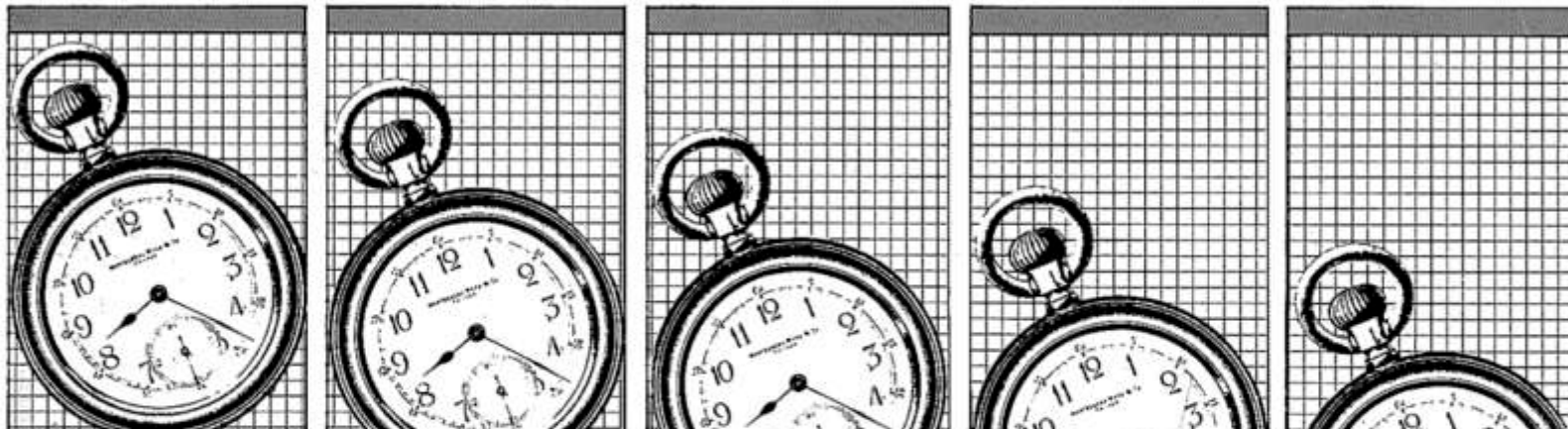
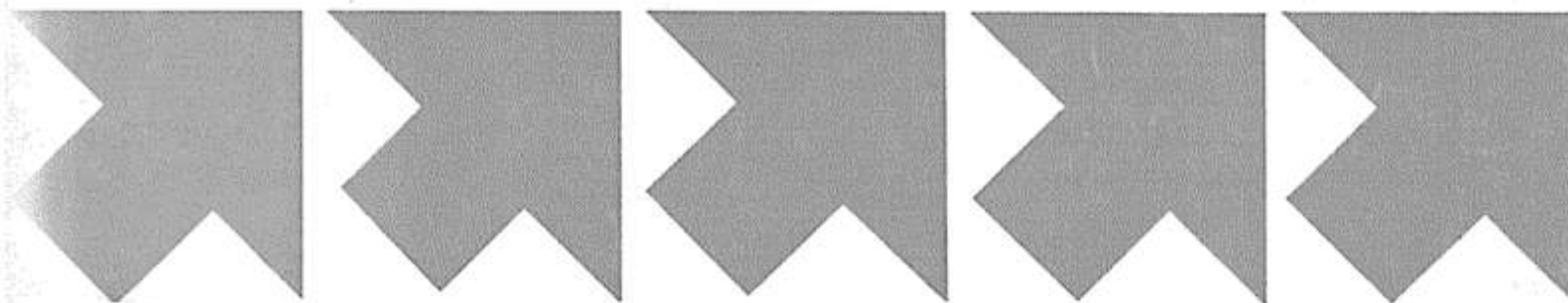
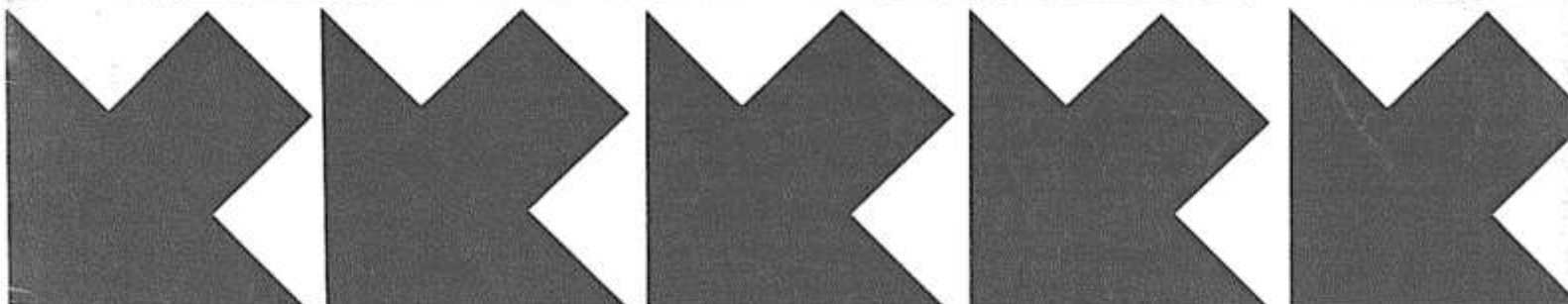


magazine
of the
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street

THE PRATT INSTITUTE CENTER FOR COMMUNITY AND ENVIRONMENTAL DEVELOPMENT/ISSUE 15/WINTER 1975





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New York's Economic Crisis

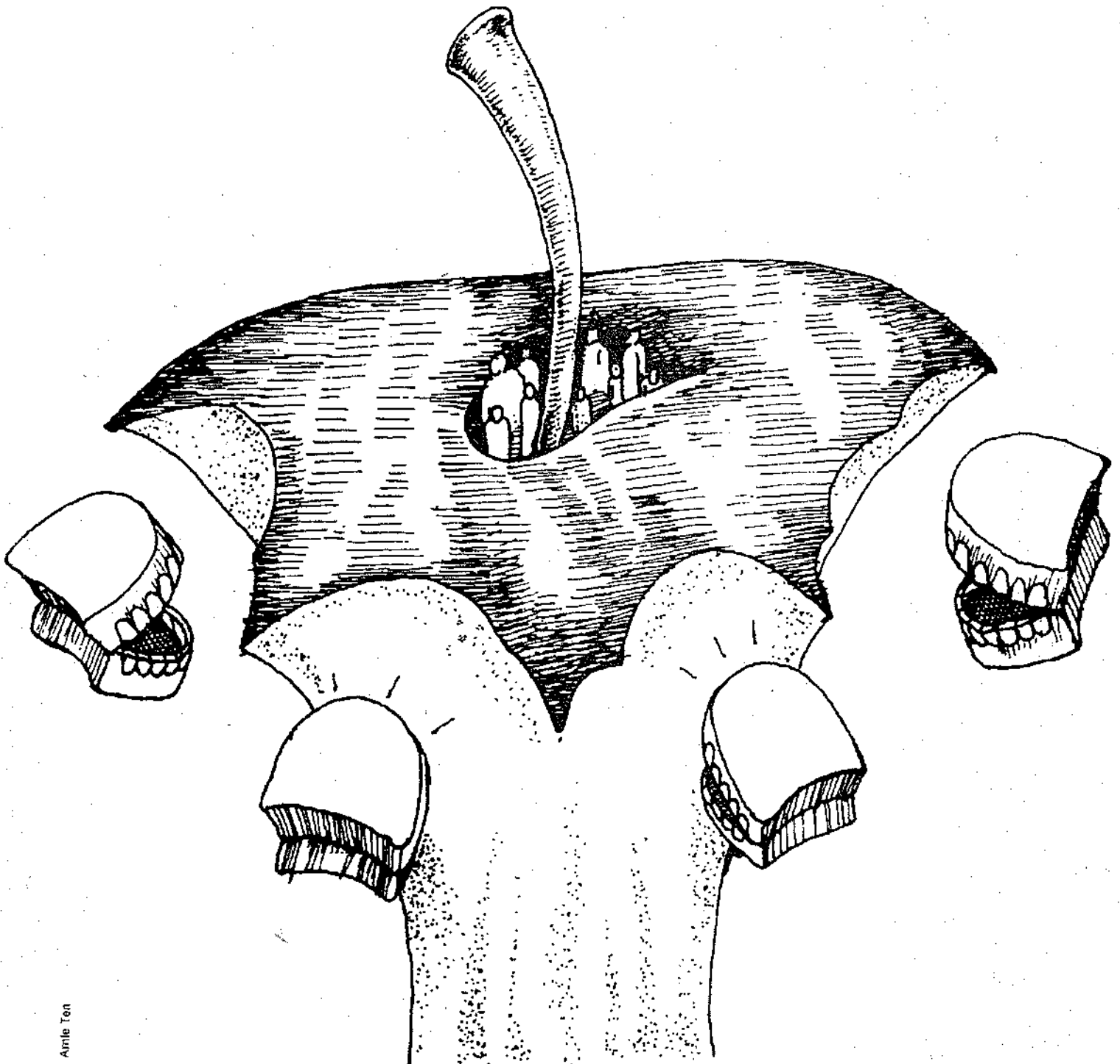
Charter Revision and the Case for Citizen Participation

Rudy Bryant

Events of the past few months demonstrate, among other things, a complete abdication by city officials of their responsibility to involve citizens in the budget-making process. It

is most distressing that this abdication takes place during a time of limited resources and economic crisis and not during a

time of plenty like the sixties, because the smaller the resource "pie" to be divided, the greater the need to consult with the people regarding priorities for dividing that pie.



With the excuse of the economic crisis, citizens have been "legally" removed from the process by the addition of new layers of bureaucracy offered as partial solutions to the crisis. First came the Municipal Assistance Corporation (Big MAC), which, without seeking citizen input and with legislative approval, sliced off a substantial portion of the city's income to pay city debts; it was among the first bodies to demand a balanced budget, elimination of fiscal gimmicks, and, more importantly, cuts in municipal spending. Second, New Yorkers were hit with the Emergency Financial Control Board (EFCB), which, again with legislative approval, eroded the authority of the Mayor to set New York City's budget and further removed citizens from the budget process. EFCB has insisted on further cuts, the full impact of which has not yet been felt.

How Citizens Lost a Say

As a consequence of the superimposition of these two bodies on New York City government and of the repeated flirtations with default, traditional structures have been rendered impotent as forums for public discussion of budget priorities and have been sadly silent. The City Council and the Board of Estimate both are responsible under the City Charter for providing such forums and then adopting the budget. The hearings customarily held by these bodies to discuss proposed budgets have not been held to discuss proposed budget cutbacks. Perhaps the reasons behind this omission are (1) the late hour at which Council and Board members are briefed on the specifics of cutbacks by the Mayor (newspapers suggested these briefings occur shortly before the cuts are to take effect) and (2) members' feelings of powerlessness to change the Mayor's mind for fear of "upsetting some applecarts" with the banks. Still, elected officials have **not** seen fit to initiate dialogue on questions concerning the impact and plausibility of particular cuts the Mayor has made. The severity of

the economic crisis should lead city officials (who are, after all, public servants) to seek **more** rather than **less** communication with the public on matters of such grave import to this city. Reinforcing this opinion in another forum—the November 4 election—citizens demonstrated a desire to know the facts and be consulted about priorities in budget questions by approving the first six of ten questions on the ballot calling for changes in the City Charter. That they voted as they did in the midst of the economic crisis suggests that citizens want to be involved, not just during good times but during hard times as well. Furthermore, this vote was cast in spite of the opposition to all ten questions by Mayor Beame and most of his agency chiefs, and mixed support from other city and state officials. The amendments detail many changes related to budgetary, governmental, managerial, and planning functions of the city, including the important areas of community districts and the role of community boards.

Question 6: Community Boards

Question 6 mandates a method for involving citizens in priority setting and the budget-making process in New York City. It specifically provides for the appointment of community boards. Each board is to have "not more than 50 voting persons," plus, as non-voting members, the council members-at-large from the appropriate borough and those council members whose districts coincide with part or all of the community district. Voting members are to be appointed by the Borough President; of these, the new Charter requires, at least half must be from lists prepared by the council members on the board.

Community groups and citizens may recommend prospective board members, both to the Borough President and to their City Council representative. To be eligible for membership, a person must have a residence or business, professional or other significant interest in the district, as is currently the case with community planning boards.

Like the planning boards they will replace in January 1977, the newly constituted bodies will work to improve the quality of life in their communities, but they will have additional tools to help them accomplish their tasks. It must be pointed out, however, that Charter-given responsibilities do not **guarantee** such improvement. Each board member and the boards collectively must learn how best to use their tools in the most effective manner, and it will be up to the citizens of each local community to insist upon accountability and responsiveness from board members.

The powers and duties of community boards under the revised Charter fall into five broad categories, which will be described separately below:

Priority setting/information collection and dissemination

Program and project planning

Supervision and coordination

Monitoring, review, and evaluation

Record keeping and reporting

Priority Setting/Information Collection and Dissemination

The responsibility of community boards to inform the public of city programs and services and to assist agencies in communicating with the public within budgetary limits has been reaffirmed in the Charter's new Chapter 70. More importantly, the boards are authorized to request and receive agency statements of "proposed direct expenses" in the district.

Furthermore, as the city and its agencies convert to a system of uniform accounting (to be fully implemented by January 1981), each agency will be required to report its actual expenditures by district "so far as practical."

These changes mean that community boards and citizens will more readily be able to tell how much money is being spent in a district and to evaluate how effectively services are being provided for the dollars being spent. In short, more information will be available upon which community board decisions can be based regarding priorities for service delivery within their districts.

Finally, while the boards' right to conduct investigations on matters "relating to the welfare of the district" has been restated, their right to hold public hearings has specifically been expanded. Under the new Charter, boards play a more prominent role in the city's budget-making process. Public hearings are to be held to establish the priorities related to (a) the capital budget, (b) the expense budget, and (c) the use and allocation of Community Development funds within the district. These hearings are also to review proposed departmental program expenses prepared by each agency in consultation with the community board. Boards must then set their priorities and make recommendations to the Mayor, Board of Estimate, City Council, and, in some cases, the Director of Management and Budget, the borough board (to be discussed under the heading Supervision and Coordination), or the City Planning Commission.

Program and Project Planning

Current information about agency operations within the districts can be used by local boards to develop priorities. They are to prepare comprehensive and special-purpose plans for the improvement of the district. Among the most important Charter changes are the following new responsibilities: (1) community boards will assist agencies in preparing statements of "agency objectives, priorities, and projected activities" for the district; (2) will have the right to "initial review" of proposals and applications for land use by public and private agencies; and (3) will assist in planning and review of the scope and design of each funded capital project. Taken together, these provisions permit boards' direct involvement in determining the form and extent of services within a district, particularly where capital improvements are necessary. It must be stressed, however, that while boards may make recommendations, for example, regarding the number of day care centers or senior citizen housing units needed in an area, they have not been given the right to veto such programs. They are in a position to voice their recommendations before a project is approved and, depending upon the boards' persuasiveness, to influence its design after approval.

Supervision and Coordination

Since the responsibilities of community boards have been expanded, their requirements for staff assistance have also increased. To this end, the new Charter, like the old, charges the Borough President with, the duty of providing "administrative assistance" and, if requested, meeting space. Also carried over is the requirement that the Director of City Planning provide "staff assistance and other professional and technical assistance." The boards are also authorized to "appoint a district manager" whose work they will supervise and to "employ such other assistants" as they may require—within budget appropriations. For the moment, it seems the city's budget crisis may prevent appropriations for "other" staff.

With respect to provisions concerning coordination, board chairpersons or their representatives will sit on both the "district service cabinets" (chaired by the district manager) and the "borough board" (chaired by the Borough President), where members may vote only on matters of concern to their district.

The district service cabinet will consist largely of personnel from city agencies delivering services in the district, who have "authority over agency programs, personnel, and facilities within the local service district." Its role will be primarily interagency coordination and planning of services for the district. A "borough service cabinet," upon which community board chairpersons will not sit, will also be established; it will be chaired by the Borough President and perform borough-wide coordination functions similar to the district service cabinet. The borough board will consist of the Borough President,

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How to Avoid Home Remodeling "Traps"

Little house. Big house. Modest or fancy. Everyone cherishes his home and dreams of making it even more beautiful. But the sweet dream of a remodeled home often turns into a haunting nightmare.

And that, unfortunately, is no exaggeration. For instance, in March of 1974, five home improvement contractors and seven salesmen were indicted on a total of 218 counts of grand larceny, forgery, and fraud. As Consumer Affairs Commissioner Elinor Guggenheimer put it: "Home owners are bilked of millions of dollars every year by unscrupulous operators using a variety of techniques."

And those homeowners are YOU, YOUR friends, YOUR neighbors, YOUR fellow New Yorkers. They had signed contracts in good faith. They had taken out bank loans to pay for the remodeling. But what they got for their money was a great deal of hardship. Their homes were left a mess with gaping holes in ceilings and walls. They were hardly fit to live in.

As if that were not enough, these poor people were being pressed by the banks to keep up their monthly payments.

But how could this happen? For many of them, it started with an ad like this:

"Attention homeowners . . . Big John, the Home Improvement King . . . has gone WILD, WILD, WILD with his summer prices. Right now he can finish your basement for as low as \$349. He can finish your kitchen for as low as \$339. He can redo your bathroom for as low as \$329. If you call now to invite Big John to your home for a **free estimate**, he will give you a transistor radio **absolutely free**. Big John will arrange convenient credit too. So call now!"

The Salesman's Pitch

It sounds like a great bargain, and a real man, whom we shall call Mr. Jones, thought so too. He called Big John, and the very next day a salesman came to his house with a pitch that went like this:

"Hi! I'm Big John—here to help you. What's your problem? Wow! Don't tell me. I can see for myself. That bathroom is in terrible shape. You *do* need a new bathroom.

