Running the City for the People

By Eve Bach, Nicholas R. Carbone, and Pierre Clavel

Urban renewal, the federal highway program, Model Cities, community action, and later programs developed in the last decade came into existence under an umbrella of planning, and they each demanded, and provided support for, planning staffs. But even as these programs have been eclipsed by fiscal restraint, a new kind of planning has emerged in several cities. In the face of fiscal cutbacks, these cities pioneered redistributive policies while other cities cut back services ever more severely.* Berkeley, Calif., and Hartford, Conn., are striking examples of planning and implementation under progressive majorities. Their planning, more than most, expressly focused on the interests of relatively disadvantaged groups, on challenging the agendas of elite-oriented planning, and on institutional innovation carefully adapted to local circumstances.

*For example, Cleveland elected populist Mayor Dennis Kucinich and for two years experienced a number of progressive administrative initiatives—many of them based on earlier advocacy in the City Planning Department. Madison, Wisc., Burlington, Vt., and Santa Monica, Calif., are other cases in point.

EVE BACH is special assistant to the City Manager, Berkeley, Calif. NICHOLAS R. CARBONE is at the Hartford Policy Center. Pierre CLAVEL is professor of city and regional planning, Cornell University. This article is adapted from "Progressive Planning: A Report from Berkeley and Hartford," Working Papers in Planning *51, Cornell University.*

HARTFORD AND BERKELEY

Progressive planning developed in different ways in each place. In Hartford, there had been competent and vigorous staff work since at least the mid-1960s, but the major growth in planning came after 1969 as a new coalition of neighborhood activists and liberals gained seats in the city council. By the early 1970s this group had gained effective political leadership of the city and began making key administrative appointments. From the beginning, they were conscious of their neighborhood constituency and the desperate economic and fiscal obstacles to survival as a community. Hartford was a major insurance, banking, and government center, but its population was primarily poor white ethnics, Blacks, and Puerto Ricans who provided 43 percent of Connecticut's welfare caseload. A Brookings Institution study found the economic disparity between the city and its suburbs to be the third worst in the nation. In these circumstances the council majority led by Nicholas Carbone vowed a policy of advocacy on behalf of the have-nots, and argued the legitimacy of using all the resources of local government in pursuit of that policy. They were to develop and implement this policy through the decade, until their defeat at the polls in 1979.

In Berkeley, the progressives for many years had minority representation in the city council, prior to moving into a leadership role in 1979. This began with the election of Ron Dellums—now Berkeley's U.S. Congressman—in 1967. The progressives used their minority position to advocate the use of public capital for cooperative housing, economic development, and community-based energy and social-service programs. They designed these programs in the 1970s as city resources were expanding, and capital accumulation could take place at the margin of growth. In April 1979 the citizens of Berkeley elected five progressive city officials: the Mayor—Gus Newport; three council members—Florence MacDonald, Veronika Fukson, and John Denton; and the City Auditor—Anna Rabkin. The three council members plus the Mayor comprised a near majority in the nine-person council because they had the frequent support of a then-unaffiliated member, Carol Davis. In 1979 this group set about implementing some of the programs that had been part of progressive platforms for over a decade. This period of progressive influence lasted two years. The 1981 election was swept by more conservative candidates who have regained control of the city council.

Intense planning over a long period of time marked both the Hartford and Berkeley groups. This planning was marked by a commitment to redistribution, which distinguished the Hartford and Berkeley progressive leadership from the "liberal" ideals that prevailed in a great many other cities with equally impoverished constituencies. The Hartford and Berkeley leadership aimed to serve the poor quite openly and publicly. The result was that they did quite a lot of open, synthetic, public, and progressive planning.

In Hartford, starting from a general position of advocacy for the have-nots, the city council moved through a series of analyses to detail its strategy. There had been a Plan of Action prepared by a "Committee of 100," and a two-year Model Cities planning process that involved a lot of neighborhood interaction. The studies impressed the council with both the extent of the economic depression facing city residents and the extent to which these economic problems were a distributional issue between city and suburbs.

Hartford had lost over 10,000 manufacturing jobs. Of the existing work force of 134,000 people at the beginning of the 1970s, only 34,000 were city residents. Of the 98,000 jobs in eight surrounding towns, only 18,000 were held by city residents. Hartford had the highest percentage of the unemployment, over 50 percent of the work force in some neighborhoods. The city's population was marginal in terms of income. It was a population that needed subsidy for housing, for health, for recreation. They had inadequate income; any they might have went to pay for basic essentials: food, clothing, and shelter. An analysis by the Council on Municipal Performance clarified these inadequacies for the city council. Comparing 1970 population census figures to the Bureau of Labor Statistics' deprivation level showed that the incomes of 61 percent of the population of 158,000 were substandard by an average of $1,528 per year. There was no way the city could find the tax revenues to make up that difference.

