

Prosperity that Lasts:

Building Economically Sustainable Communities



Prosperity: a successful, flourishing, or thriving condition, especially in financial respects; good fortune.

Sustainable communities foster and maintain a high quality of life for their residents on an ongoing basis. By taking advantage of opportunities to invest in energy efficiency, renewable energy, well-designed communities, water supply, waste-water management, efficient transportation and other sustainability practices, local leaders can improve the fiscal health of local agencies and the economic prosperity of residents and businesses.



City of Davis farmers market



10th and T Street, Sacramento

What Makes a Prosperous Community?

Since the economic downturn of 2008, California has endured several years of slow job growth and tight fiscal constraints that have squeezed the ability of local agencies to provide public services and facilities. As a result, residents, businesses and civic leaders alike are searching for ways to promote lasting prosperity for their communities.

Prosperity can be defined as “a successful, flourishing or thriving condition.”

- *Successful* communities offer residents economic opportunities and the ability to earn a decent living and support a family.
- *Flourishing* communities enhance the health and well-being of its residents.
- *Thriving* communities safeguard environmental quality and act as responsible stewards of natural resources.

Many local leaders have found that by creating communities that are more *sustainable*, they can help their communities succeed, flourish and thrive — in other words, become more prosperous. Sustainability is not simply about the environment — sustainable communities take practical steps to foster and maintain a high quality of life for their residents on an ongoing basis, which are benefits that can last over the long term.

This issue brief provides real examples of economic benefits realized by local agencies through sustainable practices in three broad categories.

- **Resource Efficiency and Conservation** includes best practices in energy efficiency and conservation, waste reduction, recycling, and water and wastewater systems.
- **The Built Environment** includes best practices in community design, green building and efficient transportation.
- **Green Infrastructure** includes best practices in renewable energy and low-carbon fuels, climate-friendly purchasing, open space and working landscapes.

This publication offers tips for readers who want to explore in more detail how to put ideas for sustainable prosperity into practice. It also lists resources local officials and residents can access to learn more about building economically sustainable communities.

The image shows the cover of a report titled "Sustainability Best Practices Framework" from the Institute for Local Government. The cover features the ILG logo and the text "Sustainable Communities". Below the title, there is a grid of ten icons representing different sustainability categories: Energy Efficiency & Conservation, Water & Wastewater Systems, Green Building, Waste Reduction & Recycling, Climate-Friendly Purchasing, Renewable Energy & Low-Carbon Fuels, Efficient Transportation, Land Use & Community Design, Open Space & Offsetting Carbon Emissions, and Community & Individual Action. Below the grid, there are two sections of text: "About ILG's Sustainable Communities Program" and "Sustainability Best Practices Framework: Options to Consider". The "Options to Consider" section lists several key actions: generate ideas about programs and policies to pursue; inform a comprehensive climate action planning process; and integrate sustainability into general plan policies. It also notes that many activities can lead to multiple benefits, such as reduced greenhouse gas emissions and energy, water, fuel and cost savings. A blue-bordered box at the bottom of the cover contains the text: "ILG's Sustainability Best Practices Framework offers a comprehensive catalog of tested local programs."



Sustainability's Benefits

Assessing the benefits of sustainability practices for community prosperity requires a consideration of both fiscal and economic impacts.

Fiscal benefits include reduced agency expenditures and increased revenues. Investments in a variety of sustainability strategies can produce both immediate and long-term impacts on a jurisdiction's fiscal condition, such as:

- Creating budget savings through reducing agency costs for water, energy and infrastructure development and maintenance.
- Boosting local tax and fee revenues through increased economic activity and higher property values.
- Improving fiscal stability in times of uncertainty, such as avoiding potential rises in energy and water costs.
- Using local budget savings to make targeted investments that spur additional savings, revenues and economic development.

Sustainability and Health

Sustainable communities are healthier communities.

Residents are exposed to less pollution and have more opportunities to be physically active and access healthy food choices. A healthy workforce is attractive to current and potential employers who want to invest in the community. Healthy residents are more actively engaged in community life, and healthy students are better prepared to learn.

In addition, many local agencies — particularly counties — are responsible for serving the health, welfare and public safety needs of residents. Healthier residents reduce the pressure on tight local budgets to pay for health and social services, public safety, parks and recreation programs, transportation and transit and a number of other local services and facilities.