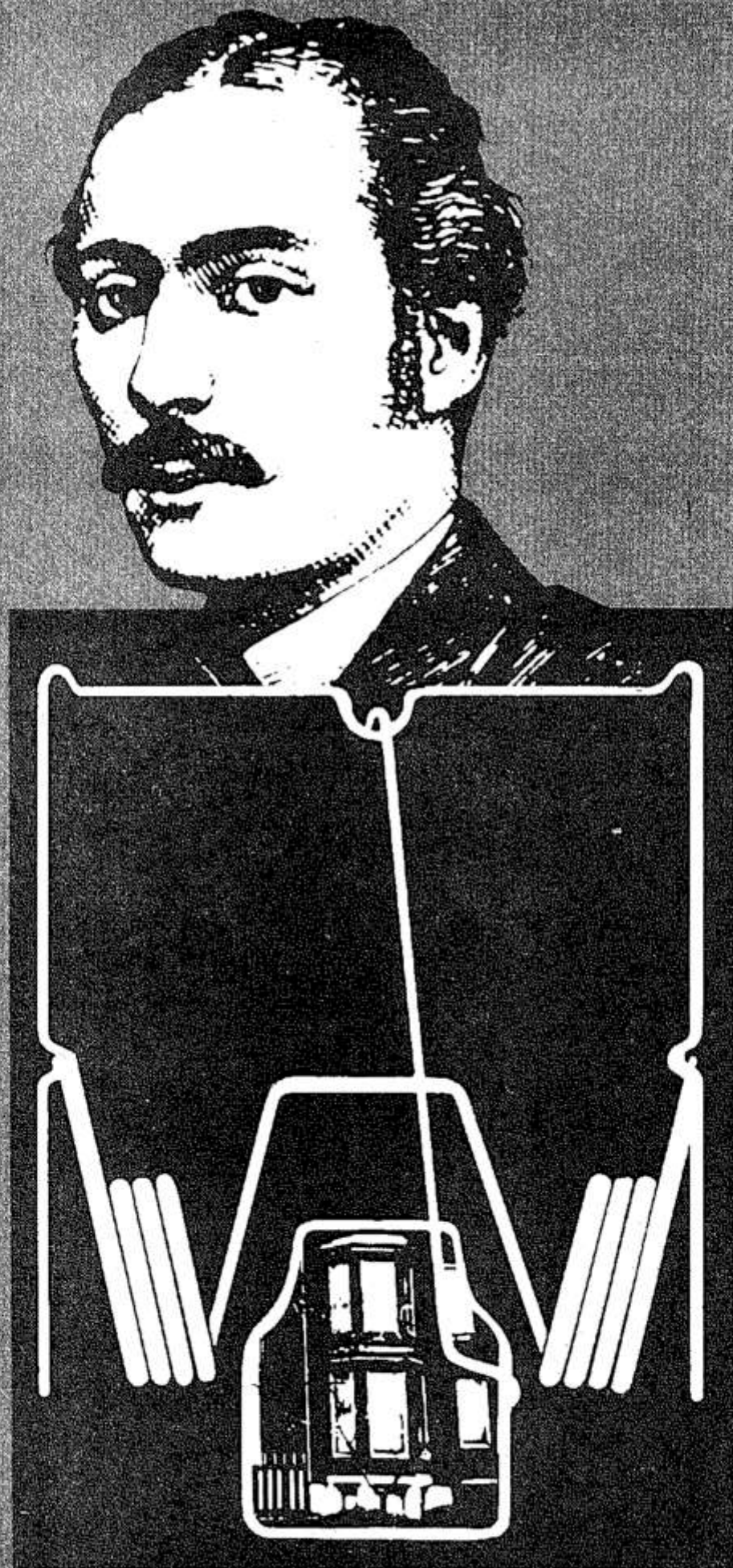
"I can tell right off that you are the kind of person who appreciates nice things. You don't want that \$329 bathroom. That's our cheapest model. In a home like yours you want quality material that's guaranteed, don't you Mr. Jones?"

Mr. Jones agrees, and Big John moves briskly on. "Look here, for just \$30 a month you can have this de luxe bathroom installed. Roomy tub, nice high quality tiles, the works. Nothing wrong with that.

"But listen. If you want something really special, I can fix you up with a *real* bargain. Today is the last day of our special sale. For only \$10 a month more I can give you our super de luxe Hollywood bathroom. But I can only do it today. Here, look at this picture. I know that's what you had in mind."

Panning the Kitchen

Mr. Jones likes what he sees. Meanwhile, Big John asks to take a look around. Just for professional interest. Predictably, he doesn't like what he sees at all. He stands in the kitchen and asks Mr. Jones reproachfully:



"How can you let the little lady toil in a kitchen like this? Old cabinets. Old-fashioned stove. And that old refrigerator! Look at the floors. She is probably killing herself just trying to keep it clean.

"Bill . . . Is it all right if I call you Bill? Bill, listen to me! I have a set of beautiful hand-finished oak cabinets that I was going to put into Mrs. Smith's home. But, poor thing, she fell sick and was taken to the hospital. She had to cancel her order.

"I'll tell you what I'll do. I'll give you those oak cabinets, a de luxe tile floor, and a brand new stove and refrigerator for just \$40 a month. I really like you, Bill, and I think you deserve a great bargain like this. So, let's get down to business and draw up the contract."

Mr. Jones nods his head. But he is embarrassed.

***Mr. Jones Has Money Worries**

Like most of us, he is paying off the house, his car, and is worried about money.

"How can I get a loan from the bank?" he asks. "The last time I applied for a second car loan, I didn't get it."

Big John just smiles. "Leave that to me. All I need is a small deposit—let's say \$20—and your signature on these papers, and I'll arrange the loan for you."

He pulls the contract form out of his briefcase and starts to write: Complete bathroom — kitchen cabinets — vinyl floor — stove — refrigerator. \$6,000! Bill Jones is shocked, but Big John explains, "You know how it is with interest rates these days. They just go up, up, up!"

Bill Jones signs the contract and then some other papers he doesn't quite understand. The salesman says he needs them signed to get the loan.

"See you soon," says Big John as he leaves. Bill smiles happily, thinking of the new Hollywood bathroom and the warm glow of the oak cabinets in the kitchen.

That was the last time Bill Jones smiled! The following week the workers came, ripped out the old equipment in the kitchen, the bathroom basin, tub, and old tiles, and dumped everything into the backyard. There it all stayed. The contractor never removed the mess.

Workmen Leave Mess

Inside the house it did not look much better. Instead of looking like the picture Bill had seen, the bathroom was a wreck. Tiles did not match. There were no faucets in the tub or the shower. There were holes in the wall and a lot of peeling wallpaper.

At least the kitchen had the sink and the cabinets installed. The chipped corner of one cabinet displayed cheap wood with oak-colored veneer—hardly what anyone would call "hand-finished oak." The de luxe tile floor had tar spots on it that could not be removed with any kind of cleaner. Mrs. Jones spent more time trying to clean that new floor than she had ever spent on her old linoleum.

The bathroom and kitchen really looked terrible. Bill Jones and his wife got more upset with every passing day. They called the contractor and the salesman almost every day but never got through to them. Weeks went by, and there was not a word from the contractor.

Instead, a letter came from the bank. The total amount Bill owed the bank was \$8,200, including the interest—not \$6,000 as the salesman had told him.

Bill Jones was so upset and furious, he decided not to pay the bank until the work was finished. The bank promptly replied that it had a certificate signed by Mr. Jones stating that the work had been completed to his total satisfaction. Bill was stunned. He did not remember signing a Completion Certificate. But the bank had his signature on the form—one of the papers he hadn't understood when Big John asked him to sign it.

The bank also informed him that it was not responsible for the completion of the work and would sue him if he did not start making his monthly payments immediately.

Advice from Consumer Specialist

The situation was becoming too much for Bill to handle, and he turned to the Department of Consumer Affairs for help. When he talked to the consumer specialist at his neighborhood Consumer Complaint Center, he realized that he had been a pushover for the crooked salesman. Bill had never contracted any major work on his house before and did not know how to negotiate a home improvement contract and a home improvement loan.

If you want to avoid Bill Jones' costly mistakes, just follow these few steps when you plan improvements for your home.

The first one is **choosing a contractor**. Don't fall for one of those jive advertisements on the TV, radio, or in the paper. The prices quoted are too low to believe, and Big John used what is commonly known as "bait-and-switch" advertising. The low, low price is the bait; once the customer is hooked, the price is switched to whatever

the salesman thinks he can get. That is exactly what happened to Bill Jones. You should look for an established neighborhood contractor who can give you references. Ask to see what work he has done.

The next important step is to **plan a budget**. How much can you afford to spend? When you have figured out your limit, be sure to stay within it. Don't let a salesman talk you into spending more. Beware of tempting bargains. Don't grab so-called "specials" like the oak cabinets.

If you are doubtful about the price quoted you by the first salesman you talk to, call in another one and get a second estimate. If you deal with reputable contractors, you will find only small differences in price. Honest contractors are not afraid to make fair estimates and discuss everything with you in detail.

After you have chosen your contractor and have decided what you want, you make a contract.

How to Study a Contract

When you look at the contract:

- 1 Make sure it shows exactly what you get. Every item to be replaced or installed must be written on the contract, along with the model names and numbers.
- 2 Make sure the exact cost of labor and materials is stated clearly on the contract, accompanied by a sketch or a layout plan.
- 3 Make sure the contract quotes the finance charge, if you take out a home improvement loan to pay for the work.
- 4 Make sure the contract has a **Waiver Clause** in small print at the bottom of the contract. The Waiver Clause is for your protection, in case you have a change of mind. It allows you to cancel the contract within 72 hours after signing it.

And don't let that salesman leave before he has given you a **Rescission Notice**. By sending the signed Rescission Notice to the contractor, you are cancelling the contract with him and also any finance agreements. The notice has to be sent within 72 hours from the time the contract was signed and should always be sent by certified mail (receipt requested) so that you have proof it was sent.

Along with the contract, you sign a **Retail Installment Obligation**. The Retail Installment Obligation shows the cash price of your contract, the amount of your deposit, the unpaid balance, the finance charge, and the annual percentage rate. The number and the amount of the monthly installments appear on the upper left hand side. This statement shows you in black and white what and when you have to pay.

Let's repeat quickly: You only sign the contract (which contains a Waiver Clause) and the Retail Installment Obligation. There is nothing else to sign that day. And you receive the Rescission Notice as your safeguard for the right to change your mind and cancel. There are other papers, but you will sign those at a later date.

The bank wants to make sure you will pay and will send you a **Promissory Note**. Your signature on this note is your promise to pay the bank the full amount as shown on the Retail Installment Obligation.

A Most Important Paper

Last, and most important, is the **Completion Certificate**. If an unscrupulous contractor wants to make a fast buck at the homeowner's expense, he schemes to get the Completion Certificate signed by the homeowner before the job is completed.

This is the form that unsuspecting Bill Jones didn't remember signing. But it was his signature on that piece of paper that gave the bank the go-ahead to pay the contractor. At the same time, it gave the bank the legal right to demand repayment of the loan from Bill Jones and to sue him for the money if he didn't pay.

Now you can see how important it is to understand the meaning of the Completion Certificate. If you have difficulty with the language, have someone go over it with you and explain it. Do not sign it unless you understand it fully and unless you are satisfied that the work has been completed as written on the contract.

Bill Jones learned his lesson the hard way. With a little effort and knowledge, there is an easier way. Remember: Be alert! Don't rush into signing! Don't be embarrassed to ask questions if you don't understand something. You are entitled to answers and explanations.

You don't want to buy an empty dream. You put down your money for a promise of good quality and good workmanship. But promises are cheap.

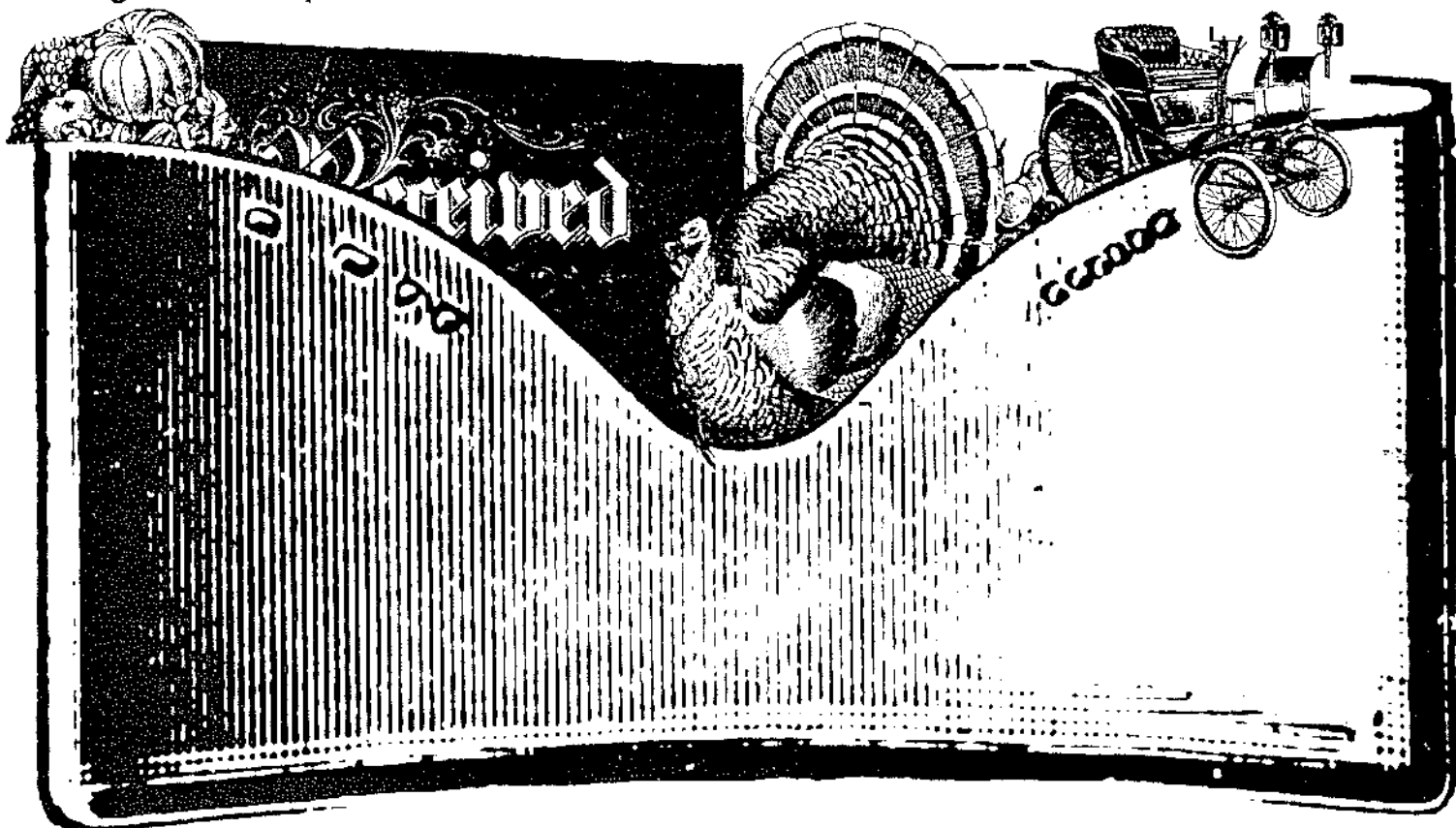
If you want your dream to come true, you have to watch out.

Or your dream can become a nightmare.

Using Your Money to Beat Down Costs

Chapter 2

Hugh Kilmer/Specialist in Consumer Education for First National City Bank



Shopping Around

Chapter 1 of this workbook outlined ways to use money as a tool against inflation. Basically, you worked out how much spendable money you obtain on a monthly basis/ fill in here from Form 2 _____, how much of that spendable income you use for the "fixed" expenses that you have committed yourself to meet each month/ fill in from Form 1 _____, how much you spend on an average for food, clothing, and other "flexible" expenses/ fill in from Form 5a or 5b _____, and what, if anything, is left over for savings, investment, donations, and so forth/ fill in from Form 5a or 5b _____. This chapter will discuss ways to satisfy more of your wants and needs for the same amount of money, ways to spend less money in obtaining the same quantity and quality of goods, and ways to buy goods of high quality without spending more money than you spend now for items that are possibly of lower quality. The basic method, "Comparison Shopping," consists of determining goals, finding the lowest possible cost at which these goals can be met, and developing a plan to meet them. This workbook deals only with money aspects; it is

important also to consider time, transportation problems, and your own lifestyle in using the aspects of this chapter that work best for you, and to achieve the general aim of this program: to combat inflation. Perhaps you really **do** need a car and can't get along using public transportation. Maybe it **is** impossible for you to face another meal of rice and beans. Maybe you can't get out of the house, and your only way to do comparison shopping is by phone. There are always problems, and some of them can't be solved. Basically, even fixed expenses can be reduced, if your study so far shows that you need to reduce them, that is, if your debts are too large to meet without sacrificing other things that you really need. If this is the case, get in touch with your local Better Business Bureau, Chamber of Commerce, or Consumer Affairs Bureau to find out the nearest Consumer Credit Service, or similar organization, to help you work out a debt repayment plan that is realistic in terms of your budget. Credit unions, school financial counselors, and offices of local banks can often provide the same service or direct you to people who can.

It may be that some of the "wants" you listed on Form 7 are things you don't ever expect to get. If you keep your desires within "realistic" limits, it is sometimes hard to set your mind to overcome those limits and make some of the "impossible dreams" turn into reality. Look at Form 7 again, then list here a few of the impossible dreams you didn't list before: _____

In a context of total wants and needs, not just the "possible," it is easier to look at a buying plan in proper perspective, and it is also easier to resist salesmen who try to convince you that their impossible offers are realistic.

The following pages of this chapter are "rules of thumb" for different kinds of purchasing. If you find yourself considering any large expenditure seriously, be sure to get all possible information on the particular item you are planning to purchase.

Rules of Thumb for Comparison Shopping

Cars

Look at the "blue book" for standard price; the car dealer **must** have it; it applies to every used car.

Get a friend who is a mechanic to check it out before you pay anything on it. Test drive it to be sure.

A used "compact" under three years old is probably the best buy and cheapest to run.

Check out financing costs.

Food and Drugs

Buy store brands, not "brand names."

Make a shopping list first, then buy.

Read labels; contents listed first appear in greater quantity.

Remember that packages cost as well as food.

Cheap meat is as nutritious as costly meat, and, if you learn how to cook it, is just as tasty.

Don't buy a swollen can, even at a discount.

Fresh items are best buys during certain seasons; check them out.

Furniture

Be sure you make a full floor plan before you buy.

Check out space problems; how much space the item will fill, whether you can get it into the room.

Look for warehouse sales—they are cheapest.

Check construction, cleaning problems, upholstery, filling, etc.

Best sale times are February, July, and August.

Homes

Asking price can usually be "talked down" by 20%.

Any repairs will be at your cost.

Check with their professional and regulatory bodies for a reputable real estate agent and lawyer.

Work out financing plans carefully.

Find out if you qualify for tax credits of any type.

Clothes

Buy during sales.

Check prices at different stores, including thrift stores.

Check washing and cleaning instructions.

Check clothes for material and construction.

Make clothing, if you can sew and have the time.

Don't get caught up with quick style changes.

Appliances

Guarantees or warranties (basically the same thing) are especially important; they must be in writing, not word of mouth.

Check "additional" costs for delivery, installation, extras, repairs, and replacements.

If manufacturer supplies guarantee card, send it in right away.

Be careful when buying small appliances (e.g., toasters) as well as big ones.

Look for These Seals when Purchasing Home Appliances

The UL seal means that the article—or part to which it is attached (sometimes the cord only)—has been approved for fire, casualty, and electrical safety by Underwriters Laboratories, Inc.

The seal of AHAM (Association of Home Appliance Manufacturers) tells you that the appliance performs as advertised. Refrigerators and freezers, for example, are certified for refrigerated volume and net shelf area; air conditioners for cooling capacity; dehumidifiers for water removal capacity. Your dealer has a directory of certified models that you can ask to see.

The Blue Star seal of the American Gas Association Laboratories in the U.S. signifies the Association's testing and approval.

Rules of Thumb for Consumer Protection

General Rules

Take your time: resist any high-pressure sales.

Don't sign anything until it is filled out completely and you understand it.

Don't do installment buying if you can possibly avoid it.

Door to Door Sales

Always check salesperson's credentials.

Don't accept an offer on the same day it is given.

Don't keep merchandise "on approval."

Make sure you can contact the salesperson again, if necessary.

Resist all pressure "gimmicks."

Catalogue and Magazine Sales

Don't join a plan that requires you to return merchandise if you don't want to pay for it.

If something is sent that you have not requested in writing, keep it without paying for it.

Comparison shop against prices in local stores.

Whom to Contact Regarding Complaints

First/ talk to the store or salesperson. If you don't get satisfaction,

Second/ talk to the Better Business Bureau or Chamber of Commerce (self-regulation by businesses). If you still don't get satisfaction,

Third/ talk to the local Consumer Protection Agency or Consumer Affairs Agency or Consumer Affairs Bureau (government regulation of businesses).

