

# **PUBLIC PARTICIPATION AND LOCAL GOVERNMENT: AN ANALYSIS OF FOUR U.S. MODELS**

## **1. Introduction**

Countries moving toward democracy are inevitably confronted with a primary question: how to encourage constructive public participation in government decisions, particularly at the local level. Governments need such public input, for example, to make sure that resources are employed where they are most wanted and needed, services are distributed equitably, and funds collected in the form of taxes and fees are properly accounted for.

Often with the assistance of international donors, many of these countries have designed programs with the participation goal in mind; however, they have run across a host of problems. Difficulties range from a lack of local, experienced non-governmental organizations (NGOs), to poor or nonexistent systems for public education, to resistance of local government administrators and elected officials to opening up decision-making processes to public scrutiny.

Despite such problems, can developing countries look to the U.S. for successful models of local public participation? The experience of public participation in the U.S. is complex and dynamic and, as such, defies wholesale transfer to other contexts. At the same time, the rich literature and research on the topic yield a smorgasbord of solutions, many achieved through trial and error, from which lessons can be drawn for use in program design internationally.

At the local level, public participation has centered around the allocation of resources to competing groups, particularly regarding infrastructure and basic services. However, because local governments do not operate as independent entities, it is also important to consider how they are affected by changes in regional, state, and national policies and programs.

This paper examines the ways in which the experience of public participation in the U.S. has evolved over the last three decades from reliance on federally-mandated legislation to more cooperative, multi-sectoral alliances. In Sections 2 through 5, four major models of participation are described:

- Decentralization of Federal Grants Administration
- Political Empowerment/Grassroots Organizing
- Local Government as Community Development Catalyst
- Community Development Coalitions/Partnerships

An illustrative case example of the model's implementation in a U.S. city or metropolitan area follows each description. It should be stressed that the participation activities illustrated in each case study are not mutually exclusive or restricted to any one model. Rather, each model is instructive because it examines a particular approach to participation that was taken within a finite set of local conditions — political, social, economic — and demonstrates as well the impact of external factors on the implementation of the model.

Section 6 presents a comparative analysis of the four models and findings regarding general characteristics of the U.S. participation experience revealed by the models and accompanying case studies. The following impact areas and variables are used in comparing the participation models:

## Impact Areas

## Variables

Local Governance

Inter-departmental communication  
Transparency  
Public accountability  
Institutional strengthening  
Staff development/training

Services/Capital Projects

Efficiency  
Effectiveness  
Levels of service  
Project implementation

Citizen Organizations

Leadership  
Strategic planning  
Number of people/meetings  
Effect on decision-making/policy  
Skills development/training

### *Local Governance*

As part of the “reinvention” process, local governments have focused on improving their own management performance to address problems of scarce resources, barriers to economic development, and inequitable delivery of neighborhood services. The paper looks at how the four participation models affect internal communication, transparency of government decision-making and resource allocation, public accountability, creation and strengthening of institutional capacity, and staff training and development.

### *Services/Capital Projects*

In the last 15 years, local governments have taken on increasing levels of responsibility for the design, funding, and maintenance of urban infrastructure and services as a result of a decline in federal subsidies, more stringent environmental legislation, and increased global competition. The paper analyzes how the models contribute to more efficient and effective service delivery, higher levels of services for low- and moderate-income neighborhoods, and timely and well-functioning project implementation.

### *Citizen Organizations*

In order to substantively contribute to government decision-making and planning, citizen organizations must achieve a certain credibility with public officials. This is accomplished through effective organizing, training, empowerment, and mobilization of indigenous leaders and community residents. The paper assesses the models’ impact on the ability of an organization to plan and implement effective strategies, on membership composition and activity level, and on the skills-development/training of leaders and members. It also reviews the effects of the organization's actions on public policy.

## **2. Model: Decentralization of Federal Grants Administration**

### **2.1 Description**

In the U.S., federal decentralization of decision-making regarding community development and municipal services is strongly associated with the pattern of grants allocation by the federal government that evolved after World War II. Public investment for the construction of sewer and waterworks, schools, and roads expanded from \$2.9 billion in 1946 to \$8.6 billion in 1950, due largely to increases in urban population growth and the rate of suburbanization (McCullough, Moreau, & Linton, 1992). The 1950 amendment to the Federal Water Pollution Control Act of 1948 further expanded federal participation by providing specific grants for construction of municipal sewage treatment facilities.

From 1957 to 1977, federal grants for highways, sewers, and mass transit represented about 40% of total cost. In the 1960s alone, the number of individual grant programs rose from 161 to about 400 (Dommel & Associates, 1982). A corresponding increase in federal mandates and regulations for administration of grants for infrastructure projects eventually prompted state and local government officials to lobby the federal government for a major restructuring of the federal aid system. In particular, mayors and city managers requested that the federal government pare down or consolidate grants and allow local governments, as the experts on the needs of their communities, to have a bigger voice in determining how development funds should be spent.

The Nixon administration agreed that decentralization of community development activities was good public policy. In promoting his philosophy of New Federalism, the centerpiece of which was general revenue sharing, President Nixon told Congress in 1971:

Decisions about the development of a local community should reflect local preferences and meet local needs. No group of remote Federal officials — however talented and sincere — can effectively tailor each local program to the wide variety of local conditions which exists in this highly diversified land.

Nixon's revenue sharing plan would distribute a portion of the federal income tax, determined by a statutory formula, to just under 40,000 state and local governments. No federal approval of an application or of proposed activities was required. Cities would simply indicate how they planned to use the funds and provide periodic reports regarding actual expenditures. Money would be disbursed through broad-purpose block grants which would consolidate and/or replace the more administratively complex categorical grants used in the 1950s and 1960s to fund housing rehabilitation and human services in low-income urban areas.

Congress was in favor of decentralization but worried about the lack of federal control for enforcing accountability of local governments as they assumed the responsibility for implementation of national objectives. As a result, the Nixon administration's revenue sharing bill underwent several major changes before it was passed as the Housing and Community Development Act of 1974, becoming the legislative basis for the Community Development Block Grant (CDBG) Program. Because Congress would not agree to automatic funding, the final version of the bill included an application process assigning the federal oversight agency, the Office of Housing and Urban Development (HUD), seventy-five days to veto the proposed use of funds; otherwise, the application was automatically approved. The bill also provided for an annual ad hoc review of individual programs

by HUD to assess how closely grant recipients were following application plans. In addition, rather than continue to fund low-income housing rehabilitation and construction through a variety of federal programs, Congress consolidated all housing subsidies under the CDBG Program and required the submission of a housing assistance plan as part of the CDBG application.

Finally, Congress viewed the treatment of citizen participation by the Nixon administration as more advisory than substantive. The federal government first required citizen participation in the 1930s when farmers became involved in decisions about crop allotments (Dommel & Associates, 1982). Two decades later, the target beneficiaries of federal subsidies had become the urban poor and public participation was perceived as a vehicle for ensuring a voice for low-income and minority residents. In the late 1960s, as part of the Model Cities Program (see Section 2.2 for a more detailed description of the Model Cities program in Houston, Texas), community-based organizations began to take on a “watchdog” function in monitoring the effectiveness of program activities and the quasi-autonomous municipal agencies responsible for implementation tended to have more interaction with the federal government than with elected officials of the localities within which they worked.