Economic development benefits consist of improvements in the economic growth, competitiveness and vitality of a community. Sustainability strategies can improve a business' bottom line, enhance the built environment and attract new economic activity into more walkable and revitalized areas. These efforts are key to encouraging local residents and outsiders to invest and spend within a jurisdiction, thereby spurring further economic development. These economic

- Sustainability best practices generate savings to residents and businesses through reduced expenditures on water, energy, gas and other resources. These savings are then available to support additional local investments and economic activity.
- Communities that are well planned with a variety of housing options, commercial developments and efficient and convenient transportation choices attract investments in new and expanded businesses. These investments can increase local economic activity and employment, saving time and money for employees and employers alike.
- Well-designed communities and efficient transportation are especially important for retaining and supporting the competitiveness of small to medium-sized businesses, which are the source of most employment growth. Local businesses are more likely to keep money in local circulation, multiplying the economic impact.

Practices for Lasting Prosperity: Resource Efficiency & Conservation

Funded through local capital improvement funds, grants, rebate programs and loans or agency budgets, these resource efficiency and conservation practices can have substantial fiscal and economic benefits for local agencies, businesses and households. The average fiscal “break-even point” for resource efficiency investments is five to eight years; they start delivering other prosperity co-benefits immediately.

Energy Efficiency and Conservation



Energy generation is the second largest source of greenhouse gas emissions. Energy costs are also a big component of household, business and public agency budgets. Energy efficiency and conservation measures are proven ways to save money and resources. For instance, street light replacement programs that replace old fixtures with light emitting diodes (LEDs) reduce energy consumption by two thirds, improve street safety and save money. Combining motion detectors with dimmers adds savings.

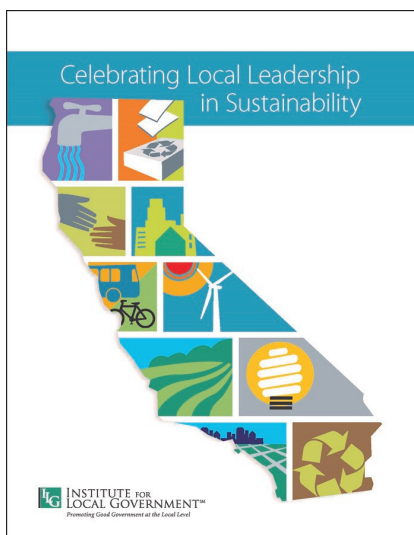
For example: The City of Sacramento replaced more than 4,000 existing lights with more efficient LED lights and installed motion sensors to control the lights in eight city-owned garages. Over the 11-year life of the LEDs, the city expects to save \$3.3 million in energy bills from this retrofit project alone.

Waste Reduction and Recycling



Recycling and waste reduction programs can have quick and positive impacts on a local agency’s budget. Waste reduction and reuse can also reduce business costs for disposal, provide new sources of materials for the construction, manufacturing and processing industries and create local jobs. Dozens of cities and counties have committed to reducing waste by “going paperless,” printing fewer pages and recycling.

For example: The City of Rancho Cucamonga saves about \$11,000 per year with this simple change.



Local Leaders Offer Creative Solutions

Many of the local examples described here are drawn from the recent ILG publication *Celebrating Local Leadership in Sustainability*. The report describes how city and county officials are taking new and creative approaches to provide services, manage budgets, and plan for the future in a way that over time will improve the prosperity and quality of life of residents in their communities.

By voluntarily implementing a variety of sustainability practices at the local level, cities and counties in California are helping meet ambitious state goals to reduce greenhouse gas emissions while improving the health of their residents and the resiliency of their local economies.

Practices for Lasting Prosperity: Resource Efficiency & Conservation

Prosperity and Resource Efficiency in Rural Communities



The nature of rural economies and the challenges and opportunities rural communities face require new ways of thinking about resource management and economic development. The State's rural communities and working landscapes contribute over \$2 trillion to California's economy annually, supporting job creation and economic growth based on construction, agriculture, forestry, fisheries, renewable energy, the emerging bio-based economy and other industries tied to natural resources. Rural towns and recreational amenities contribute significantly to California's tourism

industry, the state's second largest economic driver. These areas also provide vital ecosystem functions essential to the state's economy, including clean water and air quality.