Consumer Reports

Money

Changing Times

Look for them in your library; subscribe if you like them and can fit them into your budget.

Rules of Thumb for Rent and Utilities

Rent

Comparison shop on local rent costs (examine rentals listed in local newspapers).

Deposits against damage (security) are often not returned when you leave. (The landlord will certainly claim that something has to be fixed.)

Rent payments may be withheld when necessary repairs are not made or services not provided. (Check with a Legal Service Society before you do this.)

Cost for heat, electricity, phone, gas, and water may be extras unless included in the rental agreement. Again, comparison shop.

Rentals through a realtor are higher because they include his fee.

Comparison shop on lease agreements as well as rental costs.

Make sure all necessary repairs are made before you move in or pay any money. Don't accept any high-pressure tactics.

Utilities

Pay phone and utility bills by mail or at the office, not at a check-cashing place.

Energy savers are cost savers. (Turn everything off or down unless you are using it.)

Check comparative costs of gas, oil, and electricity in your area when buying appliances.

Keep windows, doors, and plumbing in good repair.

Plain black phones are cheapest.

Cheapest time to call long-distance: weekends and after 11 P.M.

Dial all calls yourself.

If your phone is out of order for more than three days, request a credit from the phone company.

So far, it is likely that most people reading this workbook are feeling pretty bleak. Comparison shopping and budgeting take too much time and energy. The seller is always one step ahead of the buyer: that's his job. These feelings are basically correct, unfortunately. We can't keep up—there's too much else we have to do, and for most of us money management is a great deal of work with very little return. On the other side of the scale, however, we should remember first that most consumer decisions are matters of common sense:

a commodity we use in all our decisions. Second, the kind of consumer who can be cheated most easily is the consumer who tries to cheat. The easiest test for a dishonest salesperson is to see if he/she seems to be giving us an opening to cheat him. The seller **does** know more about selling than the buyer does; if we try to slip something over on him, he will slip something over on us. Third, and most important, consumer relations are part of human relations. When we respect and trust other people, they will easily respect and trust us.

If STREET issued the three chapters of **Using Your Money to Beat Down Costs** together in book form, would you buy it for \$2.50? Included would be Chapter/1 from STREET #14, "Basic Necessities"; Chapter/2, "Shopping Around"; from this issue; and Chapter/3, "Savings Plans, Credit Buying, and Investment in a Time of Inflation," to be printed in the next **STREET**.

YES

I would buy the book, **Using Your Money to Beat Down Costs**, for \$2.50. Please reserve a copy for me when it comes out.

NAME _____

ADDRESS _____

ZIP _____

PHONE _____

Special Housing Supplement

Chicago Housing Group Erasing "Redlines"

HUD Acts to Aid Homeseekers Through Mortgage Subsidies

Planning and Building Needs of the Disabled Studied by Pratt Group

Met Housing Council Holds Public Ownership Conference

Paragraph H/Suburbia's New Bauble

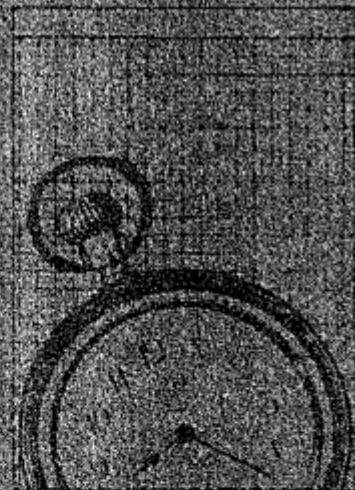
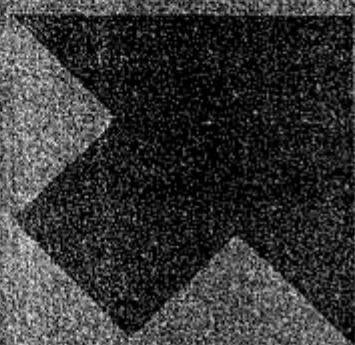
City Housing Crisis Explored at Pratt Coalition Hearings

Planning in a Crisis Climate

Abandoned Housing Properties/The Cause and Cure

Community Development Year II

or How the City Stole CD



HUD Acts to Aid Home Seekers Through Mortgage Subsidies



"Once qualifications are met, HUD will make direct cash subsidy payments on behalf of the homeowner to reduce mortgage interest costs."

To help families now priced out of the new home market because of high interest rates and escalated housing costs, the U.S. Department of Housing and Urban Development (HUD), has reactivated a program to subsidize mortgages for low- and moderate-income consumers. Called the Section 235 Program, it is expected to contribute to the purchase of over 250,000 new homes by using \$264.1 million in the next two years from funds already authorized by Congress. The program was discontinued in January 1973 but has been revised to spur construction and rehabilitation of single-family homes.

The subsidy program will work as follows:

Consumers can qualify for mortgage subsidy if their income is no greater than 80 per cent of the median income (where half of the population is above and half below this figure) for the area in which they live (somewhat lower for 1-3 person family; somewhat higher for 5-8 person family). HUD computes the median income for each "standard metropolitan statistical area" in the country. Using HUD's figures, then, if the median income for an area is \$10,000, consumers could qualify for mortgage subsidies if they earn \$8,000 or less. The secretary of HUD is expected to allow higher income families to be eligible in New York City.

To get a subsidy, the mortgage for a new home must not exceed \$21,600 for a small family or \$25,200 for a family of five or more. In high-cost areas, such as metropolitan New York, the mortgage limits can go to \$25,200 for a small family or \$28,800 for the larger family. Homeowners must also make a down payment of at least 3 per cent of the first \$25,000 plus 10 per

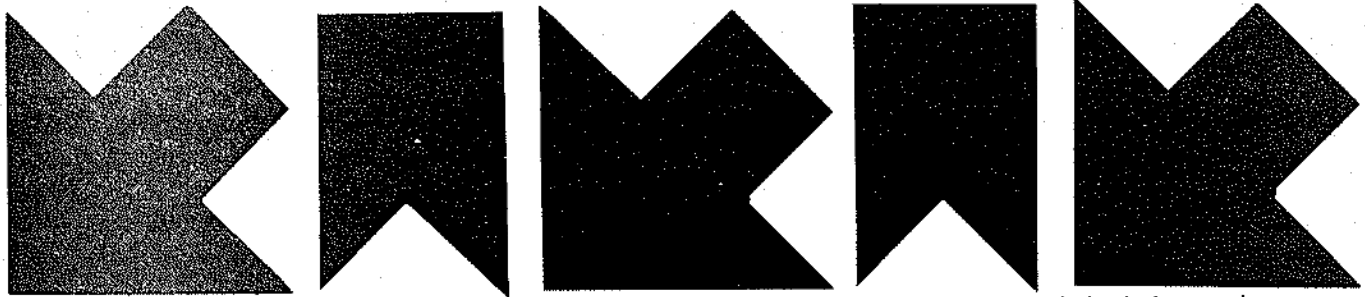
cent of any additional amount of the purchase price and must pay any closing costs, points, and other charges associated with the settlement. Once the consumer has met these qualifications, HUD will make direct cash subsidy payments on behalf of the homeowner to reduce mortgage interest costs to as low as 5 per cent. However, HUD requires the homeowner to pay at least 20 per cent of his income for monthly mortgage payments, insurance, and taxes.

HUD has limited its new program to 40 per cent of the housing in any subdivision, but most kinds of homes will be covered: single-family detached houses, townhouses, condominiums, and (perhaps, in the future) cooperatives. Subsidies are not available if owners already have one mortgage.

Editor's note: This is a revised version of the old Section 235 Program and is now aimed more toward lower-middle- than low-income families. Where down payments used to be as low as \$200-\$300, they now average \$2,500-\$3,000 [including closing costs]. Likewise, the mortgage terms have been raised to 5 per cent, where they were previously 1 per cent. Unfortunately, the cost limitations are still too low for most New York City housing. Few units were processed under the old Section 235, at that time handled by the New York City Housing and Development Administration, since the paperwork necessary to process single units of housing was considered overburdening. This and other problems will continue to make this program difficult to administer in New York City. (For further information on this program, contact the New York Area HUD office, 666 Fifth Avenue, New York, N.Y. 10019.)

Planning and Building Needs of the Disabled Studied by Pratt Group and Associates

Ginni Yang



“Able-bodied participants literally put themselves in the place of wheelchair-bound persons by attempting to get about in the chairs.”

In an attempt to assess the needs of disabled people in the areas of community planning, building, and furnishings, a group of specialists from city colleges and city government held a series of workshops to seek the opinions and advice of individuals with various handicaps.

Increasing awareness of the problems to handicapped persons posed by physical surroundings led to a survey of the degree of accessibility for such persons in various building types represented in the five boroughs of New York City. Students and faculty members at the Pratt Institute Center for Community and Environmental Development and the School of Architecture assisted the Office for the Handicapped in this research.

The foundation of this project was an “Accessibility Conference” in November 1974, at the Mayor’s Office for the Handicapped, in which able-bodied participants literally put themselves in the place of wheelchair-bound persons by attempting to get about in the chairs.

The Office of Special-Purpose Housing of the city’s Housing and Development Administration and the American Foundation for the Blind are also involved in this study, which was joined in the fall of 1975 by students in planning and sociology from Columbia University and Hunter College.

The group is preparing informational materials—particularly a handbook, in print and in Braille—detailing design criteria planned particularly for the needs of the “disabled user group.”

Further information about the project may be had by calling Rex Curry or Ginni Yang at Pratt Center/622-5026, or Brent Porter, School of Architecture/636-3407.

Ginni Yang is a graduate of Pratt Institute School of Architecture and has been active in several projects of the Pratt Center.

Chicago Housing Group Erasing "Redlines"



"It was probably one of the best jobs of grassroots lobbying the senators had ever encountered . . . there were few senators who could honestly say they didn't know what redlining and disclosure mean and what NPAH stood for."

In Issue 14 of STREET, Gale Cincotta, chairperson of the National Peoples Action on Housing, described the problems of redlining in Chicago and the tactics NPAH has used to combat it. The following article from NPAH updates the organization's activities in the intervening months.

For several years, National Peoples Action on Housing, a network of over 1,200 community groups in 39 states and 104 urban centers, has been spearheading the fight against **redlining**, the practice by financial institutions of refusing to make mortgage or home improvement loans in areas that the institutions arbitrarily deem risks, even though they may never have lost money in these areas. Reducing or cutting off the money flow to the communities thus ensures their deaths.

On the local level, affiliates of NPAH are pushing ahead. In Ohio, a weak disclosure law has been passed. In Cleveland, an ordinance is being considered similar to Chicago's that requires mandatory disclosure of loan practices by any lending institution that is a depository for city funds. In California, a state disclosure bill has been signed into law. In Toledo, a savings and loan bank guaranteed unlimited loans to a local community at the same terms they were offering in the suburbs.

Many States Ignore Redlining

Most states have no laws or regulations regarding redlining. It is the goal of NPAH to obtain federal antiredlining legislation, and in the meantime to secure as much state regulation as possible. The group recently succeeded in getting an antiredlining bill passed by the Illinois legislature, prohibiting financial institutions from denying home mortgages solely because the lender feels that a neighborhood is deteriorating. The law also requires lenders to file semiannual statements, showing by zip code and census tract where their mortgage money is invested.

State and local antiredlining efforts are coordinated nationally by the NPAH. In 1974, at the annual national housing conference held in Chicago, NPAH representatives heard Richard Platt of the Federal Home Loan Bank Board say there was no plan for requiring disclosure of lending patterns. As Mr. Platt left the hall, he heard the shouts of the delegates, "FULL DISCLOSURE NOW!" Perhaps he was amused at the promise of Mrs. Gale Cincotta to "take this disclosure fight from the streets to the halls of Congress!"

February of 1975 found NPAH representatives sitting down with Senator William Proxmire of Wisconsin to assist in drafting disclosure legislation. When the draft was ready, Senator Proxmire promised NPAH that their members would be invited to testify at the Senate committee hearings on the bill.

NPAH Meets Senate Committee

Some 175 representatives of NPAH from 24 cities went to Washington May 5-7, 1975, for the hearing of the Senate Banking, Housing, and Urban Affairs Committee on S.1281, the Home Mortgage Disclosure Act of 1975, which called for full mandatory disclosure of lending practices by all financial institutions. The testimony given by community groups was impressive. Using local legislation (Chicago's) as the source for data, Mrs. Cincotta testified: "National Security Bank in Chicago has \$75 million in assets. Of that, \$33 million comes from the zip code area in which it is located, yet only \$172,000 worth of home loans are made in that same area." These figures and others like them shocked even the most conservative of the senators.

Paul Bloyd of Oak Park, Illinois, testified that redlining was not just an urban problem. As a resident of suburban Oak Park, he testified, with specific documentation, about people in his organization who had been refused home loans. Redlining had hit the suburbs as well as the city.

Other community groups from Providence, Oakland, Milwaukee, Indianapolis, Cincinnati, and Boston came with documentation of redlining and the resulting decay it was causing in their communities.

Senator Jake Garn of Utah attempted to refute the charts and graphs of the NPAH representatives, only to reveal his close ties with the banks and his total ignorance of the redlining issue. The testimony of NPAH was enhanced by Mr. Garn's inept and simplistic questioning.

Bankers Bring No Evidence

When the testimony was completed, Senator Proxmire complimented NPAH representatives on their documentation and sophisticated presentation. It was an entirely different story when the bankers came forward to testify. They brought with them no facts, no charts, no graphs, no specifics, no projections—only "double talk." They admitted that redlining did exist but insisted that disclosure would not help the problem. When asked what their solution was to the problem, they sat silently, staring at the floor. The financial wizards had been completely embarrassed by the excellent testimony of the community groups. With all the manpower, machinery, and money at their disposal, they could not bring one scrap of hard data to the Senate committee. Mr. Garn had no questions for the bankers.

The 175 representatives of NPAH were not content to do nothing more than have their representatives testify. When the hearings were completed, they made good their promise to "take redlining to the halls of Congress." For the remainder of the day and all of the next day, they roamed the halls of the Senate Office Building, going to senators' offices, meeting with staff, buttonholing senators as they left the Senate floor, telling them the facts about redlining and demanding their support.

It was probably one of the best jobs of grassroots lobbying the senators had ever encountered. By the end of the two days, there were few senators who could honestly say they didn't know what redlining and disclosure meant and what NPAH stood for.

Grassroots Lobby

The summer months were busy for the members of NPAH. They were well aware that the expense accounts of the bankers would be heavily used for a great deal of wining and dining in an attempt to win enough votes to defeat S.1281. Local NPAH groups met with senators in their home offices, met them at the airport if refused meetings in their offices, held public meetings to which senators were invited, and demanded to know their own senators' position on S.1281. The mails were flooded with letters, postcards, and mail-o-grams as the constituency of NPAH made itself heard across the nation. Their efforts were strengthened as national publications began to focus on redlining and disclosure. The June 9 issue of **U.S. News and World Report**, in a two-page article entitled "Drive to Curb Redlining in Run-Down

Neighborhoods" quoted Paul Bloyd and Gale Cincotta, referring to the research and organizing efforts of NPAH. Despite what the bankers were saying, NPAH had made it very clear that redlining was a national issue.

September 4 was D-Day. Again representatives of NPAH made their way to Washington to conduct a two-day blitz of the Senate Office Building, lobbying for the vote. Senator Garn introduced an amendment to gut the bill—it was defeated! The bill passed 45-37. Briefly, the bill requires that all financial institutions must disclose by zip code area all the loans made for the next three years. The first round of the fight belongs to NPAH.

Following the vote, Senator Proxmire met with representatives of NPAH and said, "Your organization did a fantastic job! If it had not been for your efforts, I seriously doubt that we would have won the vote today." The cries of "FULL DISCLOSURE NOW" first heard in Chicago in 1974 were now echoing through the halls of Congress.

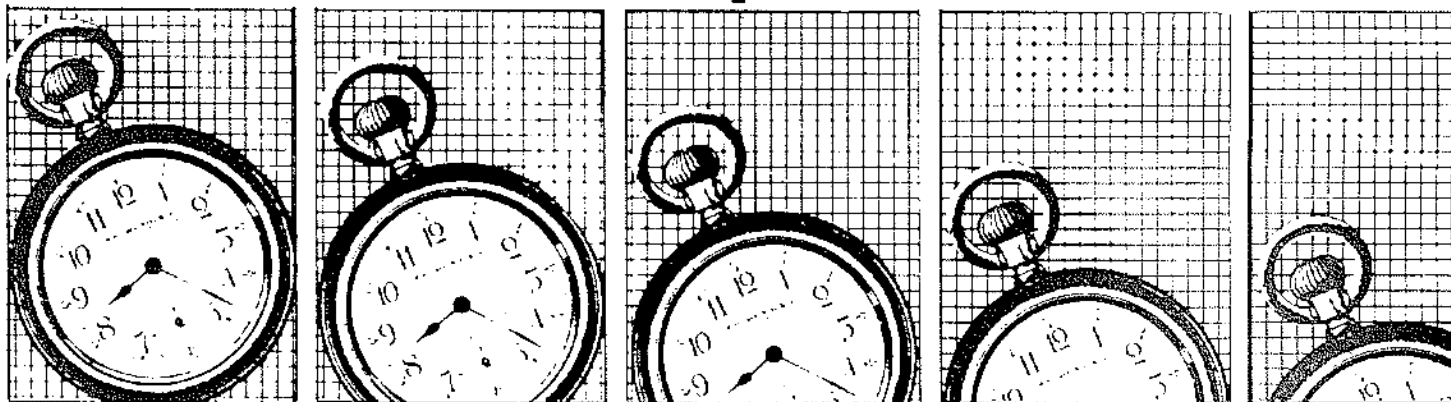
NPAH launched a similar drive in the House of Representatives. During the month of October, representatives of NPAH met regionally to plan strategy to get the necessary votes to pass the legislation. Meetings were scheduled in San Francisco, Seattle, St. Louis, Chicago, Cincinnati, Detroit, Philadelphia, and Wilmington. On November 3, the House passed its own disclosure bill, and the two versions were sent to a conference to iron out differences.

What was the next step planned by NPAH after disclosure legislation was signed? "We have always said that disclosure was not the final answer," Mrs. Cincotta answers. "We are already in the process of developing reinvestment strategies." NPAH was host to a reinvestment conference in Chicago on October 25, 1975, with the goal of sharing ideas and building some very specific workable reinvestment strategies that a variety of communities can use to break through the red line and start the money flowing back into their communities. "If the financial institutions don't like our strategies for reinvestment, then they had better come up with some of their own quickly, or they are in for another fight," the Chicago leader threatens.

NPAH has made it very clear that their final goal is "money back in the neighborhoods" and that they intend to do battle with any and all opponents until that goal is reached.

President Ford signed Congress' redlining bill on January 2. The new law is a weakened version of the legislation introduced last spring by Senator Proxmire and takes effect at the end of June. The law, which marks the first time the concept of "redlining" has been recognized in a Federal statute, is basically a disclosure measure. It aims at making mortgage investment data available to individuals or groups. Banks and savings and loan associations in standard metropolitan statistical areas are required annually to compile the dollar amount and number of home mortgage loans they have made by Federal census tract or by zip code.

Met Housing Council Holds Public Ownership Conference



“How does housing in the public domain differ from public housing? How do we avoid creating another bureaucracy.”

A conference on public ownership of housing under tenant control was held on November 22 under the sponsorship of the Metropolitan Council on Housing, a tenant organization.

Four workshops included—Tenant Control: What do you do without a landlord? How do you avoid pitfalls in operating the building? How do you face the problem of tenants not paying their rents?