From this analysis, the council developed two major strategies. One was to reduce the cost of living within the city through a series of innovative public-service systems such as energy conservation and a community food system. The second strategy was to increase incomes. The key to this end was a land use and transportation strategy that included litigation to block suburban industrial development and highways and mass transportation policies that would encourage suburban development at the expense of the city, as well as a set of positive development plans.

These latter plans evolved along with council action, and were elaborated piece by piece as they were needed. There was no one published document that could be pointed to as the "Hartford Plan." But public statements were frequent, and in early 1976 the council formally adopted a series of policy papers, which, with succeeding documents, boiled down the underlying themes into three:

1. To increase jobs and income for unemployed and underemployed Hartford residents.
2. To improve the fiscal health of the city of Hartford.
3. To revitalize Hartford's neighborhoods.

These ideas, with their implicit and explicit redistributive implications, were dramatized by the Hartford leadership. Most spectacular was a suit, brought by the city against HUD and six suburban towns, to stop the distribution of Community Development Block Grants because those towns had not filed adequate low-income-housing plans. The suit was successful in that it provided a context for negotiation between city and suburbs on other issues, and allowed the council to make public its case for Hartford's redistributive claims: on welfare, federal highway funds, suburban affirmative action, and others, in addition to housing.

In Berkeley, progressive forces operated from a minority position from 1967 until their council victories of 1979. During that period, Berkeley Citizen's Action (BCA) and similar coalitions that preceded it produced a succession of separate programs operating from outside the central control points of city government. BCA was able to pressure a reluctant council to support some of its programs, such as the Savo Island Housing Cooperative. In addition, the city made rapid affirmative-action gains during this period due to a significant degree to the aggressive demands of the progressive minority on the council.

During the decade of minority participation in city government, BCA also successfully used the initiative process to change city policies and practices. BCA placed before the voters initiatives that established a civilian police review commission, controls over housing demolition, inclusionary requirements for low- and moderate-income housing in new housing developments, strengthened citizen participation on city boards and commissions, and rent control.

Public statements of overall strategy emerged from this experience in opposition—most notably a book, *The Cities' Wealth,* by E. Bach, et al., published in 1976—which combined discussion of tactics with substantive policy and programs. The authors included tactics that they saw as

> examples of structural, or nonreformist, reform, extending the actual or potential realm of people's power. We have tried to avoid techniques for conventional political shifts, where one group with similar goals nudges out another for position at the top, but the structure remains intact.

They interpreted the goals of the progressive coalitions as

> efforts to improve the economic position of the city's many renters and small homeowners . . . support for free social services to the underserved poor, the transient, the young, the disabled and elderly . . . for affirmative-action programs for ethnic minorities and women, and other programs to rectify past injustices . . . [and] concern with a long list of environmental problems, from industrial pollution to waste recycling.

They saw cities as offering a vehicle to effect these goals. At the time, their main emphasis was on the city as a source of capital: they had the power to tax, own property, annex territory, borrow capital, and own and operate productive enterprises, in addition to being subject, at least formally, to popular control. This combination of redistributive goals, the drive toward institutionalizing popular control, and the notion of using the city as a vehicle for capital formation characterized the list of proposals that followed. These included rent control; a scheme for neighborhood land-use control; cooperative housing; public ownership and

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control of electric power, telephones, and cable TV; proposals for generating cooperative and municipal businesses; a city-operated bank; redistributive tax and fee measures; and the development of increased community participation in and control of various kinds of social services.

In summary, both the Hartford and Berkeley groups articulated public plans and principles that set their agendas and guided their actions. Both rejected the idea that private-sector forces were the main engine of economic welfare and instead opted for public ownership, enterprise, regulation, and services in major ways. They differed in that the Hartford group began with political leadership, while the Berkeley coalition spent a decade in opposition positions. In both cases, policy was to develop out of actions, but they were different kinds of action. In Berkeley, policies evolved from outside of government, from minority-based actions. In Hartford, policies evolved in the course of substantial control of government over a long period of time. Moreover, the background was different in each case: Berkeley was less pressed by economic decline, though it shared the problems of fiscal stress in government, particularly when BCA came into power at the end of the 1970s.

HARTFORD: FROM INVESTMENT TO SERVICE STRATEGIES

In each place, the combination of redistributive policies and plans and the opportunities and challenges of involvement in city administration resulted in an extraordinary record of innovation. Some of the new institutions and practices, particularly those implemented early in the 1970s, were the results of exploitation of federal funding resources, in addition to private investment projects carried over from previous years. But the essence of the innovation was the use of public policy to redirect private priorities. In Hartford, this occurred through public pressure on the tax structure, through a public land development policy, and through the development of new and reorganized public services.

