

•Self-Reliance

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Neighborhood Power

More Shadow than Substance?

At a recent meeting of the National Association of Neighborhoods in Chicago, neighborhood organizers voiced a common frustration. Although organizing is progressing rapidly around the country, neighborhoods still lack effective and significant power. That is not to say that they are being ignored. Neighborhoods are being recognized as administrative, economic, and social units in city after city. Baltimore, for example, has established neighborhood-based mayor's stations. In Portland and elsewhere, neighborhoods participate directly in planning decisions. A National Commission on Neighborhoods has recently been established to explore the ways in which the federal government can encourage neighborhood development and preservation. The recent creation of an Office of Neighborhood Development at the Department of Housing and Urban Development is just one more indication that the importance of local concerns is beginning to reach policymakers.

Despite these advances, however, neighborhood associations invariably complain about their lack of power. Much lip-service is paid to the concept of neighborhood government, but it still remains more shadow than substance. Proponents of neighborhood power must still deal with the opposition of municipal officials.

Fighting the Critics

Many city officials and private developers view community organizations with disdain. They point to the lack of participation in meetings and the small turnout for community elections. They argue that neighborhoods have a built-in bias in favor of the status quo. Neighborhood groups seem always to oppose new initiatives without proposing alternatives.

Few proponents of neighborhood power would dispute the validity of these claims, but most would argue that these are symptoms of a lack of power rather than reasons for withholding power from neighborhoods. People will not participate in decision-making when they question the impact their decisions will have. It is frustrating and demoralizing to sit through well-attended community planning sessions, some of which extend over a period of many months, only to have the final product ignored by city officials. It is probably true that, even with a genuine decentralization of power, citizen turnout will vary dramatically with the nature of the decision being made. It is also true however, that decisions made at meetings with low citizen turnout are still more democratic than those made internally by the city planning office.*

Community organizations have been obstructionist in the past; but, for a long time, obstruction was their only weapon. Through the use of sit-ins, court suits, and demonstrations, neighborhood associations managed to block ill-conceived urban renewal programs, highway construction, and high-rise development. The new movement for neighborhood power is, in part, a reaction to the frustration of constant battle against decisions made years before. Neighborhoods are now asking for the right to participate

*It is worth noting here that, in many cities, the out-migration of upper-income people has meant that the planning staff that makes the land use and development decisions affecting the city often resides outside its borders.

from the outset. And this means participation in a constructive—rather than reactive—manner.

What Constitutes Neighborhood Power?

For neighborhood organizations or governments to be able to grapple effectively with the complex development issues that face them, they need more than token recognition from the city, more than a hastily-called series of meetings. Informed and concerned decision-making at the neighborhood level depends upon three factors: access to information, access to technical assistance, and decentralization of authority. Without these, neighborhood power will be no more than a facade.

Access to information: The city bureaucracy is often reluctant to cooperate with neighborhood groups, since it can maintain its power over final planning decisions by maintaining its monopoly on information. Officials fear that the more input neighborhoods have, the slower and more costly the process of development will be. As a result of the bureaucracy's lack of emphasis on disseminating information, the hard data that residents need in order to make intelligent decisions is not always available. In fact, much of the information that neighborhood groups might want has never even been compiled.

City bureaucracies seem to consider a good deal of information irrelevant to their citizens. Few cities in this country distribute a readable and comprehensive budget to their inhabitants. Neighborhood groups are usually unable to get a clear picture of the flow of tax and grant money in the city. They have little sense of what resources—financial, political, or labor—are available for their benefit. In Pittsburgh, several neighborhood organizations have tried to remedy the situation by putting together neighborhood atlases to provide information on demographic patterns and to serve as early warning systems for neighborhoods that are beginning to deteriorate or to experience run-away real estate speculation. Even these atlases, however, do not begin to address the crucial questions of the flow of goods and services within and through a community.

Technical assistance: Neighborhood associations need the assistance of people who can read budgets, design land use plans, and evaluate the economic impact of planning decisions. These decisions are too important to be made on gut impulse. Unfortunately, city planning offices are themselves often understaffed and underbudgeted. To ask them to aid every neighborhood would be unrealistic.

The city of Vancouver, British Columbia, has developed an innovative model for utilizing city planning resources to meet neighborhood needs, one that provides assistance while allowing residents to determine their own priorities. The Federal Neighborhood Improvement Program allocates substantial sums, sometimes as high as \$100 per capita, for use by city agencies in neighborhoods where the average income is below the median. In Vancouver, 10% of that money is used to staff neighborhood planning offices in selected areas, on a rotating basis. Each branch office is established for four years, during which time a comprehensive plan for the neighborhood is developed, approved, funded, and completed. The plan is developed in conjunction with a planning council composed of local residents who are either elected or appointed, depending upon the neighborhood. The planning office not only works with the local planning council on developing a workable plan for Neighborhood Improvement funds, but it

also provides support for other neighborhood planning efforts and for the implementation of local and federal preservation and rehabilitation programs. In this way, planning assistance is targeted toward specific results in specific neighborhoods rather than being spread too thinly to be useful.

Perhaps the best mechanism for getting technical assistance to neighborhoods would be to have the neighborhood government choose its own consultants. This has already been done in Atlanta. A set-aside of one dollar per capita could be used by neighborhoods to screen and hire consultants for various projects and proposals. In Washington DC, a percentage of the per capita set-aside allocated for the Advisory Neighborhood Councils has been used for hiring such consultants.



Delegation of authority: The degree of neighborhood power in this country varies dramatically from city to city. In those cities that have ward-based political systems, the well-organized neighborhood can have a strong spokesperson in City Hall. In over thirty cities, neighborhoods are accorded formal recognition. In these as in most cities, however, there is a tendency to have neighborhoods comment on proposed plans rather than participate in their development. And planning offices often overrule neighborhood decisions when they feel it is appropriate to do so. Clearly, no city is going to be willing to delegate to neighborhoods full authority over planning. Nor should it. Yet a city could agree to give "great weight" to the decisions of neighborhood governments. That is, the city should have to provide adequate evidence to back up any decision to overrule the neighborhood. The burden of proof should rest with the city government.

That neighborhoods can develop workable criteria for planning and that they can dispense both money and resources intelligently is clear from those few situations where community residents do have power. One example is Washington DC's Neighborhood Planning Councils, elected neighborhood-based councils that have, over the ten years since their inception, given out an annual average of one million dollars for youth services and employment. In 1975, 10,000 voters turned out to elect representatives to the twenty NPCs.

Another example is the city of Dayton, Ohio, where Neighborhood Priority Boards were established to allocate city funds for special projects in their areas. The first year, the boards decided on how \$200,000 of city money should be spent. The next year, they participated in deciding how to spend \$2.1 million of Model Cities money for neighborhood projects and another \$2.1 million for city-wide projects. Now, they play a major role in allocating Dayton's Community Development funds. Neighborhood Priority Boards have chosen to allocate money for a community health center, a senior citizen center, community schools, a city-wide development corporation, and minority small businesses. One

board is making \$200,000 available to its residents in 6% home improvement loans for such things as insulation and storm windows and doors.

The City Against its Neighborhoods

Any power that is delegated to the neighborhoods must come from some city office. An increase in the planning power of neighborhoods means a decrease in the power of the city planning office. It is not surprising that city officials do not want to give up their own authority, and choose, instead, to deflect neighborhood demands for money into advisory or administrative programs.

The issue is not as simple as it seems. City officials do not just fear losing some of their personal power. Planners are fearful that neighborhoods, lacking an overview of the needs of the city, will be so parochial in their approach as to make fair and reasonable planning impossible. They fear the "balkanization" of the city and the negative impact such fragmentation can have on low-income neighborhoods. This fear has, in many cases, been justified. In Eugene, Oregon, for example, construction of a K-Mart was planned for an upper-income neighborhood. When the residents organized against the development, the store was relocated to a nearby low-income neighborhood that was less well-organized.

The problem is serious, but it stems as much from the city's inability or refusal to provide adequate information and assistance to neighborhoods as it does from neighborhood parochialism. Better educated and wealthier citizens are usually quicker to fight for their own self-interest than are the poor and the less educated. If the city waits for neighborhoods to come to City Hall, then it will hear primarily from upper-income communities. The city could, like Vancouver, compensate by giving low-income neighborhoods more money and more technical assistance, so that local residents will be able to make informed decisions. The role of the city should be to help neighborhood residents understand the various aspects of an issue and then let residents decide for themselves.