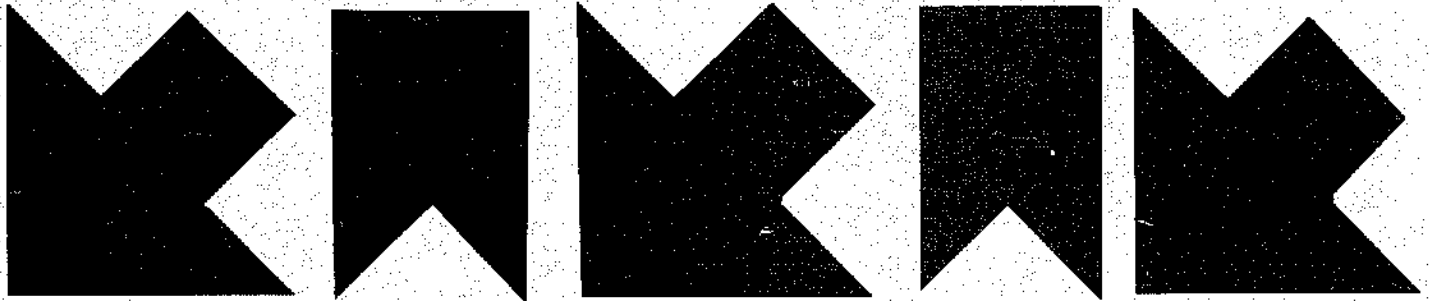
Public Domain: How does housing in the public domain differ from public housing? How do we avoid creating another bureaucracy?

Financing: How do we finance public ownership? How does it differ from subsidized programs such as Mitchell-Lama, the Municipal Loan Program, and the Urban Development Corporation? Where will the money come from?

How to Get There: How do we build the organization to reach the goal? How do we inform more people of what public ownership really is? How do we work on a day-to-day basis for this goal?

The Metropolitan Council drafted a Statement on Public Ownership in July. For copies, send a stamped self-addressed envelope to Metropolitan Council, 24 West 30th Street, New York, N.Y. 10001. **Tenant**, publication of Metropolitan Council on Housing, Vol. 5, No. 9, October 1975.

City Housing Crisis Explored at Pratt Conference Coalition Hearings



"The Pratt Conference Coalition . . . more than 600 people representing city, state and federal agencies, banks, foundations, universities, builders and close to 200 community and neighborhood groups."

Two community hearings on "The Housing Crisis, HDA, and the Fiscal Crisis" requested by the Coalition of Project Area Committees, tenant groups throughout the city, and the Pratt Conference Coalition brought out 250 participants on October 8 and 22. The open meetings were sponsored by the Pratt Institute Center for Community and Environmental Development in conjunction with the Association of Neighborhood Housing Developers and the Technical Assistance Unit of the Community Service Society. The Pratt Conference Coalition, an alliance of community groups and interested citizens, grew out of a series of conferences and seminars with the same three sponsors and consists of more than 600 people who represent city, state, and federal agencies, banks, foundations, universities, builders, and close to 200 community and neighborhood groups.

Following is a summary of part of the testimony offered by community representatives at the hearings. The statements do not necessarily reflect the views of the sponsors but are a consensus of the opinions expressed.

Program Priorities and Proposals

Stop all evictions from city-owned buildings; adjourn and dismiss all pending cases.

Rescind all rent increases in city-owned properties.

Remove Relocation Commissioner Gomez immediately.

The city must provide essential services to maintain properties that it owns.

The city must make vacant city-owned apartments available for rental immediately.

Put an end to HDA's vendetta against PAC groups (Project Areas Committees). Create a 2.5 million dollar Community Development pool from which all local housing groups (including PACs) will be funded according to the services they provide in their communities.

Dismantle HDA and decentralize its functions.

Give city funding to neighborhood housing and tenant groups for staff to preserve and rehabilitate housing.

Re-establish and decentralize the Emergency Repair Program (ERP); restore all services that have been cut.

Reinstate a housing rehabilitation loan program.

Proposals for Allocation of Community Development (CD) Funds

Take funds away from HDA and funnel them directly from federal sources into the poorest communities, where local groups can mobilize resources to preserve housing.

Reallocate the \$2.5 million in CD budget planned for "demolition of unsafe buildings." Use this sum **plus** the city's capital budget allocation for demolition to seal and maintain properties until such time as funds are available for their rehabilitation.

Develop programs for one- to four-family low-income housing.

Transfer CD Year I funds to replace non-existent HD-78 capital budget commitments to certain community and preservation groups.

Redirect CD money so that greater amounts are allocated to ERP, community groups, and small rehabilitation loan programs. Provide geographic breakdowns in the budget instead of hiding them in lump-sum program allocations.

Demands

Investigate HDA and all relocation offices or agencies.

Establish a public State of New York Bank in which all state funds will be deposited and from which funds will be made available for public purposes.

Pass federal legislation prohibiting redlining of neighborhoods by banks.

Halt all relocations in urban renewal areas until the city finds a way to build or rehabilitate housing to preserve neighborhoods and to meet federal relocation guidelines.

Force HDA and the city to increase the productivity of code enforcement by instituting sound management practices and other necessary reforms.

Accompany each city housing inspector with a community representative so inspectors need not go out in pairs, and the number of inspections can, in effect, be doubled. All violations in the building must be noted—not only the emergency the inspector has been sent to investigate.

Increase efficiency and productivity of the Legal Department in bringing landlords to court.

Prohibit the city from stripping buildings without consent of neighborhoods.

Force banks to take a cut in interest rates (to 3 per cent) and infuse massive funds into housing for the poor and public projects (schools, day-care centers), thus creating numerous jobs that will help secure the economy.

Finance housing directly by government revenues.

Make immediate collection of all city tax arrears with no discounts for early payment.

Utilize all vacant and abandoned apartments immediately, including habitable lofts vacated by industry.

Stabilize Mitchell-Lama mortgage interest rates with long-term state loans at not more than 4 per cent.

Place moratorium on public auction of city-owned properties except for non-profit community housing and tenant groups.

Create task forces on political impact assessment, banking industry, and New York City and State housing agencies, to expose and restructure these institutions and make them responsible and responsive.

Establish neighborhood-based management and repair of abandoned and city-owned buildings.

Emphasize housing needs of special groups—elderly, disabled, students, etc. Use government subsidies, at least in part, to meet them.

Additional Statements and Suggestions Subject to Further Discussion

While these items were not endorsed by the Pratt Conference Coalition, they were proposed at the hearings and are presented here to stimulate public discussion.

No more rents; no interest to banks; rents to be collected for maintenance only.

End tax abatements.

Cancel debt service.

Tax corporations rather than force municipalities to issue interest-bearing bonds.

Place a resolution before the UN Human Rights Commission accusing the U.S. government of genocide against the poor by its policy of withholding funds needed for people's welfare.

Pressure insurance companies to complete claims inspections quickly.

Some Suggested Strategies (Related to Funding)

Engage in a united effort at Board of Estimate and meetings of Task Force on CD funds for future refunding of PAC and other neighborhood housing groups.

Take militant action against federal, state, and city agencies to get funds to build and rehabilitate urgently needed housing.

Urge the federal government to directly finance housing.

Related to City Housing Policies

Engage in acts of civil disobedience at City Hall and at Roger Starr's office (HDA) to focus people's attention on the immense housing needs of the City of New York.

Lobby at federal and state levels for provision of adequate funding for low- and moderate-income housing.

Appear at Board of Estimate and City Planning Commission hearings to defeat Roger Starr's cut-off of funding for Municipal Loan and Mitchell-Lama programs.

Organize sit-ins and other demonstrations around auctions of city-owned housing.

Contact elected representatives at all levels of government and let them know how HDA and the city are destroying communities through urban renewal.

Urge Government Accounting Office investigation of HDA's use of federal funds.

Related to Rent Increases

Do not pay rent increases.

Encourage rent strikes to force repairs through court action.

Send in one check for all tenants without rent increase included; not many landlords will refuse such a check.

Legally challenge any "automatic" or other rent increase.

All groups must back the Emergency Repair Program Task Force.

Related to Public Awareness of Issues

Launch an all-out media blitz: phone radio "call-in" shows; get onto radio and TV talk shows; contact action reporters, editorial writers, and investigative reporters concerning any issue, whenever possible.

Heighten the visibility of all housing and PAC groups and increase communication among them.

Criticize HDA openly, forcing issues and HDA policies to be made public, with the help of elected officials.

Pressure elected officials at federal, state, and local levels to vote in the public interest on housing issues.

Pressure banking and real estate interests for better public service.

Take over city properties that have been vacated and fix them up; move in and manage them.

Develop a repair skills bank/building management program.

Start legal action against heads of HUD (U.S. Dept. of Housing and Urban Development) and local housing authority. Resources to approach: National Lawyers Guild, Council of Law Associates, New York State Bar Association, Volunteer Urban Consulting Group.

Organize massive withdrawals of funds from banks on a citywide basis to protest redlining (especially from savings and loan banks).

Pressure religious groups to protest redlining by similar actions.

Develop a tenant constituency to fight landlord neglect.

Testimony given at Community Public Hearing/October 8, 1975

Ron Shiffman/Director of Pratt Center:

The Pratt Center for Community and Environmental Development, the Association of Neighborhood Housing Developers, and the Technical Assistance Unit of the Community Service Society (CSS) have, over the past ten months, sponsored a series of conferences, seminars, and meetings concerning New York City's housing and community development activities. The purpose of these efforts is to insure a better understanding of the federal, state, and city policies and the inherent opportunities and constraints in the community development process, with the primary objective being a more meaningful role for consumer and neighborhood groups in policy determination and administrative operation.

The pending freeze on city financing of new construction and preservation and rehabilitation of housing has in effect already happened. The objective of this hearing is to learn what people's problems have been and their proposals and strategies to attack those problems. We are frankly worried about the city being governed by financial institutions and interests that are immune to public accountability and to the city's legitimate elected representatives.

Project Area Committees, neighborhood housing groups, tenant groups, and other community organizations have requested these hearings—many of them have had their city funding cut off; many are concerned about the cutback in municipal loans, city relocation policy, eviction, rent increases, etc. Underlying all of these is a feeling that the city's fiscal crisis is reinforced by a crisis in imagination and leadership. The aim of this meeting is to begin to rebuild our Housing and Community Development programs and policies by bringing together people—people with ideas—the one resource the city has chosen to ignore.

(The order of testimony proceeded in order of listing on the sign-in sheet.)

Ms. Teresa Subert/of the Clinton area: She has lived in the same apartment for 65 years. In 1910 it rented for \$16, now \$39, and she is being asked to pay \$90. She may be forced to move and will have to be taken care of in some other apartment. She lives in an urban renewal site owned by NYC's HDA. Another woman said that many people in her area were being harassed by the city for more rent,

even though the buildings were not fit to live in.

Mr. Thurston/Clinton area: His area was one of the only urban renewal areas in the city not given money for a PAC group. The planning board there has no contact with community residents. Some rents in that area are up 300 per cent. He calls himself a "newcomer"—has lived there 21 years. There are families in the third and fourth generation in the same apartments. Some apartments were built in the early 1900s, some earlier. Buildings could be rehabilitated for less than \$25,000 per apartment. Tenants have asked the city to buy the buildings—residents would rehab them and get neighborhood preservation money. Clinton is called the "dance belt"; 680 members of Actors Equity live in the area, only 20 per cent of whom are employed at any one time.

Mr. Thurston is particularly concerned about some small apartment buildings in the Clinton Urban Renewal area. The city has owned these buildings for five or six years and has not done anything with them. **Mr. Gomez**, Commissioner of Relocation, lives in a building with an income limit, though his salary far exceeds the limit. The Clinton group has often talked to **Roger Starr** (HDA administrator), who says he has no sympathy for people who can't pull themselves up by their own bootstraps and move elsewhere. **Mr. Thurston**, who believes people have a right to live where they choose, quoted **Percy Sutton**, Manhattan Borough President, as saying, "Urban renewal means people removal." **Thurston** says **Sutton** has been sympathetic but has done nothing.

Jolie Hammer/Sutton's deputy: She objected to **Thurston's** remarks, saying **Sutton** has been in the forefront of trying to improve conditions in Clinton housing. (Several speakers supported Ms.

Hammer's position, citing numerous meetings initiated by State Senator **McCall** and **Sutton**.)

Sondra Thomas/Strycker's Bay: At a meeting with eight to ten representatives of urban renewal communities and elected officials totalling about 40 people representing communities, these demands were made: (1) Department of Relocation rent raises be rescinded; (2) all evictions due to appear in court be adjourned until further hearing. The meeting ended with an indictment of **Commissioner Gomez** and request for his removal, with the observation that he's as insensitive to legislators as he is to tenants.

Ken McLaren/Cooper Square: He suggests the need for special housing for the poor. "With things the way they are, if you're not paranoid, you must be crazy," he said. **Cooper Square** has carried on a fight for 16-22 years—has kept luxury buildings out of the neighborhood. Recent demands for rent raises are not only inhuman, they're unbusinesslike. There are 450 apartments in his area. The city guaranteed to keep all of them rented for safety and maintenance; 55 are now vacant, and the city refuses to rent them. He says the situation demands a full-scale investigation. The city should get rid of people who are harassing, not serving, the tenants.

Mrs. Spiegelberg/an elderly tenant whose daughter spoke for her. She has lived in her apartment since 1942; rent has been \$64, now to be raised to \$120.

Frances Golden/Cooper Square: Starr was quoted as saying that as of October 31, 1975, there would be no more budget for PAC groups, no more community representatives to fight tenants' battles—a total sum of \$400,000 is involved. These tenants are captives—they were bought when the city bought their buildings. The triumvirate that's killing them, Ms. Golden says, is an unholy marriage of three: government, the real estate developers, and the banks. Let the banks sacrifice like the people; they could take 3 per cent interest instead of 9 or 10 per cent. Roger Starr is only interested in providing housing for upwardly mobile young people who make \$25,000 or more a year. He doesn't care anything about poor people, black and white, Puerto Ricans, or others.

Nathan Weber/Citywide Committee to Save ERP: The committee sat-in in Starr's office last year after Starr announced that ERP would be shut down. The program had started in 1966 and never worked very well, but it was the only thing tenants had. It often takes ten days before an inspector makes a call; then he only looks at the one complaint. Regulations should be changed to require that he make a thorough investigation of the whole apartment. Landlords are supposed to repay city for repairs but usually don't. Last year Starr cut the ERP program back to only heat/hot water complaints and those only through a central office. The ERP Committee demanded: (1) restoration of all services, (2) reopening of local offices, (3) funding of program from Housing and Community Development funds. Mr. Weber announced a meeting on October 28 at 349 Broadway to deal with the Emergency Repair Program problems, sponsored by citywide anti-poverty and housing groups.

Eileen Lee/Operation Open City: Her organization is an anti-poverty agency and has no further funds for its 6,000 workers. She's told to continue working and keep her office open, yet told not to pay rents, utilities, or salaries.

Father Thomas Farrelly/Sacred Heart Church: He has worked in West Side housing for 15 years, says the city is the worst landlord of any and that HDA should be done away with. We should demand that our federal representatives make a thorough investigation of HDA's use of federal funds.

Samuel Vernoff/Bronx Community College: His personal view is that federal investigation is not enough. We're suffering from a delusion and don't realize how far the social and economic deterioration has gone. In a sense, "default" has already occurred at nearly all levels. Congress has to step in and go much further than it has ever done. The only immediate solution is a federal solution. Sargeant Shriver, when head of the Office of Economic Opportunity, once said that the mandate of that office was to achieve a peaceful social revolution. This probably remains the direction we have to take.

A representative of Ingersoll-Willoughby Housing says the Department of Pest Control is a total waste of time—no extermination service resulted from repeated recalls. Nathan Weber reported that when his neighborhood had rats, he threatened to have the newspapers expose the problem—then he got results. It was recommended that community representatives go along with city inspectors to look at needed repairs or complaints.

Weber thinks it more valuable to focus on banks and real estate people—they are behind the government. He also represents Homefront, a radical organization to improve housing that has set up squatter actions and rent withholding actions. He also criticized Pratt Center's inclusion of bankers as hearing participants.

Anna Volmer/South Bronx: Her building is deteriorating, as are eight others in her block—no heat, no gas, no electricity. People cannot afford to move, would like to take over and renovate their buildings. Another speaker from the area says people fear they'd be put out if they did renovate.

Assemblyman Lehner/He announced a meeting tomorrow (October 9) at 2 World Trade Center of the Committee on Neighborhood Preservation.

Robert Schur/Association of Neighborhood Housing Developers: Previous legislation proposed on neighborhood preservation was not very good; legislators should hear today's suggestions.

Meyer Parodneck/Consumer-Farmer Foundation: His group has been the principal source of seed money for sweat equity programs, especially training programs involving CETA (federally funded Comprehensive Employment Training Act). Money involved in mortgages is \$2 million, and the government has \$2 million invested in the training. Freezing funds has jeopardized federal grants and threatened the loss of \$2 million—a great waste of all the money. The Consumer-Farmer Foundation is interested in co-op conversion to provide people with housing they can afford and is greatly alarmed at the freezing of funds for this program.

Ron Shiffman/The city has delayed use of federal Community Development funds for six to eight months, and the city stands to lose \$30 to \$50 million this year because of that delay. The real loss is in the amount of effort so many people have put into their buildings and their neighborhoods. Some 50,000 apartments are at stake. It's as if enemy aircraft bombed out 30 buildings a day. The federal government would respond to that kind of emergency.

Walter Thabbit/re East New York, where he has been a planning consultant. Vacancy surveys showed that 100 to 150 buildings were being lost there each year. The greater part of the destruction is in one- to four-family houses, for these reasons: (1) FHA scandal—brokers selling houses for very high prices after buying low; the federal government accepted the loss when the buyer defaulted; (2) mortgage companies selling to people at very low down payments and buyers defaulting; (3) by 1971 some 2,000 units had been lost; 3,000 had been taken over by the city; a total of 5,000 lost out of 16,000 units in the area.

Recently he did a vacancy survey and found 600 more buildings lost, 200 destroyed, and 400 vacated. In all this time, only 100 buildings have been rehabbed. Altogether, 45 per cent of the buildings in East New York are lost. He thinks there's no use talking to HDA or the FHA (Federal Housing Administration) because they don't want to do anything.

Shiffman/There is \$2.5 million in the Community Development budget for "demolition of unsafe buildings." The city has to file an environmental impact statement before it can use the money. The City Planning Commission's report says that the project has (1) "no significant impact on people or on the socio-economic status of the area"; (2) that "it's not a controversial issue." It has been proposed by community groups that the \$2.5 million Community Development funds + \$6 million from the city budget be used to seal and maintain buildings until such time as funds are available for rehabilitation. He commented that one of the city's ploys is to pit group against group and program against program.

Gloria Milliken/Housing conservation coordinator: Fifty representatives of community groups should meet with the Emergency Financial Control Board.
Schur/Judge Arthur Blinn said that all the Housing Court can do now is minimum Band-Aid application. Looking to courts for solutions will not get very far. Administrative agencies **must** do more.

Cathy Herman/St. Nicholas Housing: Her staff is paid by CETA but has no money for materials or supplies. It's a neighborhood of largely one- to four-family units, many frame structures, and a population mostly Italian and Puerto Rican.

Thabbit/He thinks the city doesn't believe that low-income people deserve decent housing.

Schur/The city is trying everything in an effort to write off low- and moderate-income neighborhoods. When handed programs that can be carried out, Community Development and 312 (direct loan from the federal government at 3 per cent interest), the city doesn't take them up. City officials are not on our side, and it's a waste of time to talk to them. We need to get to the fundamentals.

