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Economic Development and the General Plan

Designing Healthy, Equitable, Resilient, and Economically Vibrant Places

“World class communities come in all shapes and sizes, they are not determined by geography, and/or natural resources so much as by the mindset of their local leadership.”

—Don Allen Holbrook, *The Little Black Book of Economic Development*

Introduction

The resilience of an economy both shapes and is shaped by its physical development. It strongly influences how a jurisdiction governs. Cities and counties may include a distinct economic development element, or highlight economic development as a primary theme or goal throughout their general plan. Most communities set forth goals of economic health and sustainable funding for public services for current and future residents, as part of support for a thriving business environment, job growth and retention, and, as appropriate, community revitalization.

CORRELATIONS BETWEEN ELEMENTS

	Land Use	Circulation	Housing	Conservation	Open Space	Safety	Noise	EJ
Economic Development	RELATED	RELATED	RELATED	RELATED	RELATED	RELATED	-	RELATED

■ Identified in statute ■ Closely related to statutory requirements

Decisions regarding [land use](#) and [circulation](#) can promote businesses and increase property values.^{lxv} Planning effective transportation access to centers of employment, education, and services can help a city or county build and maintain a strong economy. Ensuring an appropriate jobs-housing balance provides residents with nearby employment choices. And fostering public health will have a direct effect on improvements in labor productivity and increased personal income.^{lxvi}

Businesses and Employment

Cities and counties can use general plan policies to promote business development and retention, job training and workforce

development, partnerships with educational institutions and private and non-profit organizations, incentives for targeted business investments, and marketing and communications programs. Economic development policies should be based on goals identified through community engagement, which should include targeted outreach to the business community. Involving potential employees, developers, and business leaders early in the planning process will help ensure policies grounded in the community vision.

Economic development is strongly related to the **circulation** element; particularly through the movement of goods, services, and people. Resident and visitor access to employment centers and commercial centers is critical. Assessing and addressing the needs for current and future accessibility through multiple modes, including transit, pedestrians, and bicycles will provide employees and customers access to new and existing businesses and help support economic growth and vitality. Proximity to transit options increases property value as well as economic activity. Promoting connected systems of walkways, bikeways, and transit lines leading to economic centers provides easy, affordable access to retail, employment, and services. Including additional infrastructure around retail centers, such as bikeshare stations, pedestrian rest areas, and covered transit stops, may help economic stimulation.

Economic Development and Displacement

As cities and counties grow and prosper, consideration must be given to ensuring equitable development and minimizing displacement. While figures vary by geography and demographics, overall, low and middle income housing availability in California is shrinking. For every 100 extremely low income (ELI) renter households, there are **just 34 affordable and available units.**^{lvii}

Revitalizing communities, building strong economies, embracing sustainable, coordinated development, and improving infrastructure are all positive policies with a wide range of benefits for communities. An efficient economy relies on housing options that are affordable to a range of workers and accessible to jobs. HCD has created recommendations to combat displacement

Revenue Share Agreements

At times, when potential development straddles geographic boundaries between jurisdictions, projects can be delayed or terminated due to conflict over revenue. Shared sales tax agreements, such as the one between the cities of **Oakland and Emeryville**, can ensure each city or county receives a share of the benefits of economic growth.

Waterford, Wisconsin. Main Street



Image by Urban Advantage, Lakes Area Realtors

in planning and implementation in their [Statewide Housing Assessment](#). Additionally, numerous organizations and academics are working to identify potential tools for planners, advocates, and local governments. Some of these tools include:

- [Community benefits funds](#)
- [Value Capture](#)
- [Inclusionary zone](#)

Healthy Communities and the Economy

Public health outcomes correlate directly to economic vitality. Increased investment in communities can lead to improved public health outcomes, through greater opportunities for active transportation and outdoor activity, increased access to nutritious food, and improved economic opportunities. Planning for employment and business centers that are accessible through transit and active transportation can be especially beneficial to public health outcomes, and improve equity in communities.

