

•Self-Reliance

Number 6

The Institute for Local Self-Reliance

March-April 1977

Inside

Articles

Manufacturing	p 1
Urban Agriculture	p 3
Neighborhood Planning	p 6
Community Development	p 10
Energy Conservation	p 13

Regular Features

Off the Shelf	p 5
Progress Reports	p 8
Notes	p 16

Staff

Editor

Richard Kazis

Finance

William Batko

Jeff Zinsmeyer

Urban Agriculture

Gil Friend

Miranda Smith

Energy

David Morris

Waste Utilization

Neil Seldman

Community Ownership

James Taylor

Information and Support

Janet Broida

Kathleen Fisher

Russ Moore

Emily Randall

Self-Reliance

Published bi-monthly by the
Institute for Local Self-Reliance,
at 1717 18th Street NW,
Washington DC 20009.
(202) 232-4108

©1977 Institute for Local Self-Reliance

Subscriptions:

Individuals, \$6; Institutions, \$12.

Memberships:

Individuals, \$25; Institutions, \$40.

Small-Scale Manufacturing

Name-Brand Tyranny

In the first issue of SELF-RELIANCE, we raised the question: do we need large companies? Manufacturing in this country, it was pointed out, is primarily the work of relatively small production units. These small units are owned by large companies with easy access to capital and credit and with sizeable advertising budgets. These advantages, coupled with sophisticated distribution networks, account for the profitability of large manufacturing enterprises. The efficiency and per unit cost of production do not differ significantly between small and large firms.

Advertising enables the creation of consumer loyalties to "name-brand products": and these loyalties are important factors in consumer decisions on product purchases. The consumer believes that because the name-brand is familiar (and usually more expensive), it must be better. Often, though, the opposite is the case. Since small manufacturers cannot compete in publicity or extent of distribution, they are forced to compete in cost and quality. The demystification of consumer product advertising and manufacture can help the consumer make more rational choices; and the loosening of the stranglehold of advertising on the consumer could also encourage the proliferation of neighborhood-based small production units. Since factory size is *not* the major barrier to profitable small-scale production, such enterprises can be viable.

An Example: The Bedding Industry

The manufacture and distribution of bedding provides a useful example. Nearly all of us purchase mattresses and box springs and we spend one-third of our lives on them. But we purchase these so-called "blind items" with no knowledge of how they are built and with no guarantee as to their quality, save the name of a nationally advertised manufacturer. The bedding industry is dominated by several well-known name-brand manufacturers—Sealy, Simmons, Serta, Stearns and Foster, the Springwall group, King Coil, Englander—which are responsible for about 60% of the total national market. Sealy and Simmons, the two leaders, each account for about 15%. Their success is primarily the result of aggressive advertising and promotion. Sealy, a franchise operation, recently overtook Simmons as the national leader in bedding sales as a result of a massive fifteen-year campaign of advertising and innovative promotion among distributors. Presently, Sealy will be the first bedding manufacturer to run weekly national network advertising on television. While all manufacturers provide "promotional money" to stores and/or salespeople for each set of bedding sold, Sealy has provided vacation trips to places like Nassau, Acapulco, Geneva, and Spain. This aggressive promotional strategy leaves both customer and salesperson predisposed toward the name-brand product.

In addition to carrying the name-brand beddings, a mattress and boxspring store will also carry one, and often several, locally manufactured brands. A local manufacturer will sell a top quality full-size set of bedding to a dealer for \$110; and the dealer will sell the set to the customer for \$200. In comparison, name-brand manufacturers sell their top quality full-size set to dealers for about \$150. Those sets usually sell for \$260 retail, though a customer can often find a dealer willing to provide some discount.

Local and name-brand beddings are made essentially the same way, in factories equipped with similar machinery. The local brand, though, is fabricated in a factory employing about twenty-five workers, producing an average of 75 sets per day, while the name-brand is made

in factories employing over 125 workers and producing upwards of 1500 sets each day. Per unit manufacturing costs in the large factory are slightly lower than in the small local factories: there are certain economies of scale which do affect the manufacturing cost of bedding. Per unit costs are also somewhat cheaper because large manufacturers can afford to integrate vertically. They generally make their own springs and are able to stockpile materials; some invest in cotton futures to assure constant supplies. Yet, even though per unit manufacturing costs are lower for large companies, the price of name-brands to consumers is higher than that of local brands. Though large companies have the potential for lowering prices, they end up raising prices to cover advertising, promotional and distribution costs, and higher profits.

Whether community residents organize as consumers or as producers, the move toward small-scale, local, no-name industry will be a move in the right direction

Contrary to the generally held impression, top-of-the-line mattresses made in smaller facilities are not only cheaper than their name-brand counterparts, but are also of superior quality in terms of firmness and durability. In fact, some dealers who formerly had done well over \$100,000 annual business with name-brand manufacturers have stopped selling these brands entirely because of their high return rate and their inconvenient service requirements. Estimates on return rates for brands like Sealy and Simmons range from 5-10%; local brands generally have a return rate of 2%. While dealers do get credit from the manufacturer for defective pieces, they must bear the cost of pickup and redelivery to the household themselves. Dealers also prefer the return policies of local manufacturers who usually accept customer complaints at face value. Name brand customers must file a service claim with their dealer, who submits it to his or her sales representative. A service employee then calls on the customer either to validate the claim and approve the return or to try to fix the defective piece in the home.

When asked why his return policy was so accommodating, one local manufacturer in New York referred to the highly competitive nature of the industry, which has seen many small manufacturers squeezed out in recent years with no new entries. "Dealers know we give better service. This is one area where we can compete." The other area is superior quality. "No-name brands need quality. We have to give more value for the dollar." This translates, primarily, into better ingredients and more careful attention to production techniques.

Bedding as a Neighborhood Business

It is clear, then, that educated and aware consumers, consumers not taken in by advertising hype, can save money on their bedding by knowing what to look for. Some community groups and community development corporations, though, may find an analysis of the bedding industry interesting from another perspective: bedding manufacture and distribution as a means of providing jobs and generating a surplus for neighborhood residents. Given enough start-up capital and business sense, the small-scale manufacture and local distribution of bedding can be a viable business. We have obtained rough cost estimates from one typical local manufacturer in a large Northeastern city. Though these figures are site-specific and quite rough, they do give an indication of the potential profitability and job creation impact of such an enterprise.*

Negotiating with Manufacturers

Some community groups may want to think seriously about bargaining with local bedding manufacturers for bulk purchases. A long-term contract with a local manufacturer could ensure quality goods at reduced prices for group members or community residents. Groups contemplating such a distribution service should know certain things about the bedding industry. For example, when a customer purchases a set of bedding, he or she pays the same price for the mattress and the box spring, even though the box spring costs half as much to produce. Also, manufacturers often switch the color and the design of the "tick-ing," the outer fabric of the bedding. These variations are meant to induce sales; but they have no effect on quality and they necessitate a significant increase in the amount of labor time that goes into production. Further, it is helpful to know that "tufted" mattresses, stitched through all the fill from top to bottom, though they cost about 10% more to manufacture than mattresses with separately quilted panels, last much longer and have little tendency to sag or settle over time. Armed with this information, a community organization could negotiate with local manufacturers for good wholesale prices. The manufacturer would be willing to negotiate, given the prospect of a guaranteed market. The community group would need a warehouse for storing and distributing the bedding, but the savings from simplified delivery and bulk production would make the cost worthwhile.

Mattresses and box spring fabrication is primarily a labor-intensive hand operation. The basic production process is relatively simple. Workers cut fabric into panels at cutting tables costing \$1500 each; the panels are sewn to a side border using industrial sewing machines costing about \$1200 each. The bottom and top panels are then put through a sophisticated quilting machine, the most expensive piece of hardware, costing about \$20,000, which attaches from 1/4" - 3/8" of padding to the fabric. The mattress is assembled at specially designed rotating tables with operating leaves costing about \$1000 each. The spring unit is attached to the border with clips and the fill, a blend of cotton felt and foam, is added. Taping machines, costing about \$5000 each, are used to sew up the completed mattress. Box springs are even easier to assemble. The box spring is built up from a wood frame on a table and press which cost \$3000. Various types of spring units are added to cushion or absorb shocks.

The factory we analyzed is equipped with two of most of the necessary pieces of machinery. It has five rotating tables and three taping machines. The full line of machinery would cost a little over \$65,000 if bought today. With this equipment, the factory produces an average of 75 sets a day, though it can produce as many as 125 sets a day. The company employs twenty-five people. Other expenses are: workman's compensation insurance, other types of insurance, rent, and the cost of buying and maintaining a delivery truck. If we figure salaries at an average of \$12,000, rent at \$1000 a month, insurance at \$10,000 a year and the truck at \$15,000, total annual machinery, labor

continued on p. 15

*We do not recommend that all neighborhoods set up a mattress factory. Market saturation may already be too high in some areas; in other places, other businesses may be easier to establish, run and profit from. We only want to show CDCs and community groups one possible local development enterprise.

