Putting Principles into Actions

How ShoreBank Pacific Applies TNS Principles in Lending

As a commercial, for profit, FDIC-insured bank, our mission is to support the sustainable side of the economy. ShoreBank Pacific uses The Natural Step principles as the basis of evaluation for loans, along with similar principles for community development. Traditional banking measures are also used. All three together make up our triple bottom line evaluation process, also called 3E, or E^3 approach. One leg is economics – traditional banking evaluations. The second leg is conservation or environment, and the third is community development.

1 The economic measures use banking indices, which are not elucidated here for confidentiality reasons. They include risk, potential of success and 'project fit to community' measures.

2 The conservation measures look at three key elements: Energy, Materials and Land & Water Capacity.

- **Energy** includes conservation (avoided use), on-site and regional distributed capacity, as well as alternative power, storage and transmission.
- **Materials** includes recycling, reuse, durability and what are generally called green building concepts.
- **Land & Water Capacity** looks at conservation of function along with restoration, improving capacity and reducing impacts in managed and built environments.

3 The community development measures also look at three key elements: Work, Necessities and Stability / Quality of Life.

- **Work** includes jobs, job quality, benefits, job safety and opportunities for personal growth.
- **Necessities** include shelter, other buildings, infrastructure and transportation. Some green building components are also included, in particular walkability, reduced driving and multiple modes of access.
- **Stability / Quality of Life** includes wealth creation, leadership, connectivity, education, entrepreneurial development and other aspects of vital thriving communities.

Beyond Risk Ratings: Economy Evaluations

"ShoreBank Pacific profitably assists businesses, and through them their communities, to be sustainable in their social, environmental and economic practices."

As a commercial, for profit FDIC-insured bank, we must operate within federal and state guidelines when holding deposits and when lending money. This means we use traditional risk ratings to evaluate each loan. However, while risk ratings give a general idea as to the likelihood of repayment, there are other ways to look at how well a business does that also bear on risk, and its potential for growth or influence inside and outside communities.

The evaluation areas for the economy sector include risk, scalability and local business connectivity. As with other sectors, we use 0 to 3 for each element, for a possible high of 9, and a score of 0 where the business is quite conventional, and in this sector, poorly managed. Specific details are set out in the Economy spreadsheet, posted in the Science folder on Citrix.

- **Risk Assessment** criteria include risk ratings, converted by reversing and rescaling, and how well a business operates with its management team.
- **Local Business Connectivity** criteria look at the interactions between locally owned and operated businesses, the local community, and the use of local labor, goods and services. Outside ownership and provisioning, where goods and services are imported rather than created or produced locally, often have negative impacts on a community. We look at business creation, new business development and the capacity or depth that this may add to the community. Finally, we look at how the management team interacts on the nonprofit side of the community, and in leadership roles. Vital local businesses are active with nonprofit entities, and often take vital leadership roles in communities.
- **Scalability** criteria look at a business' capacity for growth, its ability to franchise its approach in other markets, or the potential for an education franchise. Chains and franchises, as they are typically promoted, represent efficient mechanisms for removing capital from communities, both large and small, and reducing local business ownership. We are interested in seeing a new kind of chain or franchise emerge that corrects these historic problems, where there is more local ownership, where that ownership builds personal wealth, and where locally produced goods are sold instead of imports, supporting other local businesses and natural productivity.

In addition, some entrepreneurs and business managers develop new ways to do business that truly are spectacular departures from the norm, and which have great potential to improve business practices in many areas. Through seminars and other education processes, they are able to reach many people and influence business management far beyond their original area of operations. Where these business approaches are in line with our guidelines to develop strong local economies in healthy environments, we recognize these individuals and approaches to business operations.

ECONOMY: RISK ASSESSMENT

Focuses on how business is operated; risk usually outweighs operations unless management is very good to excellent.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
CONVERSION				
RR are arrived at by compiling facts and understandings about the client; despite the apparent lack of detail here, this is a complex conclusion.	RR less than 6	RR 6-5	RR 4-3	RR 2-1
OPERATIONS				
Business is well run, local owner or manager has good management skills.	Poor to acceptable management skills, reflected in high turnover, inappropriate behavior among staff, cash management issues.	Good management skills, reflected in staff turnover (somewhat better than average) and other operations.	Very good business management skills, very low turnover, good operations.	Great skills, very well run business, very good relations with employees, good cash management, etc.

