Harris County, Texas
Planning for Economic and Fiscal Health
Report and Suggested Next Steps
Building Blocks for Sustainable Communities Program

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Introduction: Purpose of this memo

Pursuant to our technical assistance contract with Harris County, this Memorandum constitutes our final report summarizing the workshop on Planning for Fiscal and Economic Health and suggesting some possible next steps as Harris County Public Health and Environmental Services (HCPHES) seeks to forward its Healthy Living Matters initiative in Pasadena, Texas.

Smart Growth America contracted with Harris County (P.O. P231267 dated 04/23/14) to provide technical assistance using our Planning for Fiscal and Economic Health tool. To provide this assistance, Smart Growth America conducted a workshop in Pasadena, Texas on August 12 and 13, 2014. The first day of the workshop consisted of a public presentation that provided a broad overview of the fiscal and economic implications of different development patterns, focusing on the differences between sprawling patterns and more compact “smart growth” patterns. The second day was a full-day work session for invited participants. It featured additional presentations, as well as a facilitated brainstorming session and discussion of issues and alternatives with the invited group.

The workshop brought together individuals with a stake in Pasadena’s economic and fiscal development, as well as its public health. This included elected officials and professional staff from the City of Pasadena, HCPHES staff, as well as representatives from the real estate community, local library and the nonprofit organization Houston Tomorrow.

Through the two-day program, Smart Growth America was able to engage community stakeholders in a discussion about ways in which smart growth approaches can make Pasadena
more economically competitive, reduce taxpayer burdens, and improve public health in the community. The intent of the workshop was neither for Smart Growth America to create a plan nor bind the community to any particular course of action, but to assist the community with vocabulary, tools, best practice examples and case studies to inform community efforts to create a more vibrant, successful region, consistent with the goals of adopted local plans.

Background: Context for the technical assistance

Need for assistance

HCPHES brought in Smart Growth America’s assistance to complement and extend its Healthy Living Matters initiative, which aims to decrease childhood obesity through policy change, including policy changes that support healthier built environments. The workshop was intended to appeal to the interests of Pasadena’s City leaders and private sector stakeholders and engage them in dialogue about how smart growth approaches to development would benefit the area’s fiscal and economic performance. In so doing, HCPHES hoped to show the City of Pasadena and private interests that more compact, walkable development was a built environment they could all support.

Smart growth and fiscal and economic health

Communities around the nation are always concerned about their fiscal and economic health. By fiscal health, we mean a local government’s bottom line: Does the life-cycle cost of new development – upfront infrastructure, ongoing service provision and eventual repair and maintenance – cost more to the town than it brings in tax revenue? By economic health, we mean the general economic well-being of the community: How does new growth and development add to or detract from the creation of jobs, wealth, retail sales, economic competitiveness, and fiscal sustainability?

In approaching these questions in Pasadena, as in any part of the country today, it is important to bear three trends in mind:

1. Our nation’s demographics are changing in a way that is profoundly affecting the housing market.

Demographic trends are moving the housing market strongly away from conventional suburban housing. The two biggest demographic groups in the nation – retiring Baby Boomers and so-called Millennials (18-30-year-olds) are both expressing a strong preference for a more walkable, urban/village lifestyle. Indeed, a growing percentage of Millennials prefer to live without cars altogether or to live a “car-lite” lifestyle. The vast majority of net new households being formed have no children at home, and most of them are one and two-person households – which are much more likely to prefer a walking lifestyle. Furthermore, the rate of change in vehicle miles traveled (VMT) has fallen below the population growth rate, while the demand for public transportation has been rising steadily. These trends are a complete departure from those experienced for decades in the 20th century.
2. The formula for economic growth is changing.

Business growth used to be driven by large corporations that operated in a fashion that was both private and linear. In the past, new research breakthroughs occurred in sealed research laboratories controlled by the companies. Manufacturing and other business processes occurred in assembly-line situations. These conditions led to communities that featured large, sealed-off campuses and tended to be linear in their arrangements.