More than Just a Few Tomatoes

In our last issue, we discussed the need for efficient, well-coordinated urban garden systems. Due to the scarcity of usable urban space, a program of urban food production must, if it is to make a significant contribution to a city's food supply, also utilize the various non-garden methods of food production; to fail to do so will relegate urban food production to being nothing more than a hobby for the privileged few. In last issue's article, fertilizer production—composting—was discussed in detail, as were vacant lot gardens and their auxiliaries, cold frames and grow holes. In this issue, we enlarge upon this vision of integrated urban food production systems and discuss the use of greenhouses, the growing of crops other than vegetables and, finally, food preservation techniques.

Greenhouses

In recent years, the number of solar greenhouses in the country has soared. The construction of these greenhouses is so new a field that many different designs have been used; and each bears the idiosyncratic stamp of the builder. Most, though, share certain characteristics: an opaque northern wall, some way of storing heat, a double-glazed skin, and a sloping southern wall and roof. As the price of fuel continues to rise, solar greenhouses are making profitable an industry which, traditionally, has been dependent upon fossil fuel heating. Now, adequate heat storage capacity can make it possible in most American climates to heat a solar greenhouse through the entire winter without any heat source but the day's sunlight.

Most of the solar greenhouses now being built are in rural or semi-rural areas. Few have been built in urban areas or in conjunction with a community garden. One exciting exception is that of Brother's Redevelopment Incorporated (BRI), a low-income Chicano group in Denver, Colorado. The group began with housing renovation work, using both community and VISTA volunteer labor to help homeowners build or renovate. In five years, they have renovated 250 houses in Denver. They now buy houses, renovate them and resell them at reasonable prices. Recently, they have begun to build backyard solar greenhouses. The program works like this. The corporation makes contracts with residents of other Denver neighborhoods to build greenhouses for them; the profits from those contracts are used to build similar greenhouses for the group's own blocks and neighborhood. BRI hopes to build three greenhouses on each block; they estimate that with these three structures they will be able to provide all of the fresh vegetable needs of their low-density residential community for the winter.

The greenhouses that are built by Brothers Redevelopment are designed by Domestic Technology, Incorporated (see box). Each greenhouse measures 12'x16'; and they are designed so that the interior includes space for both oil drum heat storage (water in the drums absorbs and retains the heat) and for tiered growing space. Domestic Technology estimates that the tiered arrangement provides a full 250 square feet of growing space.

While the cost of a greenhouse may seem prohibitive to some,

it is not as great as is generally assumed. DTI produces its greenhouses for \$1900, \$540 of which is labor cost. Total costs could be cut by the utilization of recycled and scrounged materials; labor costs could be eliminated with a volunteer crew. Domestic Technology estimates that the payback period on the greenhouse can be as low as 1.19 years if nothing but lettuce is grown, since lettuce is the most profitable greenhouse food crop for full time production. They base their calculations on the production of approximately 4,812 heads of lettuce a year, each of which can be sold for 33¢. With a mixed crop, of course, the payback period would be longer.

These figures indicate that it is feasible for a community garden program to construct and work a small greenhouse. The greenhouse could be run commercially for the first year and, after that, could also generate money in the form of savings on the price of starts and winter produce. One greenhouse with 250 feet of growing space would be able to provide the seedling tomatoes, peppers, eggplants and other vegetables for numerous gardens; and the profits from selling the starts could cover the very small maintenance and upkeep costs of the greenhouse.

At the Institute for Local Self-Reliance, we have built a 13'x18' solar greenhouse on a small roof of our building. Our initial build-

Greenhouses for Poor Communities

Recently, more and more people have become aware of the positive impact solar greenhouses can have on food production in low-income areas. Brothers Redevelopment, Inc., has begun producing backyard greenhouses in Denver. The designers of those greenhouses, Domestic Technology, Inc., offer week-long workshops in solar design and technology. The workshops, geared specifically for representatives of community organizations and agencies working with low-income people, stress both theory and hands-on experience building solar devices. For more information, write them at: Box 2043, Evergreen CO 80439.

In New Mexico, Bill Yanda and his Solar Sustenance Project have provided eleven solar greenhouses for low-income families scattered in the state's northern hills. Now, the group has several community center/greenhouses under construction and has received funding to begin an urban project in Albuquerque. Their address is: Rt. 1, Box 107AA, Santa Fe NM 87501.

The group's two year study of greenhouse design, construction and operation has been written up in *Solar Greenhouses*, by Bill Yanda and Rick Fisher, available for \$6 from John Muir Publications, P.O. Box 613, Santa Fe NM 87501. The book is thorough, clear and helpful, presenting plans, hints and good surveys of the relevant ongoing research. An excellent resource.

ing costs, including labor, totaled \$2,400. These costs were high because we had to build up the existing roof and also provide additional structural support. Material costs were high since we used fire-treated wood for the flooring. And labor costs were also higher than should be expected: we spent a lot of time learning as we built.

Our first crop was planted in December and is being managed with organic hydroponics (see SELF-RELIANCE #4). We planted a mixed crop including radishes, peas, lettuce, herbs, Chinese vegetables and some ornamentals. Presently, the greenhouse is being used primarily for experimental purposes, such as analyses of the effect of different nutrient solutions on crop growth and health.

Urban farming must produce more than a few tomatoes if it is ever to be taken seriously

While a rooftop greenhouse like ours may, because of increased building costs, have a slightly longer payback period than backyard greenhouses, there are several distinct advantages to the rooftop location. Rooftop space is often easy to come by: many owners are quite willing to let a community group have access to the roof of a building at no cost or for a minimal rent. For a community with little vacant land, rooftop greenhouses are ideal. Furthermore, sunlight in the city is generally better on a roof than on the ground; and the risk of potential vandalism is also minimized. Greenhouses are an important element in any integrated urban food production system; it is only a matter of time — and initial capitalization — before they become commonplace in urban as well as rural areas.

Beyond Vegetables

The greenhouse and the vacant lot are the basic elements of any urban food production system; but there are many other potential food sources and production methods for urban dwellers. Some of these are outlined below.

Worms: Most urban soil needs a great deal of improvement. The use of worms as soil builders and composters is one of the best methods of soil reconditioning. Placed in boxes filled with soil and leached manure, worms grow and reproduce in any out of the way corner. In the winter, they serve as composters, industriously munching their way through the garbage. When spring comes, the worms can be sorted out, some of them being left in the container to reproduce further and the rest being taken to the garden to continue their work. Worm castings and compost can be used as an enrichment to both potting soil and garden soil; they can also be sold commercially. Ron Gaddie, president of North American Bait Farms in California, estimates that 20,000 worms are enough to compost all of the biodegradable garbage of a family of four.

Bees: The high price of honey has led to renewed interest in beekeeping. And that is good, since urban bee populations have been hit hard by pesticide use. Many cities have ordinances which prohibit beekeeping within city limits; but in Berkeley, California, and elsewhere, these regulations are being challenged. Well-managed hives, kept close to the community gardens, can be doubly beneficial: the bees pollinate the fruits and vegetables in the nearby gardens and the gardeners gather the honey for use or sale.

Canning: Community gardeners have the option of selling all of their excess produce during the summer or of preserving it for the winter. Canning is one of the most common preservation techniques; and community canning operations have existed in many communities for some years. The Ball Corporation has provided the design and the equipment for many of the centers. Initial funding has come from the Community Services Administration, from state community action programs, from existing co-ops, and from non-profit organizations. The canning centers are designed to be self-sustaining operations after the first two years; generally, a charge of between ten and fifteen cents is levied on each quart of canned produce. Most centers have become self-sufficient; some have even generated enough surplus to expand or to capitalize other canning centers. In conjunction with a community garden program, this operation can save neighborhood residents some money and can also solve the problem of what to do with all the summer produce. In many cities, the centers have served as convenient community meeting places and as nutrition education centers.

Food Dryers: A solar food dryer is, basically, a solar collector with doors and shelves. These dryers provide a sensible low-technology solution to the problems of food preservation. The sole energy source for the dryers is the sun; storage of the dried food is simple; and dried food has high vitamin retention. The initial cost of a solar food dryer is about \$30. Shelves can be installed at six-inch intervals, thus providing a good deal of drying area. Traditionally, food is dried by laying it on cheesecloth-covered trays on a table in the sun. This method requires that the legs of the table be set in bowls of water, so crawling insects cannot interfere. The solar method is simpler and it is also faster. Since the temperature of the solar dryer is much higher and more constant than that of the old method, food dries more quickly. After the first day, food can be left in the dryer even on nights when temperatures are below freezing. And, as most shoppers are aware, dried fruits command a good price in food markets. The integration of solar food drying into a community garden program could provide both a practical means of individual food storage and a potential source of income for the community.

Root Cellars: Long ago, members of northern towns and villages maintained community root cellars. In all but the most rural areas, this method of food preservation has since fallen into disuse. That is unfortunate, since a root cellar is actually a simple, energy-efficient preservation method. A root cellar is a hole in the ground in which root crops, some cole crops and some fruits are stored. It need not be fancy; it need only be kept cool. In the old days, insulation was provided by old bales of straw or dry ice. Today, adequate insulation can be provided just as easily by plastic garbage bags full of fall leaves. Where climate allows, it may well be time for urban dwellers to consider the revival of this effective method of food preservation.