Upon taking office, Nixon had attempted to increase the decision-making autonomy of local governments in Model Cities by placing less emphasis on public participation. In applying this perspective to the proposed revenue sharing program, the Nixon administration stipulated only that local officials allow 60 days for public comment on the draft application before making it final. In debating the bill, the House of Representatives, on the other hand, insisted that public hearings be held and opportunities provided for citizens to participate in the application process. The Senate further recommended that citizens be involved in program execution. The final version of the bill drew heavily upon the House's proposal of mandatory public hearings and the involvement of citizens in the application process but did not delineate a procedure or mechanism by which this would be accomplished. However, citizen participation in the CDBG program turned out to be very different in character from that of previous categorical programs. Because the CDBG program was not restricted to a particular income level, citizen participation involved a broader range of income groups resulting in greater potential for local conflict and necessitating more effort on the part of local officials to resolve competing demands for program funds.

The CDBG program awarded funds to “entitlement” jurisdictions — central cities of metropolitan areas and urban counties — using a formula based on a weighted combination of three factors: population, overcrowded housing, and poverty. Poverty carried a double weighting in the formula and, because poverty and overcrowded housing factors were highly correlated, cities in the South, generally having disproportionate numbers of persons below the poverty level, received higher allocations of funds. The population factor favored growing cities, many of which were also in the South as well as the West, at the expense of older, declining cities in the Northeast and Midwest. Non-entitlement communities — cities of under 50,000 people and rural counties — competed for discretionary grants which states allocated using the same formula as entitlement grants. “Hold-harmless” grants were a transition measure intended to provide current recipients of categorical grants with a means of avoiding a sudden loss of funds.

During the first three years of their involvement in the CDBG program, communities that were already participating in anti-poverty or Model Cities programs continued to receive the annual average of their allotment under all earlier programs between 1968 and 1972. If this amount was greater than the formula entitlement, the hold-harmless grant was phased out over the fourth and fifth

years of the CDBG program, ending in the sixth year when grant recipients received only the formula entitlement.

HUD adopted a “hands-off” policy toward the local administration of CDBG grants which was disseminated to local government officials and field staff during a series of conferences and training sessions. No handbook was developed for the CDBG program in contrast to the comprehensive, detailed manuals used in categorical programs. Although this was partly a symbolic measure to underscore the administration's commitment to decentralized decision-making, HUD officials also correctly anticipated that the existence of a large number of implementing agencies would result in a variety of approaches to program administration. Regarding participation, HUD declined to proscribe specific procedures or structures for involving the public, particularly neighborhood residents, in the application process.

The import of the statute's language dealing with target beneficiaries was similarly left open to the interpretation of local administrators. Thus, the bill's national objective of ensuring “a decent home and a suitable living environment for all persons, but *principally those of low and moderate income*”<sup>1</sup> (emphasis added) was treated not as a program mandate but rather as an overall guide for local governments to use in choosing target neighborhoods. Neither did HUD perform any formal evaluation of an individual community's efforts to meet CDBG social targeting directives of giving “maximum feasible priority”<sup>2</sup> to activities benefitting low- and moderate-income families. Local governments had only to certify that they had complied with the citizen participation provisions of the statute and national objectives to remain eligible for future funding.

## 2.2 Case Study: Model City/CDBG Programs in Houston, Texas

### Background

At the time the City of Houston initiated its CDBG application process in 1974, it was already in the third year of a projected five-year Model Cities program. Due to a lack of zoning regulations, the result of a long-held policy of noninterference with real estate markets, Houston had been unable to

participate in federal urban renewal and neighborhood revitalization programs of the 1950s and 1960s. However, in 1969, under pressure from influential local liberals, the mayor agreed to initiate the development of a local housing code making possible Houston's inclusion in the last group of Model Cities.

In order to fulfill the program requirement to establish a “city demonstration agency,” the municipality set up a quasi-independent department to administer approximately \$12 million in annual federal funding. The Model City Department used

Houston, Texas	
1970 Population:	1,232,407
1970 Unemployment:	3.1%
1969 Per Capita Income:	\$3,383
1969 Below Poverty Level	
All Families:	10.7%
African-American	25.7%
Female-headed	39.6%
Source: City & County Data Book, 1974	

<sup>1</sup> Section 101, Housing and Community Development Act of 1974

<sup>2</sup> Section 104, Housing and Community Development Act of 1974

these funds to implement a program of physical improvements in impoverished, largely black neighborhoods as well as human services such as day care, youth and senior citizen programs, family counseling, cultural activities, and the promotion of minority businesses. Led by Moses Leroy, a politically powerful veteran of the civil rights struggle, the Model Neighborhood Resident Commission (MNRC) was formed to provide program administrators with citizen input. Houston's Model City Program was successful in achieving a level of locally-initiated human services for target neighborhoods that was unmatched in other parts of the city. However, by the end of 1973, the program had become the target of criticism linked to inefficiency and mismanagement, high turnover of department heads, and a less than timely appropriation of funds.

The mayoral election of 1973 initiated a new era in Houston politics. For the first time, Anglo-liberal, African-American, and Mexican-American voters banded together to elect economist Fred Hofheinz. In addition, Leonel J. Castillo, a social worker influential in the political organization of Houston's Chicano community, waged a successful bid to replace the retiring incumbent city controller. In order to retain the support of Houston's minority constituencies, the newly elected mayor had to deliver promised improvements in housing and community services. Since Houston's long-standing tradition of fiscal conservatism precluded the use of local revenues, the mayor began to explore the possibility of participation in the CDBG Program.

### *CDBG Application Process*

In anticipation of the start-up of the CDBG Program in Houston, Mayor Hofheinz made several new appointments to the Housing Authority Board and created a Policy Planning Division (PPD) in the mayor's office. The PPD was charged with the planning and research of strategies for improving neighborhood infrastructure and services, particularly through utilization of new federal programs, design and implementation of both an urban growth management policy and a formal capital improvements program, and the development of local options for improved delivery of human services. The Mayor also felt strongly that city departments shouldering the responsibility for grant-funded improvements should be involved in both the planning and implementation stages. With the application deadline only four months away, he assigned the PPD an interim role of coordinating stakeholder participation in an attempt to expedite the first-year application process. In September of 1974, representatives from the Model City, Public Works, Parks and Recreation, City Planning, and Real Estate Departments as well as the Houston Housing Authority formed an interdepartmental task force to work with the PPD in developing the grant application. The organizations involved in Houston's CDBG application and implementation processes, and their relationships to each other are presented in graphic form in **Exhibit 1**.

The mayor announced Houston's intention to apply for CDBG funds as part of a press conference in October. Concerned about the lack of public awareness of the program, the League of Women Voters, the Urban League, and a group of black professionals from Texas Southern University jointly sponsored a public information workshop to which they invited representatives from the city. In mid-November, the mayor's office formally released its organizational plan for the development of the first-year CDBG application, which included the creation of a citizen task force as an advisory body to the PPD. Once the CDBG program was in place, the task force would be replaced by a more permanent mechanism. At this time, Hofheinz began to receive pressure from the leadership of the Model City Program to employ existing institutions in city government and model neighborhoods for CDBG program administration. In addition, segments of the population bypassed by the Model City