The City as Tax Reformer

In 1978, a state-mandated property-tax reassessment was confronting Hartford with two kinds of effects: a shift of tax burden from neighborhoods that had been experiencing deterioration to those where some reinvestment had been occurring, and an overall shift from business to residential properties. There was the basis for fragmentation of interests and conflict. White ethnic community leaders, representing the areas whose assessments would go up, called for the city council to throw out the revaluation. Black political leaders and civil-rights activists would not stand for any talk of a delay in implementing the new scheme—which would have reduced assessments in their neighborhoods. Municipal unions were mainly concerned about the prospects of revaluation shifting the tax burden from business and commercial property to homeowners—fueling a taxpayers' revolt, they feared, that could lead to massive budget cuts and layoffs. Business leaders argued that their property was overassessed, and wanted an immediate revaluation to lower their property assessments.

In this climate, the council leadership set out to reach the fairest possible solution to the revaluation dilemma. They caused legislation to be introduced in the state legislature covering several resolutions of the problem without committing the city to any one, simply to buy time. They then began meeting with the groups concerned. They pointed out to the Black leaders that, even if the reassessment achieved a redistribution of burden to the relatively better-off residential neighborhoods, their taxes would still go up if the shift from business assessments went through. They talked to the white ethnic groups about the deleterious effects on Black neighborhoods if they continued to bear their present disproportionate burden, and got them to agree to the principle of equity among homeowners regardless of neighborhood. The city council then filed a new bill in the legislature, which fixed the total tax bill that would be paid by homeowners after revaluation at 14.6 percent, the same proportion contributed by residential property before revaluation.

At this point, the Hartford leadership had gotten preliminary agreement on a solution to revaluation that would satisfy the different neighborhoods and, potentially, the public-sector unions. But they faced heavy opposition in the legislature. They then encouraged the formation of the Citizens Lobby to apply pressure to the state legislature. Municipal unions then rallied around the bill, and many city employees, over 3,000 of them residing in the suburbs, began to work in their neighborhoods urging neighbors to contact their state representatives and senators in support of the bill.

The key to passage, however, would be business support. At one meeting with representatives of the Greater Hartford Chamber of Commerce, city leaders' arguments were to no avail: the chamber's executive committee voted to oppose any effort to defer shifting the tax burden from business to residential property. Carbone then sent a telegram to each member of the chamber executive committee, repeating the urgency of the situation and asking for face-to-face meetings among business leaders, community people, and local elected officials. Citizens Lobby members made similar requests of the chief executive officers of the city's largest corporations. As a result, some corporate leaders changed their positions, agreeing to remain neutral in the upcoming legislative battle.

Despite this, some business leaders remained adamantly opposed. Community leaders began demonstrating against the business community, demanding that no more public money be used for downtown improvements.

They picketed tax-delinquent corporations and large companies that were appealing their property-tax assessments. And some groups argued that the city should spend no more tax dollars to rebuild the Hartford Civic Center Coliseum, which had been destroyed when its roof collapsed earlier that winter. At city hall, the leadership began to take a tougher line, looking for bargaining points that could help leverage business support (or neutrality) for property-tax relief. Their top legislative priority was the revaluation bill, which became known as the "differential" bill because it set different rates of assessment for residential and business properties.

At this time, with the business community still generally opposed to the bill, the city council was pressed to approve funds for the Civic Center Coliseum. Hartford's corporate community had a heavy investment in a professional hockey team, the Whalers, which was part of the merger plans between the two major hockey leagues. Without a firm commitment on the new coliseum, the Whalers would be out of the expanded National Hockey League. The franchise—and millions of local corporate dollars—would be lost.

When the request to allocate funds for the new coliseum reached the council floor, Carbone stated he had been too busy working on the revaluation issue to study the resolution concerning the coliseum. He said he needed more time to review the request for funds. Several other council members made similar remarks, and the proposal was tabled. They had made their point. The strongest opponents of the differential bill agreed not to lobby against it, and other business leaders let it be known that they favored the differential as a temporary solution. If a sunset provision were written into the bill, they would support it.

The short-term struggle was won. For a while, at least, a $6 million tax shift to homeowners was avoided. In addition, the coalition-building around reassessment—and subsequent lobbying—generated other legislation beneficial to the city, and created new organizational capacity within the city and linked the city to sympathetic supporters in the suburbs.

The City as Investor and Regulator

At the beginning of the 1970s, Hartford was already a partner in various investment schemes, including urban-renewal projects. The city's role in these projects had so far been relatively limited. It had put up the local share of project subsidies, provided some public works and administrative support, and had left development—and profits—to private developers. But the analyses of the city's welfare population that the council had initiated earlier suggested that a new approach was needed, where the primary objective of city policy should be to supplement local incomes. Consequently every investment possibility was to be evaluated according to the extent it contributed toward this objective, and the city was to use what means it had to direct and regulate investment in this direction. The city's strategy to improve income was accomplished in part by means of the courts and by taking advantage of administrative rules, particularly the federal affirmative-action hiring rules, that had not previously been vigorously followed. In a sense this was a negative strategy, meant to redirect private-sector development that was moving toward the suburbs from the city, and which favored the relatively well-educated white labor force over Hartford's Black, Hispanic, poor, and untrained one. The other side of the strategy was a more positive one: to use vacant land and buildings in the central city as a resource for employing city people. The council decided that the city should become the retail, entertainment, cultural, and food service center for the region, a development that would create a great many entry level and part-time jobs that educationally deprived inner-city residents could get to supplement family incomes.