This catalogue of possible components of an integrated urban food production system is by no means complete; it is only a beginning. We have outlined the basic auxiliary systems in the hope that community gardeners will begin to enlarge upon the food production capabilities of their vacant lot gardens. Increased and varied production is important: urban farming must produce more than a few tomatoes if it is to be taken seriously and if it is ever to help insulate consumers from potentially hard times.

— Miranda Smith

Off the Shelf

Urban Agriculture

Doc and Katy Abramson, **Organic Gardening under Glass,**

Rodale Press, Emmaus PA, 1976.

This is the first book devoted exclusively to the organic management of greenhouses. The authors have drawn from their many years of professional work in the field and present their knowledge in a form which is readily accessible to any gardener. They deal with the cultivation of ornamentals as well as vegetables and give sound advice about ornamentals as a business venture.

Community Environmental Council, **Agriculture in the City,** CEC, Santa Barbara CA, 1976.

This fine handbook is the result of actual work experience in urban agriculture at the El Mirasol Educational Farm of the Community Environmental Council in Santa Barbara. It is one of the best. The "how to" information is helpful, especially the section on composting and the explanation of the nitrogen cycle. The information on the developmental dynamics of a community garden is probably even more helpful. From what began as a simple garden, CEC has developed a wholistic, integrated view of urban food production.

James B. DeKorne, **The Survival Greenhouse**

The Walden Foundation, El Rito NM, 1975.

This book has earned our respect because the author is so quick to tell not only his successes but his failures. Both aquaculture and hydroponics are discussed and the book is useful in any consideration of food production systems. The greenhouse management section is realistic and clear (though DeKorne is not aware that the white fly indeed does have a predator, a 1/4 inch wasp called *encarsia formosa*).

Catherine Osgood Foster, **The Organic Gardener**

Alfred A. Knopf, New York NY, 1972.

The Organic Gardener is one of the best books around for the beginning gardener. It is written specifically for the novice. We have found it particularly useful with gardening classes, perhaps because of the author's sensitivity and respect for the process of gardening and growing plants.

John Jeavons, **How to Grow More Vegetables**

Ecology Action of the Midpeninsula, Palo Alto CA, 1974.

The full title of this book is "How to Grow More Vegetables than you ever thought possible on less land than you can imagine." The book is a description and explanation of the Biodynamic/French Intensive Method of organic horticulture as it was taught and practiced by Ecology Action in Palo Alto. The beautifully produced book deals with preparation of the raised growing beds, composting, seed preparation and companion planting. Many of the suggestions and techniques lend themselves to use in densely populated areas with a minimum of vacant land or rooftop space.

Richard Merrill (ed.), **Radical Agriculture**

Harper Colophon Books, San Francisco CA, 1976.

Essential for anyone seriously interested in the theory and practice of alternative agriculture, *Radical Agriculture* includes well-researched and fact-filled essays by most of the best writers in the field of ecological agriculture. The book is divided into five parts: Land and Culture; Agriculture and Agribusiness; Rural Struggles and Alternatives; Cities and Farms; and Food, Energy and the New Rural Renaissance. Detailed bibliographies accompany most articles.

Helga and William Olkowski, **The City People's Book of Raising Food**

Rodale Press, Emmaus PA, 1975.

Unlike most of the manuals on urban food production, this book is informed by the au-

thors' scientific backgrounds. They take the subject seriously; and that is a welcome relief from the plethora of "Gee isn't it neat to grow tomatoes" books. The Olkowskis have put many of their practical suggestions to the test at their Integral Urban House in Berkeley. Their compost box is especially good; and their understanding of pest management techniques is most comprehensive.

G. Raymond Rettew, **The Manual of Mushroom Culture**

Mushroom Supply Co., Toughkenamon PA, 1948.

This manual is *not* designed for the layperson. It is a technical manual written for those "in the business." But the layperson can benefit greatly from sections of this book. Though somewhat intimidating in its thoroughness and bulk, it has all the information anyone needs in order to grow mushrooms. Some of the methods are too complex for home production and the method relies on many too many chemicals; but it is a very useful introduction before setting out to cultivate mushrooms.

And from ILSR:

Composting in the City

A guide to composting in urban areas, on the municipal, neighborhood, and household scale. (12 pages, 75¢)

Energy, Agriculture and Neighborhood Food Systems

A proposal for decentralized urban production systems utilizing "wastes" in closed loop systems whenever possible. (16 pages, 75¢)

The Urban Farmer

A comprehensive, two-color wall chart presenting information on urban gardening for 49 major vegetables. (\$3.00 plus 50¢ postage)

Gardening for Health and Nutrition

A guide to garden planning for maximum nutrition. Illustrated chart with references for further reading. (\$3 plus 50¢ postage)

Making Cities Safe for Democracy

In the past decade, there has been a significant shift toward the decentralization of the city planning process. At least twenty-five major cities have restructured their planning procedure in order to incorporate plans, programs and proposals prepared by neighborhood groups. In several other cities, neighborhood groups are not waiting for city initiative, but are vigorously insisting on their right to have input into the city's — and their own — future.

Building a planning process from the neighborhood level up is a radical departure from traditional planning procedures. A paper on local planning prepared for the Citizen Involvement Network points out that traditional master plans "have a long-range time horizon . . . emphasize physical aspects of community life, and stop short of . . . implementation." When neighborhood groups get involved in planning, however, they are concerned with the immediacies of daily life. So, as the CIN paper suggests, if city planning is to be decentralized to the neighborhood, it must become "short-range, problem focused . . . and sustainable through implementation." A new kind of planning process must be developed if neighborhood citizens are to take an effective role in decision-making and gain some control over the fate of their communities. For decentralized planning to be successful, for community groups to be able to participate effectively, significant changes must be made in three areas: information, involvement, and implementation. Each is a necessary but not sufficient component of a neighborhood-based planning process; the failure of the city to aid neighborhood residents in any of the three areas means the failure of democratic planning.

Information

A neighborhood group must have information about its community — the people, the buildings, the land, the wealth, historical trends and current needs — in order to plan for its future. This point is obvious; but access to important data is often more difficult than one would think. Much important information is collected in the census. The neighborhood, however, may not fit census tract boundaries; and when this is the case, census data are not very helpful. The city may provide data only by wards or service districts. Community groups may never have surveyed their neighborhood and may have only impressionistic information about their "turf."

Some cities, like Denver, have defined their neighborhoods using census tract boundaries. Often, these new boundaries do not coincide with those of the actual neighborhoods; but the gathering of information is facilitated. In other cities, residents have been able to define their own neighborhood boundaries as they perceive them. The result is accurate neighborhood boundaries, but real difficulties in obtaining usable information. Washington DC is a case in point. The resident-defined neighborhood boundaries have been legally approved; but neither the District's planning department nor the Bureau of the Census has acted to make census information available by neighborhood council

areas. A strong citizen effort was necessary to get even a few of the census tracts realigned to conform to neighborhood boundaries.

Neighborhood organizations or governments wishing to obtain information about municipal operations and budgets for their areas will also find the task a difficult one. Data on services and operations are often compiled by arbitrary administrative areas and there is usually little conformity between the geographic subdivisions of one city department and those of any other. What coordination there is in terms of information about city services, expenditures, taxes or census data is usually by ward or precinct. This enables city council members to keep track of services to their constituents; but it does not help neighborhood residents gather the information they need in order to make informed and realistic planning decisions.

Information is good ammunition; but access to information without a mechanism for effective community involvement in its use is worth very little

To complement the census demographic data and the city service and budget information, and to fill in many of the informational gaps, the neighborhood will need to collect its own data, through surveys and questionnaires, on community services, needs and resources. A community wishing to plan its own future must be able to determine the perceived needs of community residents and must begin to identify its resources in people, skills, property, and commerce. A neighborhood organization which knows that there are twenty unemployed carpenters in the community can think about setting up a home repair business. A neighborhood which knows that it receives fewer dollars in services than it pays in taxes, or that it places more money in deposits than it gets back in loans, is well-armed. Its planning decisions will be very different from those of a neighborhood with no clear sense of its subservient economic role in the city or the region.

Involvement

Information is good ammunition; but access to information without a mechanism for effective community involvement in its use is worth very little. The devolution of planning responsibilities to the neighborhood could mean the involvement of many new people — concerned community residents — in the actual planning process. However, unless accompanied by a demystification of planning techniques and an effective method of involvement, such decentralization actually means increased power to local developers, bankers and monied interests. The case of Community Development Block Grants (see article on p. 10) is a

good example of this double-edged sword.

Typically, encouragement of citizen involvement by the city entails the provision of some technical planning assistance to the neighborhood. This can work. All of the city-organized decentralized planning programs — including those in Denver, Fort Worth, Pittsburgh, and San Diego — provide such assistance. A drawback of this city/neighborhood symbiosis is that it leaves the neighborhood totally dependent upon the city for its technical help. In Pittsburgh, the planning official in charge of neighborhood planning concluded from experience that "neighborhoods need technical assistance that is independent of the city," so that neighborhoods can benefit from technical help but can also avoid the inevitable conflicts of interest which develop between a city planner's responsibility to the city on the one hand and to the neighborhood on the other. This assistance can be provided by professionally trained residents of a community, by volunteers, or by hired consultants. It is crucial, though, that these consultants be able to talk both the language of city planners and the language of concerned neighborhood residents. Only a program which can translate professional jargon into common parlance can hope to sustain the interest and involvement of non-professional neighborhood residents.

