). (See *California Law for further information on the collection and use of the security deposit.*)

- ***May a tenant be evicted for keeping a dog when his contract has a no pet clause?***

Yes. Keeping a pet when the rental agreement specifically forbids a pet is a violation of the written rental agreement. The landlord can give a 3 or 30-Day Notice to Cure or Quit to remedy the situation. Failing to "cure" the problem can result in an Unlawful Detainer action filed legally against the tenant. (See Eviction Section, Reason #2.)

- ***Can a landlord change the terms of tenancy to prohibit a pet in order to evict a tenant?***

No. A landlord may not change the terms of a tenancy to prohibit a

pet(s) in order to evict the tenant for keeping a pet, which was kept and allowed prior to the change, unless the landlord can establish that the pet constitutes a nuisance and the nuisance has not been abated upon proper notice to the tenant.

- ***Can a tenant be evicted for violation of his rental agreement?***

Yes. Violation of a rental agreement is one of the twelve legal reasons for eviction. The landlord must serve the tenant with a **3-Day Notice to Cure or Quit**. This notice gives the tenant a written statement as to what he must “cure” to be in compliance with the Rental Agreement. (See Eviction Section, Reason #2.)

- ***Can a tenant be evicted for playing loud music during the night and if other tenants are complaining?***

Loud music is covered under the Noise Ordinance (Los Angeles Municipal Code 112.01 Section C). If the noise level is excessive, *regardless of the hour*, the landlord or tenant should contact the Police Department. Tenants who become a *nuisance* may be subject to eviction. (See Eviction Section, Reason #3.)

- ***Can a tenant be evicted for selling drugs?***

Yes. Allowing the rental unit to be used for any illegal purpose is legal grounds for eviction. (See Eviction Section, Reason #4.)

- ***Is a tenant entitled to notification before a landlord may enter the apartment?***

Generally, a 24-hour notice is required. This notification must be in writing. However, *in case of an emergency*, the notice requirement may be waived. (California Civil Code Section 1954.)

- ***May a tenant be evicted for not giving reasonable access to the landlord?***

Yes. Refusal to grant the landlord *reasonable access* to the rental unit (after 24-hour notice or in the case of an emergency) for making repairs or improvements; inspecting the unit as permitted or required by the lease or by law; or showing the rental unit to any prospective purchaser or mortgagee is a reason for eviction. (See Eviction Section, Reason #6.)

- ***What is the procedure for this type of eviction?***

The landlord can serve the tenant a **3-Day Notice to Cure or Quit**. If the tenant has not allowed the landlord reasonable access within three (3) days after being served the Notice, the landlord is entitled to begin Unlawful Detainer proceedings through the Municipal Court.

- ***May the tenant be evicted for having an unauthorized tenant in the unit?***

Effective December 8, 1990, a landlord may not unreasonably withhold authorization for one additional adult tenant. In the absence of a written rental agreement, *if a landlord accepts rent from the unauthorized tenant, the courts may decide that the landlord has implied authorization for the tenant to reside in the unit.*

- ***If a tenant vacated an apartment and gave the keys to a friend who is currently residing in the unit, what can the landlord do?***

The landlord can evict the authorized tenant as well as the friend who is a subtenant not approved by the landlord.

- ***What is a natural person?***

A natural person is any person, but not a trust, corporation or a partnership.

- ***What is the procedure to evict for an owner or family occupancy?***

A Landlord Declaration of Intent to Evict must first be filed with and processed by LAHD. A copy of the Declaration along with a written 60-day Notice (providing the tenant has lived in the unit for at least one year) citing RSO Eviction Reason #8(a) must be served to the tenant(s). **Please note: effective January 1, 2007, the required notice time for tenants who have resided in the rental unit for a year or longer is 60 days.** Relocation assistance is required to be paid by the owner within 15 days after serving the 30 or 60-Day Notice. (See Section VI – Relocation Assistance.)

- ***Can an owner evict because he/she is selling the property?***

No. Selling the property is not a legal reason for eviction.

- ***May a tenant be evicted to install a resident manager?***

Yes, **provided that no alternative vacant unit is available** for occupancy by a resident manager; except that where a building has an existing resident manager, the owner may only evict the existing resident manager in order to replace him/her with a new manager.

- ***What is the procedure to withdraw a unit from the rental market for a resident manager (Eviction Reason #8(b))?***

A Landlord Declaration of Intent to Evict must first be filed with LAHD. A copy of the filed declaration must be attached to the written 30-Day Notice to Quit based upon Eviction Reason #8(b). Both the Declaration and the written 60-Day Notice to Quit are served on the tenant. The

tenant is entitled to relocation assistance which must be made available in full by the fifteenth (15) day of the 60-Day Notice. Failure to have the relocation funds available to the tenant in the first fifteen (15) days of the notice nullifies the notice. **Please note: effective January 1, 2007, the required notice time for tenants who have resided in the rental unit for a year or longer is 60 days.**

- ***What is the procedure to withdraw a unit from the rental market?***

The permanent removal of a unit from the rental housing market requires compliance with the "Ellis Act"; which requires that the Landlord record with the County of Los Angeles Recorder's Office, a "Non-Confidential Memorandum and Extension of the date of Withdrawal from Rental Housing Use" form (this form is attached to the Landlord Declaration of Intent to Evict for Permanent Removal form provided by LAHD). A copy of the recorded Memorandum along with the Landlord Declaration of Intent to Evict should be submitted concurrently to LAHD. Within five (5) days of submitting the Memorandum and Declaration to the City, the Landlord shall provide the tenant(s) with a 120-Day Eviction Notice and a copy of the Declaration.

Qualified tenants who are over 62 years of age or disabled and have lived in his or her accommodation for at least one year prior to the delivery to the City of the Landlord Declaration form, may request an extension up to one (1) year to withdraw from the accommodation. The qualified tenant\* is required to respond, in writing, within the first 60 days of the 120 days notice requesting the one year extension. A Relocation Assistance payment is required to be paid to the tenant within the first 15 days of the Eviction Notice-regardless of the length of notice. (\*Qualified Tenant is defined as 62 years of age or older, or persons with minor dependant children who can be claimed on their Federal taxes, or who are handicapped or disabled. Refer to Section 151.02 of the Rent Stabilization Ordinance).

- ***Should LAHD be notified if the unit is again re-rented?***

Yes. It is the owner's responsibility to file a "Notification of Re-Rental" form with the LAHD.

## VII. RELOCATION ASSISTANCE (LAMC 151.09G)

On April 11, 2007, the Los Angeles City Council approved major changes in the tenant relocation assistance provisions of the Los Angeles Municipal Code and Rent Stabilization Ordinance (RSO), raising the amounts required to be paid to tenants for no-fault evictions.

The amounts apply to:

- All Ellis Landlord Declarations of Intent to Evict filed with the Los Angeles Housing Department as of 4/11/07 (required to be filed for evictions for demolition or permanent removal from the rental housing market);
- All Notices to Terminate Tenancy in units subject to the RSO served on tenants as of 4/11/07 pursuant to LAMC 151.09.A.8 (evictions for occupancy by the landlord or a family member or resident manager); LAMC 151.09. A.11 (evictions for compliance with a government order to vacate); or LAMC 151.09.A.12 (evictions when the Secretary of Housing and Urban Development (HUD) seeks to vacate the property prior to sale.)
- All Notices to Terminate Tenancy in non-RSO buildings served on tenants as of 4/11/07 for condo conversions or demolitions.

**\*Relocation Amounts Effective July 1, 2010 thru June 30, 2011 are:**

Type of Tenant	Less than 3 years	3 years or more	Less than 80% AMI
Eligible	\$7,300	\$9,650	\$9,650
Qualified	\$15,500	\$18,300	\$18,300

**HUD 2010 Area Median Income Limits 80% AMI (Los Angeles):**

1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
<b>\$46,400</b>	<b>\$53,000</b>	<b>\$59,650</b>	<b>\$66,250</b>	<b>\$71,550</b>	<b>\$76,850</b>	<b>\$82,150</b>	<b>\$87,450</b>

If more than one fee payment amount applies to a unit, the landlord pays the higher amount for the unit. Each tenant then shares on an equal pro-rata basis.

A “qualified” tenant is any tenant who is 62 years of age or older; or handicapped as defined in Section 50072 of the California Health & Safety Code or disabled as defined in Title 42 United States Code Section 423; or is a person residing with one or more minor dependent children (as determined for federal income tax purposes.) All other tenants are “eligible” tenants.

\*See page 29 for reduced relocation fees for “MOM & POP” landlords and requirements.