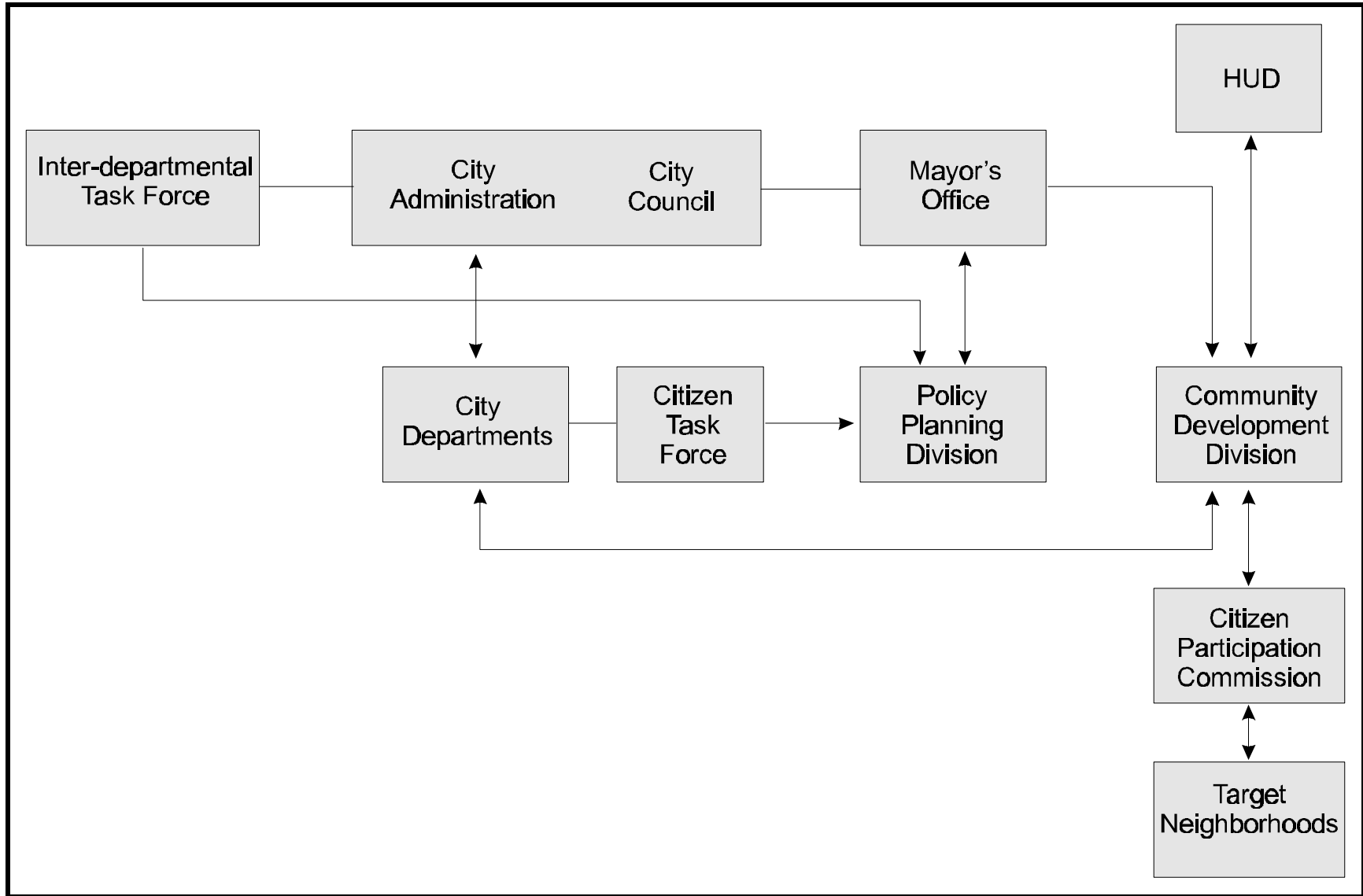
Program, including the Mexican-American community, began to lobby for inclusion of their neighborhoods in the CDBG program as well as consideration of specific development proposals.

Rather than risk the emergence of neighborhood “turf wars” during the application process, the mayor balanced ethnic interests on the citizen task force through the appointment of representatives from city-wide public interest organizations. By contrast, the housing assistance plan, required by HUD as part of the CDBG application, was treated as a highly technical document for which input from specific housing development groups rather than the citizen task force was solicited, to the frustration of many task force members. Because Mayor Hofheinz could not afford to alienate the minority constituency, he offered several concessions to the African- and Mexican-American communities. The Model City Department would remain a distinct city department and receive 20 percent of the first-year block grant, the maximum amount allowed by HUD for human services, to maintain the program for another year. A well-known leader in the black community and proponent of human services expansion, Hortense Dixon, was appointed as executive assistant to the mayor and liaison for the CDBG program. Responsibility for CDBG administration was vested in a new division of the mayor's office, the Community Development Division (CDD) with John Castillo, a public administrator with excellent credibility in the Mexican-American community, as director.

Using census tract data, the PPD proposed twenty-three target areas, encompassing roughly one-third of Houston's land area and including the Model City neighborhoods as well as some new low- and moderate-income tracts in outlying areas of the city. Implementation was divided into three stages with an allocation of first-year funding to eight of the target areas, second-year funding to an additional three areas, and the phasing in of all twenty-three areas by the third year. Some of the more impoverished areas were included in the third-year funding group due to their continued participation in the Model Cities Program during the first two years of the CDBG Program. The plan was reviewed by the citizen task force and thirty neighborhood meetings were held over a three month period to disseminate information about the proposed program and gather data regarding the perceived needs and priorities of target area residents. Questionnaire responses revealed that residents placed a high priority on physical improvements such as street repairs and lights, housing upgrading, and human service programs. Initially, the citizen task force supported target communities in lobbying for increases in funding for human services beyond the 20 percent set aside to maintain the Model City Program. However, both the PPD director and the mayor contended that the increase would jeopardize the success of the application because HUD had specified 20 percent as the upper limit for human services allocation.

By the middle of January, the participatory first-year application process had produced a wealth of data but little in the way of specific program initiatives. With the application deadline only weeks away, the director of the CDD, John Castillo, decided to expedite the process by drafting the application himself with assistance from a technical consultant assigned to the task force. In response to what they viewed as exclusionary behavior on the part of the CDD director, several members of the citizen task force presented their criticisms of the draft directly to the mayor who agreed to increase funding for housing rehabilitation and grants and to eliminate a \$50,000 allocation for an automated housing market analysis. The citizen task force then presented the plan at two citywide public hearings attended by approximately 700 residents and two follow-up city council hearings were held in mid-February. The final version of the application focused on housing rehabilitation, environmental health services, and construction of multi service centers for information dissemination and hosting of program activities.

**Exhibit 1: Decentralization of Federal Grants Administration Model**





Based on the local government's commitment to match at least 20 percent of the first-year allocation with local capital improvement funding, the PPD and citizen task force had recommended that CDBG funds not set aside for human services be invested in activities that the city could not fund on its own. However, in the second year of the program, the city found itself constrained by the state constitution which prohibited local governments from lending or granting funds for housing rehabilitation. In addition, administrative obstacles precipitated a slow rate of expenditure of first-year CDBG funds. As a result, the CDD director decided to respond to requests by target area residents for physical improvements by reprogramming first-year activities to include planned but unfunded capital projects. In March 1976, a total of two million dollars was reallocated to a storm drainage project. A second reprogramming later that year produced another storm drainage project, land acquisition for a neighborhood park, and the development of a branch library.

The creation of a permanent citizen participation mechanism in the second year of the program turned out to be problematic. The majority of citizen task force members favored elected community councils in each target area from which a representative would be chosen to serve on an area-wide central commission. In this way, grass-roots participation of residents would be preserved in the local councils through the representation (and accountability) of neighborhood leaders. The central commission, on the other hand, would have a more generalized, area-wide interest in development issues and could act as a liaison with city departments such as the CDD. The support of the MNRC leader, Moses Leroy, was considered crucial to the city council's acceptance of the two-tiered plan because of his influence in the black community as well as his extensive experience with city officials in the Model City Program.

However, Leroy did not approve of the plan labeling it as costly and unwieldy and instead independently presented his own plan, modeled after the organization of the MNRC, to the city council. Leroy's plan dispensed with the local councils and proposed instead the direct election of two or three commissioners from each of the twenty-three target neighborhoods, based on population size. His plan was approved by the city council and, in the fall of 1975, the Houston Residents Citizen Participation Commission (HRCPC) was created through an area-wide election process, with Leroy as chairman. The council also approved the allocation of \$400,000 of CDBG local option funds for employment of MNRC staff as a resource for the new resident commission; however, frequent complaints to the mayor by the HRCPC concerning the pace of the program coupled with the waning of Leroy's personal influence with the city council prompted the city to eliminate funding for the commission's support staff in the third year of the program. As a result, the HRCPC's decision-making power and sense of importance to the implementation of the project decreased.