Brian Sullivan/Pratt Center staff: It's ironic that an agency, HDA, that uses our tax money is working against us. The \$98.1 million HUD budget is also being used against us.

Thabbit/We need to confront agencies directly. Sometimes that produces answers as to what they are really doing. We must force the city to disclose its policies. We can't corner top officials but may be able to get councilmen to force an issue on our behalf. He spoke of a meeting at HDA where **triage** was suggested—letting really bad areas die and only supporting neighborhoods that have a good chance to survive. The problem is, who defines those areas.

Fulton Park speaker/People must insist that their elected officials respond to their demands or face non-reelection. Media need to be more responsive also to the needs of people and misuse of power

by government agencies. We must focus attention on problems, even if it means creating confrontations.

Schur/All our elected officials were invited today; most responded that they were busy in Washington; only a few even sent representatives.
Shiffman/Congressman Richmond had a representative at the hearings who blasted HDA. Congressman McCall's representative was here. We decided not to give preference to public officials in speaking but to take people in turn, as they had signed the attendance sheet.

Nancy Kyrioucov/West Side Tenants Union: She suggested sending in combined rent for all tenants, minus objectionable raises, such as fuel-cost increases. With the help of a lawyer or accountant, tenants can take a landlord to court.

A participant from Community Board #5, Bronx/Buildings where landlords aren't paying taxes should be identified.

Weber/Re suggestion of withdrawing a community's funds from bank to combat redlining. That sort of action requires withdrawal of funds by more than one community to make its impact felt.

Jose Rodriguez/Morningside Renewal: It's very difficult for a community to have any effect on banks because the banks now control all parts of the government. They pay only 2 per cent of their income on taxes—the rest is sheltered. He sees the life of New York City lasting for only 20 years more unless great changes are made.

Shiffman/Every federal housing program of the last few years has been subsidized for developers and banking interests—not for individuals or families. The only difference between low and high rent per room is the high interest rate the banks are charging.

Ramon Rueda/Peoples Development Corp., South Bronx: His organization has put in 8,000 hours of volunteer effort and now is told there'll be no municipal loan money forthcoming. He calls for a purge of HDA and elected officials who don't respond to people's needs. He says the present situation is genocide and this kind of conference just "mental masturbation."

Kurt Schneider/Manhattan Valley Development: He suggests putting a resolution before the United Nations Human Rights Commission accusing the United States Government of genocide against the poor by its policy of withholding funds needed for people's welfare.

Father Kennedy/Catholic Charities: HDA had almost nothing to do with the allocation of housing monies—that was decided by the Bureau of the Budget and the City Planning Commission. Housing hasn't worked in New York City because officials haven't done anything—more nonfeasance than malfeasance. The Senate has passed a disclosure bill against redlining but the House hasn't done anything. The crucial problem now is who pays the rent. Most people can't afford to pay rent for the housing that's being built. We're a high-rent, low-income city, and the housing situation won't improve until income distribution improves. Taxes are too low in this country—we

don't tax wealth now, just income—that should be looked at more closely. In Sweden the tax rate is 40 per cent—they have good social services and good housing. Our rate is 23 per cent, for which we get very little by comparison. He wants to speed the **in rem** process and enable tenants to take over sooner.

Bill Price/member of Homefront and West Side relocatee: He spoke at length about the problems there and the lack of city response. He gave his phone number as 799-0847 for people to report their problems to Homefront.

Speaker for Ocean Gardens, Coney Island/Senior citizen housing group there has been seeking support for 13 years and is still turned down by HDA.

Jim Garst/Mitchell-Lama Council: The Council represents 25,000 apartment units and was formed in the early 1970s, when Mitchell-Lama was considered low- to moderate-income housing. Their rents have gone up from \$22/room to \$42/room, as much as people there can afford. They had a senior citizen subsidy program—no senior citizen would be required to pay more than one-third of income for rent—but the program has been cut out by HDA. On November's ballot will be authorization of a bond issue of \$250 million for construction of senior citizen housing, privately sponsored under Mitchell-Lama. Will rents be what senior citizens can afford? *Ed. note: the bond issue failed in November.* The Mitchell-Lama Council recommends a public New York State Bank and urges Governor Carey to support a State Freedom of Information Act, to investigate Big MAC and Emergency Financial Control Board members.

Jim Harris/Los Sures: Los Sures housing group represents the south side of Williamsburg, Brooklyn, with 39,000 residents and 10,000 apartment units. The group has stabilized conditions for about 300 families in its three years of operation. Mr. Harris says that the biggest mistake of HDA was in not giving reasonable funds to community people to rehab and maintain their own buildings. The lowest end of the housing stock is where the most money should be put—only \$5,000 per unit would be required. That's where the greatest part of the Community Development money should go.

Lisa Kaplan/Pueblo Nuevo: Community Development funds should be released for such community-sponsored, long-advocated urban renewal projects for low-income housing as Pueblo Nuevo in the Lower East Side. Her group opposes the city's policy of withholding money that had been set aside for acquisition for new construction.

Vernoff/We should seek a procedure that by-passes the city and urge a direct relationship between federal funds and community organizations. The Pratt Coalition needs to be broader. So far, it includes mainly community and development activity groups. He'd like to see more religious, labor, and educational groups joining in. Bronx Community College has taken over 12 former fraternity houses, with plans to remodel them and offer them to faculty members and others—such housing would improve the neighborhood. The college also offers two programs, one bilingual, in housing maintenance and management skills.

Three speakers for a West 80s tenant group, representing primarily Puerto Rican tenants: Relocation Commissioner Gomez took a basement meeting area away from the tenant group because of its dissent and fight against rent increases and demands for better services.

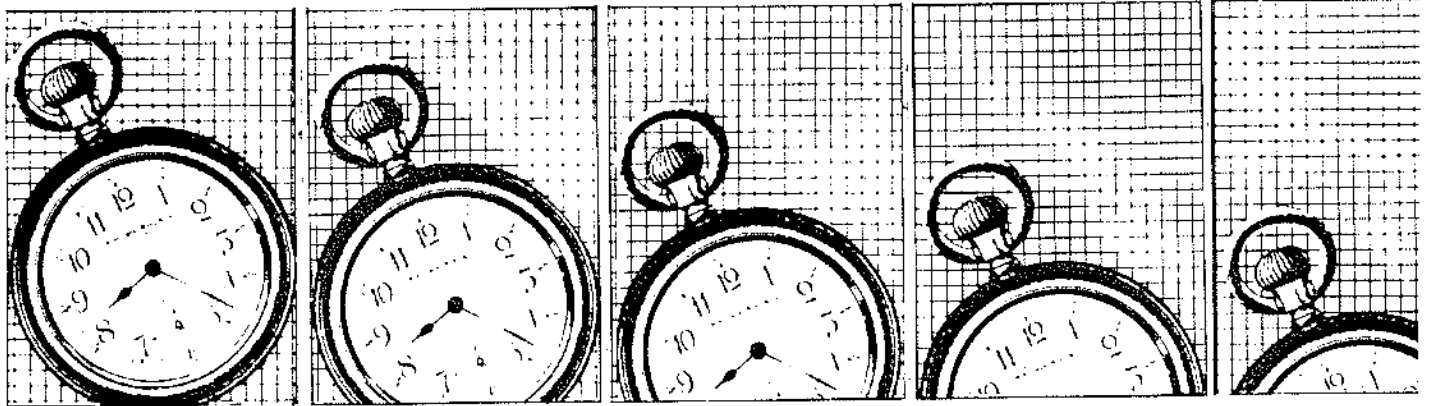
Kingston Avenue Block Association in Brooklyn asks how it can gain access to the housing authority. Their representatives have been constantly rebuffed by the city in efforts to get public housing subsidies for area families with incomes averaging \$7,000-\$10,000.

Housing Grants Information Available

A list of foundations that have made grants to housing organizations has been compiled by Nancy Cassidy of First National City Bank. The list may be consulted at the Pratt Center, 240 Hall Street, Brooklyn (phone 622-5026); or at the Association for Neighborhood Housing Developers, 29 East 22nd Street, Manhattan (phone 674-7610).

Planning in a Crisis Climate

Brian T. Sullivan



“Ironically, in demonstrating its willingness to take immediate and decisive action to hold down expenditures in this fiscal year, the city is setting itself up for even worse fiscal dilemmas in the future.”

One assumption held in common by all planners—academic or practicing, governmental or advocate—is that there will be a future. For (with some noteworthy exceptions) we certainly are not engaged in planning for the past. Nevertheless, some of the decisions currently being made in New York City under the guise of planning raise serious questions in this regard. The end of the week seems to be the horizon. Beyond that—who knows or cares?

This type of “planning” seems to be little more than a public relations ploy. Dramatic announcement on top of dramatic announcement is released detailing the latest drastic cutback instituted by the Mayor or the Emergency Financial Control Board in a “last ditch” effort to save the city’s fiscal skin. Aside from the fact that these grandstand plays have now become somewhat boring, their shortsightedness does a real disservice to the city. Instead of undertaking less spectacular but more effective cost-cutting procedures, the city is locked into the theatrics of brinkmanship, which call for axing projects that, until the crisis hit, were thought to be perfectly sound investments of city funds.

Obviously, adjustments in the “business as usual” approach to governing New York must be made if financiers are ever to be convinced that the city can regain its solvency and again become a worthy repository for their investments. But the city’s present tack of stopping every capital budget project that hasn’t reached the construction stage (and even some that have), while cutting back services and current expense items, overlooks at least one factor of major importance: the long run. Ironically, in demonstrating its willingness to take immediate and decisive action to hold down expenditures in this fiscal year, the city is setting itself up for even worse fiscal dilemmas in the future.

The following are a few cases in point:

Two Bridges Houses/A cooperative effort by the Lower East Side Neighborhood Houses and several other development interests had, after years of planning and negotiation, managed to put together over 1,000 units of badly needed subsidized housing, using some of the last Section 236 money left in the country. A Mitchell-Lama mortgage had already been secured for the project; it had a practically guaranteed rent-up (because of its Section 236-subsidized rents) and was actually already in construction. Nevertheless, the city has let it be known that the project is to be stopped—another sacrifice to the insatiable and false gods of cash flow and public relations. This decision (currently being hotly contested) ignores not only the years of community work invested in the project, but also the more tangible loss of jobs of engineers, architects, contractors, and many other workers, representing an additional erosion of the city’s economy. Furthermore, the present inability of the city and state to float bonds for new construction and the federal withdrawal from any housing development programs (such as 236) virtually assure that no significant amount of new low- to moderate-income housing will be built in the city in the foreseeable future. Two Bridges, therefore, represents an unparalleled opportunity to bolster the city’s sagging construction industry while providing housing for those who need it most.

South Brooklyn Containerport/After more than 10 years of controversy, community conflict, confrontation, and finally cooperative planning efforts, the residents of South Brooklyn's Columbia Street waterfront area and the city's Economic Development Administration at last arrived at a plan for a containerport with which they both were satisfied. The revised plan developed by the community, with technical assistance from the Pratt Center, called for a vastly improved containerport as well as replacement housing within the existing community for residents who would otherwise be displaced by the port expansion. Revenues generated from the rental of the pier facilities would repay the cost of development, and considerable side benefits would be realized in the creation of more jobs, both on and off the piers, in an economically depressed area. At the same time, long-overdue low- and moderate-income housing would be provided. The city, however, has decided that its short-run capital problems preclude its commitment of any funds for this project. Once more, the city's future—physical, social, and economic—has been disregarded in a shortsighted scramble to convince federal bureaucrats and bankers of its short-run solvency.

Manhattan Plaza/A much-publicized 1,700-unit high-rise project on West 42nd Street recently became the center of heated dispute when the city's Housing and Development Administration declared its intention to use 40 per cent of the city-wide allocation of funds under Section 8 (a new federal low-income rental subsidy) to solve the project's marketing difficulties (problems that many critics maintain could have been anticipated and avoided). In order to circumvent what would amount to a paper loss of \$3 million a year against the project's Mitchell-Lama mortgage, HDA is proposing to convert what was "sold" to the community and surrounding property owners as a middle- and upper-income housing project into one designated for low- and very low-income residents. To

accomplish this conversion, 100 per cent of the units will be subsidized with Section 8 funds for the next 40 years. Not only does this proposal violate every tenet of community planning by ignoring its impact on the surrounding community (and vice versa), but it also deprives innumerable low-income residents around the city of an opportunity to benefit from the Section 8 program. (Manhattan Plaza's allocation is nearly equal to the combined total for the boroughs of Brooklyn and the Bronx). Clearly, a decision of this magnitude and tenure should be founded on more solid ground than bookkeeping sleight-of-hand that attempts to convince us that spending \$11.5 million a year in federal Section 8 subsidies is "cheaper" than subsidizing the project's market operation at \$3 million a year in city funds. While these three projects vary widely in their scope and impact, they are all victims of the same myopic and unimaginative approach to the problem of the city's solvency—a problem that, more than any other the city has faced, requires the best long-range planning possible. A planning approach that ignores the city's future cannot hope to realize the city's potential. Nor will this irony be lost on the financial community, for whom the present charade is being daily overacted. Betting on the fiscal future is their stock in trade. They will certainly be reluctant to respond to any appeal for long-time financial commitments based on a municipal plan that stops somewhat short of the next payday.

Brian Sullivan, a planner specializing in housing and community development, is a member of the Pratt Center staff.

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Paragraph H/Suburbia's New Bauble

James Greene



"The credit reflects the discrimination that has marred our national housing policy for three decades. . . . Renovations, no matter how extensive, don't qualify."

A tax credit of 5 per cent of the cost of buying a home (\$2,000 maximum) was given taxpayers in March under Paragraph H, Title II, of the Tax Reduction Act of 1975. The maximum credit is thus available to those buying homes costing \$40,000 or more.

Unfortunately, the credit reflects the discrimination that has marred our national "housing" policy for three decades, with evermore disastrous results. It is limited to those who purchase "a new principal residence," with the purchaser as first resident. Renovations, no matter how extensive, don't qualify. This leaves the millions of taxpayers in the central cities holding a very big bag. They will have to foot the estimated \$900 million the credit will cost, with little benefit to their own communities. The restriction of the credit to **new** housing, of course, is designed to help the nation's homebuilders sell off some 400,000 recently built houses and 300,000 condominiums, mostly in suburban areas. This in turn will create "additional jobs" to build more housing. These are desirable aims, but should they be accomplished by abandoning tax policy's basic precept that similarly situated taxpayers be treated similarly?

Law vs. Older Homes

Two examples reveal the law's discrimination:

Case A: Tom Brown decides that, since his wife is pregnant, it's time to leave his small city apartment and buy a tract house in New Jersey. The builder built it with special low-cost financing under the FHA. Tom can buy it for 10 per cent down (\$4,000) and also get a 90 per cent FHA mortgage at a favorable rate. And next year he can take a straight tax credit of \$2,000. So he can be a suburban

homeowner for only \$2,000 of his own money.

Case B: Brown's neighbor, Ed Jones, also about to become a father, can buy a nice 1890 brick rowhouse in Boerum Hill, which needs only some new wiring, plumbing, and minor cosmetic repairs. This will cost Ed about \$40,000. He will have to plunk down a third of the cost, \$13,000; the current owner will give him a \$15,000 purchase-money mortgage, and Ed will need to assume the existing \$12,000 first mortgage held by a previous owner at a high rate of interest. He will get no tax credit. The Tax Reduction Act will literally suck people out of the central cities by bribing them to buy new houses, even though they may prefer to remain in the city.

In the fall of 1974, two of the country's leading housing experts urged the homebuilding industry to drop the notion that we have a shortage requiring two million housing starts a year. Prof. Hyman P. Minsky of Washington University, addressing the National Association of Home Builders, stressed that the abandonment of housing stock in the cities is evidence of a "surplus" and that a lower level of construction is more desirable. Similarly, Arthur P. Solomon of the M.I.T.-Harvard Joint Center for Urban Studies told the same forum that there is a need for a redefinition of housing goals.

Annual housing starts of 1.7 million are considered necessary to keep pace with new family formation and make up for abandonment and demolition. Net new family formation runs about one million a year. Housing starts of 1.2 million a year would be sufficient if current housing policy were reshaped to lower the demolition rate. Under current policy, demolitions are being designed to keep pace with housing starts, rather than the reverse.

Since World War II, real housing policy, as distinct from construction policy, has been pursued at the municipal level but only sporadically at state levels. Yet, most of the funding for housing is held by federal agencies that have been providing projects and jobs in the new housing sector. This federal bent has resulted in a kind of national madness: To perpetuate the "shortage" as a rationale for "new" construction, there has been a rampage of demolition rivaling the saturation bombing of World War II. Some 14,000 localities in the U.S. issue permits related to housing, but only 4,300 of these require permits for demolition.

Between 1968 and 1973, these 4,300 locales demolished 777,191 housing units—enough to house 2.2 million people.

In order to qualify for federal construction funds for "new" housing, municipalities have literally been destroying their existing housing stock, but no one has asked why a construction worker renovating a city house is less employed than a tract-development worker in the suburbs.

New York City's congressional delegation voted overwhelmingly for the Tax Reduction Act, despite the fact that it discriminates against their constituents. From 1968 to 1972, the city demolished 61,500 housing units. While it authorized fewer than 122,000 new units in the same period, many fewer than that were built.

Housing now being built under federal auspices will probably last about 30 years. Housing being demolished is far sturdier: Much of it has been around for decades and some for over 100 years. Some 62 per cent of New York City's housing was built before 1939, against the national average of 40 per cent. Inducing citizens to renovate and restore these structures makes far more sense than demolishing them to inflate "new housing starts."

Nationally, sums spent in maintaining, expanding, and modernizing existing homes run about \$21 billion a year—a fairly stable statistic compared to the wild fluctuations in new housing starts. All of this work takes place without assistance from the federal government and its specialized "housing" agencies. Those agencies should be as concerned with maintenance and improvement!

In housing, the American penchant for "new" is particularly inept. "Old" in this context is usually better, often sounder. Old embodies a basic attribute of our architectural heritage. If Congress decides a citizen shall receive a \$2,000 tax credit to buy a new home, it should also apply the credit to the citizen who buys and restores an existing home.

There is some doubt that this discriminatory housing credit could survive a constitutional test. Our nation's mayors should give it that test on behalf of their constituents.

James Greene, Vice-President of the Brownstone Revival Committee of New York City, is a brownstone homeowner in Manhattan.

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Abandoned Housing Properties/The Cause and Cure

Meyer Parodneck



“The only losers . . . are the tenants who lose their homes and the city which loses its tax base.”

Visiting a block of abandoned new-law tenements recently, I was moved to ponder how they got to their present condition.

The abandonment process starts when a neighborhood shows signs of deterioration, future prospects look bleak, and owners lose hope of present values ever increasing.

Operating costs of buildings increase as they age because of worn out plumbing, heating systems, doors, windows, locks, bells, buzzers, roofs, and interior facilities. This, coupled with the inability to obtain any increase in income because of both rent controls and market conditions, prompts the owner to think of ways of salvaging the investment.

The first thing an owner does is try to sell the property, but he soon finds out that there are no buyers. This means that he has no equity in the building, so he attempts to salvage part of his investment by collecting all the rent he can, spending as little as possible on maintenance, and withholding the payment of taxes and water bills. The property may continue in this state for some time, either until a major repair is needed, such as a new boiler, or until the city forecloses and takes the property in a proceeding “in rem.”