Rural communities can benefit from a variety of sustainability practices that reflect their unique economic circumstances. By supporting the economic vitality of existing town centers, protecting open space and working landscapes, and using natural resources efficiently, communities are able to build upon their unique character. This enables them to better market themselves to businesses and residents. Coupled with targeted investment in new, vibrant neighborhoods, rural communities are able to create places that attract and retain residents, while prompting positive environmental, social and financial impacts.

Water and Wastewater Systems



Energy is used to convey, pump, distribute, treat and heat water, so saving water also saves energy and reduces greenhouse gas emissions. California periodically suffers prolonged drought periods, and experts agree that the effects of climate change will further reduce the availability of water in the future. Therefore, conserving and efficiently using water plays an important role in supporting economic development by securing water resources for the future.

- Treated wastewater can be reused to generate energy, control flooding and revive natural resources.

For example: The City of Santa Rosa's Geysers Recharge Project began pumping 11 million gallons per day of highly treated wastewater from the Laguna Treatment Plant to The Geysers steam fields. The 12.62 million gallons per day of recycled water sent to the steamfields through the Geysers Recharge Project boosts the operation's electrical output by 100 megawatts – enough to meet the daily energy needs of up to 100,000 households.

- Smart computerized irrigation controllers take real-time measurements of solar radiation, wind, humidity and temperature to optimize water efficiency and cut down on water waste.

For example: Santa Clarita's smart controllers save between \$300,000 and \$400,000 annually.

- Use of fuel cells to power wastewater plants is both environmentally friendly and cost effective. Approximately ten wastewater plants in California currently use fuel cell systems.

For example: The City of Tulare saves approximately \$3500 per day in avoided electricity purchases with its fuel cell-powered wastewater plant.

Practices for Lasting Prosperity: The Built Environment

Offering a wider array of housing choices and community types, multi-modal travel options or new building technologies can have lasting effects on a community's vitality and quality of life .

Community Design



New development can be designed in ways that conserve resources and encourage walking and bicycling while meeting the needs of residents and businesses. Mixed-use development is used to redevelop older commercial corridors with a mix of housing, retail and commercial activities, enabling people to live, work and play in the same area. Investing in development around transit services — commonly referred to as transit-oriented development (TOD) — helps to create vibrant neighborhoods. These communities are credited with reducing commute times, alleviating congestion and raising property values.

Richmond Lands New University of California Lab Campus

The City of Richmond, like many other cities in the state, is working hard to address critical issues related to public health and the built environment. To address this, the city updated its General Plan to include an innovative health element which is helping guide new projects as well as community revitalization efforts. The health element and other aspects of the Healthy Richmond initiative provide the framework for long-term, sustainable changes in health, safety and economic prosperity throughout the community.



Richmond's efforts are paying off. In 2011, the city was chosen as the preferred site for the second campus of the Lawrence Berkeley National Laboratory, which has the potential to bring millions of dollars to the city and new possibilities for economic growth. As part of its effort to be selected, the city put up a billboard that flashed "Richmond ♥ LBNL" along Interstate 580 and had more than 500 residents write personal notes to lab employees inviting them to the city.

Lab officials, who hope to move into the new location by 2016, say the enthusiasm of the city and its residents, sparked by the extensive community involvement in the Healthy Richmond General Plan, played an important role in selecting Richmond as the location for the new campus. The city is now working with the Haas School of Business at UC Berkeley to capitalize on the economic opportunities created by the laboratory campus investment so that it benefits Richmond residents and businesses.

Practices for Lasting Prosperity: The Built Environment

South Gate Finds Competitive Advantage in Sustainability



Located 10 miles south of downtown Los Angeles, the City of South Gate is home to approximately 100,000 people, more than 95 percent of whom are Latino. Over the past decade, Latino residents have become more involved in local government decision making, in part as a direct result of public engagement and outreach efforts made during the city's general plan update process.

The South Gate General Plan was one of the first "form-based" comprehensive plans in the United States. Form-based plans guide the form and character of community, as opposed to more conventional ways to designate land use. The General Plan also includes a healthy community element that focuses on physical activity, access to nutritious foods, transportation safety and air quality.