There is another factor, perhaps the most crucial one. City officials are well aware that neighborhood power would mean a radically different set of growth and development priorities for the city. There is an inherent conflict between the goals of the city and those of its neighborhoods, especially its low-income neighborhoods. What is in a city's self-interest may not be in the best interest of many of its residents. Cities are corporations and they are run accordingly. Although they are public corporations, cities tend to emphasize the bottom line and the balance sheet above all else. Just as private corporations have not integrated the social costs of development into their planning decisions, cities have also tended to ignore social costs. And this tendency is reinforced by the fiscal

crisis that confronts almost all large municipalities.

The arithmetic is simple. Much of the city's revenue derives from property taxes. Most expenditures on the other hand, are related to the number of low-income, unemployed, and retired people and the number of large families that reside within the city. The replacement of low-income families with wealthier, and usually smaller, families lessens the need for municipal expenditures for both education and welfare. The renovation of low-income neighborhoods, "up-zoning," and increased density are all factors that raise property values, and, as a result, increase the amount of revenue collected from property taxes. A city comptroller's dream would be a city of middle-income, single individuals or professional couples with no children. They would not have children in school, would not receive welfare, would not put demands on public hospitals, would not commit street crime—and they would pay high taxes.

In contrast to that dream, residents of most low- and middle-income neighborhoods have other priorities. They are worried about increased density, about traffic congestion, and about the impact of commercial development. Needless to say, they see little value in destroying a low-rise residential neighborhood in order to build a new high-rise apartment and commercial complex. Or in developing new housing in their neighborhood if they will not be able to afford to live there. Neighborhoods often do want to preserve the status quo; but, as city expenditures rise, city budget officers and planners begin to look at the status quo as an obstacle to increased revenues. The two interests come into direct conflict.

Toward an Uneasy Truce

The task, then, is to strike some sort of balance, to develop a strategy for neighborhood planning that will reconcile the short-term social perspective of the neighborhood with the long-term economic priorities of the city. The city's need for increased revenue cannot be treated lightly; but neither can the desire of neighborhood residents to have a stable living environment. Access to information, access to technical assistance, and early involvement in the planning process are necessary for effective neighborhood power; but the city must also be motivated to cooperate. Most likely, change will come through political action. Neighborhood-supported political candidates should run on a platform promising to make formal changes in the municipal decision-making structure. Neighborhood groups should continue to push for concessions from the city.

Fortunately, there are good reasons for the city to begin to take the initiative to devolve power to the neighborhoods. Social costs are real costs and cities are slowly beginning to realize that. Although a new high-rise does expand the tax base, it also increases the cost of such services as police, sewers, and water and adds to congestion and pollution. The trade-off may not be worthwhile. Cities are also finding that some service delivery systems are most cost-effective when they are decentralized or when they are opened for competitive bidding. These realizations may open a new era in relations between cities and their neighborhoods. In the next issue of SELF-RELIANCE, we will continue this discussion, expanding upon the common interests developing between cities and neighborhoods and outlining the shape that this symbiosis might take.

—David Morris

Updates

In each issue of SELF-RELIANCE, we mention various groups and projects that show promise. What becomes of these organizations? What impact do the projects actually have? We think that we owe it to our readers to provide them with periodic updates of information published in the newsletter. This is the first in what we hope will be an ongoing series of reports.

Solar Technician Program Expands

Last year, the California Office of Appropriate Technology completed a solar technician training program that trained 19 CETA workers (see *issue #4*), 11 of whom are now employed in the solar field. As part of their training, the workers installed solar water heaters in six small state-owned apartment buildings. OAT now plans to expand the program, believing that 6000 jobs will be created in the California solar field by 1981 due to recent state legislation. OAT is putting together a master curriculum and training packet for CETA-type employees. The curriculum, which will allow large numbers of workers to be trained to meet a uniform set of standards, will include solar theory and design and the assembly and installation of flatplate solar water heaters. For more information, contact: Ron Lipton, OAT, 1530 10th Street, Sacramento CA 95814.

Community Development in Massachusetts

Although plans for a state-owned development bank to provide investment capital to Massachusetts community development corporations (see *issue #2*) were delayed by a constitutional challenge, the Massachusetts Community Development Finance Corporation (CDFC) should be operational after the first of the year. CDFC has the Governor's and legislature's support and expects to receive a loan appropriation of as much as \$5 million to finance operations until a \$10 million bond issue can be brought before state voters. CDFC is on its way towards becoming the first publicly-supported equity finance vehicle in the coun-

try. For more information contact: Hugh Redford, Division of Economic Development, 100 Cambridge Street, Boston MA 02202.

Creating Jobs for New England

In *issue #5*, we reported that twelve community groups associated with Community Action Agencies had received equity grants for starting job-creating businesses. These funds from the Community Services Administration and the New England Regional Commission were to be used for capital acquisition and working capital. Here are two examples of how the grants were used:

Southeastern VT:

Southeastern Vermont Community Action (SEVCA) received a \$30,000 CSA grant to start a warehousing operation for local farmers and to open a grain mill. The mill, which has just opened, and the warehouse, which opened in February, are run by the Co-op Food Center (CFC), an independent spin-off. The warehouse employs four full-time workers and handles a monthly volume of 38 tons, worth between \$20,000 and \$25,000. Charlie Adams, the CFC Director, is optimistic about the warehouse's future. For more information, contact: Charlie Adams, Box 14, New Haven VT 05472.

SEVCA also received a \$45,000 CSA grant for starting a woodstove production and installation business that is now in the process of becoming independent. The business produces 45 stoves monthly. Demand outstrips the six employees' production capabilities. The SEVCA energy program buys many of the stoves from the production enterprise at wholesale prices and then sells them to low-income people with a subsidy of \$50-100. According to SEVCA Director David Deen, one of the major problems has been "trying to make sense at the local level out of state and federal level programs that are not coordinated and obviously never talk with each other." CETA slots and federal funding were abruptly withdrawn when the Department of Labor ruled that the stove business was "acting like a for-profit." Deen gives the

enterprise a 60/40 chance for survival without federal funding. For more information, contact: Kathy Carver, SEVCA, 9 Westminster Street, Bellows Falls VT 05101.

Cranston RI:

The Cranston Community Action Program Committee received \$50,000 to train workers to assemble and install solar water heaters and to set up a solar business. The city also contributed \$10,000 and 14 CETA slots. Solar Heat in New England (SHINE) is now spinning off into an independent business, employing four of the former CETA workers. The group has completed seven installations, five of them on low-income single-family dwellings. By undertaking weatherization projects as a sideline, SHINE has made enough money to stay in business for at least six months. For more information, contact: SHINE, Inc., 520 Pontiac Avenue, Cranston RI 02910.

A New S&L in San Francisco

When we first wrote about Continental Savings and Loan of San Francisco, it was still in the planning stages (see *issue #6*). Continental was to be different from many other financial institutions because it would make loans on all types of properties and would not evaluate creditworthiness on the basis of either geographic location or lifestyle. In its first 2½ months since opening for business in September, the S & L has made 35 loans for a total of \$2.5 million and has kept to its original purpose. Thus far, Continental has not had to turn down any loan applications for single-family owner-occupied dwellings in its service area. At least 20% of loan recipients at Continental were unable to get loans from other lending institutions. Word-of-mouth about Continental's loan policies has helped the S & L to build up \$3 million in savings without a major publicity campaign. One significant loan of \$200,000 went to the non-profit Mission Housing Corporation for rehab and construction on four units that will house up to 25 low- and moderate-income residents. For more information, contact: Jerome Dodson, Continental Savings and Loan, 2109 Market Street, San Francisco CA 94114.

Opening Up the Legislative Process

By 1971, the buildings in the 60-year old Seattle Farmers' Market were deteriorating rapidly and several had already been closed. Decay had also taken its toll on the surrounding neighborhood. Seattle residents were agreed that something had to be done to save the area. The City Council had recently gained federal approval for a proposal to "sanitize" the Market, using urban renewal funds. But it was clear that no one would benefit from the plan except the private developers who were supporting the scheme. Much of the neighborhood would be bulldozed. Over 250 low-income residents would be displaced and their homes replaced by high-rise hotels and a massive parking deck. Farmers and small businesses renting stalls in the heavily-used Market would be dislocated.