ECONOMY: LOCAL BUSINESS, CONNECTEDNESS, EFFECTIVENESS

Locally owned, operated businesses that use local labor, goods, services, and retain profits locally, benefit communities.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
FACILITATION				
Some people create viable new businesses, processes, and products that are later successfully imitated by others.	Conventional business concept, nothing distinguished about product, concept, marketing. Nothing new under the sun; in fact, looking backward, or working to keep things as they are, unable to accept change or need for growth.	Adds some capacity or depth.	Fills gap for needed capacity or depth in category - encourages duplication or replication. Several new or unique elements in otherwise traditional business.	Brings in new category of business from elsewhere, or is leader in opening up new category, or improving quality. Creates viable new business, product, process, approach - may consider adding additional point to category.
LOCAL OWNERSHIP / MANAGEMENT				
How locally earned wealth & experience are applied - inside or outside community (seed capital, personal expertise, NPO support, development). Seeks out and connects them, or promotes their products / services.	Owner does not live or work inside community, or if living in community does not help or encourage new business if living in. Business works in isolation from local resources, does not develop connections.	Owner lives in, has some social activity in community outside business.	Owner lives in, has good connections, some leadership, activity in community.	Owner lives in community, applies wealth locally to building up new business, applying personal business skills to community benefit. Management networks, connects, builds local relationships that serve connected business and community well.
LOCAL GOODS AND SERVICES, CLIENT RELATIONSHIPS				
Sources for goods and services.	Imports everything, even when there are local and regional sources for goods, services (example: food franchises).	Less than 25% local goods, services; good client retention.	At least 50% local; very good to excellent client retention.	Buys as much as possible through local producers, processors, local brokers; goal is 100% local, but over 70% local qualifies.

ECONOMY: SCALABILITY

The impact a business can have beyond its first set of open doors can be considerable, but how it develops impacts community.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
CAPACITY FOR GROWTH				
For small business: is size appropriate?	Management team is trying to grow business larger than it is capable of being as configured.	Business is right size for management team, whether large or small.		
For larger business, is size appropriate?	Business has grown too large too rapidly, or has growth-related problems.	Business is right size for management team, whether large or small.		
Evaluate business size issues: how large should this business be? If it should be larger:	Management team has no desire to grow business, though it may be run very well.		Management team is working to grow business appropriately.	
SUCCESSION				
Regardless of business size, succession should be part of plan.	No succession plan; or just thinking about it.	Beginning to plan for succession; has low-level people in training.	Has mid-level people training towards succession; other plans underway.	
FRANCHISING TO BUILD LOCAL COMMUNITY				
Goal is franchising (great products, marketing) that use significant per cent of local goods and services, so that both profits and goods/ services remain local.	Conventional wholly-owned chains (profits are exported, goods are brought in, local jobs are low paying).	Conventional franchises: local ownership builds some wealth, but goods and services are brought in.	Local franchise: has expanded within region (more than fifty miles), uses local suppliers for at least 50% of goods/services; retains local ownership, tie to local products.	Great growing local franchise: uses local goods / services, local owners, has grown throughout region, expanding outside, retaining model as it grows to promote healthy economic conditions in communities.
EDUCATION FRANCHISE				
Instead of franchising business, owner educates through internships, seminars, courses, work.	No education interest within work.			Active with speaking, training, tours, in all aspects of education in “how to”.

Conservation Evaluations

Natural Resources are the Basis of Our Well-Being, As Individuals, As Communities, and As Societies.

Conservation measures look at three key elements: Energy, Materials, and Land & Water Capacity. Underlying concepts of efficiency, green chemistry & engineering, and improving ecological resilience are connected to all three elements.

These are grounded in the principles of The Natural Step, a process whereby any one, or any business can rethink customary operations to reduce impacts on the natural world and society. Each element is rated from 0 to 3, where 0 is conventional, business-as-usual behavior, and 3 demonstrates sustainable, effective new operations or practices. The total score possible in this sector is 9. For details, see the Conservation spreadsheet in the Science folder on Citrix.

- **Energy** includes conservation (avoided use), on-site production of energy, and regional distributed capacity, as well as alternative power, storage and transmission.
- **Materials** includes recycling, reuse, durability and green building concepts. Rehabbed buildings are also evaluated under materials.
- **Land & Water Capacity** looks at conservation of function along with restoration, improving capacity and reducing impacts in managed and built environments. Natural productivity is included here, for fiber, food, and other products. Locating new construction within urban growth boundaries and on relatively safe sites, reuse of former brownfield sites, and other location-based criteria are also evaluated under land & water capacity.

CONSERVATION: ENERGY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
EFFICIENT TECHNOLOGIES				
	Conventional equipment for energy use (heating, cooling, lights, engines, other).	Efficient heat - cooling management with conventional equipment.		Heat Pump (air, water, ground), esp for loans <$100M; ground and water heat pumps for all clients.
	None.	Uses cool roofs, shading with plants, structures to reduce heat buildup.		Indoor air management with effective, energy-conserving new systems; energy used is separate from grid or adds to capacity.
CONSERVATION				
Rationale: Avoiding the need to use energy (conservation) is the cheapest way to build capacity in the system.	None.	Insulates to UBC.	Insulates over UBC by 10%; significantly older building brought above code.	Significantly over-insulates, more than 30% over UBC.
	None.	Wiring to code.	Electrical wiring is all one size above electrical code.	Has applied all relevant conservation measures to operations.
	None.		Uses passive solar heating to reduce energy use.	