### **Additional Relocation Ordinance Fees:**

*Upon LAHD’s establishment of the relocation contractor and demolition monitoring program, landlords will also pay the following fees:*



Paid by all landlords who file a relocation application

Relocation Contractor Fee: \$416/unit for regular tenants  
 \$666/unit for qualified tenants

Relocation Contractor Administrative Fee: \$57/unit

Paid by landlords who seek LAHD clearance of a demolition permit

Demolition Monitoring Administrative Fee: \$45/unit

Paid by landlords who dispute a relocation amount based on a tenant's self-certified income level

Income Dispute Resolution Fee: \$193/unit

Paid by landlords filing landlord declaration for Owner, family or resident manager

Administrative fee: \$75/ unit

**These changes are in accord with the Tenant Relocation Assistance Ordinance adopted by the Los Angeles City Council on 4/11/07, pursuant to Council File # 06-1325. The ordinance adopted by the City Council provides that these changes are effective April 11, 2007.**

**For additional information, please call the Los Angeles Housing Department Customer Service Hotline at (213) 808-8888 or (866) 557- RENT.**

**A. WHEN IS RELOCATION ASSISTANCE REQUIRED?**

Relocation assistance is required when evicting for the following reasons:

- Owner or family member occupancy (LAMC 151.09 A8a)
- Eviction of a tenant for occupancy by a resident manager (151.09 A8b)
- Demolition (151.09 A9a)
- Permanent Removal from the Rental Housing Market (151.09 A10)
- Compliance with a Governmental Order (151.09 A11)
- HUD Reconveyance (151.09 A12).

Note: If the building is not in compliance with a governmental agency due to hazardous conditions caused by a natural disaster or act of God, then relocation assistance is not required.

Any eviction requiring relocation assistance to be paid requires the filing of a **"Landlord Declaration of Intent to Evict"** form with the LAHD. Failure to file the Landlord Declaration with the LAHD makes the eviction invalid.

**B. \*HOW MUCH IS REQUIRED?**

Monetary relocation assistance is available to **eligible** and **qualified** tenants. It is

paid per unit, not per tenant.

- **Eligible tenant** – Unless a tenant is a qualified tenant as explained below, the tenant is an eligible tenant and is entitled to receive \$7,300 or \$9,650 per unit in relocation assistance depending on length of time in the unit and income.
- 
- **Qualified tenant** – A qualified tenant is any tenant who on the date of service of the written notice of termination is 62 years of age or older; handicapped, as defined in Section 50072 of the California Health and Safety Code, or disabled, as defined in Title 42 of the United States Code, Section 423; or who has one or more minor dependent children (as determined for federal income tax purposes). Qualified tenants are entitled to receive \$15,500 or \$18,300 per unit depending on length of time in the unit and income. (See page 36 for 2011 amounts)

\*See page 29 for reduced relocation fees for “MOM & POP” landlords and requirements, when evicting for Owner occupancy and resident manager.

### C. HOW AND WHEN LANDLORDS PROVIDE PAYMENT

1. The Ordinance requires relocation assistance payments be made as follows:
  - a. The entire fee shall be paid to a tenant who is the only tenant in a rental unit.
  - b. If two or more tenants occupy a rental unit, any one of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the relocation fee.
  - c. If two or more tenants occupy a rental unit, none of whom is a qualified tenant, then each tenant of the unit shall be paid a pro-rata share of the relocation fee.
  - d. In no event shall the landlord be liable to pay more than \$18,300 to all tenants residing in a unit in which at least one qualified tenant lives, or to pay more than \$9,650. (See page 36 for 2011 amounts)
2. The Ordinance requires timely relocation assistance payments as follows:
  - a. Payment shall be made available within fifteen (15) days of service of the written notice of eviction; however,
  - b. The landlord may, at the landlord's sole discretion and at the landlord's cost, establish an escrow account for the tenant(s) in lieu of the payment described in 2.a above. However, the monies must

be in the escrow account within the required 15-day period. The escrow account must provide for payments to the tenant(s) for actual relocation expenses incurred by the tenant prior to vacating the unit for the following relocation expenses: first and last month's rent; security deposit; utility connection charges; moving expenses. Payments from the escrow account shall be made within three (3) working days of receiving a request for payment. (Refer to bulletin "How To Set Up Relocation Escrow Accounts, or RAC Regulations Section 960.00.)

#### **D. EXEMPTIONS**

Landlords are exempt from paying relocation assistance when evicting a resident manager to replace him/her with another resident manager. However, if the resident manager is a "Manager-Tenant" receiving free or reduced rent with no other compensation; he/she may be entitled to relocation assistance. (See RAC Regulations 920.00 Managers as Tenants.) Landlords are also exempt when the tenant received actual written notice, prior to entering into a written or oral tenancy agreement, that an application to subdivide the property or convert the building to condominiums, a stock cooperative, or community apartment project was on file with or had been approved by the City. Furthermore, landlords are exempt from paying relocation assistance should they be required to utilize the eleventh (11th) legal reason for eviction due to hazardous conditions caused by a natural disaster and, therefore, not caused by any negligence on the part of the landlord.

#### **Relocation Assistance Questions**

- ***How much notice is required for demolition to build condominiums or conversion to condominiums?***

The demolition to build a condominium and remove the unit from the rental market requires compliance with the "Ellis Act" (California Government Code 7060.4); filing a Landlord Declaration of Intent to Evict with the LAHD; and attaching a copy of the processed declaration to the eviction notice. A minimum of 120 days notice to the tenant(s) is required. A tenant who is 62 years of age or disabled may request an extension of up to one (1) year. The tenant may be entitled to relocation assistance.

Each tenant of a unit within a development must be given a 180-day notice prior to the actual conversion to condominium [California Government Code 66452.50(a)]. Please refer to page 29 regarding "removal of unit from the rental market" for further details.

More information concerning these requirements can be obtained by calling the Planning Department at (213) 485-6171.

- ***How do I set up an escrow account if I choose to do so? (RAC Guidelines 960.00)***

The landlord may place the escrow account in any bank, savings and

loan association, or credit union with federal deposit insurance or with any broker who is licensed by the California Real Estate Commissions, or with any escrow service licensed by the California Corporate Commission that is reasonably accessible to the tenant(s) during normal business hours.

**Escrow instructions must provide the following:**

1. For payments to tenants in order to assist them in relocating to another dwelling unit:
  - a. First and last months' rent;
  - b. Security deposits;
  - c. Utility connection charges and deposits;
  - d. Moving expenses.
2. For release of the remaining funds when the tenant vacates the unit;
3. For a dispute resolution process.

The landlord is entitled to receive a copy of all escrow documents.

**All payments from an escrow account must be made within three (3) working days of receiving a written request for payment by the tenant.**

Payments may be made directly to the tenant(s) upon presentation of a receipt and/or to the recipient of the expense on behalf of the tenant.

- ***On what basis does a tenant file a complaint, and how?***

**Non-payment dispute** - In an action by the landlord to recover possession of a rental unit, the tenant may raise as an affirmative defense the failure of the landlord to provide relocation assistance. Complaint forms may be obtained and filed with the LAHD for illegal eviction when the landlord has not provided relocation assistance.

**Escrow Dispute** - Where there is an escrow dispute, dispute notices must be sent by registered mail or delivered to the Los Angeles Housing Department, at any of the Public Information Counters listed on page 3, on the second (2nd) working day following presentation of the dispute notice to the opposing party. A copy of the escrow instructions must accompany the notice.

## **VIII. OCCUPANCY LIMITS**

The written agreement made between a landlord and tenant will determine how many persons are allowed in a dwelling unit. **This agreement is legally binding.**

(LAMC 91.1207 and 91.1208 regarding occupancy limits have been rescinded per Amended Ordinance 172,592 effective 6/28/99).

The violation of such agreement addressing occupancy limits falls within the twelve permissible legal reasons for a lawful eviction (See Evictions Section).

If an additional tenant moves into the unit, the landlord may increase the rent up to ten percent (10%) for each additional tenant for as long as the additional tenant remains in the unit. These increases require a written 30-Day Notice. However, if the amount of the increase is over 10% (based on additional tenants), a written 60-Day Notice is required. [See California State Civil Code Section 827 (B)(2)(3).]

- ***Can a tenant be evicted if the unit is overcrowded?***

Yes, if the number of tenants exceed those stated in the rental/lease agreement (LAMC 151.09 A2 and RAC Regulation 954.01).

## IX. MOBILE HOME PARKS

***Although the RSO, including payment of relocation assistance and rent, does apply to mobile homes and mobile home parks, the procedure for rent increases, the amount of rent increase under certain circumstances, and the procedures for closing of a mobile home park differ from those procedures which apply to tenants in other types of dwelling units.***

### **Mobile Home Questions**

- ***Why are the procedures different for mobile homes and mobile home parks?***

There are many State laws that regulate mobile homes and mobile home parks.