During the second year of the CDBG program, the CDD further decentralized the block grant decision-making process to the neighborhood level. Forty percent of CDBG funds were set aside for "neighborhood pass-through" allocations to each of the twenty-three target neighborhoods based on the federal formula. Subject to the approval of the respective commissioners, pass-through funds could be used for any neighborhood-specific capital project. Thirty percent of the block grant was applied across all CDBG target areas, 10% was allocated to administrative costs, and the remaining 20% went to maintain the final year of the Model City program. Although the commissioners whose neighborhoods were not included in the Model City program protested the 20% allocation, citing the disparity in levels of human services between their communities and the Model City neighborhoods, the proposal was passed by the HRCPC.

Commissioners from each target neighborhood met individually with John Castillo, the CDD director, to present proposals for funding under the pass-through allocations. Proposals were reviewed by the relevant city departments who were invited to make suggestions regarding alternatives or other potential projects in the target areas. Final decisions on program allocations were made by Castillo. In contrast to the first year's centralized treatment of community needs, the second-year application process decentralized the selection and prioritizing of activities both to the target neighborhoods through their commissioners and to city departments with a part to play in the outcome.

In the middle of the third year of CDBG implementation, the City still had not moved on its housing rehabilitation loan and grant programs, and capital projects programmed for the first year showed no expenditure. In order to receive the fourth-year block grant, the city had to agree to supply HUD with monthly progress reports and implement a "fast tracking" system to get paperwork for the first rehabilitation grants through the city departments. As part of the Carter administration's social targeting agenda, HUD began to more closely monitor the implementation of CDBG programs by increasing site visits. At the prompting of HUD, Houston eliminated more affluent neighborhoods from the CDBG target area and revised target area maps to reflect these changes as part of the preparation of the fourth-year application.

### **2.3 Analysis**

Early in the planning phase, the mayor made a deliberate effort to include all relevant city departments by creating an inter-departmental task force to assist in development of the CDBG application. Intended to generate a sense of shared responsibility for a successful application as well as to promote future cooperation between the CDD and city departments, interdepartmental relationships forged during the application process were nonetheless ineffective in the implementation stage.

In the second year, the CDD director's inclusion of both the neighborhood commissioners and departmental staff in decision-making regarding "pass-through" capital projects opened up the possibility for direct dialogue between lower-income neighborhoods and the departments that serviced them. Instead, the CDD took on the role of go-between, representing the City in all communications with the commissioners (and through them the residents). Local officials were not well-educated about state regulations that eventually derailed the housing rehabilitation plan and angered neighborhood residents to whom so much had been promised by the mayor. Finally, as the program continued to suffer from a slow rate of expenditure, largely due to interdepartmental snags and long lead times, the credibility of the municipal government and its the CDBG Program itself steadily declined.

Although existing city departments were not effective in coordinating their separate program components, new institutions both in city government and in low-income communities were established as a result of the federal mandates regarding participation. In particular, the formation of the Community Development Division as the administrative center of the program and creation of the HRCPC to fulfill CDBG citizen participation requirements were innovative actions, given the City's reputation for extreme fiscal conservatism in dealing with the problems of low-income neighborhoods. The character of these organizations differed significantly from those created during the Model Cities Program in that they represented broader geographic and ethnic interests.

However, the character of the new governmental and neighborhood institutions was mainly political; no training was offered to improve the skills of staff in the long term. The local government, in an

attempt to insulate the program from ethnic rivalry, developed an elaborate “balancing” system. Nevertheless, the most vocal and assertive citizens, particularly those already in positions of authority in the community, experienced more success in getting support for their agendas than those who attended the public hearings.

Although the City complied with the federally-mandated requirements for citizen participation in the application process, professional and public interest groups took the lead in promoting public awareness about the CDBG program. Large numbers of citizens were educated about the program and participated in public hearings but neighborhood residents had limited direct access to the decision-making process. Similarly, the development of the housing plan was considered a job for housing professionals only; as a result, the Citizen Task Force had no direct input into setting priorities for housing rehabilitation in target neighborhoods. The Citizen Task Force was also closed out of the application drafting process by the director of the CDD who was assisted instead by a technical consultant working with task force members. However, the Citizen Task Force was still able to influence the final version of the application by appealing directly to an elected official, in this case, the mayor. This tactic was also effectively used by Leroy in seeking and winning approval from the city council for his proposal regarding a permanent participation mechanism.

As a result of Leroy's success in establishing the MNRC model as the permanent participation mechanism, the elected HRCPC commissioners, rather than neighborhood leaders, became the direct link between neighborhood residents and the city. The commissioners sought the maximum investment of funds for their respective areas; however, they based their proposals regarding the prioritizing of projects on the broad concerns of residents and neighborhood groups from the first-year hearings. They also possessed an historical perspective regarding the city's past neglect in providing physical improvements and services to low-income neighborhoods. As a result, they were not as concerned as the Citizen Task Force with the strategic use of CDBG funds to leverage local funds but instead viewed the program as a means to finally address a broad range of long-neglected community problems.

Title I of the **Housing and Community Development Act** mandates that local governments implement the following citizen participation requirements in applying for CDBG funding:

Citizens must be informed of the amount of funds available for proposed community development and housing activities as well as the range of activities which may be undertaken. A minimum of two public hearings are required for the purpose of obtaining the views of citizens on community development and housing needs.

Citizens must be given adequate opportunity to articulate needs, express preferences about proposed activities, assist in the selection of priorities, and otherwise participate in the development of the application.

Upon notification from the Department of Housing and Urban Development that the application has been accepted for processing, the applicant shall publish a notice to that effect in a periodical of general circulation in the jurisdiction of the applicant. The applicant shall make the application available to interested parties upon request.

The grantee must develop and make public a plan to implement the citizen participation requirements. Residents of treatment areas may be provided resources with respect to planning and execution of community development activities.

Source: Citizen Participation, Community Services Administration, Federal Regional Council, 1978

### **3. Model: Political Empowerment/Grassroots Organizing**

#### **3.1 Description**

Modern grassroots organizing in the U.S. has its earliest roots in the Social Settlement Movement that arose in the late 1800s. Inspired by the efforts of Oxford University students in London's East End, college-educated sons and daughters of influential families and reform-minded clergy entered working-class neighborhoods of large cities to introduce upper-class values to the poor. One of the largest and most famous settlements in Chicago, Hull House, offered classes in English, civics, dressmaking, and wood and sheet-metal working; facilities for working mothers, including laundries and nurseries; and, recreational and cultural activities such as concerts and athletic programs. Hull House also served as a meeting place for neighborhood groups, labor unions, and radicals. Because settlement houses were funded for the most part, by philanthropic capitalists, their mission was one of promoting social order and a sense of community.

As the Settlement Movement expanded, the leadership began to lobby for improvements in areas that transcended the neighborhood level, such as tenement reform, kindergartens, child labor laws, and workers' rights, thereby becoming a vital part of a national liberal reform movement. In developing their reform strategies, settlement workers joined forces with local governments and housing professionals, bypassing immigrant neighborhood groups and indigenous leaders which often led to unintended negative consequences for residents. For example, Settlement Movement leaders hoped to improve the lives of low-income families by supporting tenement reform legislation to replace old tenements with parks and playgrounds. In actuality, implementation of this legislation displaced poor tenants by driving up rents and exacerbated the shortage of affordable, low-cost housing.