CONSERVATION: ENERGY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
POWER PRODUCTION				
Rationale: On-site and local power production have huge community benefits: retention of capital, jobs, and resiliency to outside power fluctuations.	Conventional facilities.	Conventional technologies for gas, coal, oil, hydro, nuclear power production, transmission, storage.	Conventional plants with exceptional safety and reduced emissions records - requires verification.	Conventional fuels, sources, with exceptionally clean new technologies - will require verification.
General power levels produced by alternative technologies.		Demonstration projects show feasibility, may show practicability of alternative energy products, <25% of power used is produced with these demonstrations.	On-site power production is more than 25% of site's usage. May net meter to grid.	On-site power production is more than 75% of facility's needs. Net meters to send power to grid when not needed in facility.
Solar thermal.		Separates solar thermal from other energy uses; provides <25% of heat energy needed.	Uses solar thermal technology on site to provide >50% of heat energy requirements.	Uses solar thermal to provide >75% of heat energy requirements.
Photo voltaic.	None.	Uses small applications of PV technology to meet key power needs (ex: lighting public areas, power for elevators, water supply during outages).	Uses PV to produce >25% of energy used; net metering sends some energy to grid.	Uses PV to produce >75% of electricity needed for building, business or other appropriate unit, net meters to grid.
Wind, biomass, geothermal, other, at regional production scale; ATPs (alternative power technologies).		ATPs reduce landscape and habitat level environmental impacts; produce energy that is <25% of local area's power load. Ex: wind turbines are large and slow moving, sited to reduce bird kill.	ATPs produce energy that is >25% of local area's power load.	ATPs produce energy that is >75% of local area's power load.

CONSERVATION: ENERGY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
GREEN CHEMISTRY AND ENGINEERING				
Rationale: Businesses that account for carbon offsets with suitable, effective programs will stimulate conservation, new technologies, and other innovations.				
Offsets:	Business as usual continues status quo and supports global warming and destruction of ecosystem resilience and capacity.		Knows CO2 emissions equivalents and is considering both reductions in emissions and offsets for unavoidable emissions.	Full CO2 offsets for business operations.
New technologies:	Conventional equipment, plants, processes.	Upgrades to existing designs, facilities reduces ecological impacts <25%. Efficiencies improve by <25%.	Upgrades reduce ecological impacts >25%. Efficiencies improve by >25%.	New designs avoid ecological impacts, reduce land or water usage, reduce >50%. Efficiencies improve by >50%.

CONSERVATION: MATERIALS / RESOURCES

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
RECYCLING / CONSERVATION				
Rationale: Local recycling of materials retains value of embodied energy, turns waste to resource close to point of use.	No recycling.	Conventional practices with good quality control and waste recycling.	Bulk recycling (scrap metal).	Reuse of equipment as is into local community.
		State or multi-state level recycling. Recycles out of area, out of state, rather than sending materials to land fill.	Regional recycling of key materials.	Local recycling and reuse of key materials. Eliminates waste stream to landfill for local community.
	No materials reuse.	Some materials reuse on site (<40%).	Materials reuse on site (40-90%).	Most materials reused on site (90-100%).
	Concrete used has no recycled content.			Concrete is crushed, reused on site; newly poured concrete has significant recycled content.
	Metals used are freshly mined, formed.			Metals are recycled, metals used on side are from recycled sources.
	No recycling, wood used is freshly harvested.	Wood is routed to MSW facility for chipping and to composting or mulch.	Wood is routed to used lumber site.	Wood is reused on site; new wood used is FSC-certified or reused from another building.

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DURABLE MATERIALS				
	Conventional products have short life cycles (<20 years).	Products have slightly longer life cycles - more than 20 years for building materials.	Life cycle doubles, more than 30 years.	Life cycle extends to 50 years or more.

CONSERVATION: MATERIALS / RESOURCES

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
LOCAL MATERIALS				
Rationale: Locally produced materials have less shipping cost, energy, keeps cash in local economy.	No local or regional source materials. Rate of extraction or harvest exceeds sustainable capacity of region.	Uses some local-source materials (20% minimum).	Use of local-source materials, if not originally on site (to 50%).	All materials used on site from local sources (<50-100 miles). Extraction or harvest rate matches or lags natural production or formation rate, does not add to depletion of resource.
CHEMICAL USAGE				
Rationale: Process redesign to eliminate use of toxic organic compounds is optimal route to improved ecosystem and human health. Actions that impact environmental health also impact human health.		Conventional practices, with improved quality control and reduced waste. Conventional image processing with good metals recovery processes that account for more than 90% of "waste" metals.	Reduced chemical usage without process redesign – 10-50% reduction in solvent use for example. Digital rather than chemical image processing for most uses.	Significant process redesign, with elimination or significant reduction in VOCs, organic solvents, toxins, et cetera. 50-100% reduction in solvent use. Consideration of all materials used and methods, with appropriate recovery and recycling, minimal waste, paper sourcing.
PROCESS REDESIGN				
Rationale: Reducing toxins in production improves both environmental and human health.		Reduces waste and solvent use (but does not eliminate).		Eliminates use of organic solvents in industrial process.