The first and major project implementing this strategy was the Hartford Civic Center, a $90 million complex in which the city put up $30 million, the private sector the balance. The Civic Center included a hotel and 360,000 square feet of retail space on air rights. The city owned the land but leased the air rights to the hotel, office, and retail space, retaining a part of the equity and a percentage of any profits through the air rights leases. The city had the state legislature enact laws to facilitate these arrangements. It created a Civic Center Authority, which allowed them to set up a body independent from the city yet able to employ people as city employees: the Authority would thus be under the policies of the city government but outside the bureaucracy and the civil-service system so that it could be run as a business. Because of the employees being considered city employees, the council could still impose a residency requirement. The council then negotiated with the school system that all the part-time jobs for young people had to go through the Hartford school system through the work-study program, an important link. Thus they took young people from welfare homes (75 percent of the persons in the Hartford school system came from AFDC homes) and linked them into the Civic Center with part-time jobs—if they were in school.

Aetna Life and Casualty, which built the retail part of the Civic Center, was required to have as part of its affirmative-action plan the condition that they would (1) have minority businesses in the center and (2) would help capitalize small businesses. To fulfill this, Aetna put up $8 million for furniture, fixtures, and capitalization for small businesses. They took small businesses that were successful, that had a good product: for example, a grinder shop from Franklin Avenue was brought in that sold grinders (a submarine-type sandwich) and Italian foods as part of the Civic Center's marketplace—a small restaurant with a fast turnover that seated about 25 people. They took a Black man who ran a marginal liquor store but who was doing a good job and put him in the Civic Center right next to the hotel, where he upgraded his store. A Black baker who worked in a hotel as the pastry chef opened the John Williams Bake Shop. Hartford did this sort of thing in several buildings in which the city had an interest. They developed a policy of taking equity holdings in buildings and land and leasing them back to private developers with stipulations, essentially making the city a partner in commercial and housing ventures. They asked the legislature for changes in the law to make it possible to do this: for any development over $10 million they proposed to negotiate the taxes for up to seven years in return for one percent of gross rentals. If the city was to give tax deferrals for risky ventures, it wanted to participate in the profits later. They then formulated the City and Town Development Act, which went through the legislature in 1975, providing that the city could fix taxes for up to 20 years, own real estate, and lease it to businesses. The city could build factories, and it could use industrial-revenue bonds for a sinking bond for up to two years, resulting in somewhat cheaper rates to build factories, or housing. Thus the city was in the real-estate business. With that the city took ownership of an old abandoned Korvettes department store and leased it to American Airlines. This brought 1,000 jobs into the city, with the American Airlines office plus—as a condition of the lease—the use of the first two floors for small businesses.

The city also began to restructure administrative budgets and service delivery systems. It gave greater attention to education functions, adding 400 positions to the Board of Education payrolls, while subtracting 200 from the police and fire departments, 200 from public works. It initiated new school dental, lunch, and breakfast programs—an indirect income subsidy—while replacing teachers with paraprofessionals with local-residency requirements. It redirected $1.5 million of Community Development Block Grant funds, traditionally used for capital investments, toward the school system.

Nonservice Options

A general principle behind much of the Hartford innovation was that of substituting local organization for expensive bureaucratic and professional agencies. The city council began to encourage citizen participation, not just in policy decisions but in performance—in the actual delivery of services to residents.

They began with the police department, instituting neighborhood police teams that were assigned to specific districts, in a return to the old "cop on the beat" theory that it was helpful for police officers and residents to know and respect one another. Every two weeks, neighborhood representatives met with police team leaders to talk about problem areas. One police lieutenant told Carbone that he initially resisted neighborhood demands to crack down on street prostitution. Five and a half years behind a desk downtown had taught him that prostitution is a victimless crime that should be ignored by the police. Residents who lived with the problem saw it differently. And he found that as the amount of street prostitution declined, so did the number of muggings, assaults, and other violent crimes. Burglaries and drug traffic also declined. That kind of experience began to generate feelings of mutual respect and cooperation between police officers and residents.

In some neighborhoods, residents became even more directly involved in crime prevention efforts. Street observer programs put citizen foot-patrol teams in direct radio contact with police officers in the area. Other neighborhood groups went door-to-door, with police officers, to help people engrave their valuables with identification numbers and offer suggestions on how to improve the security of their houses and apartments.