The view of the low-income constituency as deserving recipients of social welfare efforts became even more entrenched during the Community Center Movement in the early 1900s. Newly christened "social workers" sought to professionalize their work in poor neighborhoods by coordinating a range of activities for residents, including voting, employment counseling, recreation, health services, and "Americanization" programs, which were conducted after school hours in public schools. While citizens were encouraged to become members of organized clubs and to take advantage of center activities, social workers performed all planning and supervisory functions. Community Centers were more participatory than Settlement Houses in that staff collected data on residents' preferences and enlisted the support of neighborhood leaders and organizations. However, public officials discouraged leaders from straying into activities of a political nature so as to avoid the emergence of working-class political organizations.

Grassroots organizing took on a more political character during the Great Depression when the Communist Party of the United States of America (CPUSA) began to stage militant protests aimed at government agencies and officials. CPUSA used neighborhood work as a means to increase membership in the national party by offering a platform aimed at advancing the interests of the working class and racial minorities. CPUSA organizers performed thorough political analyses of community problems and provided both theoretical and practical political education for community activists. They organized around popular social and workplace issues, including unemployment, relief benefits, housing evictions, and interracial equality. CPUSA's successful use of direct action tactics to pressure those in power to adopt more progressive positions and programs was later adopted by community organizers such as Saul Alinsky.

Probably the most influential organizer of the twentieth century, Alinsky was born in 1909 in Chicago, the son of orthodox, working-class Jewish parents. He first became interested in social welfare issues while attending the University of Chicago where he did graduate work in criminology. For almost a decade, he worked as a research sociologist examining more effective and democratic methods of dealing with Chicago's juvenile delinquency. During this period, he became well acquainted with community-based organizing and began to develop his philosophy of involving indigenous leaders and organizations in community development work.

Alinsky also worked with the Congress of Industrial Organizations (CIO) for a year as a volunteer organizer. Formed as part of the legislatively supported union organizing movement of 1935, the CIO became a model for Alinsky's vision of a national "people's organization" composed of a chain of local organizations. It was while working with the CIO that Alinsky became convinced of the effectiveness of using conflict and confrontation to achieve power and the necessity of enlisting creative, dynamic, and skilled organizers capable of mobilizing working people. Alinsky vowed to apply the techniques he had learned in the CIO to "the worst slums and ghettos, so that the most oppressed and exploited elements in the country could take control of their own communities and their own destiny" (Fisher, 1994).

Alinsky mobilized people to take action on their own behalf. In the nearly forty years of his career as a professional organizer, he was involved with a number of groups representing a diverse set of issues, including the Woodlawn Organization working for improved housing conditions in the south side black ghetto of Chicago; the Community Service Organization, which became a political base for Mexican-American migrant workers in the southwestern United States; blue-collar workers, scientists, professors, and environmentalists who formed a coalition called the Citizens Action Program to fight air pollution; and the organization upon which Alinsky cut his teeth, the Back of the Yards Neighborhood Council made up of ethnic white Catholics who supported the meatpackers union in their bid for higher wages from the Chicago packinghouse industry.

The **Alinsky method** is characterized by 5 major elements:

- 1) The professional organizer is a **catalyst** for social change.
- 2) The organizer's task is to build a community-based organization by strengthening and unifying **indigenous leaders and institutions**.
- 3) The goal of the organization is to **win power** for the powerless and unorganized.
- 4) The organization wins power through **any means necessary**, including boycotts, strikes, and demonstrations.
- 5) The organization must be **pragmatic** and **nonideological**.

Alinsky's work spawned the creation of a variety of grass-roots organizations in the late 1960s, although organizers adapted his methods to reflect changes in both the political and economic climates. In the 1970s, double-digit inflation and high unemployment prompted a new level of partnership between business and government. Local governments experiencing fiscal crises began to decrease levels of basic services and to provide concessions to corporations in order to attract investment capital. Low-income neighborhoods, viewed by the corporate sector as bad investments, were ignored or bulldozed by local governments as part of a policy of "planned shrinkage." In this neoconservative atmosphere, community development took on a new character based on the

philosophy that basic democratic values had been supplanted by the concentration of power and wealth in the hands of a few large corporations. In response, organizations such as the National Welfare Rights Organization, the Association of Community Organizations for Reform Now, and the Industrial Areas Foundation took the Alinsky approach a step further. Rather than promoting special ethnic interests or a particular constituency, these organizations developed a “majoritarian” strategy to unite low- and moderate-income population around common interests and problems. As a result, large numbers of people who had never before participated in organized action groups educated themselves about complex and controversial issues, developed new skills and confidence, and succeeded in challenging and winning concessions from traditionally powerful institutions.

### 3.2 Case Study: City Development Planning in San Antonio, Texas

#### *Background*

San Antonio, Texas	
1970 Population:	654,289
1970 Unemployment	4.3%
1969 Per Capita Income:	\$2,421
1969 Below Poverty Level	
All Families:	17.5%
African-American	31.2%
Female-headed	35.5%
Source: City & County Data Book, 1974	

In 1974, the Mexican-American community of San Antonio began organizing to improve economic and social conditions in their neighborhoods. The cornerstone of the resulting political action group called Communities Organized for Public Service (COPS) was the involvement and intensive training of indigenous leaders as a means of developing a strong and well-informed community base. This was accomplished largely through the work of a professional community organizer, trained in Alinsky's Industrial Areas Foundation (IAF), named Ernie Cortes. Cortes began his career in 1964 working with migrant farmworkers in the Rio Grande Valley of Texas. The methods Cortes used

with Mexican Americans in San Antonio and Los Angeles during the 1970s borrowed heavily from the IAF model which took advantage of existing community infrastructure and institutions, such as churches and labor unions, to build a neighborhood coalition capable of confronting local officials (Delgado, 1986).

By the mid-1970s, community organizing in U.S. urban areas had gained the attention of foundation, government, and church funding sources, including the Catholic Church's Campaign for Human Development; as part of this program, the Church provided approximately \$50 million over a 10 year period to grassroots, social justice organizations. Cortes was able to leverage the support of local and regional Catholic Church officials by providing them with training in community organizing as well as opportunities to observe and participate in COPS actions. In the neighborhoods, Cortes talked with citizens prominent in PTAs, boy scout groups, and women's clubs to identify the most unifying and pressing issues and to draw out the “central core leadership” of the Mexican-American community. Through training, these community leaders became well versed in conducting research and analysis of key issues, strategizing, problem solving, and the planning and evaluation of organized actions. The relationships of the various actors and institutions involved in COPS and the governmental agencies with whom they interacted are graphically displayed in **Exhibit 2**.

## *COPS “Majoritarian” Strategy*

In selecting the types of issues COPS should tackle, Cortes took advantage of lessons learned by the National Welfare Rights Organization (NWRO). NWRO had suffered disastrous defeats in the early 1970s as a result of its focus on a narrowly defined constituency of mothers involved in the federal program known as Aid to Families with Dependent Children.<sup>3</sup> The organization had subsequently adopted a “majoritarian” strategy aimed at uniting Americans of diverse racial and socioeconomic backgrounds against the “rich and powerful” (Boyte, 1980). Similarly, COPS chose to take on a range of issues affecting not only Mexican-American neighborhoods but a number of other constituencies and embodied in the city's long-range development plan.

COPS' analysis of the city's plan led to the development of a “counter-budget” intended to mitigate a skewed allocation of resources to real estate, new construction, and suburban residential interests. Based on the organization's assessment of the “majoritarian” interests of San Antonio citizens, the COPS counter-budget refocused attention on city neighborhoods and environmental protection. To promote the counter-budget, COPS scheduled meetings with elected officials that were attended by large numbers of COPS members. At one meeting with the mayor-elect and city council, 2,000 members representing a broad range of neighborhoods throughout the city expressed their solidarity and support of the COPS agenda. Regarding the meeting, Cortes recounts, “And the people knew the issues, the bond issues, the relations with the banks, the community development act. They knew more than the city council did” (Boyte, 1980).