Citizens are most easily aroused to action by the desire to resolve their immediate problems. A successful neighborhood planning program, though, must be able to maintain citizen involvement over a long period of time and around long-range goals and issues. Often, interest in long-range planning evolves out of immediate neighborhood improvement actions. In Colorado Springs, for example, the city funded a planning program for the Shooks Run neighborhood, a blighted area of 17,000 people. At first, the newly established neighborhood improvement association only addressed immediate problems such as stray dogs and noisy traffic; but soon, residents were working with the city in a three month project to draw up a joint comprehensive plan for the rehabilitation of an eight square mile area of the city.



Professional guidance can spur involvement by helping neighborhood residents to clarify their own needs and goals. There are practical workbooks and simulation games which can also help community groups to maintain the active participation of members through the long process of plan development. Some of the more useful publications were described in the *Off the Shelf* section of SELF-RELIANCE #4. Other resources are listed in the American Society of Planning Officials, Planning Advisory Service Report #305, entitled *Planning Information for the Public: A Selected, Annotated Bibliography*. More important, though, than publications or professional help, is the ability of community organizers and community residents to understand and publicize the important power lever which neighborhood planning can be when a plan is well-conceived and the community well-organized. A mobilized community can often win small victories quickly; and small victories can generate a momentum which will sustain larger and longer struggles.

Implementation

Traditionally, comprehensive city plans are developed by the planning office and are then allowed to sit on a shelf gathering dust while various interest groups carve up the city as they wish. The experience in San Diego has shown that community involvement in planning leads to very different results. Community involvement generates a strong demand for the actual implementation of the plan. "Each community planning program almost inevitably led to a subsequent implementation program . . . (and) whetted appetites for improvement programs within their communities." The dynamic of involvement leads to the demand for action; but neighborhood groups should expect to struggle for implementation of their plans. Simply demanding action does not necessarily get action.

The dynamic of involvement leads to the demand for action; but neighborhood groups should expect to struggle for implementation of their plans

Cities have developed various formal methods of implementation of neighborhood plans. In Atlanta, the neighborhood plans are a regular part of the decision-making process of the joint Budget and Planning Department. In Pittsburgh, the neighborhood planners, city staff who each work with several communities, actively advocate for their areas before the city government; but the neighborhoods do not participate directly. In Denver and San Diego, the neighborhood plans, once approved, become part of the city's official comprehensive plan and zoning ordinance.

In municipalities which do not have official decentralized planning programs, neighborhood groups can gain some decision-making power by securing a commitment of support from high level elected or appointed officials.

Such support, however, will not come without the proof of broad support for the lobbying community organization. City politics, planning politics especially, are a struggle between conflicting interest groups trying to win the legislators and executive officers to their point of view. Traditionally, city officials' ears have been most easily bent and most consistently assaulted by representatives of builders, developers, bankers and the like. Only recently have neighborhood groups begun to see themselves as interest groups, too, as lobbyists for residents of specific areas or for members of less-privileged social groups. And this movement toward representation of those previously unheard from is having its effect. As the Citizen Involvement Network paper notes, "It is very difficult for an elected body to ignore or veto proposals that come from a group that is broadly representative . . . Consensus is a powerful tool."

The decentralization of city planning to the neighborhoods can give our communities the power to control their own futures. But both the planning process and the attitudes of neighborhood residents must be changed if neighborhood planning is to succeed. The city must help provide adequate information, suitable mechanisms for effective, on-going citizen participation, and the means for translating neighborhood proposals into law and action. And neighborhoods must be able to identify their needs and resources, mobilize their residents, and be prepared to fight. City help is crucial; but it will not be forthcoming unless community organizations and residents push for it, demand it and refuse to accept the bureaucratic "no."

— James Taylor

Progress Reports

Local Initiative

Continental Savings and Loan of San Francisco, two and a half years in the planning, has just received its charter from the state of California. The savings and loan association hopes to open for business this summer, provided that it can sell the final \$300,000 of its initial \$2 million stock offer and that its insurance of accounts is finalized. The uniqueness of Continental S&L is its plan to pursue an aggressive policy of inner city lending; to make loans only on the basis of financial integrity with no consideration of subjective factors such as lifestyle or ethnic background; and to make loans on all pieces of property. Continental will buy local conventional mortgages and stay away from Federal Home Loan Mortgage Corporation (Freddie Mac) mortgages whose regulations tend to favor suburban homeowners. The organizers feel that since they live in and are familiar with the neighborhood which they will be serving, they will be able to assess the value of all pieces of property fairly and accurately. If a given piece of property is not considered suitable for a mortgage loan, Continental will make home improvement loans to improve the value of the property. The organizers feel that Continental will succeed because it answers a real need and because there is a large market for such a lending policy. For further information, contact: Jerome Dodson, Continental Savings and Loan, 2021 California Street, #304, San Francisco CA 94109.

An annexation plan which would increase the size of Fort Wayne, Indiana, by some 29 square miles and 30,000 residents has been opposed by members of the city council on the grounds that the city would "fiscally choke to death." Council members charged that the administration plan, drawn up by the Dept. of Community Development and Planning, called for extension of essential services, such as police and fire, to the area when "we can't even get police cars into some of our neighborhoods." *Community Planning Report*, January 10, 1977.

The City of Topeka Department of Community Development has presented to the public a plan to develop and implement the conversion of the two hundred and ten unit Pine Ridge multi-family public housing project into a housing cooperative. Under the Cooperative Housing Plan, eligible lower income families in unsafe housing at the project would have an opportunity to gain an owner's share in the proposed cooperative. Eligible occupants will also be able to receive Community Development repair and rehabilitation grants (up to \$4500) to bring deteriorated dwelling units up to a minimum property rehabilitation standard. Community Development Block Grant funds would be granted to the homeowner cooperative association for the first year administrative, legal and maintenance costs, and for environmental improvement and management technical assistance. For more information on the proposed plan and its progress, contact: The Kansas Tenant Information Service, 3120 East Sixth Street, Topeka KS 66607.

Waste Utilization

Over twenty-five communities in New Hampshire are in one stage or another of moving toward maximum recycling and composting and toward minimum incineration and sanitary landfill. Although local elections will have an important impact on these developments, materials flow plans for serving between 10,000 and 25,000 area residents are being readied by Solid Waste Recovery, Inc. of Durham. The company's co-directors, Bob and Suellen McDonough, are working on several fronts to encourage the trend toward community recycling. Bob has been pressing for a federal tax credit to recycling communities based on an average \$10 per capita annual subsidy given to the mining industry. Provisions for such easements on local solid waste taxes have been incorporated into Senator Gary Hart's National Materials Policy Act (S. 3874). On the state level, Bob is arguing for a one cent product charge on all beverage containers, a charge which would provide between \$4

and \$5 million annually for community recycling in New Hampshire. Suellen has invented the *Recycl-it* basket, to help households "mine" their garbage. The three-compartment basket, marketed by Sears and sold with a six year guarantee, handles glass, paper, and metals, making source separation simple and painless. For more information, write: Solid Waste Recovery Company, 16 Meserve Road, Durham NH 03824.

One example of a successful recycling program in New Hampshire is in the town of Nottingham. Mark Sullivan of the National Wildlife Federation's Solid Waste Management Project, reports that a minimum of 90-95% of the recyclable portion of Nottingham's wastes are being presorted by the public. The town dump was converted into a "recycling plant." The only change in the waste disposal routine of town residents was the requirement that they separate out paper, glass and metals before taking their garbage to the dump. What is not recyclable is incinerated. A separate shed has been set up for reusable items brought to the dump. To facilitate resident cooperation, an intensive public education campaign was launched. Also, all residents were provided with a simple, compartmentalized can to facilitate the separation. A recent survey of Nottingham residents revealed that townspeople considered the recycling center to be the most effective and popular municipal service in town, more so than the schools, the police or even the public library. For more information, contact: Recycling and Conservation, Inc., Box 276, Kittery ME 03904.

Local governments interested in low technology solid waste planning, and located within the thirteen state area of the Appalachian Regional Commission, can take advantage of the Commission's funding program. The Commission will fund \$25,000 for planning, 80% of the cost of capital and site acquisition, and 50% of first year operating expenses. Any jurisdiction interested in pursuing this source of possible funding should contact: Dr. David Maneval, Science Advisor, Natural Resources Division, Appalachian Regional Commission, 1666 Connecticut Avenue NW, Washington DC 20235.

Energy

Homeowners in Idaho can receive a state income tax deduction for 100% of the cost of installing insulation materials and alternative energy devices. In addition to storm doors and windows and insulation, included are renewable energy systems such as fluid-to-air heat pumps, solar water and space heating equipment, wind generators, and geothermal plumbing. Also included are conventional wall fireplaces, provided they are equipped with control doors, a regulated draft and a metal heat exchanger that delivers warm air to a substantial portion of the home. The deduction covers expenses up to \$12,500; costs in the upper range can be deducted over a four-year period, 40% in the first year and 20% in each of the three succeeding years. The full deduction for insulation costs is offered during a single year, but does not include insulation installed in the construction of a new home. Deductions for renewable energy devices apply to both new and existing homes. *Solar Utilization News*, February 1977.

