

Creating Green Jobs

THE PROBLEM

The year 2012 proved that climate change is upon us: widespread wildfires, a massive nation-wide drought, and now Hurricane Sandy. Cities are crucial to limiting future climate change because shifting from suburban sprawl to urbanization reduces greenhouse gas emissions. And cities will also bear primary responsibility for protecting their residents from the consequences of climate change. With the end of federal stimulus funds, which provided \$27 billion for energy efficiency programs and renewable energy research in 2009 and 2010, and in the face of state budget cuts, cities must take the lead on designing innovative programs and funding sources to restart the green jobs movement.

THE SOLUTION

In 2008, over 1,100 mayors signed the Green Jobs Pledge, committing their cities to policies that drive investment in an inclusive and sustainable economy.¹ The goal of the green jobs movement is to: (1) shift America's economy away from its dependency on fossil fuels and (2) create millions of sustainable, middle class jobs available to workers with a range of educational backgrounds.

There are many policy options cities may pursue, and the examples below are merely illustrative. The most successful cities have offices that design local solutions, coordinate implementation, and take full advantage of available state programs. Cities can create and encourage green jobs in: energy efficiency; renewable energy; green manufacturing, construction, and product design; organic agriculture, sustainable forestry, and conservation; and waste control and recycling.²

But it is essential to ensure that green jobs are also *good* jobs that pay a living wage, are safe, and create upward mobility. The track record on this front is mixed.³ Like with all government programs, transparency and accountability are key to ensuring that tax dollars and regulation are serving their purpose. Living wage requirements, community benefit agreements, and clawback provisions should be used whenever possible.

ENERGY EFFICIENCY UPGRADE PROGRAMS

The quickest way to directly create new green jobs is through energy efficiency upgrades to buildings. The immediate and on-going cost savings created by these upgrades funds the upfront costs and, ideally, makes the projects sustainable. Forty percent of America's energy is used in buildings, so improvements have significant environmental benefits.

- *Government buildings:* City governments occupy office and school buildings for decades, so there is strong financial incentive to make energy efficiency upgrades. With interest rates at historic lows, cities can immediately save money by issuing bonds to pay for the upgrades or partnering with utility companies and responsible banks to develop other financing.
- *Residential buildings:* Many energy efficiency programs offer homeowners free or cheap upgrades while lenders recover the savings over time. The biggest challenge is often outreach: in a **South Bronx** pilot project, although 100 families received free audits from NY State, only 5 completed the retrofits. **Portland** has been far more successful – and has prioritized the creation of good jobs – through collaboration with community organizations.⁴
- *Commercial buildings:* Economies of scale make these projects attractive and over 25 states permit municipalities to issue bonds to fund them.⁵ However, because tenants generally pay energy costs, landlords often do not have an incentive to invest in upgrades. Mortgage terms also complicate matters. The **New York City** Energy Efficiency Corporation is using an innovative financial arrangement to resolve these problems.⁶

ENCOURAGING EFFICIENCY: ZONING, CODES, & TAXES

Cities can stimulate significant economic growth by requiring building owners to measure and improve their energy usage. **New York City** passed a package of local laws requiring that large buildings annually benchmark their energy performance, conduct an energy audit and retro-commissioning every 10 years, upgrade lighting to meet code, and provide

large commercial tenants with sub-meters.⁷ This package was part of the broader PlaNYC that includes over 120 greening initiatives.⁸ Cities have used a number of other policies to encourage efficiencies:

- *Many cities have energy codes that exceed state minimums;*
- *BERKELEY and AUSTIN require upgrades at the time of sale or other trigger points;*
- *WASHINGTON, D.C. requires that large commercial buildings disclose their energy use to the public;*
- *Cities can offer non-financial incentives, such as expedited permitting or prioritization in access to public services, in exchange for efficiency.*

INVESTING IN CLEAN ENERGY

Many cities have prioritized the use of clean energy. In 2001, **San Francisco** voters authorized \$100 million in bonds to purchase enough renewable energy to supply about 25 percent of the government's needs. As a result, the city has become a hub for the solar industry, fostering economic and job growth. In **Toronto**, a pilot project provided funding for residents and small businesses to install solar-powered water heaters on their rooftops.⁹