- ***What are some examples of how the procedures differ?***

- a. State law requires a written 90-day notice for rent increases.
- b. If the park owner wants to close the park and intends to use the land for a purpose which does not require re-zoning of the land or special permits, then the tenants must receive a one year notice of intent to close the park from the park owner.

- ***Is the rent decontrolled for a mobile home site located within a mobile home park when a tenant sells the mobile home, which remains on the same site?***

No. In accordance with Section 151.06F2 of the RSO, if the site of a mobile home is voluntarily vacated by all the tenants as the result of a sale of a mobile home, and where the mobile home is not removed from the site, then the maximum rent may not be increased to exceed the rent on any existing comparable site in the park, or ten percent (10%), whichever is lower.

- ***Are there any additional rent increases that may be passed on when a new tenant takes possession of a mobile home?***

Yes. A landlord may pass on to tenants an annual rent increase if such an increase has not been passed on for the mobile home during the previous twelve months or more.

- ***Is rent decontrolled for a mobile home site within a mobile home park when a mobile home is removed from the site?***

Yes, except when a mobile home is temporarily removed from a site for repairs, or when a mobile home is being replaced with a new mobile home, which at least one of the original tenants will occupy.

- ***Under what other circumstances is the rent on a mobile home site decontrolled?***

After a voluntary vacancy (except when the vacancy is the result of a sale of a mobile home that remains on the same site of a mobile home park), and when a tenant is evicted for non-payment of rent or violating the terms of their rental agreement.

- ***Who can I contact regarding mobile home State law?***

The State Housing and Community Development Department at (909) 782-4420 or the State Department of Housing at (800) 952-5275.

- ***What is GSMOL?***

GSMOL is the Golden State Mobile Home Owners League. This organization provides information and legal services for its members. They can be contacted at (800) 888-1727 or by writing to P.O. Box 876, Garden Grove, CA 92842.

- ***Is there additional information regarding mobile home parks?***

Yes. For additional information on mobile home parks, please refer to the Mobile home Park Reference Guide. A copy of the guide may be obtained at the LAHD Public Information counter, by calling the Public Information Hotline at (866) 557-RENT or (213) 808-8888, or on the LAHD web site at [http: http://lahd.lacity.org](http://lahd.lacity.org).

## **X. TENANT RSO COMPLAINT PROCESS**

### **A. FILING PROCEDURES**

#### **1. *What section receives and processes complaints?***

The Rent Investigations Section of the Rent Stabilization Division, Los Angeles Housing Department, receives and processes all Rent Stabilization Complaints. Habitability concerns should be referred to the Code Enforcement Section and may be contacted by calling the Public Information Hotline at (866) 557-RENT.

#### **2. *What are grounds for filing a complaint?***

There are five (5) areas for which a tenant may file a Rent Stabilization Complaint. They are as follows: a) non-registration of a rental unit; b) notice to evict based on false and deceptive grounds; c) non-receipt of relocation assistance when due; d) illegal rent increases; and e) illegal reduction of housing services.

#### **3. *How is the complaint filed?***

The tenant may file a complaint by using four different avenues: by accessing the LAHD website at: <http://lahd.lacity.org> and completing and submitting the form on-line; by requesting the form from the Public Hotline staff or filing the complaint with the Hotline staff by telephone; or by coming into any LAHD Public Information Counter and filing the complaint along with any required evidence to support his/her case.

#### **4. *What supporting evidence must accompany a complaint form?***

Complainants should provide photocopies (not originals) of rent receipts, canceled checks, lease or rental agreements, additional services contracts, notices to evict, relevant correspondence, and/or any other supporting documents relevant to the complaint. Failure to provide the needed documentation may prevent the complaint from being processed and investigated in a timely manner. Also, the investigator assigned to the complaint may request additional information. Failure to supply any requested information may result in the case being closed.

#### **5. *What are the steps in the complaint process?***

The entire complaint process involves the following steps:

- a. The tenant files a RSO complaint with LAHD.



- b. After filing a complaint with LAHD, the tenant will receive a letter or phone call from the Rent Investigations Section stating the case number and the name of the investigator assigned to the case.
- c. The investigator assigned to the case will contact the tenant. If a violation of the RSO is thought to exist, the investigator will then contact the landlord.
- d. The Investigator will attempt to resolve the issue between the tenant and the landlord.
- e. If resolved, the case will be closed.
- f. If not resolved, the case will be referred to the City Attorney's Office.

**6. *When should a tenant visit the investigator?***

Only when there is an appointment set up in advance at the request of the investigator or tenant.

**B. THE INVESTIGATION**

**1. *Does the investigator speak to the landlord?***

*Yes. The investigator speaks with the landlord only after first speaking with the tenant, and if it appears a violation of the RSO has occurred.*

**2. *Should tenants pay an illegal rent increase during the complaint process?***

Yes. Because the timeframe will vary, depending on the severity of the complaint, the tenant should pay the rent to prevent eviction proceedings against them and to establish that the rent amount is illegal (the tenant must supply receipts to the investigator of the amount paid both prior to and after the increase). If the case is referred to the City Attorney, it will take additional time to resolve the Complaint.

**3. *Can tenants get back an illegal rent increase paid to the landlord?***

The Investigator will try to make arrangements for restitution from the landlord. If unsuccessful, the case will be referred to the City Attorney as a violation of the RSO.

**4. *Does filing a complaint stop the eviction process?***

No. The investigator attempts to assist both landlord and tenant in resolving RSO violations before evictions go to court. ***Evictions that receive final judgment in court supersede the RSO complaint process.*** The tenant or landlord must then seek appeal rights through the judicial system.

**5. *When does the investigator refer a case to the City Attorney?***

When violations of the RSO are not resolved within the LAHD and there is sufficient documentation and clear evidence that the RSO has been violated.

**6. *What does the City Attorney do?***

The City Attorney reviews cases referred from the LAHD and schedules hearings to resolve violations of the RSO where both the tenant and landlord are present. If the violations are not resolved, the City Attorney may file criminal charges to prosecute the landlord.

**C. REDUCTIONS IN HOUSING SERVICES**

**1. *Can the landlord reduce the amount of services while maintaining the same rent?***

No. If the service is reduced or removed, there must be a corresponding reduction in rent.

**2. *How is the corresponding reduction in rent calculated?***

The Rent Adjustment Commission has adopted Regulations 410.00 to provide a guide in determining a reasonable corresponding reduction in rent.

**3. *What about the removal of an item such as a refrigerator?***

If the landlord provided the refrigerator at the beginning of the tenancy, its removal would constitute a reduction in housing services.

**4. *Does the lack of hot water constitute a reduction in services?***

Yes. This kind of loss of service impacts the habitability of a rental unit and constitutes a violation of housing codes. Tenants may also wish to contact the Los Angeles County Department of Health at (626) 430-5100. They may also file a habitability complaint with LAHD's Public Information Hotline at (213) 808-8888 or (866) 557-RENT.

**5. *What type of notice is required to increase or remove a service?***

*A written 30-day notice is required under California Civil Code (State law).*

**6. *Can a tenant file a complaint under the provisions of the RSO for harassment, non-return of security deposits or rent increases not accompanied by a 30-day notice?***

No. California Civil Code covers these issues, and the tenant must contact Los Angeles County Consumer Affairs Department and/or the Fair Housing Councils for further information. See section # XIV Referral Agencies, beginning on Page 57.

## XI. SYSTEMATIC CODE ENFORCEMENT PROGRAM

### A. WHAT IS THE SYSTEMATIC CODE ENFORCEMENT PROGRAM?

The Systematic Code Enforcement Program (SCEP) was established by the Los Angeles City Council (Ordinance No. 172,109, effective 7/15/98), to ensure that all residential living space with two (2) or more units on parcels within the City are safe and habitable. This program, through systematic inspections, guarantees that those who reside in rental units in Los Angeles have a safe, livable space, which meets the City and State codes for habitability.

### B. HOW THE PROGRAM WORKS

All residential rental properties with two (2) or more units are inspected once every three years. Inspectors from the Los Angeles Housing Department schedule every property for a thorough inspection, and any properties that do not meet the requirements of City and State codes are cited. Within 5 days an owner is given a notice to comply and provided with 30 days to complete the needed repairs. A re-inspection is carried out to verify that the corrective work has been done. An additional 30 days may be requested, however, the extension is subject to the percentage of work completed when the request is made.

The Systematic Code Enforcement Program identifies problem areas with rental properties and encourages compliance. The goal of the City program is to ensure that all such residents in the City are guaranteed that their units are up to code and are safe. Property owners have the responsibility to make certain that tenants have a safe environment in which to live.

### **SCEP Questions**

- ***What is the fee for a habitability inspection?***

The Systematic Code Enforcement Program Fee is \$2.96 per month (or \$35.52 annually). (See RAC Guideline 370.00 Passthrough Of The Systematic Code Enforcement Fee.)