CONSERVATION: MATERIALS / RESOURCES

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
OFFICE OPERATIONS				
Rationale: Use of cleaning, surface compounds with reduced toxins improves work environment, promotes healthier workspace.	Chemicals used in normal operations are conventional.	Has started transitional process to minimal impact cleaning solutions, reusable cleaning cloths.	Uses no disposable cleaning items.	Cleaning compounds are all minimal impact, benign, with no chlorine, no synthetic additives; uses reusable microfiber products, other materials that can be cleaned and reused repeatedly.
Rationale: Use of materials that can be and are recycled, or have some to much recycled content, improves flow of materials through reuse streams.		Knows sources and amounts of each material used in operations.	Working to reduce materials waste, increase efficiency of materials use.	Best management practices for all materials used in operations to minimize portion lost as waste, maximize recyclable portion.
	Uses conventional papers.	Uses papers with some recycled content.	Most papers used have some recycled content.	Paper used is 100% recycled or recycled plus alternative fibers.
		Recycles paper, aluminium, beverage plastics.		Recycles all materials possible.

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
LAND Page 1 of 4				
FARMS, RANCHES, TIMBER-GROWING				
Rationale: Production of food, fiber by most sustainable methods possible reduces impact on land and can restore ecosystems, it also promotes optimal food health.	Conventional farming, feed lots.	Farm, woodlot, timberland, rangeland, conventional but with BMPs or other management method, short of holistic, sustainable or organic farm, woodlot, timberland, rangeland, conventional but with BMPs or other management method, short of holistic, sustainable or organic.	Organic farm, large scale, with more than 80% of land in production, less than 20% in conservation. Transitional farm or timberland, shifting to organic, sustainable certification or holistic management.	Organic farm, esp. within urban boundary or adjacent to same, or with mostly direct and local sales. 3rd party certified organic farm. FSC-certified timberland; Holistic Range management practices on grazing lands.
ORNAMENTALS				
Rationale: Production of ornamentals by most sustainable methods possible protects soil, water quality and promotes optimal farm health.	Conventional production.	Predominately non-native plants propagated (<30%)	Partially organic, or IPM operation, use of compost, good water reuse. Some native plant materials (30-80%) propagated.	Organic potting mix, materials all come from within 100 miles of operation, sales are regional to local; efficient watering system. Native plant materials propagated locally for restoration, more than 80% of materials.
WASTE RECYCLING INTO HIGHER VALUE PRODUCTS				
Rationale: Compost production of organic wastes returns valuable nutrients and soil modifiers to local soil systems rather than bringing in from outside.	Conventional MSW to landfills.	Conventional organic waste recycling (land applications, storage).		Composting, vermiculture or other biosynthesis-based recycling of organic wastes.

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
LAND Page 2 of 4				
FOOD PROCESSING AND SALES				
Rationale: Local processing of locally grown foods improves food quality.	Conventional food processor-urban.	Conventional food processor - rural (often an important job source for rural community). If mixed food processor (some organic, some other, 25% of volume is organic).	If mixed food processor, >50% of volume is organic. Wild or grass-fed or range food processor. Local or direct sales of products from farm or processor.	Organic food processor. If mixed food processor, >75% of volume is organic. Organic food retailer, at least 75% of products sold are organic. Value-add product development for farm or processor or retailer.
LAND REHABILITATION				
Rationale: Restoring ecological capacity improves resiliency of ecosystem. We neither pay for them or pay for impacts on them at any level of society or government; these impacts are hidden subsidies.		Restoration of some uses, such as limited ornamental gardening, to soil. Some percentage of work is ecological rehab (less than 10%).	Wide range of uses restored, including food gardens, stormwater capacity. 10-60% of work is ecological rehab.	Full ecological rehabilitation of land to diverse, self-maintaining soil system; riparian and other habitats restored. >60% is ecological rehab; native soil is protected or enhanced with use of compost, mulch

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
LAND Page 3 of 4				
LAND CONSERVATION				
Rationale: Land conservation (of open, fully functional land) preserves existing function more effectively than restoration.	Does not conserve "green" land or open space.	Conserves less than 5 acres. Maintains open space, biological productivity (not wild).	Conserves 5-50 acres. Conserves existing open space as is. Reduced need for roads, driving.	Conserves >50 acres, or links up other areas into larger reserve. Conserves, restores open lands to wildlands; links up existing reserves. Enhances on-site natural processes.
MINING				
Rationale: Conventional mining generally provides irreversible impacts on ecosystem; restoration is minimal and not effective.	Conventional mining – and consider negative scoring.	Effective containment for acid-leaching, active and effective rehabilitation programs. Substitutes recycling for mining.		Uses plants to sequester and concentrate metals, land management is organic, sustainable in all elements; uses bacterial extraction to reduce pollution, use of highly toxic substances. Permanently retires mining leases.