A report commissioned by the State of Montana on the potential for energy self-reliance in that state is nearly finished. Using the simple and sensible methodology developed by Amory Lovins—that is, that we should match energy generating systems with end uses and that we should first decide on a goal before worrying about how to reach it—this report may represent a significant step forward in energy research. The Ecotope Group located in Washington state has provided technical assistance as has Patrick Binns, who is now developing legislation based on the report. For more information, contact: Patrick Binns, 808 Eighth Avenue, Helena MT 59601.

An excellent organization, committed to assisting "yankee ingenuity" in the New England area, is New England Industrial Resource Development (NEIRD). Headed by two professional engineers, this non-

profit organization provides assistance to individual inventors needing management advice, access to distribution networks, or finance capital. Under contract with the federal government, NEIRD also evaluates energy-related inventions from New England for possible federal funding. To date, the group has screened a couple of hundred energy-related inventions and has recommended thirty to the National Bureau of Standards for government funding, eight of which have been passed on to ERDA. Inventors in the New England region, or people who can assist inventors in distribution, venture capital or licensing arrangements, should contact John Webber, NEIRD, Pettee Brook Office, Durham NH 03824.

We have reported from time to time on the progress of the Energy Task Force and the sweat equity rehab program on East 11th St. on the Lower East Side. Two new developments are significant and encouraging. The new wind generator on the roof of 519 is not only producing significant amounts of electricity in this windiest of winters, but Consolidated Edison, after initially responding by turning off the building's electricity, has now agreed to permit the cooperatively-owned building not only to send surplus electricity back into the grid system, but to be paid for it as well. Appropriate rate structures are now being discussed. For information, contact: Ted Finch, 519 E. 11th Street, New York NY 10009.

The Media

The National Federation of Community Broadcasters and the Pacifica Foundation have received approval from the National Aeronautics and Space Administration for their experimental use of the new Communications Technology Satellite (see article in SELF-RELIANCE #4). Proposed uses of the satellite include: interactive programming in which two or more stations talk to each other and, through phone-ins and remote setups, let the general public get involved; live coverage of events not

available through other network systems; large and small scale conferencing among member stations on business, training and operations; high speed distribution of pre-produced programming for later play-back at normal speed. The time table for development of the experimental system calls for about one year of construction and development prior to actual operation. For more information contact: Tom Thomas, NFCB, 1716 21st Street NW, Washington DC 20009.

Media Interchange is a non-profit community media organization which links community groups with electronic mass media. The group, operating out of San Francisco, helps community groups to untangle the red tape of public service broadcasting so they can communicate their views on a variety of issues. They produce Public Service Announcements for radio and television, develop educational audio-visual materials and conduct media workshops to help community groups utilize the media as effectively as possible to reach the widest audience. Clients have included the Sierra Club and a San Francisco based citizen's group, Electricity and Gas for People. For further information, contact: Jeff Nathanson, Media Interchange, 1865 California Street #6, San Francisco CA 94109.

The residents of Colorado's mountainous Pitkin County, some seventy miles from the county seat in Aspen, have found a solution to their communication problem with the county commissioners. The community television station's Pitkin County Video Project tapes the citizens' concerns and shows the tapes at commissioners' meetings. Many of the concerns are nitty-gritty, such as road signs and ruts in the roads; but the citizens also address larger problems such as zoning and land use planning. *Community Planning Report*, January 17, 1977.

When writing to any of the contacts mentioned in SELF-RELIANCE, please send a self-addressed stamped envelope. It will speed the reply and will save these folks some money.

A Beginner's Guide to Block Grants

Self-reliant communities are not self-sufficient communities; there are limits to localism. At times, it is very important for urban communities to look to the federal government for assistance. Through its powers of taxation, the federal government can redistribute income; and that redistribution is what poor communities need and must demand.

The Housing and Community Development Act of 1974 (HCDA) is one federal program which all low and moderate income communities must understand and must try to utilize, but which many do not. Enacted into law on August 22, 1974, the Act is the latest comprehensive effort to upgrade the living conditions of the nation's low and moderate income citizens, replacing Urban Renewal, Model Cities and several other federal programs. The Act initially committed \$8.4 billion in federal funds over a three year period, 80% of which was slated for urban communities. This month, the Senate Committee on Banking, Housing and Urban Affairs is hearing testimony and reviewing the program, preparing changes in the legislation and setting funding levels before its renewal at the end of the fiscal year in June.

Because of the way in which the funds are allocated, the money can be spent for whatever purposes the local government deems appropriate, within certain legislative and administrative guidelines. This is significant: prior to the Nixon administration's shift to Block Grant fund allocation, cities and states had to rely on "categorical" grants. Each specific proposed use of federal funds required separate application, approval and monitoring. All funds were earmarked before they were allocated. With the shift to revenue sharing and Block Grants, to the allocation of large sums to local governments with few federal strings attached, cities suddenly found themselves with discretionary power over significant amounts of federal monies. How these funds are used depends, in large part, upon which interest groups have the best information and the best access to city Community Development officials. The shift to Block Grants has set the stage for much political struggle and jockeying.

The Act's Shortcomings

The shortcomings of the current legislation and its administration by HUD under Nixon and Ford are many and well-documented (see box for a list of the best analyses of the HCD Act). The program never had enough money appropriated to it for it to have significant national impact; what funds were appropriated were scattered among too many localities and, often, among too many projects. HUD's "hands-off policy" of administration allowed for many abuses of the program's objectives by city officials. For example, "maximum feasible priority" is supposed to be given to activities benefiting low or moderate income families or aiding in preventing or eliminating slums or blight; but HUD has consistently refused to establish criteria for determining what actually constitutes "maximum feasible priority." Similarly, HUD has failed to define the term "blight"; as a result, cities are able to claim any

number of questionable uses of CD funds as programs for the "elimination of blight." HUD has also been negligent in identifying improperly filed Block Grant applications: a General Accounting Office study revealed that eight of twenty-three applications they randomly reviewed had information deficiencies, often related to projects inappropriate under the guidelines of the Act. Citizen participation provisions have also been a disappointment. Though participation is mandated in the legislation, no funds were allocated for technical assistance to citizen groups. HUD has not pushed very actively for strong citizen participation, nor has it carefully monitored compliance with citizen participation requirements.

As a result of problems built into the Act and problems with HUD's administration and monitoring, it is questionable how effectively the primary objective of the Act has been pursued—that the benefits of any Community Development program be "principally for persons of low and moderate income." A study of second year Community Development expenditures by NAHRO, the National Association of Housing and Redevelopment Officials, revealed that the proportion of funds targeted to low and moderate income census tracts dropped to 44% of the total (from only 51% the first year) and the proportion targeted to middle or high income census tracts rose from 29% in the first year to 39% in the second year. A study of CD funding in California has shown that each year, due to the nature of the present fund allocation formula, more and more funds will go to newer, whiter and wealthier communities. By the end of this decade, fifteen Californian cities which never participated in categorical urban

Block Grant Evaluation Reports

There have been many analyses of the effectiveness of the Community Development Block Grant Program, most of them from a justifiably critical perspective. These are some of the best:

Community Development Block Grant Program, Hearings before the Senate Committee on Banking, Housing and Urban Affairs, August 23-26, 1976.

Community Development Block Grants—Implementing National Priorities, a joint publication of a number of organizations, including the Center for Community Change, 1000 Wisconsin Avenue, Washington DC 20007.

Coordinating CDC and Block Grant Community Development Programs, an evaluation by the National Economic Development Law Project, 2313 Warring, Berkeley CA 94720.

Meeting Application and Review Requirements for Block Grants, Report #RED-76-106 of the General Accounting Office, Washington DC 20548.

Monitoring Community Development: Changes in the Works, a special report from Citizens Housing and Planning Association, 7 Marshall Street, Boston MA 02108.

New Federalism and Community Development, a preliminary evaluation published by the Joint Center for Political Studies, 1426 H Street NW, Washington DC 20005.

A Time for Accounting, a monitoring report published by the Southern Regional Council, 52 Fairlie Street NW, Atlanta GA 30303.

Year I Findings: Community Development Block Grants, a summary of major findings by NAHRO, 2600 Virginia Avenue, Washington DC 20037.

development aid will be receiving CD funding, and twenty-three of the larger, more needy cities will receive funding at lower levels than previously.

Even many programs which appear to benefit primarily low and moderate income people do not. Knowing that HUD monitoring has been, at best, lax, cities have pushed through numerous questionable projects. In Gulfport, Mississippi, the city council declared the entire city to be an urban renewal area and then built a new central fire station using the argument, "When you expand fire protection, everybody in every census tract benefits from lower insurance rates." In Pine Bluff, Arkansas, the city planned to use Block Grant funds to build a four-lane highway through the middle of a low income residential area, claiming that the project was targeted for a low income census tract and was thus a justified use of funds. Many cities have used similar rationales to run sewer or water pipes *through* low-income areas to new, quite well-to-do developments and subdivisions.