- ***What does this fee cover?***

This fee covers a rental housing habitability inspection, which includes one reinspection if the property has received a Notice to Comply. If the property is referred to the General Manager for non-compliance, the fee also covers hearing costs.

- ***What if deficiencies are not corrected within a specified time?***

If deficiencies are not corrected within a specific time, the property may be subjected to other department actions, including recommendations that the property be placed in the Rent Escrow Account Program, or that civil or criminal prosecution be initiated.

In order to enforce habitability requirements in residential rental units subject to the Housing Codes of the City, the Systematic Code Enforcement Program now includes the Rent Escrow Account Program (REAP) (LAMC 162.00) and Rent Reduction Program established by the Rent Stabilization Ordinance.

- ***What conditions may be considered deficiencies?***

Deficient conditions include, but are not limited to:

1. Lack of proper maintenance or unsanitary conditions in a building or on its premises, including any infestation of termites, roaches, rodents or other such nuisance conditions;
2. Deteriorated or defective interior walls, ceilings, floors or floor coverings;
3. Deteriorated or defective exterior walls or roof coverings, wood trim or fascia; or lack of weatherproofing;
4. Broken or missing windows, window screens or foundation vent screens;
5. Lack of quick-release mechanisms on security bars over sleeping room windows;
6. Defective, missing or improperly installed smoke detectors or other life safety items;
7. Lack of required light, ventilation, required minimum floor area, or required ceiling height in a habitable room;
8. Defective or missing required light fixtures, electrical outlets, switches, etc., or exposed/unsafe electrical wiring;
9. Deteriorated, leaking, missing or improperly installed plumbing faucets, valves, fixtures or other such items;

10. Lack of required hot water, water heater strapping, positive vent connections, combustion air/or properly installed temperature-pressure relief valve, with its drain extended to an approved location;
11. Lack of required heat due to missing, defective or improperly installed heating unit;
12. Any unapproved use, unapproved occupancy, an addition, alteration, or improvements made without permits and approval from the City of Los Angeles Department of Building & Safety.

- ***When will inspections be conducted?***

Inspections will be conducted once every three years unless a complaint is received on a property. All property owners will be given a 30-day notice by phone or in writing before an inspection is to take place.

**For more information please contact the Rent Hotline at (866) 557-RENT.**

- ***How does one comply?***

Inspectors will issue a written notice for any deficiencies found and the owner will be allowed up to 30 days (depending on the severity of the deficiencies) to make the repairs.

- ***What is a General Manager's Hearing?***

If repairs are not made within the specified time, the owner will be summoned to an administrative hearing to determine the reason for non-compliance. Based on the determination, a sub-standard order may be recorded against the property. After the hearing, the owner will be required to pay for all subsequent inspections to determine compliance. The owner may file an appeal of the General Manager's decision 10 days after the decision's notice is sent.

## **XII. RENT ESCROW ACCOUNT PROGRAM (REAP)**

### **A. WHAT IS THE RENT ESCROW ACCOUNT PROGRAM (REAP)?**

The Rent Escrow Account Program (REAP) was established by the Los Angeles City Council (LAMC 162.00, et seq.) to ensure that minimum housing standards are maintained in rental buildings and to encourage the maintenance and repair of residential buildings. When a property is cited for health, safety, deprivation of housing services, and/or habitability violations, and the time allowed for compliance, including any extensions, has expired without compliance, a property is placed into REAP, and a corresponding rent reduction is determined for the tenants of the affected units.

If the landlord does **not** file an appeal of the decision to place the property into REAP (LAMC 162.06A), the LAHD will notify tenants that they may deposit their reduced rents into an escrow account established and administered by the LAHD as an alternative to paying their rent to their landlord. The purpose of the rent escrow account is to encourage compliance by landlords with respect to the maintenance and repair of residential buildings, structures, premises and portions of those buildings, structures and premises. At any time during a building's participation in REAP, a landlord, any tenant, enforcement agency, and/or any creditor may apply to the General Manager for a release of funds from the REAP escrow account (See LAMC Section 162.07B) for the following reasons and any other adopted by regulations:

- a. When necessary to prevent a significant diminution of an essential service to the building, including utilities;
- b. When necessary for the correction of deficiencies, including but not limited to that caused the acceptance into REAP;
- c. When, requested by a tenant who has performed or wishes to repair conditions that affect the tenant's health and safety that result in deprivation of housing services.
- d. When requested by a tenant who intends to or has relocated from the unit or building.
- e. When requested by a tenant who has sustained expenses due to uninhabitable conditions;
- f. When ordered by a court.

To offset the cost of administering the escrow account, a non-refundable fee of \$50 per each cited unit shall be deducted from the accounts collected by the City.

Only one such fee shall be deducted from each residential unit for each month. The rent money deposited into REAP will not be turned over to the building's owner until the entire building is habitable with all citations signed off as completed by the citing agency.

**B. WHAT IS THE RENT REDUCTION DETERMINATION?**

Affected tenants are legally permitted to temporarily reduce their rent by the percentage determined by the LAHD, as listed on the Rent Reduction Determination. The amount of rent reduction ranges from 10 to 50 percent and is determined according to the nature of the violation, the severity of the violation, and the history and duration of the untenable conditions. The rent reduction continues until the landlord abates the substandard conditions and the citing agency verifies that the corrections have been made.

**C. HOW DOES REAP WORK?**

LAHD's decision to place the property into REAP is final if the landlord does not appeal the decision or if the appeal is not accepted. Once the decision is final, the LAHD records with the Los Angeles County Recorder that the property has been placed into REAP. Tenants may place their rents into an escrow account as an alternative to paying the rent to their landlord. REAP accounts include a reduction in rent. (For further information, see RAC Guidelines 970.00 and LAMC Section 162.00 Rent Escrow Account Program.)

**D. HOW DOES THE RENT REDUCTION WORK?**

Once the Rent Reduction Determination becomes final, the Department notifies the landlord and affected tenants as to when the rent reduction begins.

**E. HOW IS THE PROPERTY REMOVED FROM REAP?**

When compliance is attained and verified by the enforcement agency, LAHD will recommend that the City Council remove the property from the REAP/Rent Reduction. The City Council votes on whether to terminate the escrow account and rent reductions. Subsequently, all rent payments will be made directly to the landlord, and the rent will be restored to the original level 30 days after the date the LAHD mails the tenants a notice of the restoration. Until the unit is removed from REAP and for one year thereafter, the landlord and any subsequent landlord may not increase the rent for the current or any subsequent tenants. If the unit is covered by the RSO, after the expiration of this period, no capital improvement nor cited rehabilitation work rental increases shall be allowed for work related to the order that resulted in the placement into REAP or any additional orders issued while in REAP.



## E. RIGHTS AND RESPONSIBILITIES OF TENANTS AND LANDLORDS IN REAP

1. A tenant **may not** be evicted for nonpayment of rent if he or she chooses to pay the reduced rent and/or if he or she chooses to pay rent into the escrow account instead of directly to the landlord.
2. Legally, the amount of the rent payment made by a tenant into REAP is the same as if the rent had been paid directly to the landlord or the landlord's agent (LAMC 162.09 A1).
3. While the tenant's unit is in REAP, the landlord may not try to evict the tenant for nonpayment of rent, unless the landlord has verified in writing, with the LAHD, that the tenant has not paid his or her rent to the LAHD (LAMC 162.09 A2).
4. Regardless of whether a tenant's unit is covered by the RSO, until the unit is removed from REAP and for 180 days thereafter, or until the expiration of the period described in LAMC 161.806, if applicable, whichever is later, the landlord may bring an action to recover possession of the unit only upon the grounds set forth in the RSO LAMC 151.09 A (LAMC 162.09 A3).
5. Regardless the main reason a landlord tries to evict a tenant is retaliation related to REAP, and if the tenant has paid rent, then the landlord may not evict the tenant or cause the tenant to leave voluntarily. Until the unit is removed from REAP and for one year thereafter, the landlord will have to prove that any attempt to evict the tenant, other than for nonpayment of rent, is not due to retaliation (LAMC 162.09 A4).
6. In any attempt by the landlord to evict, the tenant may raise as a defense any of the reasons listed above. If the tenant prevails, he or she shall be entitled to recover reasonable attorneys' fees and expenses (LAMC 162.09 A5).
7. Until the unit is removed from REAP and for one year thereafter, or until expiration of the period described in LAMC Section 161.807, if applicable, whichever is later, the landlord or any subsequent landlord shall not increase the rent of the current tenant or any subsequent tenants.

If the unit is covered by the RSO, after the expiration of this period, no rent increase shall be allowed for reimbursement of capital improvement or rehabilitation work for any corrections necessary to comply with the order that resulted in the placement into REAP or any additional orders issued while in REAP (LAMC 162.09 B).