Landlords Profit from Fires

Invariably, it seems these properties show signs of fire, windows burned out, and roofs burned through. The occurrence of a substantial fire results in immediate abandonment. The residents are moved out and provided emergency shelter by

the city. The landlord's troubles are ended because no one takes him to court for failing to supply essential services, and since he has already extracted all there is to be gotten out of the building, this is the most fortunate event from his point of view.

In addition, he falls into a sizable sum of money that is paid by the fire insurance company. This money, of course, is not used to repair any damage but is pocketed as a further extraction from the property.

Since properties in slum areas are insured in a high risk pool, operated jointly by the insurance companies at premium rates, no one seems to be very much disturbed by these fire losses. The companies fix the rates high enough to warrant writing the policies. The landlords pay the premiums initially because they need the security and ultimately as part of the process of extraction. Under the terms of mortgage loan agreements, the insurance proceeds must be paid to the mortgagee as security for the loan. If the building burns, the mortgagee can collect the damage to his security from the fire policy. If the loss exceeds the amount of the mortgage, the landlord gets the balance.

Tenants Are Losers

You will note the only losers in this transaction are the tenants who lose their homes and the city which loses its tax base. Since the building is a more important part of the valuation of property than the land, the city suffers an important loss of taxes every time a building is burned and not restored to useful life.

For many tenants a burned-out building may be a fortunate event, since the city pays for the relocation and the tenant's name goes to the top of the list of applicants for public housing facilities. If there is any delay because of unavailable apartments, the Department of Relocation uses emergency facilities, such as specially prepared shelters or hotels, to house the victimized families. For the landlord it represents a total profit. Under the circumstances, it does not take much imagination to suspect that many of the burnings are deliberately planned by the owners of the property. It has been obvious for a long time that the proliferation of fires in certain parts of the city is not a happenstance. It is part of a program of profiting from disaster. The police and district attorneys have sought and caught numerous arsonists, but the process goes on. Why should this be so?

Let us examine the nature of the insurance contract. The reason for carrying insurance in the first place is to enable the owner to restore the property in the event of fire losses. It is not designed to enable the owner to extract additional payment out of the property before abandoning it. Since the tenants, the community, and the city, have a substantial economic interest in the property, why should the owner and mortgagee have the sole right to determine what to do with the proceeds of the policy?

Insurance Should Repair Damage

They should not. From an economic point of view and in recognition of the interest of the community and the city, the proceeds of fire insurance policies should be applied first to the restoration of damage done by the fire. That would accomplish the purpose of the insurance by restoring the property to its original condition and value. It would preserve the security of the mortgagee by continuing and protecting the value he bargained for. It would prevent the continuing deterioration of blocks and whole neighborhoods of fine buildings. It would eliminate the incentive on the part of unscrupulous landlords to destroy the property for their exclusive benefit. It would provide living space for families that the city sorely needs. It

would arrest the abandonment of buildings just because they were damaged and no one wants to invest new capital in their restoration to useful service, and finally, millions of dollars of real estate taxes would be realized by the city as a result of the arresting (and reversal) of the blighting process.

Legislation Needed to Protect Buildings

As we see, the owners are not the only ones who have an interest in their residential buildings. It is well established that residential properties are affected by a vital public interest. Rent controls limit the rights of citizens to enter into contracts because of the emergency housing shortage. The city's taxes are a prior lien on the property, superior to the fee owners and the mortgagees. The requirement that insurance proceeds be used first to repair the damage is a reasonable way to protect the city's and the public's paramount interest.

In view of the emergency, the community's interest in the housing supply must find expression in the need to preserve existing housing stock.

A walk down any street in the South Bronx or in East New York will convince anyone that if the thousands of dollars of insurance money that were paid for every burned-out building were applied to the repair of the damage, practically all of the abandoned properties would be useful, rentable, and occupied for living purposes.

Legislation to bring this about is an urgent necessity.

New York State Senator Carol Bellamy is drafting such legislation and will introduce it at the current session of the Legislature. Our legislators should be told to support the Bellamy bill.

Meyer Parodneck, who keeps a close watch on city housing problems, is president of the Consumer-Farmer Foundation, 101 E. 15th Street, New York City 10003 (673-5600). The Foundation has granted "seed money" for a number of neighborhood housing rehabilitation projects.

Community Development Year II How the City Stole CD

Brian Sullivan



“Perhaps it is the lack of progress that so angered and frustrated those who testified at the planning commission hearing against the city’s plan.”

On February 10, 1975, the City Planning Commission held a public hearing on the city’s plan to spend \$102 million of Community Development funds obtained from the federal government for the *first* Community Development year. On January 19, 1976, the Planning Commission held another public hearing, this time on the city’s plan to spend \$102 million in the second Community Development year. In between, the city had done virtually nothing even remotely related to Community Development, though it had managed to spend some \$30 million, mostly on staff salaries.

Perhaps it is the lack of progress that so angered and frustrated those who testified at the Planning Commission hearing (and later at the Board of Estimate hearing) against the city’s plan. Perhaps it is the arrogant way in which city bureaucrats had excluded the public from the deliberations on how to spend *public* money. Or perhaps it is the contents of the plan itself. In Community Development Year II the city proposed to spend its \$102 million on many of the same programs on which it had failed to spend the money in CD Year I. Major sums are proposed for Model Cities programs in the Bronx, Manhattan, and Brooklyn — upgrading public housing projects, ongoing costs of Urban Renewal areas, a housing rehabilitation program, a housing maintenance and repair program. An inordinately large sum of money is proposed for city administration costs, particularly HDA costs (over \$10 million).

However, there are some major changes in policy contained in the plan that clearly are against the interests of the low- and moderate-income people the CD program is supposed to help.

The most blatant of these are:

The so-called Economic Development projects that benefit private entrepreneurs rather than provide jobs for low-income people.

The use of CD monies (that are supposed to supplement city funds, not replace them) for sewers and other construction projects usually funded by the city’s Capital Budget (which was severely curtailed this year).

Cuts in CD funding for Model Cities programs that, while flawed, are the only programs operating in low-income areas.

Cuts in funding of community housing groups (including PAC groups—Project Area Committees).

A recommendation for repeal of the Merola law that requires hearings before rent increases are imposed in Mitchell-Lama housing; the law also permits rent increases only every two years.

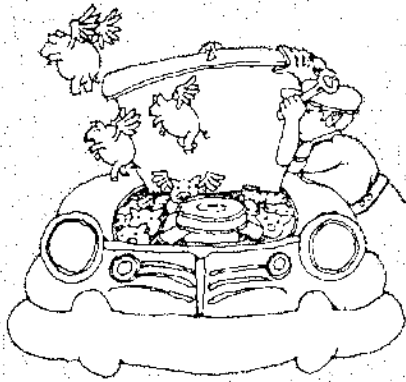
A recommendation that “automatic” rent increases, without any means for appeal, be allowed for extraordinary cost increases.

An implicit shift toward a policy of “planned shrinkage” (a euphemism for a form of genocide coined by HDA administrator Roger Starr) that would, in effect, abandon entire neighborhoods in what Starr considers “less vital” areas of New York City.

These and other city policy bombshells were included in what was presented to the public as a modest attempt to meet the city’s most urgent needs for the coming year. It is no wonder that the plan and its authors, particularly HDA administrator Starr, drew such heavy criticism in recent weeks. The preceding summary of the Pratt Coalition testimony contains the major points at issue between the city government and the communities it is required by law to serve.

Brian Sullivan, a planner specializing in housing and community development, is a member of the Pratt Center staff.

EnviroNotes

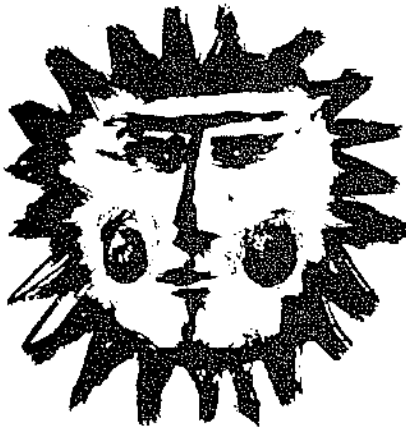


Crash Diet For Overweight Cars America should put its cars on a reducing diet, according to a technical study presented recently at the national congress of the Society of Automotive Engineers.

The industry study says that 200 pounds of heavy steel in automotive parts could be replaced by 80 pounds of such lightweight materials as aluminum, plastic, or new lighter weight steels. This weight reduction would allow designers to use smaller engines, transmissions, and lighter structural supports.

The Environmental Protection Agency estimates that if we reduced the average weight of our cars from the present 3,500 pounds to 2,500 pounds, America would save 2.1 million barrels of oil a day—about a third of vehicle fuel consumption. If, in the next decade, average car weight is so reduced, each owner will save about 100 gallons a year.

But is it safe? Experts at the Center for Auto Safety, a former Nader organization, declare that properly designed aluminum parts are safer than some conventional equipment. For example, Volvo's aluminum bumpers weigh half as much as the bumpers used on most American cars, cost half as much, and withstood impact better during product tests. For absorbing collision force, design is often more important than weight. **Energy Reporter**, Federal Energy Administration, October 1975.



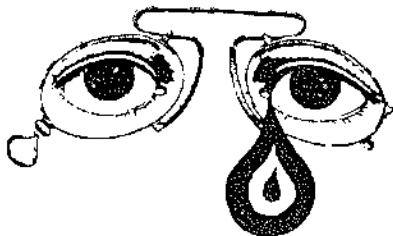
States Save Energy Legislatures in Ohio, Oregon, and Wisconsin recently passed bills requiring improved insulation in new buildings. Legislation to conserve energy is also under consideration in 16 other states.

In California the Federal Energy Administration and the National Science Foundation have granted the Southern California Gas Company \$391,000 to test solar-assisted gas water heaters with some of their residential and commercial customers.

A new source of power may soon be tapped in Hawaii—electric power generated by the heat of volcanoes. Almost totally dependent on imported oil and gas, Hawaiians are showing great interest in developing such renewable sources of power as geothermal and wind energy.

Until now, no one has successfully used the heat of volcanoes to produce energy. But a research team at the University of Hawaii is drilling 6,000 feet into the side of Kilauea, the world's most active volcano. If the researchers find a steady supply of steam or hot water, as they hope, the first 5- to 10-megawatt generating plant could be operating on the site by 1979.

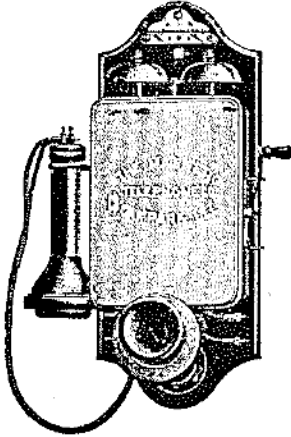
Hawaii also appears to be rich in wind energy. The islands block the trade winds, forcing them around or over the mountains and increasing their speeds. Steady winds averaging 30 to 40 m.p.h. are not uncommon. **Energy Reporter**, Federal Energy Administration, October 1975).



NYC Workers Serve as "Energy Watchers" In an all-out attempt to save energy, New York City municipal employees are volunteering for six-month stints as "energy watchers," nudging their fellow workers into good habits. The program's directors, encouraged by the enthusiastic response of city employees, estimate that the effort will shave 10 per cent from the city government's total electric bill. **Energy Reporter**, Federal Energy Administration, October 1975.



National Parks Complaint Service Did you see something amiss in a national park? Did a concessionaire cheat you? Were you in parks that were overcrowded? Had hikers been vandalizing campsites? Had someone thrown old beds or other bulky refuse into a lake? Friends of the Earth environmental protection group now has a national parks representative to investigate and help correct such park evils. His name is Chuck Williams, and he can be reached at Friends of the Earth, 529 Commercial St., San Francisco, CA 94111. *Chuck spends most of his time on the road, but letters and messages will reach him eventually.*



Utility Advertising Banned in Connecticut The Connecticut legislature has passed a law banning utility advertising at ratepayer expense for political, image building, or promotional purposes. Only conservation advertising, emergency notices, or rate schedules will be charged to ratepayers according to the new law. The utility will be permitted to advertise for all other purposes only at stockholder expense, an unlikely prospect.

Political advertising is defined as advertising designed to influence public opinion on such controversial issues as the deregulation of natural gas prices or the safety and desirability of nuclear energy. Institutional or image building advertising would include sponsorship of television or radio programs and all those, "Hi, I'm Jane, your meter maid!" ads.

Promotional ads are rare these days. In the late 1960s, utilities encouraged customers to buy all-electric homes, washing machines, and air conditioners. This was intended to boost sales, flatten out peak loads so that summer use would equal winter use, and improve service. All it did was boost sales and switch the winter peak to new summer highs.

Similar legislation is being considered in four other states. Connecticut is the first to enact such a bill. **Just Economics**, July-August 1975.



Big Apple People Learn Worth of Urban Gardening Urban gardening for food production, more than for flowers, was the theme of the Big Apple Urban Farm and Food Conference in downtown Brooklyn on November 8. Stressing the importance to the family budget of home or community vegetable growing, Congressman Fred Richmond, one of the sponsors of the conference, told the audience of some 200 consumers and would-be gardeners that there are 500,000 houses in New York City that can support a small garden; 19,000 vacant lots that can produce tons of fresh food; numerous rooftops and apartment patios where tomatoes, salad greens, and dwarf fruit trees can grow.

"On 200 square feet, using compost, intensive planting, and multi-cropping," he explained, "a family can cut costs by hundreds of dollars, and at the same time have fresher, better tasting, more nutritious food."

As a member of the House Agriculture Committee, Mr. Richmond worked for passage of a bill approved by congress that equates urban gardeners with part-time farmers and authorizes the U.S. Department of Agriculture to begin a pilot program to encourage urban gardening in New York, Chicago, and Los Angeles. USDA extension services, previously found only in rural areas, will also become available in cities.



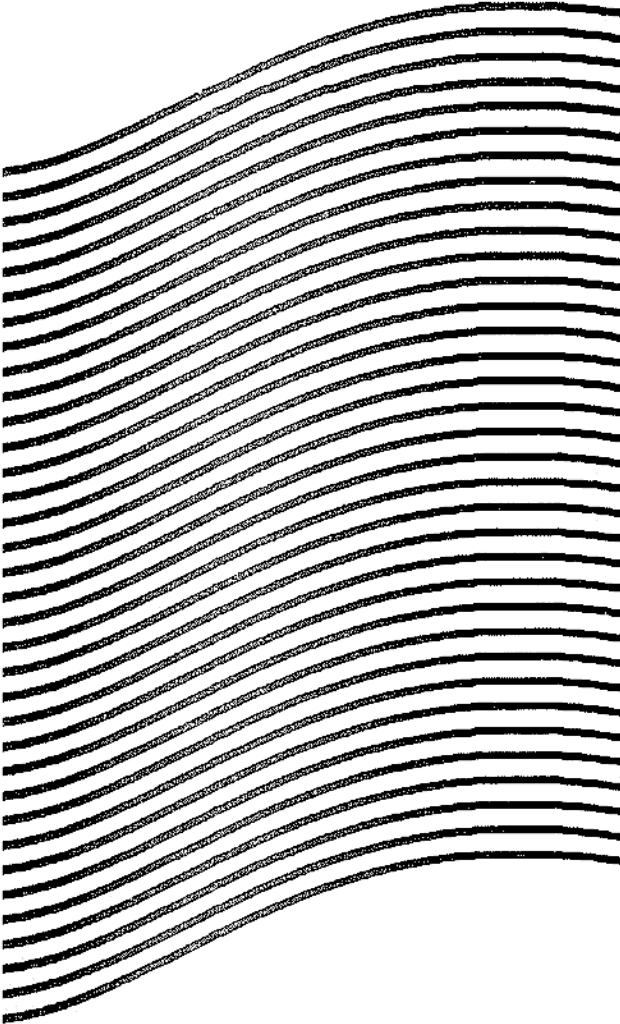
Calls for Consumer-Farmer Coalition The urban farming movement and the growing interest in food co-ops are not attempts to hurt small farmers, he said, but proper reactions to the abuses that the agri-business monopolies are heaping on farmers and city dwellers alike.

He called the conference the opening of a dialogue on a truly national food policy and asked for a new country-wide coalition between those who grow our food and live on farms and those who consume that food and live in cities.

Robert Rodale, co-sponsor of the conference and authority on organic gardening, decried the widely held belief that pollution in city air is dangerous to vegetables grown in urban gardens. He is convinced that urban gardening conditions are safe and that the rumor to the contrary is spread by agri-business interests that don't want city dwellers to grow their own food.

During the day-long conference, panel discussions were led by experts in several related fields, who came from cities as far away as Cleveland and St. Louis. Panelists explored such topics as community gardening, new techniques for urban agriculture production, nutrition and health, alternate uses of urban wastes, producers' and consumers' co-ops, consumerism and farm policy, and the world food crisis.

The conference site was Long Island University's Brooklyn campus.



A Guide to Neighborhood Ecology The booklet of this name, published by the Center for the Visual Environment, June 1975, (13 pages, \$1.00) is designed and written to encourage individuals and organizations interested in neighborhood conservation and the visual environment to become actively involved in their communities. The pamphlet explains what people around the country are doing to protect their neighborhoods from the incursion of intense development, corporate architecture, poorly planned public works projects, or municipal neglect.

A seven-page bibliography, covering such subjects as fast food facilities, signs and billboards, and street graphics, tells the community ecologist where to find all the knowledge he needs to begin working. Information from the National Endowment for the Arts explains how communities can commission or purchase sculpture and paintings and what matching grants are available. Publications relating to historic preservation, public policy, and streetscape, pedestrian environment, and open spaces are all listed.

CVE, a nonprofit organization set up to assist citizen groups to enhance their neighborhoods, encourages exchange of information and promotes the establishment of new groups. Its board of directors includes representatives from environmental groups, labor unions, and businesses, as well as professional architects, designers, and planners.

To order, write CVE, 1525 New Hampshire Ave., N.W., Washington, D.C. 20036. Prices for bulk orders are available. "Brownstoner's Bibliography," reprinted with permission from **The Brownstoner**, publication of The Brownstone Revival Committee of New York City, Vol. 6, No. 5, October 1975.

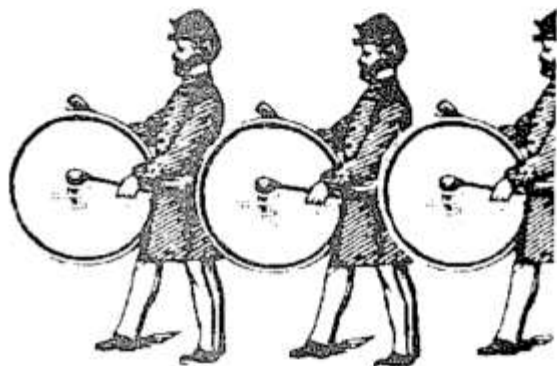


Tenant Patrols Cut Crime in Public Housing The New York City Housing Authority's volunteer Tenant Patrol Program is credited with improving security for 600,000 residents in public housing projects.

The Tenant Patrol, begun in 1968 as a deterrent to crime in the city's 746 public housing complexes, has helped hold major crime in those areas to about one-fourth that of the city as a whole. The program is seen as a workable low-cost alternative to round-the-clock patrols by paid uniformed policemen.

The more than 12,400 volunteers in the program are organized into patrols of about 100 senior citizens, teenagers, and other men and women. Each patrol is headed by a part-time paid supervisor responsible for recruiting, scheduling, and filing insurance reports.