Innovative Uses of CDBG Funds

The horror stories are many, but not all cities have ignored the spirit of the legislation. Innovation is not encouraged: HUD ruled that in order for CD programs to be considered for the \$5 million set aside specifically for *innovative* uses, the programs would have to be eligible under the Act's *regular* criteria. Some cities, though, have attempted to develop innovative programs in spite of HUD's lack of support and the limits of the legislation. It is possible, using the example of a few existing or proposed programs, to chart the directions cities (and the federal government) must move in if Community Development is to become more than just the name of another government program. Three areas stand out as crucial: financing, job development, and citizen participation.

Financing: One obvious problem with the Housing and Community Development Act is that no city receives the kind of aid it would actually need in order to provide, as the Act's primary objective stipulates, a "decent living environment" for all its residents. Needless to say, even if funding levels are increased when the Act is extended, the problem will remain. Thus, one important area of innovation is that of the leveraging of Block Grant money to multiply its usefulness. One method of leveraging involves the cooperation of local banks. Block Grant money is used as a kind of loan guarantee to entice banks to make more money available for housing rehab loans to low and moderate income homeowners. In Portland, Oregon, \$187,500 in CD funds is pledged to several banks as a backup for \$1.5 million in loans at 5.5% interest. Each dollar of CD money is able, in this way, to generate six dollars of loans.

Another method of extending the impact of Block Grant funds is a revolving fund; and this may be preferable since it does not leave the city quite so beholden to banks. The Buckeye-Woodland Community Congress proposed to the city of Cleveland a three-year housing rehab program for one hundred units which would have required only initial funding (\$376,000) from the city's Block Grant funds. Non-profit housing corporations would have bought FHA-foreclosed units from HUD, put \$8,000-10,000 into rehabilitation of each house and then sold the renovated properties. This constant process of resale would have enabled the non-profit housing groups to continue their program independently, without reliance on further city or federal funds. Initial capitalization was all that was needed; but the city refused to consider the proposal. And, even if the city did approve the allocation, it is not clear that HUD would have done so. That is not too surprising. Much of the power of city officials is the power of the purse-strings. They did not take kindly to Buckeye-Wood-

land's proposal to continually regenerate its capital account; but it is just that kind of program which holds the most promise for neighborhoods and cities hoping to move toward self-reliance.

What may be the most important kind of leveraging is also probably the most complex. For cities to be eligible for many federal programs, they must provide a certain percentage of the funds from their own budgets. Community Development funds are limited in their use: they cannot be used as venture capital or for many types of economic development and manpower programs. The funds may, however, be used as the non-federal share or matching share which would make cities eligible for funding under other federal legislation. For example, if a city needs to allocate 20% of its own money in order to be eligible for a program funded by the Economic Development Agency of the Department of Commerce, CD funds can be used to make up that 20%. Careful combinations and leveraging in this manner can not only stretch the usefulness of Block Grant funds, but can also enable cities to integrate housing programs with broader development programs.

One important area of innovation is that of the leveraging of Block Grant money to multiply its usefulness

In a rehab program in Portland, Oregon, CETA training funds are used to pay the salaries of recent high school graduates helping and learning the trade while Block Grant monies are used to pay for the craftsmen and the materials for the program. The coordination of the two programs allows for more rehab work at lower costs and also addresses the issues of job training and development. The same kind of coordination is possible using Community Development money in conjunction with Public Works, EDA, Small Business Administration and other funds.

Job Development: The primary objective of the Community Development Title of the Act includes "expanding economic opportunities," but it was not until this past January that HUD went on record as recognizing economic development as a necessary component of a comprehensive development strategy. Consequently, implementation of the Act's objective in terms of job development has been almost non-existent. A few programs hold some promise. New York City has implemented a program where management of city-owned "problem buildings" is in the hands of local non-profit housing groups who are paid with CD funds to make necessary repairs on the buildings. In Hartford, Connecticut, CD money is being spent to set up a vocational training program which will combine paid work with schooling for 300 students starting in September. Hartford has also proposed the creation of a venture corporation with CD funds which would create permanent jobs in publicly-owned, for-profit corporations in areas such as housing rehab, solar energy, home care and demolition. HUD has ruled that the use of CD funds for private, for-profit venture capital is unacceptable under the law; but Hartford wants to test the ruling in the case of publicly-owned for-profit ventures.

Perhaps the most elaborate and potentially significant job development strategy is that of the city of San Diego. The city has spent \$4.5 million so far and has allocated \$1.6 million for the coming year to establish three industrial parks in low-income areas. The city buys the land and makes the necessary public works improvements. A private developer builds the actual struc-

tures. EDA money is used for site improvements. Tenants will be allowed to use the facilities at below market cost on the condition that a certain percentage (still to be worked out) of the employees be area residents. Industries would have to be labor-intensive ones, like furniture or electronics assembly, to qualify for space. Twenty-five meetings were held in the target communities during the various stages of formulation of the program; but whether the program will live up to its promise of job development for low income people or will become simply a windfall for small industrialists remains to be seen.

Citizen Participation: If HUD continues, under new leadership, to refuse to "second-guess" applications for Block Grant funds, the only guarantee that money will be spent where it is most needed is strong citizen awareness of, and activity in, the determination of needs, priorities and allocation. Even that is insufficient: citizens must remain involved and must monitor actual spending to see that it is consistent with proposed spending. It requires commitment; but, ultimately, all Block Grant programs stand or fall on the adequacy of their participation mechanisms. The development of and demand for citizen participation is important new ground; and it will, in future years, alter the way cities and their citizens interact. Participation in Block Grant decision-making will inevitably lead to the demand for participation in other areas of municipal policy-making. The education of the American citizenry will be slow; but it must begin with participation.

In Edison township, New Jersey, a coalition formed by the NAACP, the North Edison Gardens Tenants Association, the local chapter of the League of Women Voters and other civic organizations sued the township in federal district court over CD spending priorities. The settlement included \$600,000 in various improvements demanded by the coalition and also the development of a participation plan, which specified the holding of informational hearings *before* proposed uses are approved, public access to all drafts of the Block Grant application and public access to Community Development Staff.

Ultimately, all Block Grant programs stand or fall on the adequacy of their citizen participation mechanisms

Other cities have realized the importance of citizen participation and have developed suitable mechanisms themselves. In Little Rock, Arkansas, elected neighborhood committees were established. In Detroit, the Citizen District Councils established in 1969 have received Block Grant funds to provide staff for citizen groups for planning, outreach, administration and program development. Ten different councils were formed; most receive between \$50,000 - 100,000 to provide the technical assistance in these matters which citizen groups so desperately need if they are to be able to participate and lobby for their needs as strenuously as do the traditional municipal interest groups.

The participation programs in two cities—Buffalo, New York, and Dayton, Ohio—are also promising: in each city, community input is crucial to the city's allocation decisions. In Buffalo, twelve planning districts were established for the first year of the Block Grant Program. For a large percentage of Block Grant funds, the priorities set by citizens of those planning districts determine the way in which funds will be spent. Three hearings are held in each district: the first, to educate and prepare the community for the program; the second, to hear specific proposals from the community; and the third, to review the proposals ap-

proved by the mayor's policy commission before final implementation. Only proposals made by district residents are accepted for the allocation of district-wide funds. The city may not like the residents' priorities; but the city cannot introduce its own CD spending program for funds targeted to a specific district.

In Dayton, neighborhood priority boards, elected neighborhood advisory boards, play a key role in determining Community Development needs and priorities. One member from each of the six priority boards sits on the Community Development task force along with five city officials with expertise in planning, housing and finance. The task force has the responsibility of recommending to the city manager the projects which should receive Block Grant funds and the appropriate funding levels for each project. Need is assessed by input from the priority boards and by the response to the over forty-five public meetings held around the city. This year, it took ten three-and-a-half hour meetings before the task force agreed on funding priorities. The list of needs and priorities generated by the task force becomes the core of a number of strategy papers—on housing, social services, job development, etc.—which are presented to the city manager along with the CD funding recommendations. This enables the neighborhood priority boards to have input beyond the question of CD fund allocations; neighborhood representatives are involved in proposing broad-based strategies for meeting their residents' needs. The city manager is not bound in any way by the task force recommendations; but this year 98% of the recommended projects were funded unaltered.

Citizen Action

These developments in citizen participation in the planning and allocation process are important. They can help force the city to address the real needs of low and moderate income citizens. There is, however, a very real danger that front-end participation is not sufficient. The federal government's meekness in monitoring the actual use of expenditures makes it necessary for citizen groups to play an active role in making sure that their city spends its Block Grant funds as planned and that federal regulations are complied with. To do this, citizen groups must understand the provisions of the Act, must know which people in the local government have primary staff responsibility for developing the Block Grant application, which projects were included in the city's Block Grant application and its amendments, what provisions the city has made for citizen participation. Citizen groups must be ready to knock on bureaucratic doors and to meet with city officials, both friendly and hostile. Attempts must also be made to involve as many diverse community groups as possible into a broad coalition to monitor the program.*

Any successful effort must be an ongoing effort; a one-shot complaint or media action will not have lasting effect. It may well be that in some cities no amount of citizen participation will force local government to be more receptive to citizen needs. If there is little chance of citizen impact, then citizen groups should not divert too much of their energy to such efforts; but any group which does attempt to monitor the Block Grant spending will learn a great deal about the politics of city government, development and fund allocations. That knowledge and, often enough, the outrage that accompanies it, can be channelled into positive, constructive community action. The Community Development Block Grant program unlocks some doors; it is up to community residents to open them and to keep them open.