Because of the visionary updated General Plan, the city has received nearly \$3 million in grants to help implement it, including funds to complete a greenhouse gas inventory, energy strategy, safe routes to school strategy, community bike plan, an updated zoning ordinance, a downtown specific plan and plans for two new eco-rail stations (pictured). The city also created a sustainable regional economic development plan, which set the stage for an economic rebound. Since 2013, the city has overseen the construction of the Azalea Regional Shopping Center and the reconstruction of the existing El Paseo shopping center, each with more than 300,000 square feet of retail space that is 98 percent leased, as well as the rehabilitation of the 450,000 square foot industrial Glasswerks site. Providing new jobs, housing and shopping options served by convenient transit, walking and bicycling options reduces vehicle travel while promoting greater prosperity for local residents.

Green Building



Green buildings reduce energy consumption, use water more efficiently and incorporate materials with recycled content, thereby saving money, conserving natural resources and reducing greenhouse gas emissions. Green building, in addition to reducing a structure's environmental impact, can increase a building's value and have ongoing operating savings. Green building strategies average 13.6 percent in reduced operating costs for new construction and 8.5 percent reductions for remodeled buildings. They also have a higher value – an average of 10.9 percent for new construction, and 6.8 percent for remodeled buildings.

For example: The City of Simi Valley's renovated transit maintenance facility incorporates recycled materials and an energy-efficient design that produced a 25 percent savings in energy. The project also includes a bus washing system that filters and recycles wash water and reduces water use by 42 percent. In addition, the city expanded its compressed natural gas (CNG) fueling facility, allowing the neighboring City of Moorpark and the local waste management company to convert their fleets from diesel to CNG. Simi Valley sells approximately 700 therms (700,000 cubic feet) of CNG to other local agencies each month, generating income for the city.

Practices for Lasting Prosperity: The Built Environment

Efficient Transportation



Transportation is the largest generator of greenhouse gas emissions in California. Efficient transportation systems provide a variety of choices in addition to single-occupancy vehicles. Economic benefits include conserving fuel and cutting fuel costs, reducing the health impacts of air and water pollution, reducing traffic congestion and making streets safer for pedestrians, bicyclists, transit users and motorists.

- “Complete streets” are designed and operated to enable safe access for all users, including pedestrians, bicyclists, motorists and transit riders of all ages and abilities. This can be especially important along commercial corridors and in local business districts.

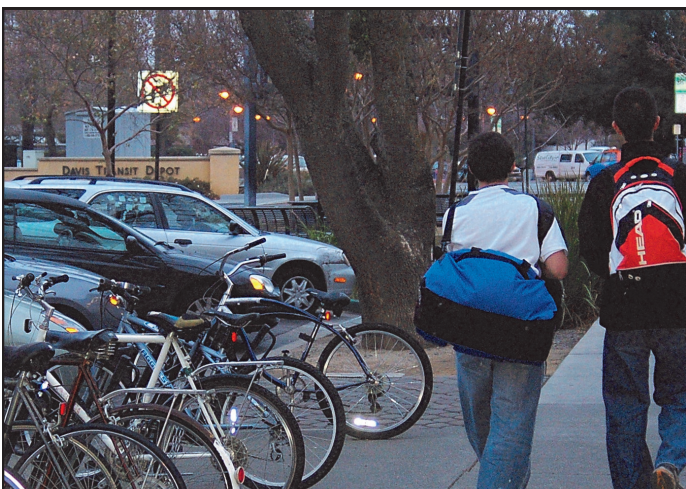
For example: San Diego County’s Complete Streets projects have generated both safety and economic benefits. After the City of San Diego installed new roundabouts and other features to improve safety and enhance the streetscape along La Jolla Boulevard in the business district of Bird Rock, a survey of tax receipts among 95 businesses along the corridor showed a 20 percent boost in sales.

- Increased foot traffic around businesses has been shown to improve local economic activity.

For example: The City of Lodi invested \$4.5 million in pedestrian- oriented improvements along five main street blocks, which included widening sidewalks and installing curb bulbs, colored paving stones, a gateway sign, 140 street trees, lighting, benches and other streetscape amenities. The city credits these improvements with attracting 60 new businesses, a drop in the retail vacancy rate from 18 percent to 6 percent, and a 30 percent increase in downtown sales tax revenues since work was completed.

- Shared vehicle programs include shared motor pools as well as programs that allow people to rent cars on a short-term, as-needed basis, paying only for the time they use the car and the miles driven. These programs result in fewer cars on the road, energy and maintenance cost savings and increased use of transit.