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
LAND Page 4 of 4				
IMPACT ON SPRAWL				
Rationale: Increasing density of development will reduce impact on viable landscapes, especially on the edges of urban areas.	Outside growth boundaries, on open land. New development on open land, outside UGBs, with extension of infrastructure out to development. No, or less than 20% of area, stays in open space; open spaces are separated by access roads, trails and structures.	Site has access to infrastructure in planned growth area. Provides additional infrastructure capacity to community, which will result in efficient infill within area. >20% of area stays in open space.	Moderate density infill-reuse on urban site. Existing septic system upgrade, potable water system upgrade for existing entities in rural areas, small communities. >50% of development area in open space.	High density mixed use infill or reuse on urban site, multiple stories. 75% of area stays in open space, structures and roads are clumped to reduce intrusion into remaining open areas.
BROWNFIELDS				
Rationale: Brownfields contain a historic record of hazardous usage. Restoration is the single best alternative to reduce impacts on present and future usage.	Contributes to creation of present and new brownfields.	Brownfield site has some limited uses.	Brownfield site has capped, sequestered pollutants, few restrictions on use.	Brownfield site had restoration to return ecological function (and check P1).
EXISTING BUILDINGS				
Rationale: Reuse of existing buildings conserves energy, materials and ecologically functional areas.	No reuse; buildings are demolished for new construction.	Reuse of existing buildings with limited alterations.	Reuse of buildings with materials and energy upgrades – example of conventional upgrade.	Reuse, renovation with extensive energy conservation, production upgrades – is good example of current state of art.

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
WATER Page 1 of 2				
EFFICIENT WATER TREATMENT TECHNOLOGIES (POTABLE WATER, SEWAGE)				
Rationale: Water conservation is good trigger for innovation; water shortages are growing more common and widespread. Society depends on nature for recycling of potable water, ex-accounting.	Conventional water use (appliances, fixtures, processes). Conventional water treatment devices. Discharges water that requires treatment prior to return to natural system.	Efficient water use with conventional equipment.		Highly efficient technologies reduce need for water >75%. Technologies reduce energy, area, cost or facility or time needed to produce potable water or treat sewage. Improves sewage discharge water to potable or near quality.
SITE-BASED USE OR RETURN TO ENVIRONMENT				
Rationale: Recharge to environment reduces impact on ecosystem and improves long term availability of water resource.	Conventional water systems	Demonstration projects show feasibility, practicability of alternative products.	Separates gray and black water; gray water is returned to environment to substitute for potable water in irrigation.	Black water is treated, polished, returns to environment in near potable condition with no impact on receiving waters.

CONSERVATION: LAND & WATER CAPACITY

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
WATER Page 2 of 2				
STORMWATER				
Rationale: On-site stormwater treatment reduces impacts on receiving waters, and reduces pollution in receiving water body. Improving small scale water quality is faster and cheaper than improving large scale water quality. Degradation is often ex-accounting.	All facility surfaces are impervious. Stormwater goes to conventional underground collection and drainage system.	Some pervious surfaces. Some stormwater is aerated, retained or polished before going underground.	More than 30% pervious surfaces. Uses bioswales, sumps to polish most stormwater.	Most facility surfaces are pervious. In addition to bioswales, sumps, stormwater is retained for irrigation, slower release; quality is acceptable for direct discharge because of treatment.
	No onsite retention or treatment of pptn. Water flows offsite through conventional subsurface collection system.	Some water is retained, <25%.	>50% is retained, treated, polished or goes to groundwater recharge.	Only extreme pptn events see water leave site untreated.
	Roof surfaces are conventional; no water retention. Sod roofs are demonstration, hold <25% of water that falls on roof.	Sod roofs are demonstration, hold <25% of water that falls on roof.	Sod roofs hold some portion of water (<50%) that falls on roof.	Sod roofs (Ecoroofs) hold >75% of water that falls on roof, overflow goes to retention ponds.

Community Development Evaluations

"The goal of community development lending is to create, support and sustain a thriving vital community."

Definitions for community development abound. Taking concepts down to the core, similar to basics for physics, is not possible, but it is possible to find approaches that work on basics that are applicable across many kinds of societies. Our approach looks at these elements: work, security in access to necessities, and stability and quality of life. Because the last two are closely related in outcomes, they are combined in the evaluation process.