Faced with a similar situation, residents of most American cities would have had little recourse beyond engaging in a lengthy and expensive court battle to block the government's plans. Seattle residents had another option: they gathered signatures to put pro-Market legislation on the ballot. Over 2000 workers from a coalition of neighborhood residents, Market users, and historic preservationists publicized the issue and led a successful drive to collect signatures. Despite strong opposition from the press and developers, the bill passed. As a result, a substitute plan, now in the final stages of implementation, has used urban renewal monies to renovate neighborhood buildings without major dislocation of either residents or Market businesses. The city has purchased the actual Mar-

ket, which is now run by a partially-independent municipally-owned corporation. Bill Harrington, a Seattle resident who worked with the pro-Market coalition, credits the campaign and the issues it raised with "changing the face of Seattle politics" by forcing voters and officials to rethink municipal redevelopment policies and goals.

Seattle citizens are not alone in being able to draft and enact their own laws and to repeal measures passed by their elected representatives. Residents of hundreds of other localities and twenty-two states have similar powers—the weapons of the initiative and the referendum (see box). Although voters have used these procedures far more frequently in the past few years than ever before, the initiative and referendum are not new ideas. They have been used in the Midwest and Far-west for over 70 years, ever since South Dakota voted in 1898 to become the first state to allow popular initiation and repeal of legislation.*

Giving Citizens a Voice

The powers of initiative and referendum are based upon the principle that citizens have both the right and the ability to govern themselves. Elected officials are put on notice that, if they fail their constituents, those citizens can enact their own legislation. And, if the legislature or city council passes a bill that does not reflect the will of the people, voters can unite to repeal the law.

Citizens can make use of the initiative to push their representatives to action. All too often, elected officials either allow controversial bills to stay in committee for years on end or they refuse to exercise their powers to remedy their constituents' grievances. In North Little Rock, Arkansas, homeowners became frustrated when the city refused to take action on charges of mismanagement and possible corruption raised against the municipal utility company. After repeated requests that the City Council avail itself of an option granted by the state allowing localities to set utility rates for their jurisdictions in conjunction with the Public Service Commission, residents took the matter into their own hands. They mandated that the Council deny the utility's pending request for a rate increase. And the Council had no choice but to comply.

The very threat of an initiative or referendum can increase the responsiveness of state and local officials. Colorado residents voted to withdraw their state's bid to host the 1976 winter Olympics rather than have to finance large new construction projects and weather the onslaught of visitors. When the

Initiatives, Referenda, and Recall

The *initiative* is the process by which voters may propose constitutional amendments and/or statutory bills and enact them independently of their elected officials. Citizens of twenty-two states and many localities have initiative powers and can put legislation on the ballot by gathering enough petition signatures from voters. In many areas, voters can by-pass their representatives entirely and initiate legislation directly. In Maine, Ohio, and several other states, voters can only initiate legislation indirectly: all proposed bills and amendments must first be submitted to the legislature and are only put on the ballot if they are not passed unchanged.

The term *referendum* is often mistakenly used as a synonym for "initiative." While the initiative allows voters to make laws, the referendum allows citizens to express their judgment at the polls on measures already enacted by their state or local officials.

Citizens of fourteen states and many local jurisdictions also have the power to *recall* their elected officials by popular vote. The recall provision is used far less frequently than the initiative or referendum. Only two state-wide recall efforts have succeeded in this century.

* Senator James Abourezk (D-SD) recently submitted a constitutional amendment to Congress that would give voters the power to initiate legislation on the federal level. The drive for a national initiative amendment is being led by Initiative America, a non-partisan group with headquarters at 1316 Independence Avenue SE, Washington DC 20003. This organization is currently gathering information on initiative and referendum efforts throughout the country.

Olympic Committee subsequently considered Los Angeles as a site for the 1980 summer games, it was more attentive to how voters might react. Knowing that Los Angeles grants initiative and referendum powers to its citizens, Committee officials did not want a repeat of the Colorado fiasco. They therefore required that city leaders exhaustively substantiate their claims that existing municipal facilities would be adequate and that no major construction would have to be financed by taxpayers. Los Angeles officials, realizing that the voters would hold them accountable, readily cooperated.

Countering the Lobbyists

Perhaps the most important effect of citizens having the power to act directly on legislation is that the legislative process can be opened up beyond the exclusive influence of special interest lobbyists. Action that is stalled by lobbyist pressure can be forced by citizen initiative.

The Michigan "bottle bill" is a case in point. Although state legislation to ban throwaway bottles was introduced each year for at least a decade, the bill never came before either house for a full hearing. The bottle industry routinely poured money into successful efforts to turn legislators against the bill. In 1976, despite a statewide public opinion poll showing that 73% of Michigan citizens supported the bottle ban, the bill was again stalled in committee. Finally, citizens took action. The Help Abolish Throwaways Committee, a coalition of environmental, labor, and other groups, collected enough signatures to put the bill on the ballot, contending that the bottle ban "deserved a full airing, if not in the legislature, then through the polls or through a direct vote of the people." The national and local bottle industry tried to get the courts to remove the bill from the ballot. When that failed, they waged a media blitz, spending \$1.4 million on pre-election publicity, 83% of which was financed by out-of-state money. Proponents spent only one-tenth that amount. Despite industry's efforts, however, 63% of the voters supported the bill. And throwaway bottles will be banned in Michigan as of December 1978.

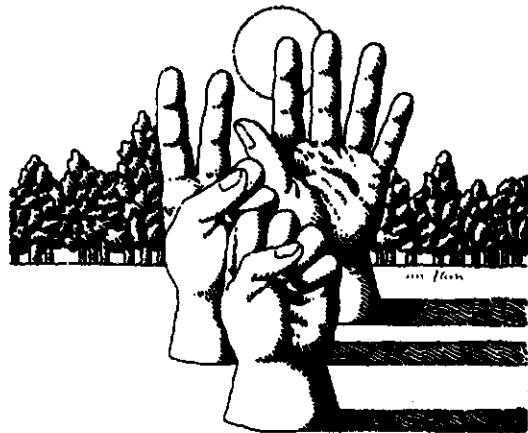
The initiative and referendum can be citizens' *only* recourse in fighting legislation proposed for the direct benefit of one particular special interest group—their own elected representatives. In state after state, voters have gone to the polls to block legislators' attempts to grab increased power and benefits. In the early part of this century, Missourians used a package of ten separate referenda to knock down an extensive government reorganization scheme that would have concentrated state power in agencies created by—and accountable only to—the legislature. More recently, citizens of several states and jurisdictions have voted to take power back from their elected representatives and to increase local control. Utah recently passed an initiative that gives local jurisdictions the right to choose whether they want fluoridation. Pennsylvania cities and towns have used the initiative process to adopt home rule charters.

Room for Improvement

Clearly, the initiative/referendum process has its problems. In some states and local jurisdictions, it is almost too cumbersome to be useful. Citizens proposing legislation in Ohio must gather the signatures of 3% of all registered voters. The legislature then considers the measure; but, if the bill is not passed unamended, proponents can only put the measure on the bal-

lot by again collecting signatures from 3% of the electorate. And, once Ohio voters have actually approved an initiative, the legislature can still turn around and repeal or amend the law.

Other problems are more general. Without strict financial disclosure measures and a stringent enforcement of the Fairness Doctrine, the initiative and referendum are easy targets for abuse. Corey Bush, former press secretary for the mayor of San Francisco, has pointed out that any issue can be put on the California state ballot for \$325,000. Corporations willing to "invest" that much money in the hope of reaping future benefits from favorable legislation could push their agenda to a public vote by paying bounties to signature collectors and by purchasing saturation advertising. Washington state, aware of this problem, has made it illegal for corporations to contribute to initiative and referendum campaigns.



The problem does not end with signature drives. Once a bill is on the ballot, well-financed special interests can blanket the media with slick advertising campaigns that their opponents cannot afford, as occurred in California around the anti-nuclear referendum. Although heavy campaign spending by one side does not necessarily guarantee victory, it too often does.

Yet, even when an initiative or referendum fails, the process itself can have a positive impact. As ACORN staff member Seth Borgos has remarked, the initiative process "is one of our best organizing tools—the results are clear and almost immediate." Voters get involved with the issue and the organization during the petition drive, hear about it during the campaign, and act on their opinions at the polls. Often, people who usually shy away from political activity feel so strongly about a particular issue that they join the petition drive, come to understand who supports what and why, and become more politically involved as a result. As commentator Nicholas von Hoffman has remarked, "With the initiative, there are concrete measures for voters to debate and choose, not only a variety of political smiles and profiles to pick from."