States around the country mandate that electrical utilities buy a portion of their energy from renewable sources and have established tradable energy credits to encourage energy production by businesses and homeowners. **Gainesville, FL** has sought to speed up production by setting the rates that utilities must pay for solar energy.¹⁰ As a result of these and other programs, employment in the solar industry grew by 13 percent in 2012.¹¹

COORDINATING OTHER GREEN POLICIES

In **Pittsburgh**, a coalition of entities is creating good green jobs by (1) diverting excess usable building materials from landfills into construction; (2) rebuilding the county's drain system to divert rainwater away from sewers and into gardens, farms, and green spaces that revitalize abandoned lots and business areas; (3) turning used commercial and residential cooking oil into biofuel; and (4) establishing a six-week job training program for underemployed and unemployed people that connects workers to green jobs.¹²

Around the country, progressive cities are also investing in smarter land use and transportation policies that reduce greenhouse gas emissions, build smart infrastructure, and create good jobs.

LANDSCAPE AND RESOURCES

Through its Solar America Cities program, the Department of Energy provided funding and support to **twenty-five cities** to promote solar energy markets. See the comprehensive *Solar Powering Your Community: A Guide for Local Governments* (2011). **Vote Solar** is leading campaigns at the local, state, and federal to help solar markets grow. **C40** is a group of major cities around the globe taking action to avert climate change.¹³

Leading the fight for a green economy are **Green for All**, the **Blue-Green Alliance**, **Good Jobs First**, and **The Labor Network for Sustainability**.

NOTES

1. www.usmayors.org/resolutions/76th_conference/jew_05.asp.
2. See OECD, Cities and Climate Change at 149 (2010), available at http://www.keepeek.com/Digital-Asset-Management/oecd/governance/cities-and-climate-change_9789264091375-en and Economic Policy Institute, Counting Up to Green (Oct. 12, 2012) at <http://www.epi.org/publication/bp349-assessing-the-green-economy/>.
3. See Good Jobs First, High Road or Low Road? Job Quality in the New Green Economy (2009), at <http://www.goodjobsfirst.org/sites/default/files/docs/pdf/gjfgreenjobsrpt.pdf>.
4. For case studies and conclusions about best practices, see The Role of Local Governments and Community Organizations As Energy Efficiency Implementation Partners: Case Studies and a Review of Trends (2012), www.aceee.org/files/pdf/white-paper/Local-EE-Implementation.pdf.
5. See www.pacenow.org.
6. Information about the Energy Services Agreement is available at <http://www.nyceec.com/case> and www.rockefellerfoundation.org/uploads/files/791d15ac-90e1-4998-8932-5379bcd654c9-building.pdf.
7. New York City Local Law 84 Benchmarking Report, August 2012, available at http://www.nyc.gov/html/gbee/downloads/pdf/nyc_ll84_benchmarking_report_2012.pdf.
8. See <http://www.nyc.gov/html/planyc2030/html/home/home.shtml>.
9. See Solar Neighbourhoods Pilot Project Findings (2010), available at http://www.solarneighbourhoods.ca/wrap_report.pdf.
10. See Stephen Lacey, ClimateProgress, "Which Are Cheaper? Tradeable Credits or Feed-in Tariffs?" (Oct. 26, 2011).
11. Katie Valentire, ClimateProgress, "U.S. Solar Jobs Grow By 13 Percent In 2012, Far Outpacing The Broader Economy" (Nov. 5, 2012).
12. See <http://gtechstrategies.org> and <http://youtu.be/ZRiguDgFB3Q>.
13. www.c40cities.org/home

Local Progress is a national municipal policy network of local elected officials and partners who want to create more just and equitable cities. Our purpose is to build a broad network to support and learn from each other, share best practices and policies, and develop strategies for advancing shared goals.

The **Center for Popular Democracy** promotes equity, opportunity, and a dynamic democracy in partnership with innovative community-based organizations, elected officials, local and state networks, and progressive unions across the country. We work with our allies to design, pass, and implement cutting-edge state and local policies that deliver tangible benefits for working families.