- **Availability of Satisfying and Useful Work for Community Members** – This covers work (wages, worker safety, job quality), opportunities for upward movement.

  Concepts to evaluate: Work (wages, job safety, job quality, turnover rate, advancement).

- **Security for Members of the Community in Access to Biological and Social Necessities** – Physical and social safety for individuals, reasonably assured access to food, energy, shelter, transportation, medical support, education, information, public access, public gatherings. Note that environmental health & quality issues are taken up in Conservation under materials / resources and others.

  Concepts to evaluate: Housing (affordability, location, livability), transportation (diversity, safety, effectiveness), infrastructure (potable water, communications), access to basic services (education, health care). Access to capital (CRA definition for CD via lending into low-income census tracts)

- **Community Stability** – A sense that the community has continuity, will continue to survive, has sufficient replacement members (births, immigration) entering as elders and emigrants leave: well-supported and good quality schools, social groups, stable and thoughtful governance, long term planning and foresight. (Not implying monocultural conditions, or to focus solely on growth for growth's sake.)

  Concepts to evaluate: Wealth creation (personal, education), community catalysts, local ownership, entrepreneurial development, industry catalysts.

- **Qualities that Make Community Life Varied, Stimulating, and Satisfying** – Closely related to stability, this includes social and recreational choices, innovation, music, art. Not for profit organizations broaden community activities and choices for social interactions, recreation and education and add to local quality of life.

  Concepts to evaluate: Not for profit organizations, additional education, increasing range of kinds of businesses in community, diversity in social groups, gathering spaces, multi-cultural and inclusive.

COMMUNITY: WORK

Financially, socially & physically healthy working environment makes this a business and community of choice for workers.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
WORKING CONDITIONS: SAFETY				
Rationale: Workers have safe environment in which to work.	Conventional safety practices.	Improves worker safety.	Significant improvement in worker safety by redesigning process.	Excellent improvement in worker safety by redesigning process.
WAGES, BENEFITS				
Additional: Job options are available for advancement, and include living wage pay.	All or most jobs are minimum wage, no way to advance; some living wage jobs.	Living wage plus, with growth options.		Full range of jobs, (minimum wage may be in part) to living wage and above, growth options at lower to upper levels.
Additional: Benefits include competent medical coverage basic benefits some medical benefits.	Basic benefits.	Some medical benefits.		Full benefits available for living wage jobs and above, some benefits for lower wage jobs.
JOB RETENTION / CREATION				
Rationale: Available workforce is well-utilized.	Turnover higher than normal for category.	Worker retention is good turnover is well below average for category.	Worker retention is excellent, turnover is well below average for category.	
Rationale: Job retention and creation are appropriate to community in scale, steady diversity in job creation.	Change in ownership reduces jobs in community, not related to business conditions (offices, plants are moved).		New ownership, local business grows, with additional local job creation.	

COMMUNITY: NECESSITIES

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of buildings as needed to support community function.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
HOUSING AFFORDABILITY				
Rationale: Strong communities have wide range of housing options for residents. Example: Habitat for Humanity	One sort of housing available.	Narrow range of housing choices.	Good range of choices for housing; particularly low income housing, or rural low income housing.	Full range of home ownership and rental choices for various incomes, family sizes and preferences.
LOCATION				
Rationale: Strong communities use land within boundaries first rather than expand randomly, and expand in responsible fashion, reducing living sites that put people in harm's way.	Builds new on open (previously unused) land outside urban growth area or normal access to infrastructure.	In-fill with new construction on formerly open land; may be narrow range of choices for types of housing.	More than one use in space, appropriate and well located, reuse of urban land.	Diverse, mixed use in good urban location, good placement for community, for access. Innovative combinations, reuse of established buildings.
LIVABILITY • In-fill developments, new communities, or locations of single-family homes within communities				
Rationale: Community is secure for most vulnerable members. Additional: Community has diverse public amenities, including parks, libraries, museums, and diverse culture activities. Additional: Amenities for children include good to high quality daycare and schools.	Not secure - classic test is are single women, elderly and women with children comfortable on streets and in community. No daycare, schools poor; or good schools unaffordable.			Walkable, safe, attractive, vital feel to community or neighborhood. Daycare, schools are available, good quality and affordable for working families.