Ensuring all residents of a city or county are included in economic development planning - through distribution of infrastructure, retail, employment, transit and active transportation networks, housing, and other considerations - can ensure improved health outcomes for the full community.

Economic Development and Climate Change

The impacts of climate change present an increasing threat to local economies throughout California. Planning for climate resiliency and adaptation can help support and maintain a strong local economy. By incorporating climate impacts into long term planning, cities and counties can help local businesses, and their economy, recover more rapidly from climate events, increasing community resiliency. Additionally, promoting adaptation and resilience creates more secure fiscal environments for investment, promoting development and job growth.

Cities and counties can explore the [Cal-Adapt](#) tool to examine potential climate impacts in their community. By implementing policies to promote adaptation and resiliency, local communities can help reduce the likelihood of economic disruption from natural disasters and extreme weather events. Planning and policies for climate change can also improve economic recovery after climate events, increasing business resiliency and fiscal stability.

Community Assets and Fiscal Stability

Community assets such as schools, parks, open space, universities, and cultural amenities, as well as infrastructure such as sidewalks, transit systems, and utilities, help create cities and counties that attract residents and businesses. The creation, maintenance, and promotion of

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The neighboring cities of Oakland and Emeryville recognized this issue early on, and developed a revenue share agreement in 1994 to address it. In 2011, when a large Target opened on the border of both cities, the existing agreement helped them share the additional \$550,000 in sales tax revenue.

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assets and infrastructure should be addressed throughout the general plan. Infrastructure and community assets must align with economic development goals, as they attract, retain, and support the workforce and commercial base that new and existing businesses require.

Ultimately, businesses will invest in and support communities that offer a strong workforce, a stable fiscal climate, and policies to support their growth. General plans create an opportunity for cities and counties to implement policies that can spur economic development, revenue generation, and shared benefits for all community members. Additionally, **equity** should be considered in all economic development decisions, to ensure all community members benefit from policies and investments.

Engagement with the Business Community

A strong general plan will benefit from outreach and input from all community members. It is important to engage business community members in any economic development plan, as their input and support is vital to its success. Direct outreach, including visiting existing businesses, surveys, and small, targeted meetings, will help ensure engagement with the business community. Additionally, working with business organizations such as chambers of commerce, Business Improvement Districts, and Economic Development Corporations; partnering with service clubs such as Rotary or Kiwanis; and connecting with colleges and universities and Workforce Investment Boards will create a robust pool of information from community members invested in economic development. Such outreach could even lead to public private partnerships, shared benefit programs, or increased investment in the community.

SAMPLE OF OPR-RECOMMENDED DATA FOR CONSIDERATION IN ANALYSIS OF THIS ELEMENT

Intent of Analysis	Recommended Data
Inventory of current business establishments	Local lists, local chambers of commerce, or commercial sources such as InfoUSA.
Inventory of current jobs by industry and business	See above
Estimated wages by industry and occupation	Bureau of Labor Statistics Metropolitan Area Occupational Employment and Wage Estimates
Cost of living data	City-data.com and other sources
Population Characteristics	U.S. Census and City-data.com
Workforce Characteristics	U.S. Census and City-data.com

OPR Recommended Policies

These policies are an example of recommended policies adopted by varying jurisdictions, to be modified and used as appropriate. A full list of recommended policies can be found [here](#).

Policy	Example	Relation to other elements
Encourage a balance between job type, the workforce, and housing development to reduce the negative impacts of long commutes and provide a range of employment opportunities for all (city/county) residents.	Sacramento	Circulation, healthy communities, equitable and resilient communities, economic development, climate change
[City, county] shall require the provision of bicycle parking and related facilities in new employment-generating development to facilitate multi-modal commute choices.	San Pablo	Land use, circulation, healthy communities, equitable and resilient communities, climate change
[City, county] shall establish a list of "ready-to-go" or "shovel-ready" sites in consultation with property owners, and provide the list to interested developers and businesses seeking sites in the city.	Fresno	Land use, circulation