For example: The City of Santa Ana launched a shared motor pool system to reduce the size of its 700-unit fleet and lower fleet maintenance and replacement costs. The main system consists of 12 pool cars parked at the city yard where most current pool car users are based. The average savings per assigned vehicle turned in is approximately \$3,600 annually.



Practices for Lasting Prosperity: Green Infrastructure

Whether applied to individual buildings, neighborhoods, cities or counties, the following green infrastructure practices demonstrate ways that cities and counties can achieve a wide range of local economic and fiscal benefits.

Renewable Energy & Low-Carbon Fuels



Energy generated from renewable energy sources produces less greenhouse gas emissions than energy generated from conventional sources. Low-carbon fuels are formulated to produce fewer greenhouse gas emissions. Solar and wind power, methane conversion and other renewable energy practices and low-carbon fuels also support local businesses and provide new revenues for materials that would otherwise go to waste or require costly disposal.

- Developing innovative waste and recycling strategies can generate local revenues.

For example: While methane makes up about 50 percent of the emissions produced in landfills as a byproduct of decomposing garbage buried at the site, state regulations require the capture and destruction of greenhouse gases, usually with no economic benefit. Butte County has partnered with an energy company to install pipes that bring the gas to a 2.2 megawatt generator that is estimated to produce enough clean energy to power approximately 1,300 Northern California homes and provide the county with \$750,000 in additional local revenue annually.

- Installing solar photovoltaic systems on municipal and government-owned buildings demonstrates a commitment to sustainability, while lowering energy usage and costs.

For example: The City of Pleasanton installed solar panels on four of its municipal buildings which produced an annual savings of \$144,000.

- Transitioning city fleets of gasoline-powered automobile, buses and service vehicles to electric, hybrid and compressed natural gas can have great impacts on fuel usage, emissions and budgets.

For example: Culver City was recently named the No. 1 Government Fleet in North America (out of 38,000 public fleets) by the 100 Best Fleets National Fleet Certification and Recognition Program. The city's 650-vehicle natural gas powered fleet reduces emissions and conserves more than 800,000 gallons of diesel fuel, saving more than \$1.4 million annually.

Climate-Friendly Purchasing



By purchasing products or services that reduce greenhouse gas emissions and other environmental impacts relative to competing goods and services — such as purchasing from certified local green businesses or “buying local” to reduce transport costs — public agencies, businesses and individuals can remain fiscally responsible while supporting local businesses.

For example: Sonoma County's climate-friendly purchasing policy enables it to award contracts to green vendors for services or products that do less harm to the environment if the cost is within five percent of the lowest bid of other competitors. The county gives the same preference to local vendors to help reduce the greenhouse emissions associated with transportation of the products and to support the local economy.

Practices for Lasting Prosperity: Green Infrastructure

Open Space and Working Landscapes



Forests, parks, agricultural lands and open space provide food and products that are essential to California’s economy. These open spaces and working landscapes also serve as “carbon sinks” by storing greenhouse gas emissions that would otherwise contribute to climate change. Economic benefits include improving community quality of life and protecting and enhancing agriculture production and processing, the state’s single largest industry.

- Open spaces, such as parks and recreation areas, are typically identified as quality-of-life and environmental assets, yet often are not recognized for their financial benefits. Residential properties adjacent to open space can boost property values and tax revenues for a community.
- In rural areas, sustainable forestry practices can yield substantial carbon storage benefits — which in the future could generate revenues from cap-and-trade offsets as well as from small-scale forest “biomass” electrical generation facilities that also create local jobs.
- Urban forestry and tree planting programs not only aid in air quality and beautification, but can also reduce heating and cooling costs, increase property values and create more appealing and vibrant shopping areas.

Protecting Farmland, Promoting Jobs

The small San Joaquin Valley city of Hughson (population 6,651) is taking dramatic steps to secure a future of sustainable economic prosperity by building upon the key component of its local economy: agriculture. Hughson’s prime farmland coupled with its good climate can support the cultivation of 215 different types of crops. Productive agricultural land supports both direct employment in farming and local jobs in food processing and transport.



Because farmland conservation also promotes compact and efficient development, it can reduce the cost of providing basic urban services, such as water and sewer and police and fire protection, to infill development as well as new subdivisions and neighborhoods.