COMMUNITY: NECESSITIES

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of buildings as needed to support community function.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
POTABLE WATER, SEWAGE • Especially focused on rural, low income, or otherwise isolated systems				
Rationale: Access to potable water, competent sewage treatment are basic attributes of healthy communities.	Unsafe water; withdrawals cause environmental problems; system lacks capacity.	Potable water meets basic code.		Potable water from renewable sources with adequate capacity, some growth capacity. Withdrawals do not cause environmental problems elsewhere.
In addition, water usage that does not degrade the larger landscape or ecosystem quality strengthens region and community.	Inadequate sewage treatment - discharge creates problem for regional environment; unacceptable level of annual violations; methods are inefficient and waste energy.	Sewage treatment meets basic code with acceptable annual violations.		Sewage treatment is effective, efficient, discharge does not cause environmental problems downstream.
POWER • Especially focused on rural, low income, or otherwise isolated systems				
In addition, local power production adds to job base and to power price stability for community.	Poor quality power, brownouts common, blackouts common.	Acceptable power network capacity and quality.		Good quality power.
	Other services need maintenance, upgrade or extension to work in neighborhood or community.			Other services high quality.
Uses more power than produces, no offsets for energy consumption (-1).		Net power consumption is neutral, offset by on-site production or off-site green tags (+1).	Net power producer, making more power for local, regional grid than is used by business.	

COMMUNITY: NECESSITIES

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CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
COMMUNICATIONS • Especially focused on rural, low income, or otherwise isolated systems				
Rationale: Good to excellent quality data and communication systems improves community quality.	Inadequate communications network, inaccessible or poor quality.	Acceptable communications network capacity and quality (phone, data lines, cable).		High quality communications.
TRANSPORTATION • All types, especially bicycles, mass transit, very low mpg vehicles, low emission vehicles				
Rationale: Wide diversity in transportation choices is better for communities than no or few choices.	Location is difficult for transport modes, or requires extensive new construction outside urban area.	Has reasonable access to RR lines, ports, or roads.	Good location for access (RR, roads, ports).	Great location for all forms of transportation.
	Location is dangerous for pedestrians.			Safe, secure pedestrian access.
	Access is slow, unsafe for cars.	Available (urban) parking is on surface, adequate, relatively safe.		(Urban) parking is incorporated into buildings, not on street or surface - parking is safe and high density.
If fleets of vehicles must be used, then those that are energy efficient, durable and easily recycled are more desirable than otherwise.	Fleet is conventional ICE vehicles.		Fleet vehicles are replaced with HD or other highly efficient vehicles.	
	Requires personal vehicle.	Provides alternative transportation to replace some use of personal vehicles.		Alternative transportation allows for car-free lifestyle.
	Location does not improve on, or reduce traffic time and congestion.	Reduces need to drive for basic services, residential and work related.	Reduces need to travel for job - uses local staff and/or remote support.	

COMMUNITY: NECESSITIES

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of buildings as needed to support community function.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
MEDICAL/HEALTH/WELLNESS BUSINESSES • Scoring based on Management and Quality of Contact				
Rationale: Mix of access formats is more effective and also more efficient for both client and caregiver.	Primary contact with service is face to face.			Contact is mix of face to face, phone, e-mail, or other as needed to deliver services most efficiently.
	Waiting room time is limited to a few minutes except in emergencies.	Even in emergencies, waiting room time is limited.		No waiting rooms.
	Limited time with each client.	Adequate time with each client.	Adequate time with each client.	Adequate time with each client.
	Little or no sales of own products, not aggressive.	Products are available, but no self-promotion.	Products are available, but no self-promotion.	Products are available, but no self-promotion.
	Allows some phone consultations with staff or self.	Schedules phone or other consultations to reduce need for face to face contact.	Plans for other forms of consultation (phone, e-mail, fax).	Actively uses other forms of communication to inform clients and help them manage their own care.
	Handles emergencies without demonstrated stress on part of client, or need for same.	Uses other effective contact methods (in addition to direct calls, visits) to help with emergencies.	Uses other effective contact methods (in addition to direct calls, visits) to help with emergencies.	Uses all contact forms to help manage emergencies; actively encourages self-education to reduce emergencies.

COMMUNITY: NECESSITIES

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of buildings as needed to support community function.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
MEDICAL/HEALTH/WELLNESS BUSINESSES • Scoring based on Data Management for Clients				
Rationale: Good management for referrals improves client confidence and reduces mistakes.	Coordinates outside tests for clients; client arranges paperwork and insurance individually.	Coordinates outside tests for clients; client arranges paperwork and insurance individually.	Coordinates outside tests for clients; client arranges paperwork and insurance individually.	Coordinates outside tests, including insurance and any pre-test needs for clients: client only needs to show up and have test done.
Rationale: Digitized files reduce space needs (see Cons: Materials) and can improve security.	Files are paper with some digital documents (<10%); physical copies are retained and stored by office.	Use of paper files reduced up to 50%; rest are digitized.	Use of paper files reduced up to 80%; most are digitized.	Files are mostly digital (>95%), printed out only when needed for special purposes; LCD screens, laptops replace physical files; all files are digitized.
MEDICAL/HEALTH/WELLNESS BUSINESSES • Scoring based on Office and Materials Management				
Rationale: Correct disposal of biologically hazardous materials (BHM) improves worker safety and reduces office costs.	Correct disposal of BHM.	Correct disposal of BHM.	Correct disposal of BHM.	Correct disposal of BHM.
Rationale: Active reduction in solid waste and improving recycling volumes reduces office costs (and see Conservation: Materials).	Limited recycling (<10% by volume).	Recycling is up to 50% by volume.	Recycling is up to 80% by volume.	Recycling is up to 95% by volume.
		Actively working to reduce volume of materials used.	Actively working to reduce volume of materials used.	Actively working to reduce volume of materials used.