One of the neighborhood policy advisory committees sponsored a cultural awareness night, which brought together police officers and their families and people who lived in the neighborhood. More than 300 people attended this social event, which included ethnic music and a dinner of soul food and Puerto Rican dishes. Previously, police officers and residents of that neighborhood had viewed each other with hostility. The team police concept was beginning to change this attitude. They now began to see each other as allies with common goals.

Similar efforts were made to bring local residents into the provision of recreation services. Over 40 percent of the city's part-time recreation leaders had been suburban residents, but Hartford created a neighborhood incentive program that allowed residents to plan and operate their own activities. If someone in a neighborhood wanted to teach a class in oil painting, for example, he or she would submit a proposal to a neighborhood planning group. If it appeared that the person was qualified and there would be sufficient interest to warrant a class in oil painting, the resident would be paid to teach the class. This system involved far more people and offered a greater variety of recreational activities than the former, more traditional program. Classes developed in cross-country skiing, squash, acting, weaving, the guitar, vegetarian cooking, and hundreds of other areas.

Citizen Participation

By the middle of the 1970s, it was apparent that public and private investment, and consequent employment, would not by itself solve Hartford's personal income problems. Nor was it possible to raise the flow of public funds into the city. Federal categorical programs like urban renewal and Model Cities were cut back; what had been an $18 million yearly subsidy was cut to $10.8 million in 1970, then $6 million under the Community Development Block Grant formulae. The limited fiscal resources that had greeted the city council in 1969 got even tighter, and an economic development study in 1979 counted a net decrease of 196 person-years since 1972 despite large increases in federal operating subsidies. The problem was how to manage decline, not growth. The property-tax base could not be raised, there was inflation pressure on taxpayers and landlords, so that the population was generally getting poorer. In 1974 the city canceled its capital expenditures for police cruisers to cover welfare costs, and the council increasingly directed its efforts at turning programs toward the objective of supplementing local family incomes. The city wrote its housing assistance plan under Section 8 of the Housing Act so that all subsidies would go to existing rental units rather than the construction of new housing—a move dictated by the pressure on family incomes and threats of landlord abandonments.

Neighborhood Cost-Reduction Programs

Toward the latter part of the 1970s, Hartford planners adopted a strategy to reduce the cost of basic necessities, focusing on Hartford neighborhoods. They realized that even the most optimistic forecasts of local job creation through infusion of outside capital would not suffice to provide jobs for every resident. They felt if they could help reduce the costs of such basic necessities as food, energy, transportation, and health care, more purchasing power would be available for other local activities. There would be additional resources available for purchase of private market housing and for patronage of neighborhood retail and service enterprises.

The city got farthest in food and energy cost-reduction programs. The Hartford food system included a downtown food market, a community cannery, community gardens, youth gardens, neighborhood buying clubs, solar greenhouses, roof-top container gardening, and a city-wide composting program. All elements were planned to complement one another. The system was justified as developing traits of self-reliance and cooperative consumption in residents and as generating a job environment for training that could later be applied to private-sector employment.

The energy program was initiated as a result of steep increases in fuel oil prices, which led to abandonment of many rental units by owners during the winter of 1978. This not only produced heating crises for many residents, it produced secondary effects of neighborhood economic deterioration and loss of housing units. In response, Hartford planners made surveys to determine the factors that made specific structures subject to abandonment because of energy costs or likely to generate complaints of heating failure. They used a computer-based information system to determine what structures in the city were at risk in these respects, and used the information to target outreach workers. They created a Coordinated Energy Response Center with a central "heat line" to permit quick responses to heating complaints. They coordinated the distribution of weatherization kits, claiming that these materials could save up to 20 percent of each tenant's fuel consumption. They established a rent receivership program as a last resort to maintain minimum heat levels and to reduce the likelihood of housing abandonment. The combined effect of targeted code enforcement and rent receivership programs was reported for the winter of 1979-80. Officials stated that the landlords of 217 housing units corrected heat violations and that 51 units were placed into rent receivership, requiring the city to pay the cost of correcting violations.

BERKELEY: INNOVATION IN THE FACE OF CUTBACKS

When Berkeley Citizens Action moved into a position of influence in 1979, it, like the progressive leadership in Hartford, was faced with serious budget problems. The newly elected leadership, which had earlier seen the city as a source of capital formation—a vehicle that could carry cooperative housing, economic development, tax reform, community-based energy, and social-services programs—had moved into the driver's seat just as the needle on the gas gauge moved toward empty. BCA had gained experience promoting and forcing the implementation of some of its proposals. This was important, but nothing could have completely prepared newly elected officials for what they encountered in April 1979.

Battle of the Budget

The new council faced a proposed budget that had been developed by the City Manager who was appointed by the previous, more conservative council. It called for massive service cuts because, under Proposition 13, city-generated revenues were lagging seriously behind the expense of maintaining them at existing levels.