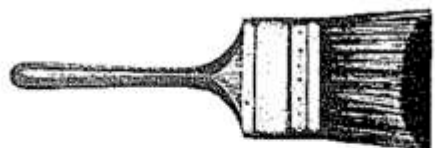
The volunteers are equipped with phones, walkie-talkies, and identifying buttons and jackets. They patrol the hallways, lobbies, and grounds of their buildings, escort elderly residents and women, and discourage vandalism. Close communication with Housing Authority police is a key element of this program.



Patrols Build Community Spirit To encourage continued volunteer participation, light refreshments and indoor games are provided at patrol headquarters, annual awards and testimonial dinners are held, and activities are reported in the housing authority's newspaper for tenants.

Housing Authority personnel credit the Tenant Patrol Program with engendering a spirit of community among many residents of the various developments. As a result, beautification efforts, free lunches, youth patrols, and cleanup campaigns were sponsored to reinforce the self-help concept of the patrols. Other benefits include improved tenant-management cooperation and increased socializing among tenants. **Voluntary Action News**, May/June 1975, periodical of the National Center for Voluntary Action, Washington, D.C.

Additional information on this program may be had from: Charles Owens, Tenant Patrol Division, New York City Housing Authority, 250 Broadway, New York, N.Y. 10007.



Bronx Apartment Lobby Gets "Facelift" A new concept in improving the status of Bronx apartment house neighborhoods is being tried in the Kingsbridge Heights area, where tenants at 3971 Gouverneur Avenue have taken it into their own hands to refurbish and beautify the formerly drab lobby of their 47-year-old building.

Unusual arrangements of mirrors, as well as artificial flowers, wall hangings, and other decorative items were used. Old wooden doors were repainted and brass fittings installed.

The lobby effort has given the tenants' morale a boost, and they have a new sense of pride in residing in the building and maintaining it. Such improvements are seen as a way of halting the outflow of middle class tenants from the Bronx and stabilizing neighborhoods.

How a Garden Grew In Hoyt Street

Edward Moran

"Let a hundred flowers bloom" entered the language as a slogan from the China of Chairman Mao, but in downtown Brooklyn in 1975 it emerged as the rallying cry of a small cadre of residents determined to revolt against urban blight.

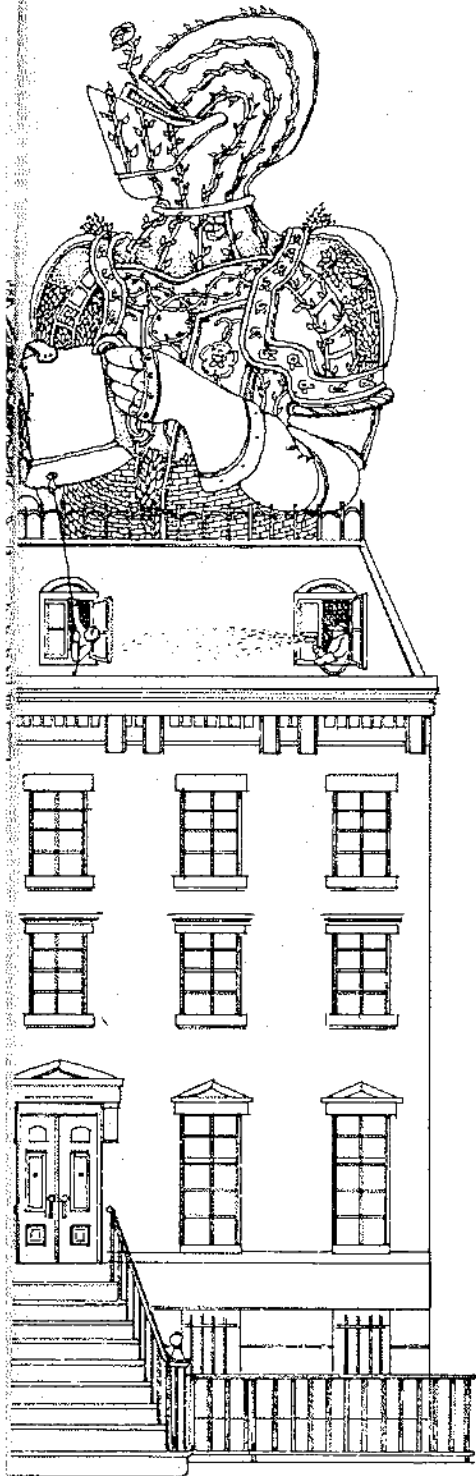
From May through September, they labored to turn a garbage-strewn lot into a mini-park, complete with landscaped garden, colorful flowers, old-fashioned brick-and-iron fence, and full-size mural. The garden is still evolving (spring planting was done), and residents are eagerly talking about the prospect of using the garden next year for neighborhood cultural events: concerts, poetry readings, or drama.

The deed was accomplished by the Hoyt Street Association on the southwest corner lot at Hoyt and Atlantic Avenue, an area that has traditionally been a focal point for civic activity of sorts: In the 1850s, nativist mobs roamed the neighborhood searching out Papists with much the same fervor as present-day bargain-hunters comb the antique shops and galleries that have helped create a renaissance along Atlantic Avenue. One block to the west of the garden, at Smith Street, the keepers of municipal virtue have raised the neighborhood's sole skyscraper, the sickly green Brooklyn House of Detention.

Capital Revives Boerum Hill

But everyone in the area knows and talks about the positive cultural revolution that is sweeping the Boerum Hill district. And the burghers of Hoyt Street are notably sympathetic to the capitalist rejuvenation of an area that,





until recently, threatened to go the way of so many other downtowns. An unusually active block association (even for Brooklyn, where civic-mindedness has sometimes become civic-mania), the HSA has added a touch of nature to the dusky brick, dowager facades that Walt Whitman might have known a century ago.

The garden was officially dedicated on the afternoon of September 27, 1975, at the height of the Atlantic Antic Festival. State Senator Carol Bellamy was there to speak glowingly of the improvements made by the Association. She stressed that the "people-orientation" of the project was a great ray of hope for the revival of old neighborhoods such as this one.

Indeed, the garden is more than a 50- x 20-foot plot of earth. In a wider sense, it is a living symbol of the commitment of a new breed of city dweller—mostly young, rarely affluent—to improving a multi-cultural environment. It is a quiet protest against the Robert Moses/Gargantua mentality that has plagued New York City for decades. It is not so much a wistful longing for suburbia (the garden's originators are urbanites by choice) as it is a testimonial to life and growth along the fuming, noisome thoroughfare that "cuts the heart of Brooklyn in two," in the words of Dean Street poet Jan Barry. Generally invisible from the speeding automobiles passing by, the garden is—as it should be—enjoyable only to the pedestrian, to the latter-day Thoreauvian who finds time to dally a while and take in the

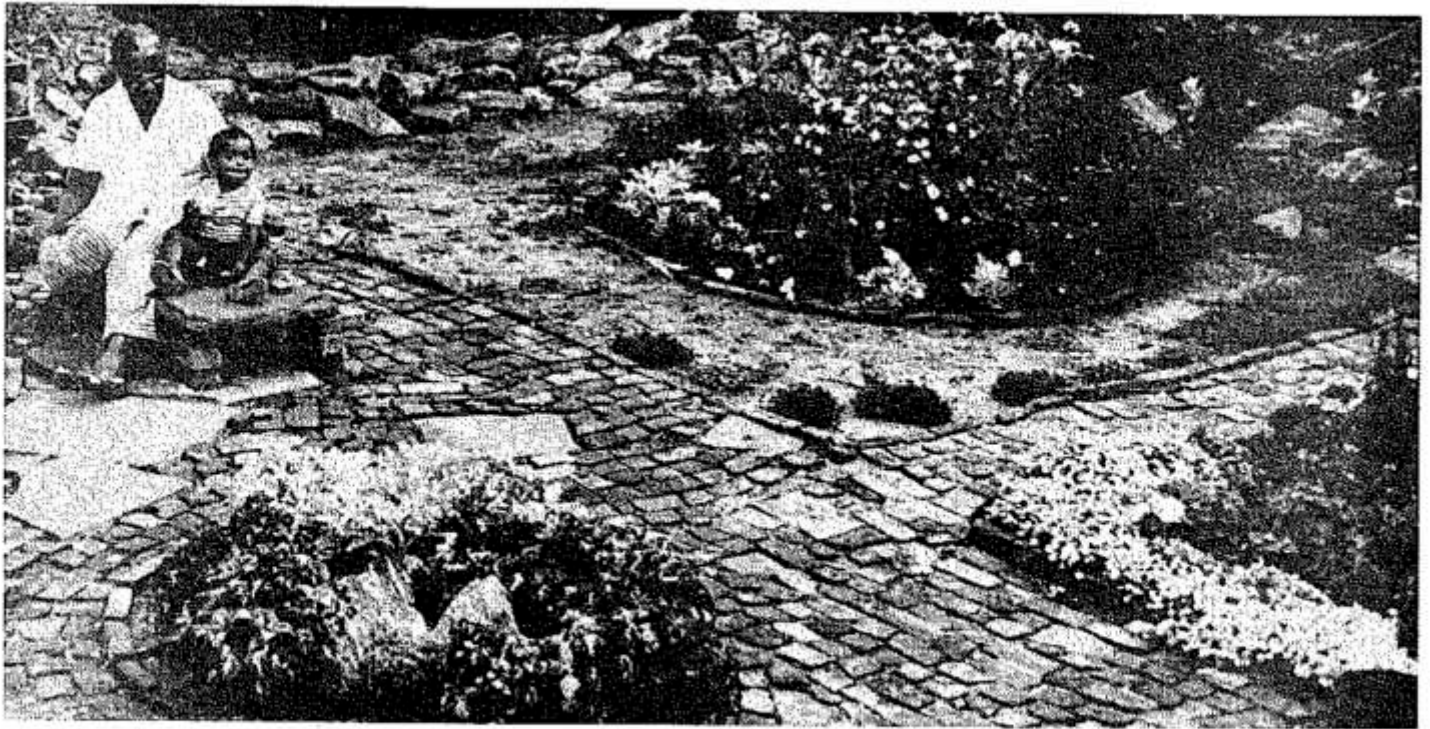
calm surprise of the marigolds and dusty miller and rhododendrons and azaleas dwelling there. 1

"Circus" Initiates Garden

It all started a few years ago when a building on the corner was razed. Some enterprising block residents planted shrubs and a few vines to break the stone-gray monotony of the site, but it was not until 1974 that serious plans for a full-scale, formal park began to materialize. In August 1974, the Hoyt Street Association sponsored a day-long "circus" that raised more than \$1,000 toward the project. But months of negotiation were yet to come before the first spadeful of earth was turned in May of 1975.

The lot is owned by the Iglesia del Cristo Vivo, a Spanish Presbyterian church whose next-door building is shared by the Cuyler Spanish Orientation Center. Some church members wanted to make a parking lot on the corner (although HSA members pointed out tactfully that only two cars could maneuver comfortably in the tiny space). Indecision dragged on through the fall and winter. Then, suddenly on a blustery Sunday in March, the church decided to give HSA the green light for its gardening project, and an agreement was signed giving the block association permission to develop the lot.

The unexpected turn of events posed a dilemma for the hastily organized "garden committee." Some members knew that an immediate show of flowers would be an important psychological boost to the neighborhood. However, others thought it necessary to teach



the community that a successful garden requires patient, well-thought-out planning. The conflicts between the "plant-and-runners" and the "plant-and-plodders" sometimes caused friction, but by midsummer, nevertheless, the park began to emerge as an esthetically pleasing environment.

"How To" Hints on Gardens

An example of the initial confusion might be instructive for other groups tempted to cast seeds with abandon. The Brooklyn Botanic Garden has a program—part of a course in urban horticulture—in which it donates plants to neighborhood groups getting started in public gardening. When HSA was able to go ahead in March, it immediately enrolled two members in the BBG course and soon found itself with several dozen prolific plants demanding to be given roots, but without a place to plant them. The planting season was fast drawing to an end, and the park site was still a wreck of beer cans, broken bottles, discarded furniture, and un-nourished soil. To accommodate the sudden windfall, a special section was roped off and the hapless

foliage planted just in the nick of time. Ideally, of course, the garden committee hoped to plan the entire site carefully (design beds and paths, prepare soil) before introducing a single plant, so this initial planting did result in some duplication of effort and wasted time.

Everyone involved with the project had a strong commitment to recycling materials, both for ecological reasons and to avoid depleting a budget that had to subsidize fencework and gardening, as well as normal neighborhood activities. Most of the broken brick used for the paths was dug up on site or rescued from another razed-building site a few blocks away. When whole bricks were necessary, as for the fence, HSA purchased used ones that suited the purpose ideally.

Fence Is Controversial

The matter of the fence was debated probably more extensively than any other aspect of the park's planning. It was generally agreed that access to the park would have to be restricted. In fact, one reason for some of the church's initial hesitancy about the plan was the understandable fear that the area would be a haven for "undesirables" (that good old New York catch-all phrase for



top/Community residents enjoy garden blossoms

above/Margaret Cusack loading rubbish from lot on Atlantic and Hoyt



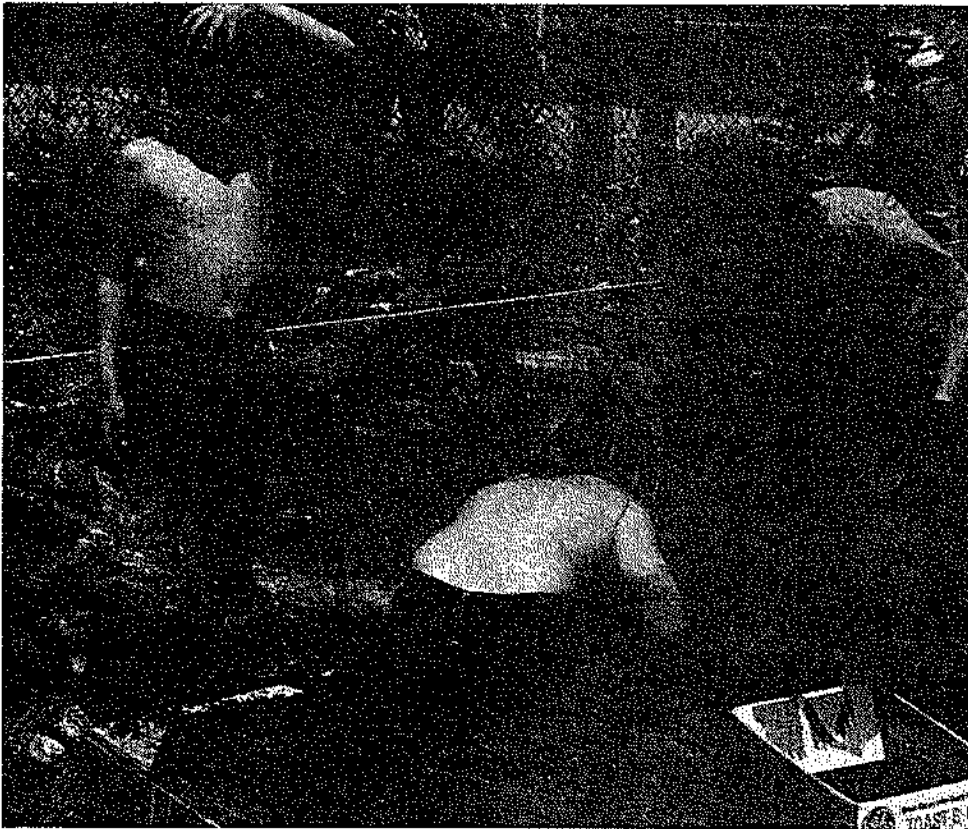
human detritus). And, sadly, even desirables frequently do not share the European's restraint when it comes to letting flowers grow in public.

Some HSA members opted for a simple, cheap solution—a chain-link fence, for instance—that would release more funds for planting, even up and down Hoyt Street. The preponderance of workers, however, was mildly horrified at the thought of such a banal enclosure, and a design was approved for a brick-and-iron fence to replace the rotting wood and rusty wire fence that threatened imminent collapse.

About that time, a neighbor noticed some old ironwork abandoned in a vacant lot in the Bronx, and an expedition was organized to reclaim the fence for the local park. The incident

“ripoff for a good cause” might be a viable new way of organizing the goods of the earth. In this case, however, the puritan ethic of Olde Breukelen was satisfied as well: because of a number of mishaps, it took the expedition a full day of sweat to bring its burden back to Hoyt and Atlantic.

Work began in earnest on the first Saturday in May, when about two dozen people turned out (a record that was never to be equalled; further work sessions averaged about half a dozen). Enthusiasm has a strange but predictable way of running down quickly unless manpower is organized efficiently, something that was not always done. In the future, when ongoing maintenance will



top/Volunteers lay groundwork for fence

above/Richie Ubari watching Jean Musacchio and Peter Tannenbaum sift through rubble to get good planting soil

right/Recycled bricks from other sites were used to landscape garden area

PHOTOGRAPHS/EDWARD MORAN

raises an interesting point about what I call “ecological ethics”—a post-industrial morality that regards property rights as less absolute than does the bourgeois theology of the Judeo-Christian tradition. Under the new ethic, waste is sin, recycling is virtue, so the



be the major focus of activity, participating neighbors will be assigned schedules far in advance, both to spread the work evenly and to avoid excuses of “prior commitments.”

Summer Brings Flowers

Gardening and fence-raising continued side-by-side throughout the summer. Before the warm weather prevented planting, several large beds had been established, both perennial and annual. Some of the plants included were petunia, marigold, nicotiana, snapdragon, muscaria, alyssum, ageratum euonymus, zinnia, and dusty miller, all of which thrived, even near the heavily trafficked avenue. Many plants were donated by a local plant shop and by area residents.

In order to avoid a "flat" look, and to conserve soil as well, it was decided to create curved, undulating brick paths and an elevated rock garden. The landscaping thus evolved from its original near-symmetry to the final version, which attempts to compensate for the small, rectangular plot by creating a variety of planes and areas. The rock garden along the south side is shaded by the church wall and includes rhododendron, azalea, dwarf spruce, begonia, coleus, and herbs.

The final touch was the large mural entitled "The Tree of Life," proposed, designed, and executed by the president of the Hoyt Street Association, who is also a graphic designer. The flamboyant rendering is of a tree with visible roots beneath the soil. Biblical quotations in both English and Spanish and a brief description of the park will be added later.

Bulbs Planted in Fall

Spring planting continued through October and November; tulip, daffodil, and crocus bulbs are about to bloom. Several grandiflora roses were added in November (ideal planting time in this climate). Varieties were chosen for their hardiness, ease of care, and showiness; they include *Arizona*, *Queen Elizabeth*, and *Scarlet Knight*.

The most persistent myth the garden committee hopes to eradicate is the notion that a garden is a once-and-for-all thing, like a fence or a mural. The workers certainly learned that a garden is an ongoing, evolving **process**, not a static, finished **product**. The experience of the past year was an important exercise in human relations as well as horticulture. It was obvious from spectator reactions that a subtle but significant awareness was taking root along with the flora—an awareness of the necessity for all citizens in all

groups to cooperate toward making their neighborhood a more pleasant and satisfying experience. Little by little, "wallflowers" and sidewalk superintendents began to take an interest in the arcane world behind the garden walls. As time passes, the Hoyt Street Association hopes that more people will share the initial enthusiasm that made "a hundred flowers bloom" in the midst of teeming urban life. A garden such as this can help restore the human balance, the human scale, to a city that must not be permitted to lose its capacity for surprise.

Edward Moran, an assistant editor of *Popular Science* magazine, is a native of Wilkes-Barre, Pa. and a Brooklynite by choice.

Update:

The Hoyt Street Association had extra reasons for giving thanks during that past holiday season, having just received notice that their garden had been named as one of the winners in the annual "Dress Up Your Neighborhood Contest" sponsored borough-wide by Mollie Parnis, noted dress designer and city booster.