8. Any landlord who violates any of the provisions listed above or who retaliates against a tenant in connection with REAP shall be liable in a civil action for damages and a penalty of \$1,000 per violation, together with reasonable attorneys' fees and expenses. Any judgment award in such an action may be collected from the escrow account (LAMC 162.09 C).
9. The owner is not precluded from evicting tenants for any of the twelve (12) legal reasons for eviction (LAMC 151.09 A).

Additional information regarding the REAP and/or Rent Reduction Determination may be obtained by calling the Code Enforcement Section, Monday through Friday, from 8:00 a.m. to 4:30 p.m., at (213) 808-8500.

## XIII. HEARINGS AND APPEALS

### GENERAL MANAGER'S HEARINGS

The Hearing Section is responsible for operating the LAHD's hearing function in accordance with the provisions of the Rent Stabilization Ordinance (RSO), the Rent Adjustment Commission's (RAC's) regulations, the Los Angeles Housing Code, and the Rent Escrow Account Program (REAP) Ordinance. The chart on the next page outlines the various levels of review, and the chart below lists any applicable fees for the various types of administrative public hearings and RAC and Appeals Board appeals.

The hearings, conducted by independent hearing officers, are held in response to appeals by landlords, tenants, and/or parties with an interest in LAHD decisions or recommendations regarding rent increase, exemption certificate, and re-rental certificate applications; acceptance into the Rent Escrow Account Program (REAP) and the corresponding rent reduction; Department of Water and Power (DWP) referrals for inclusion into the Utility Maintenance Program (UMP)/REAP; the establishment of an escrow account for Urgent Repair Program (URP), Tenant Relocation Assistance Program (TRIP) cases; release of escrow funds applications; and other various determinations and disputes.

All requests for hearings and appeals are first reviewed to ensure that deadlines and filing requirements have been met and that there is documentation to support the appeal. Reasons for requesting a hearing may involve whether there is new, relevant information which was not available at the time of the Department's initial determination or whether the appellant believes that the Department committed an error or abuse of discretion in the determination of a case.

The Hearing Section performs all eligibility determination, scheduling, noticing, coordinating, decision issuance, and technical assistance related activities.

TYPE OF FEE	TYPE OF CASE	FEE
Hearing request	Capital Improvement Rehabilitation Work Seismic Rehabilitation Work Major Rehabilitation	\$35 per case
	Utility Maintenance Program (UMP)	\$50 per case
RCA/Appeals Board request	General Manager's decision (criminal, REAP, TRIP, release of escrow funds cases)	\$150 per case
	Utility Maintenance Program (UMP) Just and Reasonable	\$50 per case

TYPE OF CASE	LEVEL OF REVIEW			
	DEPARTMENT	GENERAL MANAGER/ HEARING OFFICER	RAC/APPEALS BOARD APPEAL	CITY COUNCIL
Capital Improvement Rehabilitation Work Luxury Exemption Seismic Rehabilitation Work	Decision to approve, modify, or disapprove the landlord's application	Decision to uphold, modify or reverse the Department's determination	No appeal	No appeal
Just and Reasonable	Preparation of a staff analysis of the landlord's application	Decision to approve, modify, or disapprove the rent increase application	Decision to affirm, modify, or reverse the hearing officer's decision	
Rent Escrow Account Program (REAP) and Rent Reduction Determination	Decision to accept the unit/property into REAP with corresponding rent reduction	Decision to affirm, modify, or reverse the Department's decision upon appeal of the landlord	As Appeals Board, determination to affirm, modify, or reverse the determination of the General Manager	Decision to remove a unit/property from REAP and return escrow account funds
Re-Rental Certificate After Major Rehabilitation Eviction	Decision to approve, modify, or disapprove the landlord's application	Decision to uphold, modify, or reverse the Department's decision	No appeal	No appeal
Relocation Assistance Escrow Accounts	Decision to order the funds in dispute to be paid or to remain in escrow	Decision to order the funds in dispute to be paid or to remain in escrow	No appeal	
Utility Maintenance Program (UMP)	Determination to issue Notice of Eligibility to place building into REAP. Determination appealable to the Appeals Board.	Determination to place building in reop. Determination appealable to the Appeals Board.	As Appeals Board, determination to affirm, modify, or reverse the NOA determination of the General Manager or Department	
Urgent Repair Program (URP)	No decision	Decision to place property into REAP to recover costs if the City makes necessary repairs	No appeal	
Criminal Code Enforcement Referrals	Department determines if case should be referred for General Manager's Hearing based on noncompliance with an Order to Comply	Determination on referral to City Attorney's Office for prosecution, and other orders as appropriate	As Appeals Board, determination to affirm, modify, or reverse the determination of the General Manager	
Release of Escrow Account Funds	Department reviews application for release of escrow account funds for eligibility.	Determination on application for release of escrow account funds	As Appeals Board, determination to affirm, modify, or reverse the determination of the General Manager	
Tenant Relocation Assistance Program (TRIP)	Department issues Notice to Vacate and determines eligibility of payment of relocation benefits	Determination on order to pay relocation assistance upon appeal of the landlord	As appeals Board, determination to affirm, modify, or reverse the determination of the General Manager	
		Determination on accounting report appeal of the landlord		
Any case	No decision	Decision to deny the application per RSP 151.14D	Decision to uphold, modify, or reverse the hearing officer's decision	

Note: Any party may file a writ of mandamus in Superior Court.

## XIV. REFERRAL AGENCIES

The following information and telephone numbers are for agencies within the City and County of Los Angeles that provide assistance in rental related issues and concerns. Please note that at this writing only the City of Los Angeles, West Hollywood, Beverly Hills and the City of Santa Monica have existing Rent Stabilization Ordinances. All other jurisdictions fall within the provisions of the State of California Civil Procedures that address Landlord/Tenant matters.

### **LOS ANGELES CITY AGENCIES**

#### **BUILDING/DEMOLITION PERMITS**

##### **DEPARTMENT OF BUILDING AND SAFETY**

201 N. Figueroa St., 4<sup>th</sup> floor, Los Angeles, CA 90012 .....**311**

**WEBSITE:** [www.ladbs.org](http://www.ladbs.org)

This department issues demolition and construction permits and Certificates of Occupancy. It also issues building code citations for non-rental, single family residences and commercial buildings.

#### **CITY ORDINANCES**

##### **CITY CLERK**

200 N. Spring Street, Rm. 395, Los Angeles, CA 90012.....**(213) 978-1133**

**WEBSITE:** <http://cityclerk.lacity.org>

Provides copies of City ordinances, municipal codes, Council agendas and schedules for City Council sessions.

##### **CITY ATTORNEY**

200 N. Main Street, Room 1800.....**(213) 978-8100**

City Hall East, Los Angeles, CA 90012

**WEBSITE:** <http://atty.lacity.org>

CIVIL INFORMATION.....**(213) 978-7000**

CRIMINAL INFORMATION.....**(213) 978-7840**

HOUSING ENFORCEMENT.....**(213) 485-5009**

#### **CONDOMINIUM CONVERSIONS**

**PLANNING DEPARTMENT**.....**(213) 482-7077**

201 N. Figueroa St., 3<sup>rd</sup> Floor

Los Angeles, CA 90012

**WEBSITE:** <http://cityplanning.lacity.org>

Provides assistance for the following areas: condominium conversions, new condominiums, commercial conversion, zoning, non-payment of relocation assistance for condo-conversions, and demolition for condo-construction and mobile home closures.

**DISPUTE RESOLUTION PROGRAM**

Los Angeles City Attorney's Office.....(213) 485-8324  
 200 N. Main Street, 1600 City Hall East, Los Angeles, CA 90012  
 Free mediation services available to resolve complaints between landlord and tenants.

**SERVICES FOR DISABLED****CITY DEPARTMENT ON DISABILITY.....(213) 485-6334**

333 S. Spring Street, Los Angeles, CA 90013

**WEBSITE:** <http://disability.lacity.org>

Provides mediation services to persons with disabilities or those who have conflicts involving a person or persons with disabilities.

**HOUSING AUTHORITY OF THE CITY OF LOS ANGELES (HACLA)**

Section 8 Housing Assistance Program.....(213) 252-2500 or (213) 252-6199

2600 Wilshire Blvd., Los Angeles, CA 90057

**WEBSITE:** [www.hacla.org](http://www.hacla.org)

Subsidizes low-income families, senior citizens, handicapped and disabled.

**LOS ANGELES HOUSING DEPARTMENT****PUBLIC INFORMATION HOTLINE AND HABITABILITY COMPLAINTS**

**(CODE ENFORCEMENT)** ..... (213) 808-8888

**TOLL FREE**.....(866) 557-RENT

**WEBSITE:** <http://lahd.lacity.org>

**NEIGHBORHOOD PRESERVATION PROGRAM .....(213) 808-8802**

Low-interest loans are provided to rehabilitate existing single and multifamily dwellings.