Using confrontational tactics and backed by a broad constituency, COPS was successful in influencing decisions regarding how municipal revenues and block grants should be appropriated. For example, the organization secured millions of dollars in revenue-sharing funds for Mexican-American areas of the city, prevented a suburban golf course from being constructed with community development block grant money, and put a stop to city subsidies for suburban housing projects and water lines for industry. By the fall of 1976, COPS had become the largest urban community organization in the U.S. with an attendance at its annual convention of over six thousand delegates (Boyte, 1980).

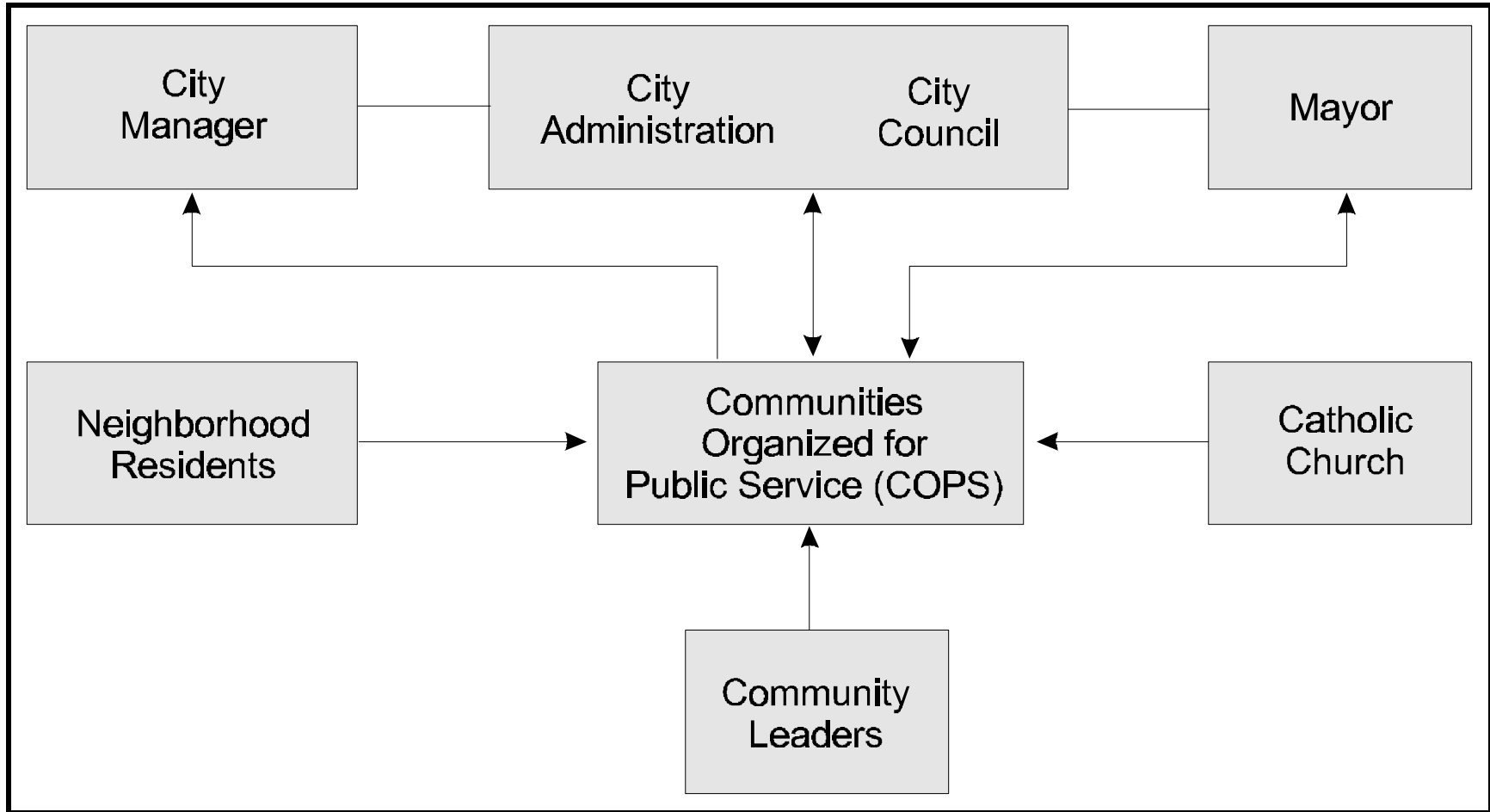
## *Expansion to Electoral Politics*

In the spring of 1977, COPS decided to expand its influence to electoral politics. The organization interviewed all candidates running for city council and openly supported those who expressed commitment to its counter-budget. This support included the registration of 18,000 new voters throughout the city and a political education campaign that mobilized tens of thousands of registered voters. As a result, every COPS-backed candidate won, even those predicted to lose by a large margin. Beatrice Gallego, COPS president, attributed the organization's success to a thorough knowledge of the issues and legitimate representation of the people's interests (Boyte, 1980). The new balance of power in the city council, achieved largely through COPS's organizational strength and evidenced by the continuing support of sympathetic elected officials, enabled COPS to move into a new phase of political action. However, because the organization feared becoming too distanced from its constituency and its primary goal of direct organizing, COPS decided to only publicize candidates' positions in future elections rather than overtly endorse the candidates themselves.

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<sup>3</sup> Aid to Families with Dependent Children (AFDC) was implemented during the Great Depression as part of Franklin D. Roosevelt's package of federal programs aimed at stimulating capital investment by increasing the purchasing power of unemployed Americans.

**Exhibit 2: Political Empowerment/Grassroots Organization Model**





COPS' newly-won influence was tested soon after the local election. In an effort to attract new industry, the San Antonio Chamber of Commerce created an advisory organization called the Economic Development Foundation (EDF). In response to a commissioned study, EDF recommended that San Antonio advertize the existence of cheap labor to attract new businesses to the area. COPS took the position that only businesses prepared to pay a living wage (at least \$15,000/year) should be considered and demanded that a meeting be held to discuss the issue. Local business interests throughout the state and agencies such as the Texas Industrial Commission banded together to launch a fierce counter attack which included a threatened corporate boycott. However, COPS' call for a public meeting was supported by the city council and media, among others, and the EDF eventually reversed its position and decided to promote a "United San Antonio" rather than growth based on exploitation of low-cost labor.

COPS' influence with elected officials also allowed the organization to successfully represent broad community interests in the face of competing claims to resources by the business sector. For example, in the late 1970s, the city manager, in collaboration with commercial interests seeking funding for their own projects, attempted to block a COPS proposal for an industrial center responsive to community needs. Backed by the mayor and city council, COPS prevailed and the project was funded in 1980 through the Urban Development Action Grant program.

### **3.3 Analysis**

COPS' ability to mobilize thousands of members for a city council meeting or even larger numbers of less-politically active voters for an election in itself prompted local elected officials to give serious attention to the organization and its agenda. However, COPS did not rely on intimidation by sheer numbers to achieve its objectives. Each confrontation was the culmination of a carefully developed action protocol and extensive training to educate members, as well as community leaders and sympathetic Catholic clergy, about the issues.

In order to organize and carry out a political education campaign that could reach tens of thousands of voters, COPS had to draw upon large numbers of member volunteers. As a result, COPS built on grassroots organizing methods of the twentieth century that sought to empower citizens to collectively embark on a path of political action. For example, as part of their training, Cortes and other organizers with the Industrial Areas Foundation became adept at employing volunteers to organize public schools, register voters, support or oppose bond issues, build low-income housing, and hold "accountability" sessions with politicians (Fisher, 1994).