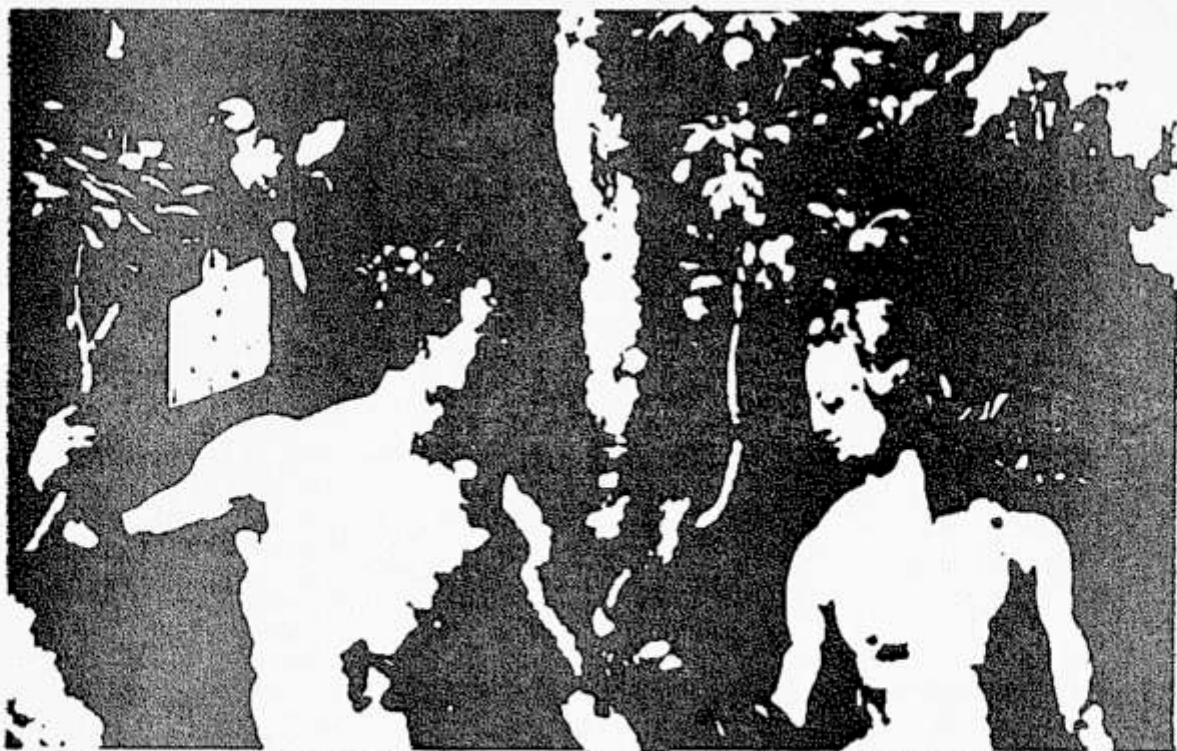
BBG Graduates Gardeners

The Community Gardens course given at the Brooklyn Botanic Garden last spring "graduated" 27 people representing 20 community garden projects, 12 in Brooklyn and 8 in Manhattan. For information about the next course, call Charles Mazza, 622-4433. Brooklyn groups helped by the course included: Washington-Willoughby Neighborhood Association, flowers and vegetables, 269 Washington Ave.; Park Place-Nostrand Block Association, street planters, Nostrand Ave. and Park Pl.; Community Garden of Park Slope United Methodist Church, flowers and vegetables, 6th Ave. and 8th St.; Hoyt Street Association, community garden, S.W. corner, Hoyt St. and Atlantic Ave.; St. Michael and St. Edwards Church, church garden,

Myrtle Ave. and St. Edwards St.; Underhill Ave. and Prospect Pl. community flower garden on a sidewalk strip at that location; Park Place Civic Association, flowers, corner Underhill Ave. and Park Pl.; Parade Place, children's community garden at that location; Cooper Street Block Association #3, community garden, Cooper St., between Evergreen and Central Aves.; Carroll Gardens Brownstones, flower garden in park, west end of Carroll Park, Carroll and President Sts.

In Manhattan were: Downtown Farm Association, vegetables, Front St. between Fulton and John Sts.; Bowery-Houston Farm Garden, vegetables, N.E. corner of Bowery and Houston St.; Green Guerrillas, community garden, Elizabeth St. to Bowery on E. Houston St.; Ruppert's Green, community garden, 93rd-95th St., between 2nd and 3rd Aves.; Educational Alliance, children's vegetable garden in park, 197 E. Broadway at Jefferson St.; W. 71st Street Association, vest pocket park, tree pit gardens, W. 71 St. from Central Park to West End Ave. The three-year-old garden of the Jane Street Association was sold at auction to a real estate developer, who dug up all the plants.

Another source of information on starting a community garden is Green Guerrillas, 51 Chambers St., New York City 10007—566-0990. The Guerrillas can also be reached at the New York Botanical Garden, 105 Watson Bldg., Bronx 10458 or at the Brooklyn Botanic Garden, 1000 Washington Ave., Brooklyn 11225.



Repentance for the City's Profligacies

Andrew Hacker

By all means let us have some serious belt-tightening if that is Kankakee's condition for buying our bonds. But there is another, implicit, proviso. What is also wanted is some kind of *mea culpa*: repentance for past profligacies and ill-considered programs.

That New York has lived beyond its means no one can question. But apologies are quite another matter. Many outlays—like sabbaticals for public-school teachers—were frivolous or worse. Yet in the final reckoning, the city need feel no shame over how it spent its money. (Even if it was money it did not have.)

Perhaps we overpaid our sanitation men. Yet with decent wages they bought homes in Bensonhurst and sent their children to Fordham law school.

Of course the municipal payroll mushroomed. But private enterprise ceased creating new jobs over a decade ago. An expanded civil service has provided jobs for thousands of able-bodied people.

With less than 4 per cent of the country's population, New York has 13 per cent of its public-housing units. Most cities praised for fiscal prudence have sidestepped this responsibility. High-rises may tend toward the impersonal. Even so, they beat tenements with rats in the walls.

True, the city paid out more in welfare benefits than other municipalities. But only because it seemed somewhat shameful to make a mother with two children live on less than \$75 a week.

Tucked away in its bureaucracy are unsung departments making major contributions. For example, the Bureau of Laboratories, which carries on basic medical research. Its scientists have developed tests for gonorrhoea and lead poisoning that are now standard procedures. The venereal culture is even named after the city: **Neisseria (NYC medium)**.

The city has always found some funds to help out Lincoln Center, the Metropolitan Museum, and the Public Theater. One reason Chicago can balance its budget is that it doesn't put Shakespeare and Stravinsky in its parks.

Several myths need scotching: Rather than having "lost" its middle class, the city now has a larger middle-income stratum than at any time in its history. A quarter of a century ago, only 4 per cent of the population had incomes in what might be called the Bloomingdale's bracket. Measured in real purchasing power, that class now embraces 20 per cent of the city. As a result, New Yorkers support more good restaurants, art galleries, and dance companies than in any previous period.

Official figures also undercut much of the so-called "flight" to the suburbs. The most recent census returns show that for every 100 college graduates who quit the city, 137 out-of-towners arrived to replace them. Similarly, as 100 people with professional jobs headed for the suburbs, the city was attracting 141 newcomers with equivalent credentials. As a matter of fact, the typical leaver was more apt to hold a high school diploma and a blue-collar job.

The overall decline in jobs began well before the recession and stems mainly from shifts in industrial location. (Before World War II, factories provided most of New York's employment.) Even so, at last count a higher **proportion** of the city's working-age residents were employed, compared with two decades earlier. This rise reflects the increased female quotient in the labor force.

While the city lost 304,158 gainfully employed men between 1950 and 1970, the number of working women rose by 218,904. New York may have fewer jobs in absolute terms; but it also has fewer housewives.

The city has maintained its tradition of welcoming all manner of immigrants. Newcomers from varied places have brought not only entrepreneurial ambitions but a willingness to do jobs no one else will take. Much of the hope for restoring the city's commercial fortunes rests with this most recent wave of arrivals. They have much in common with their turn-of-the-century counterparts, including standing over a pushcart.

Austerity, of course. But guilt would be gratuitous. Generosity of spirit is a rare commodity in municipal governance. Better to give outland investors a few more percentage points than repudiate a humane and civilized past. (© 1975 by the New York Times Company. Reprinted with permission; also reprinted with permission of the author.)

Andrew Hacker, who teaches political science at Queens College, has recently completed a study, "The New Yorkers," for the Twentieth Century Fund.

In Case of Fire

Brownstones don't burn easily, but. . . . Fires in one- and two-family dwellings take a toll of 4,400 lives in the U.S. each year. The National Fire Protection Association says that **time**—time to make an escape—is the prime factor in saving lives when fire strikes. Therefore, every family should undertake a fire check and devise an escape plan: Determine two means of escape from each bedroom; one, the door, the other, a window that opens easily (or consider installing an escape ladder or cutting a door between bedrooms). Draw up a floor plan of the house showing windows, doors, stairs, and roof tops, and indicate each family member's escape route. Keep these routes unobstructed. Sleep with bedroom doors closed—that will retard the fire and increase escape time. Agree on a way to awaken the family (whistles, bells, etc.), and set a meeting place outdoors for a head count. **And practice these escape procedures!**

Alarm Devices—another way to gain time is to install detectors. Two types have been developed—heat detectors for flaming fires and smoke detectors for smoldering fires. Ideally, a home should have both, a smoke detector near the bedrooms and heat detectors in other areas. They can be purchased individually or as part of a system. Wired systems cost \$400 and up, a single-station smoke or heat detector, about \$50 and up. Before signing a purchase agreement, get price quotes from several dealers, and make sure all bids are based on the same degree of protection. All equipment should be labeled by a nationally recognized fire-testing lab—Underwriters Laboratories (UL) or Factory Mutual (FM).

Naturally, it's best if you don't have a fire at all! Aside from the danger, there's the expense: Fires annually result in losses estimated at \$700.7 million, approximately \$1,200 per fire. The National Fire Protection Association lists the four main sources of residential fires as smoking, heating/cooking, inadequate wiring, and storage of hazardous materials. They suggest these precautions:

Smoking—In addition to the obvious, don't smoke in bed; keep matches away from children; don't empty warm ashtrays into wastebaskets. Keep an old coffee can as a "butt bucket."

Heating and Cooking—Be sure appliances carry the seal of a nationally known safety testing lab, such as UL or FM, and are properly installed. Have heating equipment checked yearly. Keep space heaters away from curtains, bedding, furniture, and clothing; provide proper ventilation when heaters are in use. Use fire-retardant roof covering.

Source of Ignition/Fires in One- and Two-Family Dwellings

HEATING AND COOKING EQUIPMENT	ELECTRICAL EQUIPMENT	SMOKING MATERIALS	OTHER SOURCES
32.3%	16.8%	25.3%	25.6%

Where Fires Start in One- and Two-Family Dwellings

KITCHEN	LIVING ROOM	BEDROOM
21.6%	37.2%	12.8%
HEATER OR UTILITY ROOM	OTHER AREAS	
14.2%	14.2%	

Wiring—Check electrical cords routinely for wear and keep cords in the open, not under rugs; use the right size fuses in each socket and replace a defunct fuse only with one of the same size; use special circuits for heavy-duty appliances.

Storage—Keep storage areas cleared of combustibles like paper, cartons, or oil-soaked rags; keep flammable liquids in closed containers, paints and paint removers in metal cans.

Neighborhood associations can order many useful publications, including pamphlets in bulk for distribution to residents in the area. Some recommended for brownstoners are:

G106/Home Fire Check (\$4/100)

G105/Home Fire Detection (\$4/100)

FR75-1/A Study of One- and Two-Family Dwelling Fires (\$2.25 each)

74/Household Fire Warning Equipment (\$2 each)

Write to NFPA Publications Sales Dept., 470 Atlantic Ave., Boston, MA 02210. (Reprinted with permission from **The Brownstoner**, publication of The Brownstone Revival Committee of New York City, Vol. 6, No. 5, October 1975, and with permission from National Fire Protection Association, Boston, MA 02210 for reference to NFPA G-105, Home Fire Detection, Copyright © 1974; NFPA G-106, Home Fire Check, Copyright © 1974; NFPA FR 75-1, One- and Two-Family Dwelling Fires, Copyright © 1975, and NFPA 74, Household Fire Warning Equipment, Copyright © 1975.)

Health & Safety

Closing of Northside Firehouse Endangers Neighborhood Survival

The following is excerpted from testimony presented on February 4, 1976, by Ron Shiffman, Director of the Pratt Center for Community and Environmental Development, before the Special Committee on the Reduction of Fire Services in New York. Mr. Shiffman spoke on behalf of the Northside community in Williamsburg, Brooklyn, where members of the Center staff have worked for the past three years as planning consultants.

I would like to preface my remarks by stating that any cutback of fire services anywhere in this city is an outrage. The people of the Northside, and particularly those responsible for the Peoples Firehouse struggle, are in the front line of defense against an economic policy that is destroying people and neighborhoods—whether in the Upper West Side where 10 people were killed by fire early this morning or at 1001 President Street in Brooklyn where a fire made 66 families homeless this past weekend. (Ed. In the Peoples Firehouse struggle, citizens of the Northside are occupying a city-closed fire station, holding the fire engine “hostage,” and providing minimum fire services out of a station wagon.) The elimination of fire protection anywhere and at any time is intolerable, but this year the cutback in the city’s emergency repair program, the dramatic increases in fuel costs giving rise to the use of unsafe heating alternatives, and the lack of proper maintenance services in much of the city’s housing have frighteningly increased the likelihood of fire.

Fires Imperil Northside Upturn

The closing of the firehouse in the Northside is critical because since 1974 the neighborhood has begun to reverse its earlier decline. The shut-down will, without doubt, overturn this trend, and the economic and social costs to the residents of the community will far outweigh any projected savings in operating costs. The result of a policy of shutting down fire stations will inevitably be to destroy the city’s older neighborhoods.

With the local firefighters gone, the largely wood frame housing stock in the Northside, located in a factory area with chemicals, paints, and other flammable substances, becomes extremely vulnerable. The psychological impact also conditions the energy and commitment of people to rebuilding and preserving their neighborhood. The U.S. Department of Housing and Urban Development (HUD) in a publication entitled *The Dynamics of Neighborhood Change* points out that decisions such as that to close a firehouse have a major impact on the processes of decline:

It is what people decide to do, or not to do, that causes neighborhood change (read decline). The decision of households is a key one, but the decisions of private intermediaries (banks, contractors, real estate brokers) and public intermediaries (school boards, police forces, fire departments, sanitation services) are also important.

Insurance Redlining Feared

The rezoning of the Northside in 1973 and again this year to allow for new housing construction in this mixed residential/industrial area will become academic if the reduction of fire services intensifies insurance redlining (refusal to grant insurance in areas the insurance companies think are unsafe and substandard). That redlining in turn negatively affects mortgage opportunities or the ability of residents to obtain home improvement loans. This financial crunch then speeds exodus, the development of an aging population, housing abandonment, increased fires, needs for more services, and the creation of an advanced cycle of deterioration. To quote again from the HUD document:

Preventive action is more likely to be successful than ‘after the fact’ cures. The costs of treatment efforts aimed at preventing decline or reversing the beginning of neighborhood deterioration are relatively low compared to redevelopment costs—and the payoffs are high.

U.S. Warns of Birth Risks Related to Use of Tranquilizers

Valium, Librium, and other tranquilizers taken during pregnancy may increase the risk of birth defects, warns the U.S. Food and Drug Administration in a report to health professionals. Valium is the most widely prescribed drug in this country.

The Center for Disease Control found in a study in the Atlanta area that babies with cleft lips were being born more frequently to women who had taken Valium during their pregnancy than to those who had not. The generic name for these drugs is meprobamate. **New York Times**, September 27, 1975.

Younger Women Cautioned on Breast X-Rays

Mammography—x-ray examination of the breast—should not be used in routine programs for detection of breast cancer in women under 35 who are “without complaint, without previous cancer, without physical findings, and without a strong family history of breast cancer.”

This is one of four recommendations presented by the American College of Radiology panel of experts on mammography and adopted, with slight modification, by the Food and Drug Administration's Advisory Committee.

The recommendation against routine mammography examinations for women under 35 is based on the low incidence of breast cancer in this age group and the decreased effectiveness of the procedure in detecting early breast cancer in younger women. This is because the breast tissue

in younger women is firmer and more fibrous and may obscure early signs of breast tumors.

The panel said the efficacy of routine breast x-ray examinations for women in the 35-50 age group requires more study. This work is underway in a large-scale breast cancer screening program sponsored by the American Cancer Society and the National Cancer Institute. The project, begun in 1973, involves the examination of 270,000 women, none of whom have evidence of breast cancer, in 27 detection centers across the U.S. Its purpose is to learn if current detection methods, such as physical examination, x-ray film mammography, and thermography (a method of detection in which cancerous cells are found to give off more heat than normal ones), can spot cancer before the woman becomes aware of a breast lump. **FDA Consumer**, June 1975.

Budgets for Retired Couples Rise 11 Per Cent

The estimated cost of living for an urban retired couple (husband 65 or over and his wife, self-supporting and in reasonably good health) was about 11 per cent higher in the fall of 1974 than a year previously. Average annual costs amounted to approximately \$4,200 at the lower level, \$6,000 at the intermediate level, and \$9,000 at the upper level. Costs do not include personal income taxes.

The increase in food prices from autumn 1973 to autumn 1974 was smaller than the 20 per cent rise in the previous year, but it was substantial—13 per cent at the lower level and 10 per cent at both intermediate and higher levels. Living costs in the metropolitan areas of New York, northeastern New Jersey, and Buffalo are higher at all three levels than U.S. averages. For the former, the figures were \$4,756, \$7,105, and \$10,665 for lower, intermediate, and higher budgets. For the Buffalo area, the comparable figures were \$4,620, \$6,663, and \$9,823.

For U.S. families at large, the median income, adjusted for inflation, decreased by about 4 per cent between 1973 and 1974, according to the Bureau of the Census. Median family income was \$12,840, up about 7 per cent over 1973; but when the figures are converted to constant dollars, the 1974 median drops 3 per cent. **Labor News Memorandum**, Vol. XXX, Nos. 35-36.

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On or about July 7, 8, and 9, a National People's Housing Conference will take place in New York City under the sponsorship of members of the Pratt Conference Coalition and several other local and national housing groups. The conference will address the issues of inadequate federal housing policies and urban programs, as well as the state of housing abandonment and deterioration in the face of the dismal unemployment in the housing construction industry. All members of neighborhood housing and preservation groups and other interested citizens are urged to save the dates and plan to attend. Further announcements, by mail and in the press, will be forthcoming later in the spring.

* * * * *

All community groups that are disenchanted with the city's Community Development performance and proposals should write to the Pratt Center at 240 Hall Street, Brooklyn, N.Y. 11205, or the Association of Neighborhood Housing Developers, 29 E. 22 Street, New York, N.Y. 10010, if they wish to participate in a petition and/or a lawsuit to bring about changes more responsive to low- and moderate-income neighborhoods.

* * * * *

Neighborhoods First, a conference on redlining in New York State, sponsored by a broad spectrum of community groups, will take place on Friday, May 21, beginning at 9 a.m. at the Holy Cross Church, 332 West 43rd Street in Manhattan.

For further information, contact Ron Shiffman or Brian Sullivan at Pratt Center, 622-5026/7. More information will be on its way in the near future.

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