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November 4, 2019

Supervisor Norman Yee, President
San Francisco Board of Supervisors
1 Dr. Carlton B. Goodlett Place, Room 244
San Francisco, CA 94012

RE: File #190811 - Promotion of Reusable Food Service Ware

Dear President Yee and Board of Supervisors,

The San Francisco Chamber of Commerce, representing thousands of local businesses, has reviewed Supervisor Peskin's proposed legislation, File #190811 - Promotion of Reusable Food Service Ware. While the business community supports policies and programs that help San Francisco reach its zero waste goals, several recently-enacted bans, fees, and sorting requirements are still in the process of being implemented into existing local business models. Introducing new restrictions on food ware at this time is a concern to many of our small local business partners. Additionally there are concerns that this proposed legislation lacks consideration regarding potential impacts on low-income customers. To address these concerns, we have proposed the following amendments.

Equity is a main concern with this fee. Low-income customers who frequent to-go establishments for everyday meals, or residents in Single Residency Occupancy units without access to kitchens, may be disproportionately impacted. In order to address this issue, **the fee in this ordinance should be reduced to \$0.10**, an already proven metric with the current Bag Fee that deters non-reusable use. **A cap of \$0.75 should also be placed on to-go containers** to prevent an undue burden on low-income customers who buy to-go or fast food meals that have multiple non-reusable containers.

The effect on small business and their feasibility to comply is also crucial to consider. Small vendors might not have a dishwasher or the physical space to install one. The cost of reusable foodware goes beyond the purchase of the product; the business will have to pay for water, sewage and labor as well. Further, San Francisco's high cost of living means many small businesses cannot afford to hire another employee to be a dishwasher, and even if they could, the pool of available workforce for lower income jobs has dramatically shrunk. Thus, it is in the city's best interest to **exempt non-formula retail restaurants from this legislation** to help preserve our already overburdened small businesses.

The definition of "Food Vendor" as stated in the legislation implies that food vendors, including pop-ups, food trucks and grocery stores and hotels that offer grab-and-go sections, are included if they have "On-Site" dining. However, Limited Restaurant uses are



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often grab-and-go, and even if they offer seating, the intention is not for on-site dining in every case. To require Limited Restaurants or grab-and-go vendors to eliminate their to-go model will drastically affect their business, and may drive them to package outside of the city and ship items in. This would result in the loss of many grocery union jobs whose purpose is to package in-store items.

Further, nonprofits that purchase and distribute or deliver to-go meals for elderly, low-income, or homeless people would face additional charges for purchasing reusables. **Nonprofits that purchase and serve low income or disadvantaged groups should be exempt from this legislation.**

To address these issues, we propose that **Limited Restaurants as defined in Section 102 of the Planning Code, non-profits, catering services, and any business with over 50% off-site diners be exempt from the legislation.**

As currently stated in the legislation, any owner or operator can petition for a waiver from the ordinance for a period of up to one year at a time. But by the time it is processed and approved, it would likely be time to apply for another waiver if a business is re-envisioning its business model. An extension of the waiver period is needed to lessen the time the Department of the Environment spends processing waivers, and to give affected food vendors the time they need to get reusable food ware, a dishwasher if needed, and hire dishwashers. **We propose an extended waiver period of five years.**

Given the nuances of this legislation, we want to ensure that food vendors receive necessary education on how to comply. We propose that OEWD offer **a grant for a local organization to conduct education and outreach to food vendors who will have to comply with this ordinance.**

The San Francisco Chamber of Commerce supports the efforts of Supervisor Peskin to move San Francisco towards a sustainable future. We hope you consider these proposed amendments to ensure that this legislation does not overburden San Francisco small businesses and is as equitable and sustainable as possible.

Sincerely,

A handwritten signature in black ink, appearing to read "Rodney Fong".

Rodney Fong
President and CEO



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cc: Clerk of the Board, to be distributed to all Supervisors; Sophia Kittler, Mayor's Liason; Lee Hepner, aide to Sup. Peskin