COPS' organizational strength, support in city hall, and extensive knowledge of San Antonio's development context and issues gave the organization the credibility it needed to influence city budget decisions as well as decisions regarding the prioritization of neighborhood services and capital investment. The creation and promotion of the COPS counter-budget reflected a comprehensive and technically sophisticated approach for influencing the city's decisions regarding resource allocation. By securing media coverage and support of its demand for public discussion of controversial policies, COPS facilitated a higher level of transparency in local government operations for all citizens, even those outside their constituency.

COPS' decision to expand into electoral politics, but not to become beholden to any particular politicians, turned out to be a successful strategy for refocusing resources on neighborhood

development and environmental protection (the “majoritarian” issues) without losing sight of its *raison d'etre*. In addition, COPS was not afraid to flex its muscle in going up against local and state business interests. Perhaps the most accurate barometer of COPS' influence was the organization's ability to stand up to organized corporate interests at both the local and state levels, and to outmaneuver the collaborative efforts of the city manager and local businesses to block funding for a COPS-supported industrial center.

The main drawback of the organization's very political and confrontational mode of operation was that its activities often elicited a defensive response from city administrative officials. In fact, COPS deliberately leveraged the support of elected officials and the media to influence long-range city planning decisions. As a result, there was no incentive for the city administration to create institutional mechanisms or to provide staff training for developing effective, long-term relationships with the COPS leadership.

## **4. Model: Local Government as Community Development Catalyst**

### **4.1 Description**

Local governments started to assume a greater share of financial responsibility for municipal infrastructure and services when federal grant funding began to dry up in the late 1970s in response to rising inflation. Parallel to this increase in responsibility has been an increase in public demand for fiscal accountability on the part of elected and appointed officials. As a result, many local governments have become more assertive in seeking out and allocating resources, improving administrative processes, and evaluating progress toward management objectives related to effectiveness and efficiency. Some cities have adopted systems such as Total Quality Management<sup>4</sup> characterized by a perception of citizens as “customers.” Finally, elected officials are becoming increasingly interested in issues of equity as city and suburban populations become more racially and socio-economically diverse. In his comparison of old and new cultures in the urban planning profession, Meck describes a “new pragmatism” emerging in the 1990s that is action-oriented, seeks effectiveness in the short term, values small scale and the intimate in the everyday environment, and recognizes the existence of community problems that are messy and complex and require negotiated problem-solving. (Meck, 1991)

As part of these new management techniques, local government agencies have engaged citizens in dialogue in order to better identify and prioritize community goals and objectives. However, in recent years, a few local governments have taken participation a step further by putting citizens in the center of the service design and delivery process. “Citizen-centered” approaches promote a more substantive involvement of a wider range of citizens in the implementation of municipal public policy. Local government employees have more contact with their constituencies and communication flows and information exchange are enhanced. Neighborhood residents take more initiative and responsibility for determining and discussing service priorities with local officials who enjoy a more effective forum for explaining the fiscal and managerial constraints which affect the realization of residents' demands. Institutional capacity is strengthened as local governments start to break out of more limited ways of perceiving and executing service delivery. For example, inter-departmental multi-service responses may supplant a previous reliance on independent departmental procedures for initiating and maintaining specific services. Often the citizen-centered approach is initiated by the administrative departments of a local government as the result of the establishment of new policies for improving neighborhood services. The initiative usually begin in a particular city department, which acts as a testing ground and, after refinement based on initial analysis of the program's performance, is adapted and implemented in other selected departments or throughout the entire city government.

Neighborhood service delivery programs are an area where the citizen-centered approach has been successfully employed to create a more substantive role for residents. These programs embrace the legitimacy of public opinion alongside professional opinion, and use it to tailor services to local needs (ICMA, 1993). Public administrators and residents work together to determine implementation strategies for the policy and procedural guidelines laid out by elected officials. Neighborhood service

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<sup>4</sup> Total Quality Management is a system of ideas created by W. Edwards Deming to improve management in industrial corporations. In this system, customer satisfaction becomes the primary goal of the organization, management decisions are based on statistical measurement of performance, and labor and management work together to find the best ways to accomplish objectives.

delivery programs are characterized by a focus on certain components that facilitate better relationships and communication between local government staff and neighborhood residents.

Although neighborhood service delivery programs stimulate the development of partnerships and coalitions among the various stakeholders — local government employees, neighborhood residents, non-profit citizen's groups, and private organizations — the impetus for change as well as management of the process comes from the local government. The local government is well-positioned to orchestrate new methods of service delivery because it can harness all of the resources of the community to address community problems. In addition, because the complex problems of the urban setting often defy traditional solutions developed in city hall, the knowledge local officials gain by working with citizens in their own neighborhoods is invaluable for more effective program design. Successful neighborhood service delivery programs based on the citizen-centered approach are currently operating in a variety of areas, including code enforcement, crime prevention, public works, housing, city beautification, and at-risk youth programs.

#### Components of Neighborhood Service Delivery

- \* Reduce fear of crime.
- \* Identify underlying service needs.
- \* Develop a problem-solving organization.
- \* Develop a neighborhood improvement philosophy
- \* Make neighborhood improvement comprehensive
- \* Encourage public involvement
- \* Improve accountability
- \* Use geographic service districts and teams

Source: MIS Report, Volume 25/Number 4, ICMA

## 4.2 Case Study: Neighborhood Service Delivery in Hattiesburg, Mississippi<sup>5</sup>

### *Background*

In 1992, the U.S. Conference of Mayors selected Hattiesburg, Mississippi as the winner of its Livable Cities Award for cities with a population of 100,000 or less, largely due to the implementation of its Neighborhood Improvement Program (NIP). As a result, this innovative program has become nationally recognized as a new approach to the way government responds to the needs of the community. However, the NIP was not an instant success but evolved, through trial and error, into the current model over a three year period. Both citizens and local government officials had to relinquish preconceived ideas of their respective roles in the process. Existing barriers to

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<sup>5</sup> This case study is based primarily on information from “Neighborhood Service Delivery,” ICMA Management Information Service Report No. 4, Volume 25, April 1993.

communication were pulled down and new ways of soliciting and using public input were created. City departments learned to work and communicate more effectively with each other while neighborhood residents became more informed and politically active. **Exhibit 3** contains a graphic representation of the neighborhood and local government organizations involved in the design and implementation of the NIP and their relationships to each other.