**HANDYWORKER PROGRAM .....(213) 808-8803**

This program provides free house painting and minor repairs to low income owners via several community-based organizations citywide.

**HOUSING DEVELOPMENT ..... (213) 808-8957**

Funding for pre-development, acquisition and gap financing is provided for the construction of new affordable housing units.

**HOME OWNERSHIP ASSISTANCE PROGRAMS ..... (213) 808-8800**

Mortgage financing for the purchase of owner occupied homes is provided to households earning up to 80% of the area median income.

**BOND-FINANCED AFFORDABLE RENTAL CONSTRUCTION PROGRAM**

..... (213) 808-8951

Financing provided through the sale of tax-exempt bonds for the construction of affordable rental units.

**DENSITY BONUS..... (213) 808-8806**

**TENANT MONITORING UNIT..... (213) 808-8806**

Various regulatory agreements and covenants, which require setting aside units at affordable rents as a condition of receiving development assistance, are monitored and enforced.

**HEARINGS..... (213) 808-8681****AFFORDABLE HOUSING TRUST FUND..... (213) 808-8523**

Low interest rate construction and permanent financing for apartments. Nonprofit developer loan assistance programs. Listing of affordable rentals for low/moderate income households.

**HOUSING OPPORTUNITIES FOR PERSONS WITH****AIDS (HOPWA)..... (213) 808-8805**

For individuals and their families with HIV/AIDS: Emergency Hotel/Motel Vouchers Supportive Services in Emergency & Transitional Housing, Short Term Rent, Mortgage & Utility Assistance Program.

**SYSTEMATIC CODE ENFORCEMENT PROGRAM****(SCEP)..... (213) 808-8888****TOLL FREE.....(866) 557-RENT**

(TENANT HABITABILITY COMPLAINTS)

This program, through systematic inspections, guarantees that those who reside in rental units in Los Angeles have a safe, livable space, which meets the City and State codes for habitability. Code Enforcement assists with problems of plumbing, electrical safety, and structural defects. This section cites for violations of: the Building and Safety Codes of the City of Los Angeles; Section 1941.1 of the California Civil code; and the Uniform Housing Code of the State of California.

**COMMUNITY SERVICES****INFOLINE IN LOS ANGELES COUNTY..... (626) 350-1841 or (800) 339-6993**

**WEBSITE: [www.infoline-la.org](http://www.infoline-la.org).....211**

A 24-hour link to community services: food, shelter, legal, senior citizen, battered women, and mental health.

LOS ANGELES.....(323) 686-0950

SAN GABRIEL VALLEY AREA.....(626) 350-6833

SAN FERNANDO VALLEY AREA.....(818) 501-4447

BURBANK/GLENDALE AREA.....(818) 501-4447

WEST LOS ANGELES AREA.....(310) 551-2929

SOUTH BAY/LONG BEACH AREA.....(310) 603-8962

AIRPORT AREA.....(310) 671-7464

FROM ALL AREA CODES.....(800) 339-6993

TDD (FOR THE HEARING IMPAIRED).....(800) 660-4026

**ENVIRONMENTAL HEALTH AND LIVING CONDITIONS**

**LOS ANGELES COUNTY INFORMATION AND REFERRAL.....(800) 427-8700**

5050 Commerce Drive, Baldwin Park, CA 91706

**LOS ANGELES COUNTY ENVIRONMENTAL HEALTH.....(626) 430-5100**

**WEBSITE: [www.lapublichealth.org](http://www.lapublichealth.org)**

County Health Department assists with problems with maintenance, rats, mice, lack of hot water, heating, cockroaches, sanitation, habitability (living conditions), and illegal utility shutoff.

**RAT CONTROL .....(626) 430-5461**

**ILLEGAL UTILITSHUTOFF.....(626) 430-5200**

**LOS ANGELES COUNTY RESIDENTIAL HEALTH DEPT..... (818) 902-4470**

3530 Wilshire Blvd., 9<sup>th</sup> Floor, Los Angeles, CA 90010

**DEPARTMENT OF ENVIRONMENTAL HEALTH DISTRICT OFFICES**

**HOTLINE ..... (888) 700-9995**

**CIVIC CENTER ..... (213) 351-7892**

**EAST LOS ANGELES..... (323) 780-2272**

**HARBOR..... (310) 519-6050**

**HOLLYWOOD..... (213) 351-7893**

**INGLEWOOD..... (310) 419-5353**

**CULVER CITY ..... (310) 665-8484**

**MID-WILSHIRE..... (213) 351-7895**

**HOLLYWOOD/WILSHIRE..... (213) 351-7896**



**HOUSING AND COURT ISSUES**

**LOS ANGELES SUPERIOR COURT** ..... (213) 974-6135  
 110 N. Grand Ave., Los Angeles 90012 8:30 a.m. to 4:30 p.m.

**WEBSITE:** [www.lasuperiorcourt.org/](http://www.lasuperiorcourt.org/)

**UNLAWFUL DETAINER (Room 426)**..... (213) 974-6140 or 974-7802  
 (For Owners -to set Hearing) .

**SMALL CLAIMS COURT (Room 429)**.....(213) 974-6131

**SMALL CLAIMS ADVISORS (County of LA)** ..... (213) 974-9759

500 W. Temple St., Room B-96, Los Angeles 90012

Recorded informational message 24 hours a day. Gives free procedural advice only, no legal service.

**DOWNTOWN COURTHOUSE**

**LOS ANGELES HOUSING LAW PROJECT (Room 526)**..... (213) 613-2760

**(For Tenants Only)** Call for appointment. Low-cost or free assistance for low-income tenants at downtown courthouse. Sliding fee scale. Proof of income required. Will prepare answers and motions, respond to illegal lockout or utility shutoff, advocate in correcting health code violations, and represent in court (additional fee).

**LOS ANGELES COUNTY BAR ASSOCIATION**..... (213) 627-2727

**WEBSITE:** [www.lacba.org](http://www.lacba.org)

**HOUSING DISCRIMINATION****FAIR HOUSING CONGRESS OF SOUTHERN CALIFORNIA**

520 S. Virgil Ave. Suite 400, Los Angeles, CA 90020 ..... (800) 477-5977

**LOCAL FAIR HOUSING COUNCILS**

HOLLYWOOD/MIDWILSHIRE/DOWNTN/NORTHEAST.....(213) 387-8400

SOUTH LOS ANGELES/HARBOR.....(323) 295-3302

SAN FERNANDO VALLEY.....(818) 373-1185

SAN GABRIEL VALLEY.....(626) 791-0211

WEST LOS ANGELES .....(310) 572-9234

Investigations of rental and sales discrimination complaints, fair housing and anti-predatory lending counseling and referrals, fair housing training for property owners, managers, and realtors, outreach and education for home seekers, tenants, community and social service agencies.

**STATE OF CALIFORNIA DEPARTMENT OF FAIR EMPLOYMENT & HOUSING/ HOUSING COMPLAINTS SECTION**..... (800) 233-3212

**WEBSITE:** [www.dfeh.ca.gov](http://www.dfeh.ca.gov)

Investigate and conciliate housing discrimination harassment complaints.

**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)**  
**LOS ANGELES AREA OFFICE** .....(213) 894-8000  
 611 W. 6<sup>th</sup> Street, Los Angeles, CA 90017

**WEBSITE:** [www.hud.gov](http://www.hud.gov)

HUD enforces the Federal Fair Housing Act, conducts investigations of certain housing discrimination complaints, and makes referrals to the Department of Justice for prosecution of worthy cases.

**HOUSING RIGHTS CENTER**.....(213) 387-8400 OR 1-800-477-5977  
 520 S. Virgil Ave. Suite 400, Los Angeles, CA 90020

**WEBSITE:** [www.hrc-la.org](http://www.hrc-la.org).....Monday – Friday 8:30 a.m. – 5:00 p.m.

Toll-free hotline for housing discrimination complaints and predatory lending information. Investigations, counseling, and legal assistance with housing discrimination complaints. Counseling and referrals on predatory lending issues. All services free, no income limits. Callers will be referred to the nearest office in Los Angeles, San Fernando Valley, South LA, Harbor, Pasadena, Long Beach, and San Gabriel Valley.

### **LANDLORD SERVICES**

#### **APARTMENT ASSOCIATION OF GREATER LOS ANGELES**

12012 Wilshire Blvd., #104, Los Angeles, CA 90025 ..... (310) 820-7651

621 S. Westmoreland, Los Angeles, CA 90005 ..... (213) 384-4131

**WEBSITE:** [www.aagla.org](http://www.aagla.org)

Attorney referral services, forms and free advice for members only. Contact to obtain membership information.