The resurgence of the use of initiatives and referenda in the past few years is a good sign. There is a grassroots thrust toward greater citizen participation and toward demanding greater accountability from government officials. It may well be that, in a few years, the right of citizens in every municipality and every state to take direct action on specific pieces of legislation will be taken for granted. We hope so. The initiative/referendum process—although it is often cumbersome and involves vast amounts of citizen energy—can be a useful weapon in the struggle toward political awareness, action, and self-reliance.

—Virginia W. Drewry

The Ohio Plan: "Production for Use"

For nine months in 1934-35, while the country was reeling from the effects of the Great Depression, the State of Ohio initiated a relief program that captured the imagination of many of its citizens. The project also scared so many people, both in Ohio and in Washington, that it was killed before it had a chance to develop fully.

The Ohio Relief Production Units, Inc.

The Ohio Relief Production Units, Inc. (ORPU), a private, non-profit corporation, was one of the seven departments of the Ohio State Relief Commission. The corporation was established to enable relief clients to manufacture consumer goods for other relief clients. The motivating force behind ORPU was a man named Boyd Fisher, who convinced the state that it needed a program that could deal effectively with the dual problems of unemployment and idle manufacturing capacity.

Ohio industry was especially hard hit in the early Thirties. Many plants were forced to close their doors and to lay off workers. These included steel and rubber plants in Akron and Youngstown, automobile factories in Toledo, and various manufacturing industries in Cincinnati, Columbus, Cleveland, and smaller cities. In autumn of 1933, almost half a million persons in Ohio were out of work.



Fisher convinced the State Relief Commission to establish a program that would lease factories that had gone out of business and return the factories to production while employing many of the people who had previously worked in the plants. The government leased the factories so as to avoid charges of state ownership and socialism. For the same reason, employees were to be placed in jobs in private industry as soon as such jobs were available. The focus was on "production for use": each of the factories involved produced consumer goods desperately needed by people on relief.

Prior to moving into its manufacturing activities, ORPU conducted a survey of the needs of all relief families in the state in order to identify those products that were in greatest demand. Durable clothing (coats, hose, shoes, windbreakers, work shirts, and housedresses) and household wares (stoves for heating and cooking, beds, chairs, dishes, and cook-

ware) topped the list. As soon as factories suitable for the manufacture of these articles became available for lease by the corporation and as soon as it was determined that adequate relief labor was available near the selected plant, production was begun.

The corporation maintained a small staff of salespeople who carried product samples to County Relief Administrations and took their orders. The County Administration was then to distribute the goods to the needy. Any surplus from sales was returned to the State Relief Commission.

ORPU in Operation

The first factory, the Delaware Chair Company of Delaware, Ohio, began operations on July 2, 1934. It employed sixty-one persons and produced 3250 chairs a month. The citizens of Delaware declared a half-holiday that day. There was a brass-band parade in the afternoon and a dinner in the evening, capped off by speeches from the mayor and other officials. The townspeople felt that the worst was over. Four days later, the Tug-Tog Company, also of Delaware, became the second factory in the ORPU project. Employing forty-eight persons, it turned out 1600 dresses a month.

By December 1934, twelve factories scattered across the state had been brought back into operation. The Ohio Relief Production Units project was providing both goods and jobs for those on relief. Seven of the twelve factories manufactured clothing items, two manufactured furniture, one produced stoves, one chinaware utensils, and another blankets. In all, over 850 people were employed.

Perhaps the most innovative aspect of the program was the original proposal for paying the employees. Workers were paid at standard National Relief Administration wage rates, but they did not receive their entire salaries in cash. Cash payments equalled the amount of relief payments workers would have received had they not been working. The rest of the wages were paid in labor credits for additional work with total cash and credit wages limited to the value of forty hours of work a week. These credits could be used to buy any of the goods produced in any of the factories operated by the corporation. In theory, then, the labor credits were to be the money of the new system. As more factories became part of the program, employees would have a wider variety of products to choose from. Thus, as the original ORPU prospectus pointed out, "By producing a surplus, they (the workers) can raise relief from a subsistence level to a level of adequacy."

A Few Problems

Two problems plagued the ORPU program in its first months and both problems necessitated changes in the original plan. After the first few weeks of purchasing needed clothes and furniture, workers wanted cash for their efforts. Labor credits

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Progress Reports

Energy

Four Community Action Agencies (CAAs) in the Mid-Atlantic region have each received \$25,000 grants in a program that seeks to develop small businesses that can provide local employment in energy conservation fields. The grantees include: the North-Central West Virginia CAA, which will study the economic feasibility of integrating a solar energy system into the HOMES program; the Virginia Association of CAA's, which will develop a business plan for fabricating energy conservation products used in the Virginia Winterization Program, a program that provides training for unemployed, unskilled people; the People's Development Corporation in New York City, which will plan a community-based energy conservation service to analyze a building's energy conservation needs, selecting contractors from community tradespeople; and the United Planning Organization, which will study the feasibility of using infrared thermography in a community-based energy audit service. For details, contact: **Mary Ellen, Office of Community Action, Community Services Administration, Washington DC 20506.** *People and Energy*, Volume III, No. 5.

CREDUCO Insulation Company is a new cooperative venture in Ann Arbor. Sponsored by five credit unions and other co-ops—the University of Michigan Employees Credit Union, the Ann Arbor Cooperative Credit Union, Co-op Auto, the Ann Arbor Cooperative Society, and the Inter-Cooperative Council—CREDUCO provides full insulation and home maintenance services to members of sponsoring groups. Each of the sponsors has donated between \$1000 and \$2000 in start-up capital to the company. The crew of three full-time paid staff has recently completed fifteen house audits and has insulated approximately twenty-five homes. Originally a project of the Inter-Cooperative Council, the program has become an independent business. The company in-

sures the materials and provides services at below prevailing market rates. To complement the services it provides, CREDUCO also conducts seminars on do-it-yourself insulation in conjunction with a local ecology center, Mark Creekmore, co-op manager, notes that CREDUCO was fortunate: overextended local insulation suppliers have since stopped taking on new wholesale customers. For more information, contact: **Mark Creekmore, CREDUCO Insulation Company, 2023 West Stadium Boulevard, Ann Arbor MI 48103.**

A neighborhood in Palo Alto, California, is proposing to establish a neighborhood-based solar utility. Although houses in the neighborhood are not properly oriented for optimal use of solar energy, a parking lot attached to a nearby medical center could be used as a mini-power plant. The group proposes to put a carport over the parking lot, mount solar panels on it, and distribute hot water to the entire block. The city-owned utility company is working with neighborhood residents to develop designs and financing mechanisms. For more information, contact: **Edward K. Aghjayan, Director of Utilities, City of Palo Alto, Palo Alto CA 94302.**

Local Initiative

The Powder River Resource Council of Wyoming, with help from the Washington (DC)-based Media Access Project, has negotiated an agreement with KTWO radio and television in Casper, Wyoming, that requires the firm's stations to pay more attention to agricultural, environmental, and energy-development issues. Failure to do so could result in the loss of the parent company's federal broadcast license. The Resource Council argued that, although KTWO is located in an area of rapid energy development (coal, oil shale, and uranium), the radio and television stations have paid little attention to environmentalists, ranchers, or farmers. The agreement establishes a KTWO

community advisory board that will work with the stations' management in planning and producing public affairs, news, and public service announcement (PSA) broadcasts. It also allocates a set amount of time annually for public affairs programming concerned with energy and other environmental issues. A weekly or bi-weekly radio show on the environment will be produced in cooperation with the excellent newspaper *High Country News*. For more information on the negotiations and the agreement, contact: **Media Access Project, 1609 Connecticut Avenue NW, Washington DC 20009.** *Environmental Action*, 5 November 1977.

ACORN (Arkansas Community Organizations for Reform Now) has won a victory in its two-year campaign for improved emergency health service in Pulaski County (AR) neighborhoods. Despite objections by a hospital representative, the Board of the Central Arkansas Health Systems Agency (HSA) voted overwhelmingly on August 11 to adopt a plan that makes the establishment of 24-hour, seven-day-a-week health clinics the number one priority for Pulaski County. ACORN had mobilized for representation on the HSA Board when the agency was created two years ago. As a result of well-planned organizing and actions, ACORN was able to make its priority the official priority of the Master Plan for health services in central Arkansas. The HSA must now submit the Master Plan to the Department of Health, Education, and Welfare for approval. How much opposition there will be to the plan remains to be seen. The bout is not over but ACORN—and the low-to-moderate-income residents of Little Rock and the surrounding county—have won the first round. *ACORN News*, September 1977.