The budget that then-City Manager Michael Lawson proposed would close down two fire houses, eliminate programs in the police department that the community had fought to include (the Unit on Crimes Against Women, the Juvenile Bureau, the foot patrol, for example), cut deeply into the library budget for the second year in a row, and completely eliminate allocations to community-based social-service providers (the various community clinics and the women's shelter, for example).

The first response of the new council was to appoint a 27-member Citizens Budget Review Committee. At the request of the committee, the date for passing the 1979–80 city budget was delayed until mid-July.

After six weeks of study and deliberation, the Budget Committee submitted its proposals for changes in Lawson's budget, which were generally adopted by the city council. The fire stations would remain open, but vacant deputy chief and lieutenant positions were eliminated. The positions in the police department that provided direct services—such as school-crossing guards, foot patrol, the rape detail, and all positions on the street—were restored, with comparable dollar cuts made within the department by eliminating administrative and rank officer positions. (Lawson's budget called for the elimination of 46.5 positions in the police department, all at the point of service, while the Budget Committee called for elimination of 19 higher-paid positions, none providing direct services.)

The Budget Committee was also able to recommend restoration of funds for the library and for community services by developing additional revenues for the city. The committee recommended several significant methods:

1. A property transfer tax that was already on the books was to be implemented. Passed by the previous council, it was not as progressively structured as those called for by BCA over the years, but it included important features that targeted speculative sales and exempted long-time owner occupants.
2. Services provided by the city to developers and businesses that had been partially or wholly supported by property taxes were shifted to total fee support. Building permits, for example, which had traditionally been subsidized by the city's General Fund, were to be totally supported by fees. The committee proposed to revise the fee schedule, which had previously been highly

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regressive (as much as 2 percent of project costs for small projects and less than .002 percent for very large ones) to a flat rate (about 1.4 percent of project costs). In addition the committee recommended charging a fee for fire inspections of businesses and industries for which no fee had ever been charged.

3. Activities supported by special funds were charged for their use of city services. The most important example was the City Marina Fund, which had generated healthy surpluses over the years that could only be spent in the marina area. This had led to expenditures for luxurious facilities in the yacht basin. State regulations did not allow these funds to be utilized elsewhere in the city but did allow the city to be reimbursed for fire, police, accounting, and other administrative services it provided. This reimbursement had not been previously required.

4. Additional revenue was also generated from automobile disincentives. Parking meters in an upper-income commercial area, increased meter rates, and long-overdue increases in parking violations fines were all put forward by the Budget Committee.

After its first heroic six weeks, the Budget Committee continued to meet. Members of the committee, as well as those from the city's 30 other citizen boards, were invited to participate in the budget discussions between the City Manager and city departments.

In its second year, the Budget Committee took the initiative in presenting a new tax to the voters of Berkeley for their approval. Under Proposition 13, California localities are prohibited from raising the ad valorum property-tax rate at all and can only institute other new taxes with the approval of two-thirds of the voters. Working with another citizen body, the Board of Library Trustees, the Budget Committee designed a new tax based on the floor area of buildings to support the city libraries. A sample survey indicated that this method was feasible to implement and generally progressive. The progressivity was reinforced by writing in a split rate. The tax, which requires residential property owners to pay 2.3 cents per square foot and commercial and industrial property owners to pay 3.5 cents per square foot, was approved by almost 70 percent of the voters in June 1980. While the main emphasis of the tax is its support of library services, all other services in the city receive support indirectly, since dollars from the General Fund that would otherwise support the library have been liberated.

Rent Stabilization and Eviction Control

From the very earliest years of its history, the progressive coalition in Berkeley had worked to regulate the rental housing market. The history includes an interesting mixture of successes and failures. Berkeley's first rent-control ordinance was put on the ballot through the initiative process in 1972, and passed with 51 percent approval. It was subsequently overturned in court as unconstitutional. Opponents had successfully argued that it was unfair to legislate rent control by plebiscite, since there were more tenants than landlords among the voters. A second attempt to gain rent regulation through the polls in 1977 failed to gain majority support.

Then, in the aftermath of Proposition 13, Berkeley—along with numerous other California cities—voted in a mild form of regulation in 1978 by requiring property owners to return a portion of their Proposition 13 property-tax savings to their renters. It prevented rent increases for months, and the issue of whether the controls on rent increases would be extended and institutionalized on a permanent basis was pivotal in the 1979 city elections. BCA candidates favored rent control; the other group opposed it.

When BCA gained its four seats, there was an immediate commitment from the nonaffiliated swing voter on the council to support rent regulation.

The next major task that BCA council members undertook after passage of the first budget was the development of an ordinance that would stabilize rents and protect tenants from unfair evictions. By late fall, a far-reaching ordinance had gained council approval. However, the City Charter required a second reading after several weeks.