—Richard Kazis

*Citizen's groups eager to pursue Block Grant monitoring should contact: Center for Community Change, 1000 Wisconsin Avenue NW, Washington, DC 20007.

Toward a Municipal "Project Independence"

As the disastrous winter of 1976-7 ends, we are left with one important legacy. We have learned, hopefully, that energy planning must be both aggressive and innovative if it is to have the necessary immediate impact. Without energy planning, our cities and their residents will go through periodic cycles of crisis. With careful but imaginative planning, cities can develop programs to lead themselves out of that cycle. A municipal program can be implemented which would reduce energy consumption, create jobs, and instill a sense of community and self-help; and it can be implemented now.

The program rests on three pillars. First, the legislation of mandatory energy conservation efforts and the development of financing mechanisms which would make such efforts economically attractive. Second, the development of local businesses for the installation of energy conservation equipment and the installation and possible manufacture of renewable energy technologies. Third, the mobilization of the population for the pre-sorting of its newspaper wastes so that the paper can be used in the manufacture of cellulose insulation. A city which pushed this program would be developing an inexpensive and important program of economic development and energy self-reliance.

Energy Conservation

Energy conservation is the first step. Since there is not a rapid turnover in urban housing stock, conservation efforts must focus on the "retrofit" market, on the potential for energy conservation in exsistant buildings. Such potential is actually very high. A survey in one neighborhood in Washington DC revealed that 85% of the area's buildings had no storm windows and about half had no ceiling insulation. Through simple weatherization measures, such as weatherstripping, caulking, insulation and installation of storm windows, energy consumption can be reduced in many buildings by as much as 50%. The use of clock thermostats, which automatically lower the thermostat during the night, or of inexpensive devices which narrow the diameter of shower heads and therefore reduce considerably the consumption of hot water, can cut energy consumption still further.

In addition, city officials and residents who are serious in their energy conservation efforts can replace existing energy-inefficient appliances with more efficient ones. Old refrigerators are notorious electricity hogs. A switch to fluorescent lighting can reduce electric lighting bills by 10%. Air conditioning can be more energy-efficient if old window units are replaced; and the installation of heat pumps can further increase efficiency.

An intensive energy conservation program for office building and residential use can save as much as 60-75% of total energy usage. This has been the experience not only of computer simulation models developed by the National Bureau of Standards, but of case studies on individual buildings around the country. In most full scale energy conservation programs presently in effect, however, energy conservation efforts are not maximized: generally, only measures which have a payback period of five years or less are considered feasible and are implemented. Cities need

not be so shortsighted. Over the past three years, more stringent energy conservation standards have been developed as the price of energy has risen. As fuel costs continue to climb, standards will, of necessity, be further tightened. Conservation programs which today seem to have a payback period of ten years will have a much shorter one next year and again the year after. And there is no real rationale for halfway measures: once insulation is being put into the ceiling, there is little reason to stop at six inches or even nine inches just because the payback period will be seven instead of five years. In the northern parts of the country, experienced insulators suggest a full twelve inches of ceiling insulation. To skimp is to give up potential energy savings.

Neighborhood Energy Conservation Corps

This conservation effort can and should be the responsibility of a neighborhood energy conservation corps. Two states, California and Pennsylvania, are already seriously involved in community-based energy conservation efforts. The Energy Research and Development Agency (ERDA) is presently considering the establishment of an energy extension service patterned on the federal agricultural extension service. These preliminary attempts at making energy conservation a serious community priority point in the right direction. From these efforts, it is not a long leap to a



neighborhood development corporation created specifically for the provision of energy conservation consultation and installation. Neighborhood-based teams of energy "house doctors" could, for a small fee, examine existing structures in the community and prepare energy conservation plans, complete with projections of initial costs and payback period.

One useful tool in any such energy conservation efforts would be the thermographic techniques developed recently as an outgrowth of remote sensing technology. Using infrared devices, thermographic cameras can take pictures which reveal heat loss. Already, a utility company in Sioux City, Iowa, is taking aer-

ial photographs and making them available to area residents who wish to see whether their homes and offices are air tight or not. These machines, now portable, cost between \$25,000 and \$45,000. Their use by energy house doctors would enable residents to have visible evidence of heat loss; before and after pictures would provide a graphic demonstration that insulation makes sense, in terms of both comfort and economics.

Obviously, such a massive effort requires both a carrot and a stick if it is to succeed. The stick would be legislation making conservation compulsory. Such coercive legislation would clearly require a courageous city council; but this winter's experience may have made the courageous seem much more like the necessary. Any legislation of compulsory conservation will have to apply to both new and existing residential and commercial units; to focus on new construction is not sufficient. Given the stable populations of most cities and the fact that only $\frac{1}{3}$ to $\frac{1}{2}$ of the housing stock in ten cities surveyed had been replaced in the last thirty years, even strict conservation standards, if applied only to new construction, would not have significant impact for at least a generation. Effective legislation might be pegged to the resale of buildings, so that when a building is sold it meets certain conservation standards. This would avoid the problem of homeowners having to pay sizeable amounts of money to meet new standards immediately. It would also tackle the problem of rental properties. In many of our cities, renters comprise 30-60% of the total population. This presents a serious problem. Renters do not want to invest capital in a building in which they have no equity. In addition, if the absentee owner pays the utility costs, he has no incentive to install insulation since, by deducting utility costs as a business expense, he pays half what the rest of us pay. By legislating conservation measures as necessary for resale, though, landlords would be forced to retrofit; and since landlords often sell property after they have benefitted from full depreciation, this "stick" would prove reasonably effective in the short run.

An intensive energy conservation program for office building and residential use can save as much as 60-75% of total energy usage

No city, though, will be able to force radical energy conservation efforts unless it can make such efforts economically attractive to its residents, not only in the long run but in the short run as well. Currently, conservation, as well as solar energy installations, are usually financed as home improvement loans, with five to eight year loans at 10-12% interest. Yet, cities have the power to float revenue bonds, at interest rates for medium term bonds (ten to fifteen years) of about 5.50%. It is not unrealistic to expect cities to create an energy conservation loan fund, lending money at 6.50-7%, for ten to fifteen years.

An example will help to clarify what all this might mean to the average homeowner or renter. A generous estimate of the cost of the installation of energy saving devices, including insulation, storm windows and energy-efficient lighting and appliances, is about \$2500. A home improvement loan, financed over five years at 10% interest, would require monthly payments of \$53.11. Financed over ten years, such a loan would require monthly payments of \$33.03. A 7% loan over twelve years would require monthly payments of only \$25.70.

If we assume that the *total* annual energy costs of a household approach \$1000 and we further assume a conservative 30%

savings from energy conservation, a householder would be able, in the first year, to save \$300. This savings translates to \$25 per month, or about what the monthly payments of the loan would be. In fact, the picture is even brighter. Energy costs are rising 10% per year, so that by the fifth year the savings from the installation of energy saving devices would come to more than \$36 per month, far above the monthly payments on the loan. In addition, since the average tax rate is 20%, \$360 in wages must be earned in order to pay \$300 in fuel bills. Thus, even in the first year after insulation, actual monthly savings are closer to \$30 than \$25.

On the basis of these figures, it is evident that a city can promise participants in the program that their monthly total energy bill will never be higher than when the program was first initiated, despite the \$2500 loan taken out to cover the costs of energy conservation efforts. And, of course, when the loan is paid in full, the monthly energy payments will be substantially lower.

Residents' monthly total energy bills will never be higher than when the program was first initiated, despite the \$2500 loan to cover conservation costs

Cellulose Factories

The neighborhood development corporations would have another task beside energy conservation efforts: the collection of raw materials. The loose cellulose one buys in thirty-pound bags from local insulation companies is nothing more than ground-up newsprint or corrugated cardboard coated with boric acid and other chemicals to prevent fire. Currently, the price of used newsprint is \$35-40 per ton; and most companies predict at least a stable price in the foreseeable future.

Given the average consumption of newsprint in the country, an urban neighborhood of 20,000 people would be able to gross between \$75,000 and \$125,000 a year from the sale of recovered newsprint. If people were to pre-sort their newspapers at the household level (something which many people already do automatically, only to mix them together in the garbage can), the cost of pick-up, baling, and delivery to the cellulose plant would be minimal, especially in our higher density areas. And if city government and business offices were to participate, significant income could be generated. These labor intensive operations would create jobs and could also generate a surplus transferable to other neighborhood projects.