Last year, **Harlem Commonwealth Council (HCC)** purchased the New York division of the Washburn Wire Company, the largest manufacturing plant in Manhattan. The company had been planning to phase out its New York plant due to foreign competition, high production costs, and lack of capital for modernization. HCC decided to buy the operation rather than lose another large employer from

Harlem. Since buying the plant, HCC has negotiated a \$2 million loan from the Economic Development Administration and has made plans to install new plant equipment and machinery and to expand the workforce, which once numbered 800, from 54 to 243 employees. Washburn Wire expects that once full operations are resumed, more than half of its workforce will be local minority residents. *Interchange*, September 1977.

Housing

A year-long rent strike at Vernon House, a 48-unit apartment building in the Germantown section of Philadelphia, has ended with the purchase of the three-winged building by Germantown Homes, a non-profit housing corporation. Germantown Homes' purchase of Vernon House, which is the culmination of seven years of tenant struggle, is the first step toward a tenant-owned-and-operated cooperative. Currently, operating decisions are made by a nine-member board of the recently-formed Vernon House Corporation. Five members are tenants of Vernon House; four represent Germantown Homes. The tenant organization received support and assistance in its struggle from the Northwest Tenants Organization. Since the sale, part of the escrowed money has gone to repair the building's heater and boiler. The plan is to make needed repairs on the building and then to find occupants for now-vacant units. The Pennsylvania Housing Finance Agency has been approached as a funding source for the cooperative project. For more information, contact: **Northwest Tenants Organization, 5622 Germantown Avenue, Philadelphia PA 19144.**

This is not a Progress Report. A New York trial court has held that the state's Human Rights Law, which prohibits landlords from refusing to lease housing because of a person's age, sex, nationality, or marital status, is not violated by a landlord's refusal to rent an apartment to a divorced, black, female attorney, based on the landlord's determination that an

attorney who was aware of her legal rights would be an "undesirable tenant." In *Kramarsky v. Stahl Mgmt.*, 46 U.S.L.W. 2241 (N.Y. Sup. Nov. 9, 1977), the court noted that the defendant "candidly admitted" that he felt the prospective tenant would be "a source of trouble to me" and that he would have preferred a person who was less well informed and more passive. *Community Planning Report*, 28 November 1977.

After three years of toil and turmoil on the part of a determined group of farm workers, the rehabilitation of a farm labor housing camp near Salinas, California, has begun. **Sixty farm worker families organized as the San Jerardo Cooperative, Inc.,** have obtained a \$1.8 million co-op housing loan (the second such loan on record) from the Farmers Home Administration. The money will be used to turn 31 barracks-like structures into 60 two-to-five-bedroom homes and a community center. A part of the technical assistance during construction will be provided by Central Coast Counties Development Corporation of California. This will be the first farm labor camp to be owned cooperatively by farm workers and will serve as a model for those who want to pursue the cooperative route to decent housing. The project should be completed by November 1978. For details, write: **Ed Moncrief, Central Coast Counties Development Corporation, 467 East Market Street, Salinas CA 93905.** *The RHA Reporter*, October 1977 (a publication of *Rural America*).

Waste Utilization

North American Bait Farms of Ontario, California, has developed a process that uses earthworms to decompose city wastes. The process is being used at a commercial garbage dump just outside Orlando, Florida, where ten million earthworms eat their way through thirty-five tons of residential trash each week. The commercial rubbish disposal company

chose to use the *annelidic consumption* process when it was faced with skyrocketing land-fill costs. As a solution to renting more land and paying higher dumping fees, the company decided to use worms to digest the trash and to produce castings for sale as fertilizer for South Florida peach trees. It is anticipated that the use of worms will save approximately \$25,000 in the first year of operation compared with the cost of the conventional land-fill system previously in use. This practical use of earthworms was first developed in Japan to dispose of industrial wastes. The Orlando project is the first of its kind in America. For more information, contact: **Jerome LaTour, North American Bait Farms, 1207 South Palmetto, Ontario CA 91761.**

The City of Seattle, Washington, is moving towards implementing a city-wide collection/recycling system. The city had originally planned to construct a garbage-to-ammonia high-technology resource recovery facility. When cost estimates came in at \$150 million instead of the anticipated \$50 million, the project was cancelled. This summer, in an effort to develop an alternative solution to the city's garbage problem, the City Council issued a Request for Proposals (RFP) for an eighteen-month pilot collection/source separation project that, if successful, will be expanded into a city-wide system. The components of the RFP include: pilot area selection, the question of penalty charges, the effects of the use of private haulers and of separate truck collection, development of a public information program, monitoring mechanisms, and evaluation criteria. For a copy of the RFP, write to: **City Engineer, City of Seattle, Seattle WA 98104.**

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 Grassroots Response to Panic Peddling

Neighborhoods change because of the independent decisions of their residents. That is the traditional wisdom. A report published by HUD in late 1975, entitled *The Dynamics of Neighborhood Change*, puts it this way: "The real force behind neighborhood change is the impact of people moving in, moving out, deciding to stay, or deciding to look elsewhere for housing . . . Other people (bankers, brokers) make decisions, and they are important and often critical, but it is the change in resident population and the decisions behind that, that fuel the neighborhood change process." In effect, the report tells neighborhood residents that they are the problem and that, if only they would stay put, their neighborhoods would be stable communities.

Blaming the victim is a popular game in this society. Institutional inequities can be explained away as poor planning or wrong choices on the part of those who suffer the consequences the most. By blaming the victim, social planners can avoid the question of institutional change.



Poor people were blamed for causing the deterioration of their neighborhoods—until the common practice of redlining, of shutting off credit to certain neighborhoods, was discovered. In the Sixties, whites were blamed for running too fast when blacks began to move into their neighborhoods—until realtors' blockbusting terror tactics were publicized. We cannot afford to blame the victims any longer; for, if we do, we will be unable to stop the dynamic of neighborhood change that threatens the stability of our urban communities.

In cities and suburbs across the country, certain neighborhoods are experiencing rapid racial transition. Entire blocks change from 100% white to almost 100% black within one year. Attempts at integration lead to resegregation as whites flee. One could blame whites for running. Clearly, deep-seated individual prejudice and discrimination are factors in the development of resegregated communities. A white family may refuse to sell a house to a black family. Or it may decide to leave the community as soon as the race barrier is broken. These individual acts, however, are far less important than the "institutional racism" that is inherent in the way houses are bought and sold in this country. If community groups are to

counter the real estate industry's impact on their neighborhoods, they must understand the role of the real estate industry in encouraging rapid transition.

The Role of Real Estate Brokers

Realtors prosper when housing sales are brisk. As urban expert Calvin Bradford has noted, "A stable neighborhood is not that good for a realtor." The fewer sales made, the less commission received. For this reason, the cycle of transition, of neighborhood change and instability, is a boon to the real estate industry.

A neighborhood where 50% of the homes change hands in a one-year period is a lucrative place for realtors to operate. This was true in the Sixties when the then-legal strategy of blockbusting was popular. And it is still true today as racial steering, panic peddling, and aggressive solicitation and advertising campaigns remain widespread. "If you're a really sharp realtor," Bradford told two UPI reporters, "you can stay on the crest of the changing (racial and class) movement all the way around the city and the suburbs . . . get lots of sales because there will be that fear which you can keep capitalizing on."

The real estate industry not only capitalizes on that fear, but it also tends to cultivate it by perpetuating a dual housing market: one for whites, the other for minorities. Blacks generally go to black brokers or to "transition specialists" when they are looking for a house. They are provided with listings for black or transitional neighborhoods. Whites go to white brokers and are steered toward white neighborhoods.

This dual market enables realtors to play blacks against whites, to manipulate housing choices, and to profit from homebuyers' limited access to information about housing opportunities. Not all realtors get involved in working transitional neighborhoods. Many refuse to do so. But those who do—the "transition specialists"—focus their energies on manipulating homebuyers and homeowners, on both capitalizing on and encouraging rapid transition.

Transition Specialists

These realtors know that they hold all the cards and they play them differently depending upon who is sitting on the other side of the desk. Generally not members of any local real estate board or multiple listing service, transition specialists prefer quick mobility and the ability to move their offices from neighborhood to neighborhood, hoping to cash in on panic selling by whites.