COMMUNITY: NECESSITIES

Vital communities provide range of housing choices over lifetimes, with good placement; access, and also have access to other kinds of buildings as needed to support community function.

CONCEPTS	SCORE			
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MEDICAL/HEALTH/WELLNESS BUSINESSES • Scoring based on Approach to Health and Wellness				
Rationale: Well informed clients make better lifestyle and treatment choices.	Treats symptoms.	Provides some guidance on long term health.	Provides some guidance on long term health.	Provides some guidance on long term health.
		Provides some guidance on long term health.	Provides some guidance on long term health.	Works to fully inform clients for long term health maintenance and improvements; promotes wellness lifestyle.
		Provides some guidance on range of treatments and efficacy, interactions.	Provides some guidance on range of treatments and efficacy, interactions.	Provides guidance on full range of appropriate alternatives; separates personal testimony from efficacy studies.
	Assumes client has some interest in informed management of health.	Actively provides sources, information to help client self-manage health.	Actively provides sources, information to help client self-manage health.	Actively provides sources, information to help client self-manage health.

COMMUNITY: STABILITY & QUALITY OF LIFE

Strong social ties and commitment to community help strengthen all aspects of social life.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
COMMUNITY CATALYST				
Rationale: well-connected community members that are active in volunteer organizations can help strengthen communities	No support of community volunteer programs by business or business owner.			Committed to volunteering in community.
Additional: some people are striking catalysts for improvements and strengthening of communities through social and other non-profit organizations.	Business owner lives in but is inactive in community; lives outside community, no local interaction.	Business owner lives in community; with some interactions beyond conventional clubs, associations.	Owner has strong ties and commitment to community through donations of money, time, and by encouraging workers to involve selves.	Owner, managers act as community catalyst for improvements inside and outside business that strengthen community.
EDUCATION & WEALTH EDUCATION • Focuses on Schools, NPO Education Programs				
Rationale: Diversity of educational choices helps to bring all members of community along in needed skills.	K-12 education, aimed at mainstream students.	Educates mainstream group, well above conventional performance level.	Education adds value beyond basic GED, Bachelors programs in good programs.	Educates disadvantaged children, adults, in outstanding programs.
Adult education, ongoing education programs.	Aimed at mainstream students, college & professional	Specialized programs for professionals.	GED and beyond for adults; continuing education within community.	Exceptional retraining for adults reentering workforce, into higher income levels.
Rationale: Teaching of good money management skills at all levels helps build stronger citizenry.		Funding or supporting first time purchase of homes.	Funding or supporting first time purchases of investment properties for low-mid income individuals.	Program helps lending to develop equity based on value of rehab (commercial, residential) when done.
Leading by example – companies showcase competent & responsible wealth building skills.			Trains people on money management skills as prelude to wealth building skills.	Company actions encourage responsible wealth generation.

COMMUNITY: STABILITY & QUALITY OF LIFE

Strong social ties and commitment to community help strengthen all aspects of social life.

CONCEPTS	SCORE			
	0 Not applicable, or is conventional behavior.	**1**	**2**	**3**
ENTREPRENEURIAL • Primarily Focuses on Schools, NPO Education Programs				
Rationale: where communities to support the development of entrepreneurial skills (beyond fad of moment).	Adverse to entrepreneurs [is this more about community attitude? Needs clarification}.			Supports or offers programs aimed to develop entrepreneurs and businesses.
CULTURAL & ETHNIC DIVERSITY • Looks at How Community Assimilates and Adapts to Change				
Rationale: Diversity includes race, religion, social and recreational activities; acceptance of cultural difference by all for all strengthens community.	Mono-cultural regardless of income level, religion, ethnicity.		Improves skills for NPOs; helps promote community diversity.	Widely multi-cultural and inclusive. Diverse social spaces for full range of social forums (clubs, churches, parks, others).
SOCIAL EQUITY, JUSTICE • Looks at Organizations that Promote, or Could Promote				
Rationale: Traditional economic and legal structures promote narrower power bases; some organizations work to broaden base, which is important for prolonged life of society, community, resources.	Ignores, or does not work to provide equitable access to all.	Works within 1-2 categories.	Works within 3-5 categories.	Diverse approach (>5 categories) to improving social justice, social equity and equitable access to resources for all, regardless of social station and financial capacity.