Today, business growth is driven by collaboration among many types of entities – private companies, research institutions, universities, and others – that must interact frequently and work together creatively. This trend requires cities and communities that encourage interaction and collaboration – the opposite of the older model just described. How communities are designed directly impacts their ability to create interactive and collaborative environments.

Most significantly, the “Knowledge Economy” depends heavily on skilled workers. The companies that are driving innovation are pursuing highly educated talent, especially among the ‘Millennial’ generation. Increasingly, companies find it necessary to locate in places that the work force wants to live in; and this means walkable communities.

Similarly, the market for retail is changing. The suburban shopping malls and “power centers” that thrived for decades are struggling as a result of oversupply and a shift in shopping preferences. With online buying playing a bigger role for consumers (especially for bargain hunters), many are looking for a more “authentic” experience when they shop in person. This is bringing new value to traditional walkable Main Streets.¹

3. Suburban development patterns are making it more difficult for local governments to balance their budgets.

Suburban development patterns require extensive investments in capital infrastructure and ongoing service delivery. Low-density development requires more infrastructure to serve fewer people and requires service providers such as firefighters and school buses to travel farther. More compact development patterns reduce both life-cycle infrastructure costs and operating costs. A 2013 study by Smart Growth America, Building Better Budgets: A National Examination of the Fiscal Benefits of Smart Growth Development², concluded that, compared to conventional suburban development, smart growth patterns can save up to 38% in upfront infrastructure cost and 10% annually in ongoing operating expenses. Smart growth development patterns can generate approximately 10 times more revenue on a per-acre basis.

Not all of these trends will be completely relevant in every situation. But it is important to bear all three in mind in considering the fiscal and economic health of any community.

Participant viewpoints: Realizing the vision

The concepts described above were elaborated upon in the presentation portion of the workshop, which was followed by a general discussion session among all participants, and the identification of a number of issues or themes bearing on the realization of the community’s vision. The purpose was not to establish consensus on a specific plan, but to focus thinking by identifying obstacles and promising possibilities. In an extended brainstorming session, elements of a possible action plan were identified.
Discussion of issues and obstacles

First, participants discussed various local health and development issues and obstacles at length. This stakeholder input is summarized below.

Cultural and social issues:

- Many forms of children’s entertainment today are indoor activities, like video games, computers and other technological devices.
- The prevalence of crime may discourage people from spending time outdoors.
- There are no farmers markets, although there are food fairs.
- There are some community gardens, but not enough.

Institutional issues:

- There is not enough communication between City and County agencies and officials. There may also be hierarchical “silos” within the City of Pasadena and Harris County that make coordination difficult.
- The community needs a representative from the school system to champion these health matters. However, a lack of continuity in leadership makes this difficult.
- Fifty percent of the skilled workforce will retire in the next several years.
- There is no Safe Routes to School policy or priority.
- There is a lack of funding and funding opportunities, particularly for problems that do not have policies and plans in place to address them.

Infrastructure issues:

- Many sidewalks need repairs.
- New transportation projects lack bicycle infrastructure.

Civic leadership and engagement issues:

- There is a lack of education on various topics, such as making healthier lifestyle choices. Some of this is due to cultural barriers.
- The community has a relatively transient population, and the proportion of renters to homeowners is high.
- There is low voter turnout, which is reflective of the lack of public engagement in various local issues.
- The business community may not know and/or care about Pasadena’s public health issues.
- A large proportion of the petrochemical workforce commutes from outside Pasadena.
- The community used to use newsletters to engage the public, but Pasadena no longer produces these.

Additional considerations and contextual issues:

- Pasadena’s economy is primarily based on manufacturing. There is demand for skilled trade workers, rather than knowledge workers.
• Across the county, young professionals are driving development trends and decisions. What are the implications of this for Pasadena, given its economy?