Transition specialists work according to a well-tested method. They only take listings within the targeted neighborhood. They advertise heavily for listings and work to find blacks who want to buy. Whites who want to buy in the neighborhood are

steered elsewhere so that racial transition can be speeded. The realtors pay high commissions to other brokers for listings in the neighborhood to ensure that, by the time the panic is at its height, they will be recognized as the brokers who are most active and most familiar with the neighborhood. If successful, they are then able to capitalize upon their reputation as "specialists" and to dominate the realty trade in the neighborhood during the period when sales are most rapid.

Transition specialists do not just wait for people to sell. They aggressively encourage sales. The methods used for drumming up clients depend upon how shady a realtor wants to be. Anything that contributes to white panic will speed the transition, thereby increasing sales and commissions. A common tactic is to make unsolicited telephone calls to white residents, telling them that the area is changing and asking them if they would like to sell. Whites are warned that their property will never again be worth what it is today. "For sale" signs are displayed prominently in order to spur the panic. Realtors leaflet neighborhoods with flyers offering instant cash payments for houses.

As urban expert Calvin Bradford has noted, "A stable neighborhood is not that good for a realtor"

Once rapid transition has begun, it cannot be stopped easily. And it is furthered by the impact of the Federal Housing Administration and Veterans Administration mortgage insurance programs. As banks and savings and loan associations begin to redline transitional neighborhoods, homebuyers turn to FHA and VA mortgage insurance. In fact, transition experts generally deal only in FHA- and VA-guaranteed properties. FHA downpayments can be as low as \$200; VA homes can be purchased without any downpayment. Realtors and mortgage bankers try to convince whites to sell their homes through FHA or VA because it is much easier for the broker to find a buyer when the downpayment is so low. And the mortgage bankers are not concerned about whether the new owner will be able to afford the monthly payments: if he or she defaults, HUD pays the mortgage banker in full.



The lenient FHA regulations are a by-product of the Fair Housing and Urban Redevelopment Act of 1968's goal of opening up mortgage opportunities for low-income families. The actual end result has been the acceleration of the costly deterioration of neighborhoods; for, as John Waner of HUD's Chicago area office told UPI, it was after the act was passed that "every unethical, unscrupulous real estate broker and lender, many of them so slimy they crawled out from under a

rock, looked at this program and said, 'What a gold mine out there!'"

A Grassroots Response

The Fair Housing Act also had a significant impact on neighborhoods and community activists. As the real estate industry capitalized upon the new FHA regulations, effectively pushing rapid transition and destabilization, citizens in communities around the country attempted to fight back, trying to slow white panic and to make the transition process more accountable to the community. "We had to hit hard," said Nancy Reis of the Bergen County (NJ) Fair Housing Council. "The brokers were deciding where people would live as soon as they walked in the door."

One tactic has been recourse to the courts. The Fair Housing Council, along with the City of Englewood, filed a class action suit in March 1976 charging most of the county's real estate brokers with "racial steering." They did not think it was accidental that, although only 2.8% of the county's 900,000 residents were black, 82% of the black population was concentrated in three contiguous communities—Englewood, Teaneck, and Hackensack. Nor did they think it was because of the freely-made individual housing decisions of the county's blacks. They blamed the practices of the real estate industry and asked for an injunction that would prohibit racial steering in the county and would demand an affirmative action program to develop integrated housing.

Housing Referral Centers: Case Studies

Starting in the late Sixties, citizens in suburbs of cities such as Atlanta, St. Louis, Chicago, Washington, and New York responded to the crisis by establishing local housing referral centers, grassroots organizations meant to slow resegregation and promote balanced integration. The centers function similarly in the various cities. They monitor all property sales in the community. They list local homes for sale, inform buyers of neighborhood trends and the prices of comparable housing, offer counseling to homebuyers, and help new residents become acclimated. Sellers are given full information on prices and on the availability of conventional (as opposed to FHA/VA) financing. The centers take no commission on sales. In most cases, as Susan Learmonth of Washington DC's Neighbors, Inc., explained, the centers function "to reassure the whites and to make blacks feel welcome."

A well-run local center is able to convince a significant number of neighbors to list their homes with the center and is able to attract qualified buyers both through word-of-mouth and selective advertising. The office then acts as a central market place in bringing together buyer and seller. The referral center is able to bypass the racial steering and selective brokerage listing practices of the transition specialists. And, with strong community support, a local housing referral center can gather and disseminate enough information to defuse panic peddling and help stabilize an integrated community.

Housing referral centers are most often initiated on the local level by concerned homeowners. In 1969, inspired by an article in the *Saturday Evening Post*, Eleanor Waldt started a housing referral center for University City, Missouri, an inner suburb of St. Louis. She began in her kitchen and worked five days a week as a volunteer, gathering data and monitoring sales, property values, and changing housing patterns. Her hope was to encourage whites to stay in University City and to attract blacks to the area. She was determined to report any

racial steering or blockbusting to the Justice Department. Over the years, the "residential service" has expanded to include landlord-tenant issues and housing counseling. Waldt has recently been placed on the county payroll so that she can continue her work. And the concept has caught on in St. Louis: the city and county have close to twenty housing referral centers, many of which are in transitional neighborhoods.

The Oak Park Housing Center, in the 62,000-resident village of Oak Park, just outside Chicago, is often considered the best example of a successful housing referral center. With all-white Cicero on one side and 98% non-white Austin on the other, Oak Park has actively tried to promote integration without white flight. Since its inception in 1972, the Center has counseled over 15,000 families. Last year, over 5500 families used the Center's services. Twelve hundred of those families moved to Oak Park, 214 of which were black and 1005 of which were white.

"We had to hit hard. The brokers were deciding where people would live as soon as they walked in the door"

The Center's strategy is to disperse clients so that blacks can find housing throughout the village and so that whites living on Austin's border do not take flight. Mary Ellen Matthies, a board member of the Housing Center, explained, "Open housing is not enough. Integration must be managed." The Center works closely with the Housing Inspection Department to report neglected buildings and keep properties up to housing code standards. It also has joined with two other groups in a limited partnership to buy, renovate, and maintain apartment buildings along Austin Boulevard, the border with Chicago. Contacts are kept not only with realtors, but also with management firms, landlords, and janitors so that the Center knows of most available units.

The Limitations of Referral Centers

What the village of Oak Park has succeeded in doing is orchestrating integration. There is no panic in Oak Park—but managed integration has its cost. As one resident of Oak Park told David Hacker of the *National Observer*, "There is considerable control in this village over people's lives. To avoid panic, you pay for management—abridgement of the First Amendment. But I'm willing to pay." Many through roads to Chicago have been closed off in order to make Oak Park more insulated. Some people have complained that, although Oak Park residents are concerned with racial integration, they are adamant about segregation by economic level.

The Oak Park experience points out one of the dangers of local housing referral centers at the same time that it demonstrates their strengths. If one community is well-organized, as is Oak Park, then transition specialists will simply go elsewhere. They will prey on other communities that are less well-organized. Referral centers can help stabilize a neighborhood, but they cannot solve the underlying problem of inadequate access to information for homeowners and homebuyers alike. Unless every neighborhood starts its own referral center, which is clearly an unlikely possibility, some neighborhoods will suffer from the self-preserving initiatives of others. And, most likely, it will be the low-income neighborhoods, whether black or white, that will suffer the most.

Toward A Stabilization Strategy

Homefinders Listing Service of Decatur, Georgia, is a housing referral center established in the late 1980's by a coalition of community organizations. Eager to avoid rapid transition but wanting to maintain integration in the Atlanta suburbs, Homefinders pushed to end realtors' aggressive tactics by setting up its own centralized listing service for homes in the metropolitan area.

Although the center has never had the impact that its organizers would have liked in terms of promoting integration, the non-profit organization has since branched into other issues related to neighborhood stabilization. Homefinders is pushing for neighborhood control over the maintenance and marketing of HUD-owned properties in order to speed up the turn-around time for getting foreclosed properties back on the market. A Foreclosure Task Force has been established to monitor HUD and to initiate complaints.

Homefinders is also moving toward initiating economic development projects as a way of encouraging stabilization. A grant from the Ford Foundation will be used to set up the South DeKalb Center, a community project center that will provide technical assistance and staff for various neighborhood groups interested in economic development and organizing strategies. Twenty VISTA workers will help staff the Center. Having begun by organizing around the issue of fair housing, Homefinders has come to realize that, without locally-based economic development, long-term stabilization may not be possible. For more information, contact: Homefinders Listing Service, 500 South DeKalb Mall, Box 8MM, Decatur GA 30034.

