



# City of Austin

## Recommendation for Action

**File #: 24-3970, Agenda Item #: 7.**

2/29/2024

### **Posting Language**

Approve an ordinance amending the Fiscal Year 2023-2024 Austin Resource Recovery Operating Budget Special Revenue Fund (Ordinance No. 20230816-008) to accept and appropriate \$4,000,000 in grant funds from the United States Environmental Protection Agency for a reuse warehouse project and amending the Fiscal Year 2023-2024 Austin Resource Recovery Capital Budget (Ordinance No. 20230816-008) to transfer in and appropriate \$4,000,000.

### **Lead Department**

Austin Resource Recovery.

### **Fiscal Note**

Funding in the amount of \$4,000,000 is available from the United States Environmental Protection Agency (EPA). A City funding match is not required. A fiscal note is attached.

### **Prior Council Action:**

December 15, 2011 - Council adopted Resolution No. 20111215-047 adopting the Austin Resource Recovery (ARR) Master Plan.

April 10, 2014 - Council approved Resolution No. 20140410-024, adopting the goal of net zero community-wide greenhouse gas emissions by 2050, with the preference to achieve net zero as soon as feasible.

September 30, 2021 - Council adopted the Austin Climate Equity Plan, which sets a new community-wide goal of equitably reaching net zero community-wide greenhouse gas emissions by 2040.

November 2, 2023 - Council approved Resolution No. 20231102-002 adopting the 2023 Austin Resource Recovery Comprehensive Plan, which guides the City towards its goal of zero waste by 2040 to keep all items eligible for recycling, composting, reuse, repair, or donation out of our landfills. Chapter 6, Near Term Goal 2 instructs the City to research managing a furniture reuse and recycling warehouse.

### **For More Information:**

Richard McHale, Director, Austin Resource Recovery, 512-974-4301; Gena McKinley, Assistant Director, Austin Resource Recovery, 512-974-1915.

### **Additional Backup Information:**

The EPA's Solid Waste Infrastructure for Recycling Grant Program (SWIFR) is a grant program authorized by the Save Our Seas 2.0 Act and funded through the Infrastructure Investment and Jobs Act, also referred to as the Bipartisan Infrastructure Law. It provides \$275 million in grants to implement the National Recycling Strategy.

The City has pledged to achieve zero waste by 2040. This means only landfilling items that no longer have value and cannot be reused, recycled, or composted. The City made this goal in 2011 and remains dedicated to achieving it.

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The City has made significant progress toward its zero waste goal, but there is still plenty of work to be done. Austin has a surplus of valuable goods that, due to space constraints and limited reuse outlets, are going to the landfill. In particular, furniture has become increasingly difficult for existing outlets to process and rehome. MoveOutATX is an ARR program that encourages UT Austin's college students to donate unwanted items during off-campus summer move out and partners with multiple reuse organizations to divert donated materials. In 2021, thrift stores ended up landfilling much of the furniture they received through the program due to changing market dynamics caused by the COVID-19 pandemic. To resolve the donation market gap exposed in 2021, the 2022 MoveOutATX program hosted a free furniture market (FFM) which rehomed 529 furniture pieces in four days to hundreds of community members. In 2023, the FFM successfully rehomed another 600+ pieces, demonstrating a community demand and need.

Inspired by the success of this program, ARR hopes to use EPA grant funds to fill this resource gap permanently by opening the Austin Reuse Warehouse, which would accept and redistribute gently used furniture at no cost to nonprofits and their clients, with a focus on furnishing the homes of those transitioning out of homelessness. Many of these nonprofits spend funds on furnishings, so those funds could be redirected back into other areas of their operations. The warehouse could also eventually expand to accept building materials, space permitting. Additional expansions of programming could include providing space and infrastructure to host innovative programming, such as a workforce program in which individuals with barriers to employment could learn how to upcycle obsolete furniture into "made new" pieces or create sofa/chair cushions from deadstock fabric to bring dignity to pre-loved pieces.

The reuse warehouse supports the City's goal to reach zero waste by 2040. The program also aligns with the City's Climate Equity Plan by limiting the need for new raw materials, promoting waste reduction, encouraging reuse, and creating green jobs. In addition, Chapter 6 of the 2023 ARR Comprehensive Plan includes a goal to open a furniture reuse warehouse.

If this ordinance is not approved, opening the reuse warehouse to achieve the aims of the ARR Comprehensive Plan would have a significant budget impact. No funding is currently budgeted for the purpose of acquiring real estate, thus delaying this community benefit by several years. If this ordinance is approved, the grant funding will cover the acquisition of the building and some equipment. ARR will cover ongoing costs, such as staff salaries and necessary building improvements.

The General Fund will not be required to contribute to this grant.