An Action Agenda

Based on the themes of the discussion, participants identified four major elements that their action agenda needed to target, namely:

1. Address cultural barriers
2. Break down institutional silos
3. Develop funding, processes and plans for infrastructure improvements
4. Enhance civic leadership

Address cultural barriers. Possible actions included:

• Support St. Peters Episcopal Church’s efforts to be a leader in the community. The community trusts the church more than local government, so use that knowledge to Pasadena’s advantage. Engage more Hispanic churches in local church efforts that are already happening, like the Faith in Action home repair event and Easter event.
• Develop stronger parent engagement groups. Steve Villino is someone to work with in this effort.
• Reach out to local Spanish media regarding public initiatives and activities. Leverage soccer events and churches as other opportunities for engagement. Go to the communities directly, rather than making them seek out information and resources on their own.

Breakdown institutional silos. Possible actions included:

• Hold regular meetings between HCPHES and the City of Pasadena. The Department of Environment and Public Health is currently forming a Built Environment division. This division should be a key actor in moving conversations about healthier, more walkable communities forward with a range of local stakeholders.
• Secure more involvement from the Mayor of Pasadena.
• Organize regular interdepartmental meetings for City department leaders.
• Use all of the above coordination efforts as a venue for identifying opportunities for collaboration as they relate to policy changes, funding opportunities and more.
• Consider developing a committee for City and County staff to come together.

Develop funding, processes and plans for infrastructure improvements. Possible actions included:

• Think about how funds like those from the CDC are currently used.
• Find ways to maximize the impact of Houston Galveston Area Council (H-GAC) livable centers study for further infrastructure improvement. As part of this effort, explore standards and flexibility with TXDOT.
Enhance civic leadership. Possible actions included:

- As a first step, consider what groups could be brought to the table that are not currently involved. This may include the local school board, church leadership and other influential individuals and institutions.
- Develop a plan to engage the business sector, including the Economic Alliance, East Harris County Manufacturers Association and Neighborhood Network.
- Explore how to leverage the role and resources of the local libraries. They can provide meeting space and community services, for example. Because they are a public institution, they may be a good bridge among the local government, the nonprofit community and residents.

In addition to these four categories, participants also raised several action ideas that would be useful no matter the issue at hand. These included:

- Develop clear goals and measurable objectives and outcomes. If people can “see the light at the end of the tunnel” and understand how their engagement contributes to meaningful outcomes, they will be more likely to become and remain engaged. Additionally, making objectives measurable will help people identify how far they have progressed, as well as how much work remains.
- Update the comprehensive plan so that it encompasses and addresses some of the issues and opportunities discussed at this workshop.
- Actively search out or assign champions for various projects and initiatives. The importance of leadership cannot be overlooked.
- Clear roles and responsibilities are critical. You should be able to point to a specific person or small group of people who are undertaking a given task or working on a specific action item, like engaging the business community.
- Look for successes and build on them.
- Network to build relationships, foster communication and increase engagement.
- Identify short-term, medium-term and long-term actions. Focus on grabbing the “low hanging fruit” while making continuous effort toward the “big wins.”
- Keep the conversation going among workshop participants. Continue to come together, stay in contact and actively search for opportunities to collaborate.

Recommendations: Moving forward

The recommendations that follow are based on the discussions that occurred during the August 13 workshop and discussion.

Harris County’s Healthy Living Matters initiative has documented a strong connection between a walkable built environment and improved public health. The workshop reinforced this message with the economic and fiscal case for a quality built environment. The challenge now is to communicate and realize the resulting benefits. Some specific recommendations for consideration are:
1. **Increase interjurisdictional cooperation in the area of health and the built environment.**

The County and the City need to work in concert to address childhood obesity. Health and public works have traditionally worked towards the same ends of promoting public health, safety, and welfare. As the built environment has been shown to impact physical activity and thus public health, it is vitally important that public health and public works efforts be coordinated. This provides direct benefits but even more importantly, communicates an important message to the business community and residents. The introduction of the Public Health Division of HCPHES provides a wonderful opportunity to engage in a new dialogue.