There are other problems with referral centers. Since they rely upon community support, the whole arrangement can fall apart if too many homeowners go through outside brokers. In addition, the referral center can also be used to screen minorities out rather than in. Referral centers could be as effective at racial steering as are real estate brokers.

The limitations are those of any locally-controlled program. Localism is a double-edged sword that, if not complemented by necessary city-wide, regional, and federal reform, can often be more reactionary than progressive. However, other reforms are possible, including changes in the multiple listing service system and the requirement that referral centers be monitored and enter into contractual fair housing agreements. The advantages of referral centers as short-term, localized solutions to the problems of panic peddling and rapid transition are clear. Building on local initiative, the centers are able to slow the panic, to watchdog the realtors, and to open up neighborly communication and cooperation. Fairly inexpensive to run (the Oak Park Housing Center's annual budget is \$60,000), local housing referral centers can deal directly with the immediate problems of specific transitional neighborhoods. Although they are a short-range measure, housing referral centers can have an impact and, as the development of the Homefinders Listing Service in Georgia shows (see box), they can also develop a broader strategy for stabilization—one that does not blame the victim but that strives to use local resources both effectively and creatively.

—Richard Kazis

The Greening of the South Bronx

The desolation of the South Bronx has recently become a symbol of the decay of our inner cities. In November, morning papers everywhere showed photographs of President Carter and HUD Secretary Patricia Harris touring the area, stepping carefully through the abandoned rubble as they walked. The population of the South Bronx has been halved in the past six years. Whole blocks have been abandoned, allowed to run down, and set aflame, as landlords have tried to squeeze profits out of older properties and tenants have given up the struggle. Today, there are more than two hundred and fifty acres of vacant land in the South Bronx.

As Bronx Frontier's Jack Flanagan explains, "If it can be done in the South Bronx, then it can be done almost anywhere."

When abandoned, burned-out shells of buildings are torn down, demolition crews level the buildings and backfill brick and broken glass into basement holes that run as deep as fifteen feet. Similar rubble is also left on the rest of the lot, encouraging people to dump other garbage there. The lots are vacant, but they are unusable.

Making Use of Vacant Lots

Vacant lots *could* be a valuable resource. In the South Bronx, as in many cities, recreational space is scarce. There are few places where children can play safely. Some lots could be turned into parks, since the neighborhood now has only one. Vegetables could be grown on other lots, helping local residents to cut their food costs and improve their diets. But neither grass nor vegetables can grow on rubble. And, even if the rubble were cleared, the soil in most South Bronx lots is so infertile and so contaminated with lead paint chips and other health hazards that cultivation for food would be both unwise and impossible.

To make these lots usable again, a minimum of eight inches of topsoil must be spread on them. Topsoil currently sells for \$12.50 per cubic yard. To reclaim an acre of abandoned land would cost over \$13,000, a price that the city is unwilling—and local community groups unable—to pay.

There is another option—the use of compost (see box). Like all neighborhoods, the South Bronx produces a steady flow of garbage. Organic and inorganic wastes from the area are currently transported to Queens for use as landfill because the Bronx itself has run out of landfill space (the whole city of New York will have exhausted its landfill space by 1985). Not only is this an inefficient use of transportation energy, but it is also a waste of a valuable resource. Resident taxpayers pay the costs of garbage disposal and also lose control of a prod-

uct that could be used to generate revenue and to reclaim inert acreage.

The Bronx Frontier Composting Project

Several years ago, it became clear to a few people that a large-scale composting project in the South Bronx could greatly benefit area residents. Land could be reclaimed, local resources utilized, and parks and gardens developed. Solid waste disposal costs could decrease and an economic development venture—a composting business—could be started. Moreover, local morale would be given a boost. Given the many problems of the South Bronx, large-scale composting would be a way of confronting several of them at one time. This is exactly how two long-time community workers evaluated the situation in the area when, in mid-1976, they founded the Bronx Frontier Development Corporation.

Since that time, with technical assistance from staff members of the Institute for Local Self-Reliance, Bronx Frontier has labored to turn the concept of large-scale composting into a reality. For eighteen months, the group has worked on conceptualizing and planning the project, on negotiations with government and business, and on implementing its plans. Now, land has been acquired and readied, funding received, economic data and materials gathered, and sources of labor and technical assistance identified.

As you read this article, the Bronx Frontier Development Corporation should be dumping the first load of organic wastes on its 3.7 acre site behind the Hunts Point Sewage Treatment Plant. Soon, the operation will be producing over 1200 yards of finished compost monthly. The first year's compost will be donated to community groups for the develop-

What is Compost?

Composting is a process of biological decomposition in a controlled environment that produces a top quality humus in a short period of time. The humus produced by composting is rich in nutrients and soil life and is a fine soil amendment and slow-release fertilizer. It can be used alone or mixed with other ingredients, such as fill, sand, or peat, to produce good topsoil. Both good soil and compost consist of decayed and decaying organic matter, living organisms, water, air, and inorganic matter. The chief difference between the two is that compost has a higher percentage of organic matter. For groups trying to reclaim vacant lots, the most important difference is the cost: while a cubic yard of topsoil costs \$12.50, the same amount of compost can be produced for between \$4.00 and \$8.00.

ment of gardens and recreational space in the South Bronx. Fifty percent of the second year's product will be marketed for use as fertilizer or soil conditioner by sod farmers, greenhousers, and home horticulturalists. A certain percentage of each subsequent year's product will be set aside for use by community groups. The rest will be sold to generate revenue for the business.

From Blueprints to Reality

At first, both Bronx Frontier and ILSR staff naively supposed that the process of procuring a site, funding, specialized equipment, technical expertise, and suitable garbage would not be difficult. We were wrong: the process actually took over a year and half. We record this chronicle of the project's evolution as a lesson in the realities of translating ideas into action. Projects like this do not develop overnight and their shape constantly changes, but, eighteen months after it was begun, this one idea has become a reality in the Hunts Point area. And, as Bronx Frontier's Jack Flanagan explains, "If it can be done in the South Bronx, then it can be done almost *anywhere*."

Raw Materials: In the late summer of 1976, verbal agreements were reached between the Bronx Frontier Development Corporation and the owner of the company that was carting vegetable wastes from the Hunts Point Produce Market. The company had been dumping the material in a Queens landfill and had been paying \$3.50 per cubic yard of wastes. Bronx Frontier asked only \$1.25 per cubic yard in "landfill fees" for the company to cart the wastes down the block to the composting site. The carting company preferred that payment be made in in-kind services, offering to provide a truck to Bronx Frontier and to cart away non-compostable materials. This arrangement was accepted and has not been altered.

Finding leaves turned out to be a more difficult proposition. Attempts were made to find out what department had jurisdiction over New York City leaves, but no one seemed to know. As a result, Bronx Frontier made a supply arrangement with a township in Westchester County that had been stockpiling its leaves but was running out of space. For the township, the offer came as a relief and, in early 1977, town officials verbally agreed to supply Bronx Frontier with 48,000 cubic yards of

leaves a year. In July, however, they changed their minds, figuring that, if composting was going to be profitable in The Bronx, it could also be profitable in Westchester County. The search for leaves began anew, but it was not long before township officials decided to renew their agreement with Bronx Frontier.

Funding: The start-up and first-year budget for the compost project will be close to \$250,000. About half the cost is in capital expenditures for equipment, such as a composting machine, a tractor-shovel, fencing, a shed, and packaging materials. The rest is allocated for salaries, technical assistance, and overhead. From the outset, it had been clear that the project could only go as far as the fundraisers could take it. Foundations were approached for operational funds, for equipment monies, for administrative expenses, and for technical assistance costs. The pieces fell together, with several different foundations participating in the total financing package. It is calculated that, in the second year, the sale of finished compost will cover operating expenses and make further dependence upon foundations unnecessary.



The Site: Bronx Frontier found a promising fourteen-acre piece of land owned by the city and adjacent to Hunts Point Market, the source of the vegetable wastes. The topography and drainage were excellent. Hooking up water and electricity would be relatively easy. Security for the market would also act as security for the compost project.

Bronx Frontier Development Corporation was assured that it could use the land for a trial period of one year if there were guarantees that the composting would not encourage rats or odors, that a comprehensive report from a public engineer would be provided, that the site would comply with certain regulations, and that approval for the use of the land would be given by the six largest commercial concerns in the market area.

Letters from accredited experts attested that the composting would not cause noxious odors or health hazards. The engineer's report was supportive. The last two requirements, however, proved problematic.