In some cities, cellulose factories which can purchase the newspapers already exist nearby. In those thousands of cities without convenient cellulose plants, planners and officials might well consider building one and financing it from industrial development bonds or revenue bonds. A traditional plant costs approximately \$200,000 to establish, and a city of 45,000 would generate sufficient raw material to operate it economically. This facility could develop long term contracts and even develop an export industry. A two- or three-tiered pricing structure could be established. The export market could be priced competitively, since the freight costs of bulky cellulose make it competitive to have a factory every 200 miles. The neighborhood development corporation, on the other hand, in return for its assistance in mobilizing the local population, reducing sanitation pick-up costs, and delivering raw materials, would be able to purchase the cellulose at cost, a discount of up to 30% from the retail price.

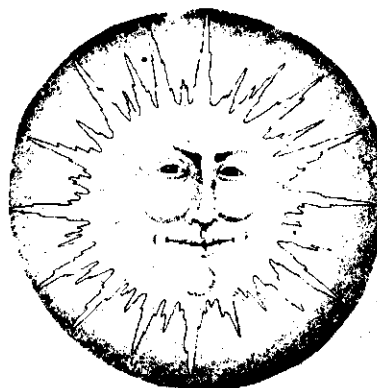
Renewable Energy Technologies

The final element in this suggested program of job creation and energy conservation is the introduction of renewable energy technologies. Solar energy, depending on the regional climate, can provide between 30-90% of heating and hot water requirements after energy conservation efforts have been completed. Solar energy is already competitive with electricity for hot water and space heating applications in almost all parts of the country and is competitive with oil in many areas. The creation of community development corporations which have energy conservation as their primary mission, in a market which has already been developed through compulsory legislation and low-interest, long-term financing, will enable the development of engineering, management, and technical capabilities for effective solar energy retrofitting. With the experience gained in this field, employees would be both highly skilled and highly marketable people.

The solar market could also be expanded through the use of innovative financing mechanisms. As in the case of conservation work, this financing could be done through the city utility or water department, so that a monthly charge would be comparable to or slightly higher than that which would have occurred if the residents were remaining with a traditional energy system with rapidly increasing energy prices.

The city may undertake to manufacture its own collectors, after a comprehensive survey of existing manufacturers, economies of scale, and the selection of the collector best suited to the local climate. Or it may choose to buy in bulk through a local or national manufacturing firm. The lowest priced collectors currently cost about \$6 per square foot at the factory; bulk buying may lower this price significantly. The average cost of collectors is \$12 per square foot, but this could drop to \$8-10 for bulk

sales. Through bulk buying or local production, the cost of solar systems, and therefore the payback period, can be reduced substantially.



This plan requires courage, foresight, and the wise utilization of existing tools and resources; but its benefits are many. People would be trained in a rapidly expanding industry. The number of jobs which would be created is substantial, and many of these jobs (manufacture excluded) would be labor intensive. The cost of imported energy would decrease; residents would, as a result, have more money to spend on local goods and services. And the city as a whole would make great strides toward self-reliance in energy, a step which could have tremendous psychological implications for city residents and officials. The whole project can be done at very little cost to the city; and the sense of purpose which such a project could provide would undoubtedly have beneficial spin-off effects in other areas of community building.

—David Morris

Name-Brand Tyranny continued from p. 2

and overhead costs come to about \$450,000, with \$65,000 of that being a first-year-only cost for machinery. By far the largest cost to the bedding manufacturer is that of materials, which runs to 65% of the price charged to the distributor. In a factory which sells 18,750 sets of bedding a year at \$110 (that is the price of the top quality, full size set), material costs total \$1.7 million dollars.

The net profit of the particular manufacturer we contacted is 3% of his annual sales. That is, on every \$110 set of bedding, the manufacturer pockets \$3.30 in after-tax profits. Let us assume that his average per set sale price is closer to \$95, since lower quality and smaller size sets are also produced in the same factory. Given this figure, the manufacturer's annual profit is close to \$55,000 on the sale of 75 sets a day. This is surplus after all salaries (including management) and all other costs have been paid. Thus, a small, local bedding manufacturer can employ twenty-five people and generate \$55,000 surplus each year; and the factory can easily be located in the community which it plans to serve and from which its employees come.

A community development corporation or other group concerned with local economic development could adapt this factory's experience to its own situation. It could also combine a factory and a distribution operation. The cost of renting a warehouse, paying a few more employees, and perhaps buying another truck would not be very great. And, by selling directly to

the consumer, the business could increase its own profit margin while still providing consumers with significant savings. A full-size set, if sold directly to consumers for \$150, would be selling for \$50 less than at retail outlets. If a 3% net profit were to be maintained, then close to \$75,000 surplus would be generated annually (assuming an average sale price of \$135 for all sets sold). If the distribution enterprise itself generated a surplus, independent of the manufacturing side of the business, then the surplus could be significantly higher.

These figures are sketchy, but they do reflect the experience of one manufacturing firm; and that experience is encouraging. A great deal of publicity work is necessary if the myth of the superiority of name-brand products is to be shattered. A community organization which did educate its members, though, could help consumers benefit from lower prices and high quality and could also encourage the revival of independent small-scale manufacturing and distribution of bedding and, by extension, of other commonly used products. The boon to the local economy of such development in terms of job creation and the generation of surplus is clear and necessary. Whether community residents organize as consumers or as producers, the move toward small-scale, local, no-name industry will be a move in the right direction.

—Vic Habib

Vic Habib is an economic researcher on the staff of the Institute

Notes

Where's the nuclear plant nearest you?

You can find out from a map of nuclear power facilities in the United States, published by Ecographix. The map is one of three 17" by 22" posters in the series, *Special Nuclear Materials*. The other two posters chart safety-related incidents at US nuclear power facilities and world nuclear proliferation and opposition. The set is available for \$10. Five or more sets are \$3 each. Send prepayment to: Ecographix, 13 Center Street, Rutland VT 05701.

Alternative Sources of Energy is now accepting proposals for the A.S.E. Minigrants program. The program offers small grants, generally around \$200, for projects relating to alternative technologies. Proposal ideas should relate to energy sources and conservation, shelter, agriculture, transportation and communications. Emphasis is on the small scale and the practical. For Minigrant Guidelines, write to: A.S.E. Minigrant Program, Alternative Sources of Energy, Route 2, Milaca MN 56353.

Low cost, high quality vegetable seeds will again be available this planting season through the cooperative efforts of Environmental Response and the Ozarks Organic Growers and Buyers Association. Thirty-eight varieties of untreated, open-pollinated seeds are available for 25¢ per packet (plus \$1.00 postage). Community garden groups should note that orders over \$100 receive a 10% discount. For full information on varieties and price, write to National Seed Order, Drury MO 65638.

The Institute for Food and Development Policy has published a paper entitled *Food Self-Reliance* which discusses the realities of domestic and international food politics and the need for a transformation of control over food-producing resources. The eighteen page paper, written by co-directors Joseph Collins and Frances Moore Lappé, is available for \$1.00 from: IFDP, Post Office Box 57, Hastings-on-Hudson NY 10706.

Support Self-Reliance

The Institute for Local Self-Reliance is a research and consulting organization which explores the potential for, and the implications of, high density population areas becoming independent and self-reliant. The Institute, incorporated two years ago as a tax-exempt non-profit organization, conducts basic research; develops working demonstration models of new technologies, institutions and small-scale production systems; develops educational materials and disseminates information.

The best way to keep up with developments at the Institute and around the country which are relevant to the movement toward urban decentralization is to subscribe to SELF-RELIANCE. You may continue to receive this newsletter every two months in one of two ways:

1) Subscribe to SELF-RELIANCE:

A year's subscription (six issues) costs \$6 for individuals and \$12 for institutions, libraries, government agencies and private businesses. Out of U.S., add \$1.50/year for surface mail. U.S. first class, add \$2.00/year. For air mail, add \$2.60/year, North America; \$4.20/year, Central America; \$5.10/year, South America, Europe, Mediterranean Africa; \$5.80/year, Asia, the Pacific, other Africa, USSR.

2) Become an Associate Member of the Institute for Local Self-Reliance:

The \$25 annual dues (\$40 for institutions) entitles you to a year's subscription to SELF-RELIANCE and a 20% discount on all Institute publications.

Important notice to readers of SELF-RELIANCE

The publication of this issue marks the end of our first year of building an idea into a magazine. We appreciate the support and the enthusiasm our readers have shown so far; and we are excited by the effect which SELF-RELIANCE is having on individuals and institutions across the country. We have only one ax to grind with our readers: we don't hear enough from you, about what you are doing, about how your city or organization is working toward self-reliance. So keep your eyes and ears open; and keep us informed. We will be grateful.

The end of the first year means the beginning of subscription renewals. Many of our subscribers will have their subscriptions expire with the next issue. If your mailing label has the number 7 in the top right corner, you are among them. In the near future, you will receive a reminder that you should quickly renew your subscription if you don't want to miss an issue. If you want to save us some time, energy and money, you can send us your renewal *before* we come looking for you. Just send your payment and a note that you are paying for a year's renewal. Or two years. Or three. We've made it through the first year. We plan on being around for a long time.

Self-Reliance
The Institute for Local Self-Reliance
1717 18th Street N.W.
Washington D.C. 20009

Non-Profit Organization
U.S. Postage
PAID
Washington, D.C.
Permit No. 48663