#### **APARTMENT OWNERS ASSOCIATION OF SOUTHERN CALIFORNIA**

6060 Sepulveda Blvd., Suite 202, Van Nuys, CA 91411 .....(818) 988-9200

5455 Wilshire Blvd., Suite 1009, Los Angeles, CA 90036 ..... (323) 937-8811

4611 E. Anaheim, Suite A; Long Beach, CA 90804 ... (562) 597-2422

**WEBSITE:** [www.aoausa.com](http://www.aoausa.com)

Forms, free consultation, legal referral, credit and eviction reports, monthly magazine, outside L.A. County .....(800) 827-4262

#### **THE MINORITY APARTMENT OWNERS ASSOCIATION**

11215 S. Western Ave., Los Angeles, CA 90047 ..... (323) 754-4334

Provides attorney services, forms and free advice for members only. Helps with credit checks.

**LEGAL SERVICES**

These referrals are provided for public information. The cost and type of service should be verified by each individual seeking services.

**BET TZEDEK LEGAL SERVICE.....(323) 939-0506**

145 S. Fairfax Ave.; Suite 200; Los Angeles, CA 90036 ..... (9:00 a.m. 5:00 p.m.)

**WEBSITE:** [www.bettzedek.org](http://www.bettzedek.org)

**Valley Office ..... (818) 769-0136**

12821 Victory Blvd., 2<sup>nd</sup> floor, North Hollywood, CA 91606 (M-F 9:00 – 5:00 p.m.)

Call for appointment. No walk-ins. Free legal assistance for low-income people, including seniors and disabled. Counseling or legal representation, depending on case. Handles housing issues and a wide range of other legal needs.

**CALIFORNIA LAWYERS FOR THE ARTS.....(310) 998-5590**

1641 18<sup>th</sup> Street, Santa Monica, CA 90404.....(10:00 a.m. - 5:00 p.m.)

**WEBSITE:** [www.calawyersforthearts.org](http://www.calawyersforthearts.org)

Legal referral service for the arts-mediation, arbitration, workshops, and seminars. Attorneys on staff.

**COMMUNITY MEDIATION PROGRAM .....(213) 896-6533**

261 S. Figueroa St., Suite 310, Los Angeles, CA 90012

**WEBSITE:** [www.nafcm.org](http://www.nafcm.org)

Provides a neutral third party to assist and make agreements during landlord/tenant disputes – no lawyers.

**DISPUTE SETTLEMENT SERVICE (UNDER THE LA COUNTY DEPARTMENT OF CONSUMER AFFAIRS).....(213) 974-0825**

500 West Temple Street, Room B-96, Los Angeles, CA 90012-2706

Free mediation available for disputes involving vendors and consumers, two or more businesses, landlords and tenants, and neighbors.

**EVICTIION DEFENSE NETWORK..... (213) 385-8112**

1930 Wilshire Boulevard, Suite 208

**Fax:** ..(213) 385-8181

Los Angeles, CA 90057

**INNER CITY LAW CENTER.....(213) 891-2880**

1309 East Seventh Street, Los Angeles, CA 90021

Free legal services to low-income residents of the City of Los Angeles. Call for information on services. Opens at 9:00 a.m.

**LEGAL AID Foundation of Los Angeles ..... (213) 640-3881.....(800) 399-4LAW**

1550 W. 8<sup>th</sup> St.; Los Angeles, CA 90017 .....corner of 8<sup>th</sup> and Union

**WEBSITE:** [www.lafla.org](http://www.lafla.org)

Evictions, utility shut-offs, lockouts.....(213) 487-7609

Other housing matters.....(213) 640-3881

M-T-W-F ... 9:00 a.m. - 4:45 p.m. Th.....9:00 a.m. - 2:45 p.m.

Free legal assistance. Will advise and provide brief assistance in filling out papers and legal representation depending on the case.

- LOS ANGELES CENTER FOR LAW & JUSTICE.....(323) 980-3500**  
 1241 S. Soto St. #102, Los Angeles, CA 90023  
**WEBSITE:** <http://www.laclj.org>  
 Free legal assistance to low-income residents of East and Northeast Los Angeles, Commerce, and Montebello. In eviction cases, will prepare answers for filing and will represent in some cases depending on the facts.
- LOS ANGELES HOUSING LAW PROJECT.....(213) 481-0134**  
 1125 W 6th St., Suite 300, Los Angeles, CA 90017 (9:00 a.m. – 5:00 p.m.)  
 Call for appointment. Low-cost or free assistance for low-income tenants. Sliding fee scale. Proof of income required. Will prepare answers and motions, respond to illegal lockout or utility shutoff, advocate in correcting health code violations, and represent in court (additional fee).
- SUPERIOR COURT LOCATION.....(213) 974-6135**  
 110 N. Grand Ave. Los Angeles, CA 90012 ..... (8:30 a.m. – 4:30 p.m.)  
 Provide assistance with Unlawful Detainers. Fee requested based on income.
- LOS ANGELES REFERRAL AND INFORMATION SERVICES. . . (213) 243-1525**  
**MENTAL HEALTH ADVOCACY SERVICES .....(213) 484-1628**  
**WEBSITE:** [www.mhas-la.org](http://www.mhas-la.org)  
 1336 Wilshire Blvd., Suite 102, Los Angeles, CA 90017  
 Free legal service to developmentally & mentally disabled people with low incomes.
- SAN FERNANDO VALLEY.....(818) 896-5211**  
**NEIGHBORHOOD LEGAL SERVICES.....1-800-433-6251**  
**13327 Van Nuys Blvd., Pacoima CA 91331**  
**WEBSITE:** [www.nls-la.org](http://www.nls-la.org).....Call for advise or appointment  
 Free legal assistance to low-income people living in the San Fernando, Santa Clarita, and Antelope Valleys, Glendale, and Burbank. Also call if your case is filed in the Van Nuys Court. Counsel, brief help filling out papers, and representation depending on case. Monday – Friday 9:00 a.m. – 5:00 p.m.
- SAN GABRIEL VALLEY LAWYER REFERRAL.....(877) 48REFER**  
 1175 E. Garvey, Suite 105; Covina, CA 91724 (877) 487-3337  
**WEBSITE:** [www.sgvlawyer.org](http://www.sgvlawyer.org) (9:00 a.m. - 5:00 p.m.)  
 An inexpensive legal service. They will arrange an interview with a lawyer for a \$35 fee for the first consultation.
- Other Legal Services** offices providing free legal assistance to low-income people. Call for information.
- Asian Pacific Legal Center..... (213) 977-7500**  
**Compton (Community Legal Services)..... (310) 638-5524**  
**Long Beach (Legal Aid Foundation of LA) ..... (562) 435-3501**  
**Norwalk..... (562) 864-9935**  
**LA Free Clinic..... (323) 653-1990**

**OTHER CITIES WITH RENT CONTROL**

**CITY OF SANTA MONICA..... (310) 458-8751**

1685 Main Street, Suite #202, Santa Monica, CA 90401

**WEBSITE: [www.santa-monica.org/rentcontrol](http://www.santa-monica.org/rentcontrol)**

**CITY OF BEVERLY HILLS..... (310) 285-1031**

455 N. Rexford, Beverly Hills, CA 90210

**WEBSITE: [www.beverlyhills.org](http://www.beverlyhills.org)**

**CITY OF WEST HOLLYWOOD..... (323) 848-6450**

8300 Santa Monica Blvd., West Hollywood, CA 90069

**WEBSITE: [www.weho.org](http://www.weho.org)**

**STATE LAW**

State law - California Civil Code - covers security deposits, 24-hour notice for entry, evictions, conditions of habitability, rental/lease agreements, abandonment of property, privacy, repair and deduct, moving out procedures, and method of service for 3-day and 30-day notices. For cities and jurisdictions that do not have Rent Stabilization Ordinances (*Rent Control*), landlord tenant matters and complaints can be referred to:

**STATE OF CALIFORNIA DEPARTMENT  
OF CONSUMER AFFAIRS.....**

**(800) 344-9940**

**WEBSITE: [www.dca.ca.gov/cic](http://www.dca.ca.gov/cic)**

**LOS ANGELES COUNTY CONSUMER AFFAIRS**

500 W. Temple St., Rm. B-96, Los Angeles..... **(213) 974-1452**

**WEBSITE: <http://consumer-affairs.co.la.ca.us/>**

VAN NUYS BRANCH (open T, W, F) ..... **(818) 901-3829**

EAST L.A. BRANCH (open M, W, Th) ..... **(323) 260-2893**

SAN GABRIEL BRANCH (open M, Th, F) ..... **(626) 575-5426**

SOUTH BAY BRANCH (open M, T, Th) ..... **(310) 325-1035**

FLORENCE/FIRESTONE BRANCH (open M, W, F) ..... **(323) 586-6508**

**RENTERS REBATE**

**STATE FRANCHISE TAX BOARD.....(800) 852-5711**

300 S. Spring St., Suite 5704, Los Angeles 90013-1204

**WEBSITE: [www.ftb.ca.gov](http://www.ftb.ca.gov)**

For rent rebates for people age 62 or older, blind or disabled. Apply between the dates of May 16 and September 2 each year to obtain a rebate.