Bronx Frontier has always regarded itself as a community-based, non-profit composting company. The city, however, saw things differently. Legally, the operation was considered a Solid Waste Management Facility, subject to all the regulations required of such facilities. Among other things, these regulations demand: an environmental impact statement; a permit from the Health Department; maps of subways, sewers, electric lines, etc.; insurance contracts; traffic impact statements; drainage rates and strategies; operational descriptions; down-time strategies; safety regulation agreements; and on and on. When the material was finally compiled

Bronx Frontier Development Corporation

When Bronx Frontier began thinking about the compost project, the staff consisted of one person working full-time without pay and another who was working full-time at a second job to support his three-quarter time commitment to Bronx Frontier. The office was housed in a corner of an apartment. An initial proposal was written and submitted to several public and private funding sources. In early 1977, the Energy Division of the Community Services Administration gave Bronx Frontier a grant for \$50,000 to be used as seed money. The group immediately rented office space, formed a Board of Directors, and accelerated its program development. Today, the staff includes seven full-time paid employees working on a gardening program, the composting operation and a traveling Chuck Wagon nutrition program. The staff is augmented by CETA para-professionals and a nutritionist whose salary is paid by Cornell University.

and submitted, BFDC received a temporary operating permit—contingent upon the agreement of the six businesses.

Meetings were held with the presidents of five of the six firms. The sixth was too busy, but his office indicated there was no cause for worry. The lease was to be signed in June. Composting would begin in late July. The day before the signing, however, the mayor's office received a special delivery letter from the sixth business expressing opposition to the composting site. The lease was not granted.

New sites were identified, but each was ruled out for one reason or another. Finally, a smaller site was found on two pie-shaped pieces of land with a combined space of 3.72 acres. The land, situated behind the Hunts Point Sewage Treatment Plant, is owned by the Department of Sanitation. Composting could not be considered a nuisance at this loca-

tion. On October 4, the lease, which can be revoked on forty-five days notice at any time during the first year, was signed.

Despite all the difficulties in putting together a package as complicated as the Bronx Frontier Development Corporation's compost project, the operation is off the ground. Patience, thorough preparation, and the ability to deal with both business and government are crucial to any project's ultimate success. In the South Bronx, a group of concerned citizens has been able to put the various pieces in place. The end result is a program that benefits the neighborhood, the borough, and the city, a project that can serve as both a model and an inspiration to groups in other decaying inner cities. We will be watching the progress of the BFDC compost project carefully and will file a further report in a later issue.

—Miranda Smith

The Ohio Plan: "Production for Use" continued from p 7

were being left unspent. People who had never spent so large a portion of their income on household furnishings and clothing could not justify such expenditures for themselves. Had the system expanded quickly enough to include other kinds of factories, it might have proven more successful, but nobody was willing to wait and see. So, by October, labor credits were discontinued and cash payments were increased. Weekly work hours were limited to thirty per employee, but workers seemed to be more satisfied with the arrangement.

The second problem was that of distribution. County Relief Administrations did not like to buy in bulk from the ORPU salespeople. They did not want to have to deal with warehousing goods and processing orders. As a result, a mail order system was established, with caseworkers helping clients order products from a central warehouse. The orders often took weeks to be delivered. Filling orders with clothing in the wrong sizes was common. Neither caseworkers nor customers were wholly satisfied.

An Abrupt End

These problems were real, but they were not insurmountable. Yet, Ohio Relief Production Units, Inc., never had a chance to prove itself. A history of the project, included as a chapter in a book published in June 1936 by the Federal Relief Administration in Ohio and entitled *Emergency Relief Administration in Ohio 1931-35*, had only this to say about the death of the project after its first nine months: "On May 7, 1935, after a study of the difficulties involved, the decision was made to liquidate the twelve factory units."*

The true story of the end is instructive. The problem was not administrative. It was also not an economic problem. ORPU lost \$3939 on \$116,659 of sales in February of 1935. In March, the corporation lost only \$844 on \$89,334 of sales. That comes to an extra cost to the state of about \$1 per month for every job created by ORPU.

Not surprisingly, the main obstacle to ORPU was political. These factories were run by the state. Even though the factor-

ies were rented on a month-to-month basis and were not owned by the state, even though workers were released to employment in private industry as soon as jobs were available, many people saw the program as a threat.

In 1935, Upton Sinclair was running for Governor of California. Part of the program of his End Poverty in California (EPIC) movement was to put the "Ohio Plan" into operation on a grand scale in California. Opponents did not know where it would all lead and that insecurity was potent. Some cried "Socialism!" and some even "Communism!" The Ohio Plan began to look to some like an entering wedge for taking over the whole production system.

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California Democrats, frightened by Sinclair's plan, expressed their concern to the Democratic administration in Washington. President Roosevelt sent a representative to evaluate ORPU. The emissary, who was a stolidly conservative Republican, wrote a trip report that warned about the dangerous implications of Boyd Fisher's brainchild. The report reached the Federal Emergency Relief Administration and its head, Harry Hopkins, who was Roosevelt's closest friend and advisor. FERA decided to withdraw its financial support from the ORPU project, thereby effectively undermining its operation. On May 11, 1935, Delaware Chairs, the first ORPU factory to open, became the first to close. By the end of May, all twelve factories had been shut down.

Ohio Relief Production Units, Inc., never reached a critical mass, since it involved only twelve factories. The scrip system never developed to its full potential. The profitability of the various enterprises was never ascertained. What would have happened and whether the Ohio Plan would have become a model for other states, we will never know. It remains an interesting experiment, though; and it is good to keep its promise, its development, and its fate in mind as we move through another period of high unemployment and idle manufacturing capacity.

—Richard Kazis

* The chapter was written by Rufus Miles, budget manager of ORPU. Mr. Miles has supplied the author with much information on the project and its fate. Now a senior fellow at the Woodrow Wilson School of Princeton, he has recently published *Awakening from the American Dream: The Social and Political Limits to Growth*.

Notes

Health Service Action is a new organization that has been established to prepare and disseminate educational materials on the need for a national, community-based national health service in the United States, along the lines of the one proposed in Congress by Ronald Delums of California. The group will be developing a speakers bureau and will organize workshops and conferences to encourage discussion throughout the country. Contact: **Health Service Action, PO Box 6586, T Street Station, Washington DC 20009.**

Down to Earth City Living is a new film that focuses on the philosophy and the work of the Farallones Institute's Integral Urban House in Berkeley, California. Produced and directed by Joaquin Padro, the eighteen-minute color film is one of the first to explore the potential for urban self-reliance. The straightforward presentation should be very helpful in stimulating high school classroom discussions. The film sells for \$250 and rents for \$30 from: **Pyramid Films, Box 1048, Santa Monica CA 90406.**

The Iowa Center for Local Self-Reliance (not affiliated with ILSR) is looking for a director. The position involves research and consulting on self-reliant technologies, relating primarily to energy issues. Starting salary is \$200/month plus room. Contact: **Craig Severance, P.O. Box 1904, Des Moines IA 50309.**

Mid-Atlantic Appropriate Technology Network (MATNET) has recently been formed "to encourage the implementation of 'appropriate' community-based technologies in the middle Atlantic states." MATNET will serve as an information clearinghouse and as a focus for political action relating to these community-based technologies. Efforts will include trying to make more money available to communities implementing these technologies and trying to secure legislation that would encourage small-scale technologies. For more information, write to: **MATNET, c/o Citizens' Energy Project, 1518 R Street NW, Washington DC 20009.**

EARS is short for Environmental Action Reprint Service, a non-profit organization working for rational energy and environmental policies. Their latest Energy Catalog has just been published: twenty-two pages of mail-order books, articles, plans, posters, etc., on alternative sources of energy, cooperative self-reliance, and appropriate technology. Single copies of the comprehensive catalog are available to the public for free, although donations for postage are appreciated. Write to: **EARS, 2239 East Colfax, Denver CO 80206.**

The New England Training Center for Community Organizers (NETCCO) will hold a training session for organizers from January 23-February 1. The ten-day intensive program will provide people with the basic skills and techniques of organizing and power building. After the training program, on-the-job training will be available with a NETCCO-affiliated community organization. NETCCO also provides back-up consulting services. For information, contact: **Arlene Kostek, NETCCO, 19 Davis Street, Providence RI 02908.**

Support Self-Reliance

The Institute for Local Self-Reliance is a research and consulting organization that explores the potential for, and the implications of, high-density population areas becoming independent and self-reliant. The institute, incorporated four 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.

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