While the ordinance was awaiting its second reading, property owners, realtors, and others opposed to rent control were on the streets collecting signatures to have the ordinance nullified. Berkeley was reminded, for the third time in less than 20 years, of a powerful feature in the City Charter, whereby a small number of voters (10 percent of those voting for Mayor in the last election) can petition against an ordinance passed by the city council. When presented with the signatures, the council can either repeal the ordinance or place it on the ballot at the next regularly scheduled election. If the council chooses to take the issue to the voters, the ordinance does not go into effect until after it has gained their approval.

Previously this provision of the charter had been used in the early 1960s to overturn the council-approved fair-housing ordinance. During the 1970s, the city's progressive forces turned to this charter requirement to overturn the council's decision refusing to study the feasibility of municipalizing the privately owned electric- distribution system. (The study indicated it would indeed be feasible; given the actual rate of inflation since the study was performed, it turns out the study underestimated the feasibility. Acquisition of the system was, however, twice rejected by Berkeley voters.)

When rent-control opponents turned to petitions with the requisite number of signatures (collected from some people who believed they were signing in favor of rent control), the BCA council members had to develop a strategy that would extend the soon-to-expire rent regulations in effect until a permanent ordinance could be passed in the June 1980 election. It was very important that there be no gap in the protection that renters were receiving.

The BCA council members were successful in providing the unbroken coverage. The voters approved Berkeley's Rent Stabilization and Good Cause Eviction Ordinance at the polls. The council appointed members of the Rent Stabilization Board and set up a staff to implement what is necessarily a complex regulatory mechanism. Tremendous effort still has to be devoted to legal defense of the ordinance. The courts have not yet become comfortable with a law that shifts the balance between owners and renters. After a year, opposition to the ordinance is still strong.

Cooperative Housing

Another major BCA commitment over the years had been to the development of cooperatively owned housing for low- and moderate-income people. Just as the new council members took office, the city's first project opened (Florence MacDonald, one of the new council members, was among the first residents). A second co-op housing project was in the planning stages. Many members of the community active in housing issues believed that the outcome of the 1979 election would determine whether or not this second project would see the light of day.

Like developments elsewhere, the construction and financing costs of this new project were skyrocketing. Between a committed city council and creative developers who pulled in every outside available federal and state direct and indirect subsidy, the project moved toward realization. The magnitude of the costs emphasized, however, that delivering low- and moderate-income housing requires a strong commitment, which will be tested repeatedly.

Redevelopment

One of the issues that separated political factions in Berkeley for many years was the city's Redevelopment Project. Originally planned for an industrial park, the redevelopment area was the site of intense, sometimes violent, conflict, as BCA fought to preserve existing housing and target the vacant subsidized land for housing rather than industrial and commercial uses. Over the years, BCA had won battles that delayed industrial development, but only after the 1979 election could BCA change the plan to build housing.

It seemed that it would be a simple matter, until the council learned that once again Proposition 13 was blocking them. In the fine print of the redevelopment bonds was language requiring the Redevelopment Agency to collect one-third more in taxes than it had to pay out in debt service in order to amend the Redevelopment Plan. By cutting tax revenues below this level, Berkeley would have to contact bondholders and receive their approval before amending the plan. Just after the election, the Redevelopment Agency staff developed a method of defeasance to meet the legal requirements. As the legal clouds lift, the city will now need to find the millions of dollars of investment capital required to build low- and moderate-income housing.

Energy Programs

Energy issues in Berkeley presented themselves very differently in 1980 than they did in 1970. For many years, the thrust of the BCA program was to have the city buy out the electric system. Rates that Berkeley residents were paying reflected the costs of expanding the system in the suburbs. Relieving ratepayers in Berkeley of this expense and other savings inherent in a publicly owned system necessitated some form of public ownership. In recent years, the Pacific Gas and Electric Company's rate schedule was shifted by the California Public Utilities Commission from the declining block structure to lifeline rates favoring small users over large ones. As a result, Berkeley ratepayers, who have been successful at conservation, generally have benefited.

Meanwhile, new city programs were developed to foster conservation, especially for lower-income people. Instruction in no-cost and low-cost improvements in housing was provided by the city. Young people were trained to weatherize houses and provide services for elderly residents. In addition, the Energy Commission, another citizen board, studied ways the city might save on its heating and fuel bills

Eliminating Waste

Given the tight financial situation in Berkeley and the commitment of the city council to solve basic but expensive problems, the city administration explored ways of improving the organization's productivity, reducing wasteful expenditures, and reorganizing to improve efficiency. While Berkeley's city council was hardly unique in its commitment to these objectives, there was an urgency about their realization that is directly related to its other progressive goals.

A more conservative city government has options that the BCA council members rejected, such as cutting costs by contracting out services to firms paying nonunion wages or eliminating programs that serve the poorest (often nonvoting) people. BCA is a coalition—to a very large degree comprised of people who have been passed over by BCA's more conservative opposition. The coalition depended on meeting each group's needs—fully meeting them was no longer possible, but each one had weight.