**UNLAWFUL DETAINERS**

**LOS ANGELES SUPERIOR COURT, CIVIL BRANCH**

110 N. Grand Ave., Rm. 426, Los Angeles 90012.....**(213) 974-6135**  
(8:30 a.m. – 4:30 p.m.)

**TENANT SERVICES****COALITION FOR ECONOMIC SURVIVAL.....(213) 252-4411**

514 Shatto Place, Suite 270, Los Angeles, CA 90020; fax 213-252-4422

Conducts Tenants' Rights clinic at the Community Building in Plummer Park Wed. 7:00 p.m. Sat. 10:00 a.m. Donations requested. No one turned away due to lack of funds. First come first served. Walk-in only. No income limits. All housing problems. Provides counseling and advice, eviction assistance. (No telephone counseling)

**WEBSITE:** <http://www.cesinaction.org>

**INQUILINOS UNIDOS.....(213) 483-7497**

660 So. Bonnie Brae, Los Angeles, CA 90057.....Tuesdays 6:00 p.m.

Donations requested. No one turned away due to lack of funds. First come first served. Walk-in only. No income limits. All housing problems. Counsel and advise, brief service only. No responses to eviction actions.

**NAACP.....(323) 296-2630**

3910 Martin Luther King Jr. Blvd.; Suite 202; Los Angeles, CA 90008

**WEBSITE:** [www.naacp-losangeles.org](http://www.naacp-losangeles.org)

Only serve South Central LA City residents - immigration, illegal evictions.

**WESTSIDE TENANT ACTION CENTER.....(310) 399-9255**

318 Lincoln Blvd. Suite 255 Santa Monica, CA 90401

Donation requested. No one turned away due to lack of funds. First come first served. Walk-in only. No income limits. All housing problems. Counsel and advice. Brief service only.

**TENANT HABITABILITY COMPLAINTS –**

See Los Angeles Housing Department/ Systematic Code Enforcement, page 57.

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**REQUEST FOR INFORMATION**

The Los Angeles Housing Department has numerous publications available to the public **FREE OF CHARGE**. If you are interested in receiving additional publications, please circle the information by number as listed below.

1.	Ordinance	18.	Just & Reasonable Regulations	39.	RAC Regulations & Guidelines
2.	General Information	19.	Just & Reasonable Price Level & Application	40.	Relocation Assistance Escrow Account
3.	Allowable Rent Increase	20.	Additional Tenants Regulations	41.	Notice of Re-Rental after Removal from Rental Mkt.
4.	Registration	20B.	Additional Tenants Bulletin	42.	SCEP Passthrough (370.00)
5.	Rent Escrow Account Program Bulletin	21.	Transfer of Utility Payment to Tenants	43.	
6.	Rent Escrow Account Program Regulations	22.	Introduction Policy Statement of RAC	44.	Security Deposit Bulletin
7.	Complaint Form	23.	Seasonal Rent Adjustment	45.	Rent Reduction Program Regulations
8.	Eviction for L/L, Family or Resident Manager	24.	Reduction in Housing Services	46.	What I Should Know Before I Rent?
9a	Landlord Declaration (Eviction) Owner Occ.	25.	Assessment Pass Through	47.	Habitability Standards
9b	Landlord Declaration Resident Manager	26.	Mobile Home Park Bulletin	48.	Landlord/Tenant Handbook
9c	Landlord Declaration Governmental Order	27.	Mobile Home Park Gas Utility & Trans.	49.	SCEP Ordinance
9d	Landlord Declaration Illegal Drugs	28.	Luxury Exemption Cert.	50.	Mobile Home Guide
9e	Landlord Declaration Nuisance – Gangs	29.	Eviction Good Faith Requirements	51.	Sample Lease Agreement
9f	Landlord Declaration HUD	30.	Manager as Tenants Regulations-Evictions	52.	Section 8 Ordinance
10.	Smoke Detectors Bulletin	31.	Substandard Housing-Relief Regulations	53.	Maj. Rehab. Ord. #174721
11.	Surcharge for Smoke Detectors Regulation	32.	Referral Information	54.	Foreclosure Eviction Moratorium
12.	Capital Improvement Regulation	33.	Relocation Assistance	A	1 <sup>st</sup> Time Home Buyers' Prog.
13.	Capital Improvement Bulletin	34.	Rent Adjustment to Master Metered Mobile Home Park Residents	B	Handy Worker Program
14.	Capital Improvement Application	35.	Foreclosure – RSO info	C	Home Equity Fraud Brochure
15.	Rehabilitation Work Regulations	36.	Eviction – 12 Legal Reasons/Unlawful Detainer	D	HOPWA Brochure
16.	Rehabilitation Application	37.	Emergency Housing	E	Roster of Bond Rental Developments
17.	Primary Renovation Package	38.	Landlord Declaration – <b>ELLIS EVICTIONS PKG.</b>	F	Lead Based Information

**REQUEST FOR INFORMATION**

**Circle the information you would like mailed to you:**

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27  
 28 29 30 31 32 33 34 35 36 37 38 39 40 41 42 43 44 45 46 47 48 49 50 51 52  
 A B C D E F

Please Send To: \_\_\_\_\_

Return this request to:

**Los Angeles Housing Department P. O. Box 17280 Los Angeles, California 90017-0280**

Revised: 4/10

**NOTICE TO TENANTS**

**You are hereby notified that this building is subject to the Los Angeles Rent Stabilization Ordinance (RSO), LAMC Chapter XV**

**The RSO regulates rent increases:**

- Landlords may only collect rents of units registered with the Los Angeles Housing Department.
- Generally, a landlord may not raise the rent in excess of the annual allowable rent increase unless otherwise permitted by LAHD or the Los Angeles Municipal Code.
- A reduction in services may also constitute an unlawful rent increase.

**The RSO limits the reasons for which a tenant may be evicted:**

- The landlord may be required to pay relocation assistance for certain evictions.
- Mere foreclosure or sale of a property is not an allowable reason for eviction.

All rental properties in the City of Los Angeles must meet the minimum habitability requirements set forth in the Building Code and the California Health and Safety Code.

For further information, or to file a complaint, please contact the Los Angeles Housing Department hotline at (213) 808-8888 or log on to <http://lahd.lacity.org>

**OWNERS ARE REQUIRED TO POST THIS NOTICE IN A CONSPICUOUS LOCATION IN THE LOBBY OF THE PROPERTY, NEAR A MAILBOX USED BY ALL RESIDENTS ON THE PROPERTY, OR IN OR NEAR A PUBLIC ENTRANCE TO THE PROPERTY.**

**ATENCIÓN INQUILINOS:**

**Están notificados que esta propiedad es sujeto a la Ordenanza de la Estabilización de Rentas de la Ciudad de Los Ángeles (RSO), Capítulo XV del Código Municipal (LAMC)**

**El RSO regula los aumentos de renta:**

- El dueño solamente puede recibir pagos de renta si su unidad esta registrada con el Departamento de Viviendas (LAHD).
- Por lo general, no se le permite al dueño subir la renta más del porcentaje anual sin el permiso del LAHD, o si es permitido por el Código Municipal (LAMC).
- Una reducción en los servicios también podría constituir un aumento de renta ilegal.

**El RSO pone límites en las razones para desalojar a los inquilinos:**

- El dueño podría ser sujeto a pagar asistencia de reubicación por ciertos desalojos.
- La ejecución hipotecaria, el remate, o la venta de una propiedad no son razones aceptables para desalojar a los inquilinos.

Todas las propiedades de renta en la Ciudad de Los Ángeles tienen que cumplir con los requisitos mínimos de habitabilidad expuestos por el Código de Edificios y el Código de Salud y Seguridad de California.

Para mas información, o para entablar una queja, comuníquese con el Departamento de Viviendas llamando al (213) 808-8888, o por internet en <http://lahd.lacity.org>

**EL DUEÑO DEBE FIJAR ESTA NOTIFICACIÓN EN UN LUGAR VISIBLE - EN EL VESTÍBULO DE LA PROPIEDAD, CERCA DE LOS BUSONES DE LOS RESIDENTES DE LA PROPIEDAD, O DENTRO O CERCA DE LA ENTRADA PÚBLICA DE LA PROPIEDAD.**