Under Hughson’s program, land conversions for commercial or industrial development do not have the same offset requirements as those for residential use. A 2-to-1 ratio will mitigate the cumulative impacts of the loss of farmland as Hughson develops over time, providing the community and developers greater certainty in complying with the California Environmental Quality Act (CEQA).

Hughson’s farmland preservation ordinance is just one of several sustainability efforts under way in the city. As a result, Hughson is creating a local climate action plan that will address water conservation, energy efficiency and transportation planning. The city is also working on a model urban forestry program, a fiscal growth modeling tool and a low-impact development storm drainage model, all aimed at boosting the local economy and agency finances.

Sustainable Prosperity - Putting Ideas into Practice

Interested in putting some of the ideas and examples presented here to work in your community? Some next steps that local officials and staff, residents, business owners and employers and other community stakeholders can take are offered below.

Get Inspired

Read about communities throughout California that have put sustainability to work. These are showcased in the free publication, *Celebrating Local Leadership in Sustainability* which can be downloaded from the ILG website. You can also find case stories, videos and articles with additional examples on the ILG website at www.ca-ilg.org/sustainability.

Look for Opportunities to Implement Sustainability in Your Community

Some local agencies (such as Sacramento County) use the ILG *Sustainability Best Practices Framework* as a catalog of tested and cost-effective policies and programs that can boost the local economy and the agency's bottom line. Download this free publication from the ILG website at www.ca-ilg.org/overview/sustainability-best-practices-framework.

Learn, Share, Connect and Lead

Expand and share your knowledge and connect with experts, peers and colleagues through the ILG Sustainable Communities Learning Network and LinkedIn Group at www.ca-ilg.org/scln.

The Learning Network:

- Facilitates peer-to-peer learning, sharing real-world tips and examples among local officials and others engaged in sustainability efforts.
- Provides access to case stories, tools and resources in ten Sustainability Best Practice areas.
- Offers opportunities for communities and individuals to be recognized as a leader in sustainability through articles and case stories, League of California Cities and California State Association of Counties conferences and events, as well as participation in the Beacon Award climate change and sustainability recognition program.

Engage and Enlist the Community.



Engaging the public in an authentic and practical way can help develop a shared understanding of local economic development policies and programs, increasing their potential effectiveness and impact over time. Because local challenges and opportunities are as varied as individual communities, engaging the public can help ensure that proposed economic development strategies or projects are aligned with the community's needs.

Additional information and examples of effective community engagement in planning for economic development can be found in [Public Engagement and Economic Development](http://www.ca-ilg.org/EngagingPublicEconomicDevelopment) (www.ca-ilg.org/EngagingPublicEconomicDevelopment).

Resources to Learn More

Visit the ILG Sustainable Communities Program at www.ca-ilg.org/sustainability to access the following web resources:

- Sustainability Best Practices Framework
- Healthy Neighborhoods Program
- Land Use & Environment Program
- Planning for Climate Change
- Sustainability Resource Centers
- Beacon Award: Local Leadership Toward Solving Climate Change
- Sustainable Communities Learning Network & LinkedIn Group

Additional Resources:

California Association for Local Economic Development (CALED) (www.caled.org)

Economic Development Toolbox, US Economic Development Administration (www.planning.org/eda/toolkit/)

GO-Biz (Governor's Office of Business and Economic Development) (www.business.ca.gov)

Smart Growth America *Building Better Budgets Measuring Sprawl and Its Impact* (www.smartgrowthamerica.org)

Vision California *Vision California – Charting Our Future* (www.visioncalifornia.org)

TELL US YOUR STORY

We know that the examples in this fact sheet represent just a small fraction of all the impressive success stories in California. We want to hear about your sustainability strategies and the benefits they have brought to your community. Sharing your story as a model for success can help inspire and educate others in their pursuit of sustainability strategies that lead to greater prosperity. Please contact info@ca-ilg.org to share your story.



The Institute for Local Government is the nonprofit research and education affiliate of the League of California Cities and the California State Association of Counties.

Its mission is to promote good government at the local level with practical, impartial and easy-to-use resources for California communities .

The Institute's current program areas include:

- » Local Government Basics
- » Public Engagement
- » Ethics & Transparency
- » Sustainable Communities

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<http://www.ca-ilg.org/EconomicBenefitsofSustainability>

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