In the 1979–81 period, BCA council members scraped together resources to meet the broader community needs in part by skimming a little off the top (the split rate in the library tax and the changes in the fee structure are examples). The council members also learned that there are significant obstacles that prevented significant redistribution—in Proposition 13, in the City Charter, in the fine balance of electoral politics. In this context, efficiency and elimination of waste took on an urgency that would otherwise be surprising in progressive circles.

Berkeley's campaign against waste was directed by Wise Allen, the City Manager appointed by the city council in February 1980. He immediately targeted an array of nonproductive but increasingly expensive costs—workmen's compensation payments, for example. He initiated an occupational health and safety program. In California cities, attention to these costs was not unusual. What may distinguish the

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Berkeley approach, however, is Allen's belief that the problems had to be solved by the people working for the city. Solutions designed by the people who face the problems can be carried out in a way that the ideas of an outside consultant—no matter how creative—are unlikely to be.

Public Services Committees

The Labor-Management-Citizen Public Services Committee Project is a collaborative effort involving the city of Berkeley, unions representing city employees (SEIU Locals 535 and 390, IBEW Local 1245, and the Berkeley Firefighters Association), and members of citizen commissions and citizen organizations. The thrust of the program is to focus the attention of the three parties on the overriding problem they share—that is, how to maintain and improve the delivery of municipal services in an environment of fiscal scarcity.

The Public Services Committees provide a cooperative, nonadversarial forum for identifying service delivery and work organization problems and solutions to those problems. The Project supplements but does not supersede the collective-bargaining agreement between the city and the unions. A unique feature of the Project's approach is to involve citizens, the consumers of city services, in the collaborative labor-management work review process.

The locus of the Project's work is in discrete work units in different city departments, where three-sided Public Services Committees are being established to identify and rectify problems in work organization and service delivery. A three-sided city-wide coordinating committee makes broad policy for the Project and monitors and supports the functioning of the work-site committees. The Project was suggested by the Citizens' Budget Review Commission in November 1979. Since that time, dozens of well-attended informational and exploratory meetings have cleared the way for the enthusiastic commitment of all three parties to the Project.

CITIZEN ACTION IN AND OUT OF OFFICE

Clearly, progressive ideas infused both cities' administrations. In Hartford and Berkeley, progressive movements depended on local organizing efforts. Hartford's Citizens Lobby had city hall support, as did Berkeley's Citizen Budget Committee, but these were only the most dramatic, peak-level examples of what was a much more widespread phenomenon. Liberal governments have always been theoretically in favor of "citizen participation," but Berkeley and Hartford actively encouraged it, tapping a source of energy, creativity, and support. Thus, planning took on an importance and role it had not had previously. In Hartford, technical planning analyses quantified and reinforced the premises of the general advocacy policy, and then suggested specific programs that the council could pursue. In Berkeley, plans were elaborated in opposition that were only partially carried out later, but they nevertheless served to punctuate a generally progressive agenda.

Now out of power, the Hartford and Berkeley progressives face the question of what legacy they leave. On the one hand, there is the painful knowledge that progressive municipal politics is an uphill struggle against great odds. The most immediate difficulties in both places came from the fiscal pressures on city budgets. Proposition 13 in California and the generally increasing gap between needs and revenue sources in Hartford resulted in very severe restrictions in local autonomy. This has meant that progressives have to work very hard just to keep the service levels of yesterday. The possibilities for significant change are severely diminished. Hartford's experience clearly demonstrates the political liability of redistribution at the margin of shrinkage. Berkeley's begins to show the liability that progressives face when their fancy technical footwork does not keep up with an accelerating crisis in public finance.

With electoral defeat, there was also an awareness of the fragile nature of most progressive innovations. Most participants in the Hartford administration dispersed after 1979, and many innovative practices were reversed. In Berkeley, the BCA retained a minority position on the council, and it is not yet clear what reverses will occur. But in both places electoral defeat raised the question of how to institutionalize the changes that seemed to work. The Hartford and Berkeley progressives have had some permanent accomplishments—a civic center in one case, housing cooperatives in the other. The long-term lease arrangements in Hartford cannot be altered, and the experience of the Citizens Budget Review Committee in Berkeley might be remembered for a while. But the enemies made by these arrangements were probably better organized than their friends were. And the general structure of municipal practice in affirmative action, regulation, and public enterprise can be dismantled rather easily—and was in Hartford. These innovations requiring a continuing commitment are easier to replace with more traditional modes of government than it is to initiate them in the first place.

Nevertheless, what had been achieved made more sense for the people who had been served—the majority—than the "moderate" or even reactionary themes adopted by their successors. Future elections might show this. Moreover, other cities, facing similar economic issues, have tried to move in similar directions. Even as BCA went down to defeat in Berkeley, a rent-control coalition swept to victory in Santa Monica. There and in other places, progressive administration will continue to be tested and experience will accumulate. ■