A range of approaches can be taken to facilitate cooperation across jurisdictions, from informal to highly formalized. In practice, successful interjurisdictional cooperation usually involves some combination of the two. It is important to foster an ongoing dialogue, by establishing regular meetings of elected leadership to discuss key issues that cut across city and county lines. This process in turn will support routine staff collaboration.

A move to systematic collaboration is sometimes begun through informal, low-key techniques, such as instituting regular lunches or dinners among a group of City and County elected officials to discuss health and the built environment in general, or specific topics. More formal approaches include face-to-face public sessions held jointly between governing bodies or day-long conferences, with work sessions on specific issues. The most formal approach is a regional (or sub-regional) association of governments, with representatives appointed by each jurisdiction. (This might be distinct and separate from any generalized “council of governments” that may exist in the metropolitan area. It may involve only a subset of jurisdictions, and be focused on a specific set of issues, such as economic development, promotion of tourism, etc.)

Ultimately, guidance from the top is essential. To fully realize the potential of the synergies that are possible when they work in concert, meaningful collaboration between (or among) jurisdictions must become institutionalized. For that to happen, leadership must communicate it as a policy imperative to every member of the respective organizations. This can be affected through a joint resolution, with an identically worded statement adopted by both governing bodies (or more, if there are more governments that are party to the agreement). This is the highest level of guidance, giving direction in a very public manner that signals a strong commitment to collaboration on the part of the elected leadership. It is also possible to execute a memorandum of understanding (MOU), which may cover specific details of collaboration between jurisdictional entities, which could include a pooling of local funds in the service of redevelopment efforts.

2. **Create a plan to reach out to and engage a more representative group of residents and business owners.**

It is very common for a small group of dedicated residents to form the core of any smart growth effort, but it is important that other community members also participate in setting community priorities for the built environment. This participation helps to create a sense of buy-in that is very helpful in the long run: As elected officials come and go, community residents who support a smart growth plan can help ensure continued commitments. Participation also improves plans by providing better information and allowing for discussion and exchange of information among people who may experience the City very differently.
In light of the workshop discussion, we recommend the following initial steps to create an outreach plan, whether for a specific site, a neighborhood, or the city as a whole.

1. Identify important audiences according to the likelihood that their needs and interests will be distinct. Important groups discussed during the workshop include: the Hispanic community, families with young children, business owners, low income residents, non-resident landowners, etc.

2. Establish goals for community engagement in order to measure progress. For instance, one goal might be diversity of participants in terms of cultural background, economic status, age, location of residence. Another might be number of people attending public meetings or information booths. Progress toward attaining these goals should be tracked and reported on a regular basis.

3. Meet with key representatives of different audiences to better understand how to reach them and which issues would motivate them to participate.

4. Identify opportunities to reach important audiences and talk to them about their goals and needs. Consider a wide variety of methods, such as surveys, information booths at public events, and brown-bag presentations at workplaces.

3. Identify “low hanging fruit” – Small infrastructure investments with a high return.

Given fiscal limitations, and the need to take action, it behooves the City and County to identify improvements that are relatively low in cost, but have the potential to deliver a high return. Strategies include:

1. Target investments in priority areas such as routes to schools, along major transit routes and near senior services and facilities.

2. Engage large employers with corporate community involvement programs to assist with implementation of small, high impact projects to make incremental improvements and create momentum for more substantial change.

3. Engage TXDOT and County and City Public Works to fill gaps in the pedestrian and bicycle network as a part of regular maintenance and repair projects.

4. Work with the Houston-Galveston Area Council (H-GAC) to follow up on the Livable Centers study to identify candidate projects for funding with federal Transportation Alternatives Program (TAP) and other funds.
Notes:

“Why urban demographers are right about the trend toward downtowns and walkable suburbs,” Kaid Benfield, bettercities.net, February 28, 2014.

“What to Do with Empty Big Box Stores,” Sarah Schindler, sustainablecitynetwork.com, February 12, 2014.

iii The full report can be downloaded at, http://www.smartgrowthamerica.org/building-better-budgets.