Hattiesburg, Mississippi	
1992 Population:	42,768
1991 Unemployment:	7.6%
1989 Per Capita Income:	\$10,013
1989 Below Poverty Level	
All families:	28.3%
Female-headed:	61.7%
Source: City & County Data Book, 1992	

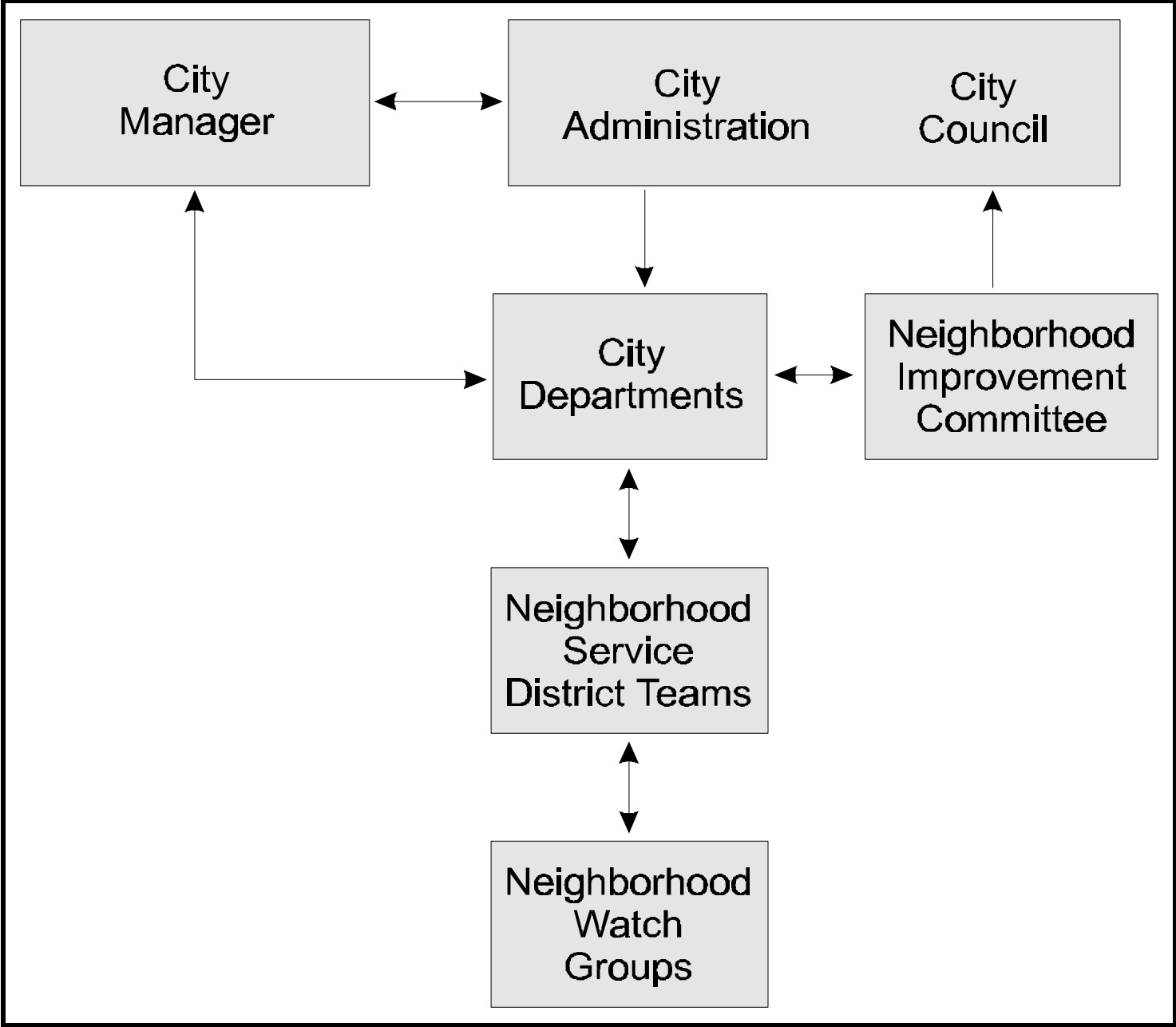
In 1985, in response to the desire of the city council to improve the equity of service delivery in Hattiesburg, city officials began to explore how local government might act as a catalyst to promote citizen involvement in setting service delivery priorities. Three departments initiated independent programs to address

seriously deteriorating conditions in older neighborhoods. The public service department conducted a “sweep” to assess and improve the condition of infrastructure and public rights-of-way in targeted areas. The inspection department began to log code violations in preparation for using the courts to remove abandoned, dilapidated structures. Finally, the department of planning and community development decided to involve property owners as part of its historic preservation program to rejuvenate the downtown area. At the same time, changes were occurring within the city's organizational structure, including the appointment by the newly elected administration of a chief administrative officer with authority to coordinate the efforts of all city departments. The adoption of a new comprehensive plan and zoning ordinance brought over 1,000 residents to a series of public hearings seeking protection for their neighborhoods. These events combined to create a climate for change in how the Hattiesburg city government would operate in the future.

### *Development of the Neighborhood Improvement Plan*

One of the first actions of the new municipal government was the development of the Neighborhood Improvement Program (NIP), a comprehensive plan aimed at assessing problems and implementing improvements in all of the city's neighborhoods. The NIP was designed to focus on one neighborhood at the time, completing upgrading activities in each neighborhood before moving on to the next. In August 1989, program managers selected a target neighborhood and initiated a 90-day trial period. Each city department provided a senior staff person to participate in the NIP Coordinating Committee which was charged with evaluation of the program. The inefficiency of the old system of independently managed departments became apparent as each department began to conduct comprehensive assessments of the target neighborhood related to their service area. At the same time, neighborhood residents began to organize themselves in order to participate in weekly meetings with the NIP committee. The immediate results of initial program activity included an overload of the city's management information system, unmanageable employee workloads, and a deluge of citizen complaints dealing with issues from years past.

**Exhibit 3: Local Government as Catalyst Model**



Upon completion of the trial period, the project was criticized by city employees as too “project-oriented” because of the unrealistic timetable within which neighborhoods were expected to be completed. They asserted that rather than an innovative process to solve neighborhood problems, NIP was a burden causing an increase in workload for departmental staff. Elected officials were also surprised at the level of complaints voiced by residents in neighborhood meetings and worried that the expectations of the public might overwhelm existing public works resources. However, even in the face of employee dissatisfaction and public controversy, the city council continued their support thereby providing the NIP Coordinating Committee with the opportunity to improve the perception of the program by city staff and foster fledgling participatory efforts of citizens. In addition, city departments began to apply and to share information and techniques garnered from the first phase of NIP. Assessment techniques developed by code enforcement officers and public works employees during the NIP trial phase were adopted by most city departments, even in non-NIP neighborhoods. In preparation for bringing affected citizens into the process, the Department of Planning and Community Development organized neighborhood watch groups across the city.

However, one important design flaw became apparent during the first year of the program's operation. Because implementation of the NIP was combined with ongoing maintenance of other parts of the city, the pace of introduction of new neighborhoods was slower than anticipated; in fact, it became obvious to city staff that the notion of “completing” improvements in each neighborhood was unrealistic. As a result, the City purchased a computerized complaint tracking system to facilitate communication between city departments and their constituents. NIP Coordinating Committee members found that an increasing percentage of their time was being taken up in listening to citizen complaints in public meetings across the city. On a positive note, the increased interaction fostered an environment where senior officials could proactively describe and discuss their objectives with residents, usually in informal, one-on-one settings.

### *Reorganization of the Neighborhood Improvement Plan*

In response to the evaluation of the first phase, the City completely reorganized the program in the fall of 1990 to allow the NIP to simultaneously serve all of Hattiesburg. The city was divided into six neighborhood service delivery districts, based on the geographic service districts historically used for fire protection<sup>6</sup>, and a Neighborhood Service Delivery (NSD) team composed of mid-level managers from the fire, police, building inspections, and public services departments was assigned to each district. NSD team members assumed accountability for the quality of services in his/her district and the initiation of problem-solving strategies where necessary. NSD teams were also charged with the responsibility of working with neighborhood watch groups to increase their capacity to function as comprehensive neighborhood organizations. In the first month after reorganization, fifty neighborhood meetings were held which, for the first time since the initiation of the NIP, focused on joint problem-solving rather than registering of citizen complaints.

Each NSD team became the primary, permanent link between city government and its neighborhood for routine, basic service delivery as well as for problem-solving. The creation of NSD teams allowed the NIP Coordinating Committee to refocus its energies on program development. Training was

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<sup>6</sup> A geographic service district is a specific service response area which is permanent and is based on territorial rather than political boundaries.

developed for NSD team members as well as neighborhood leaders, and city programs were redesigned to involve neighborhood organizations. For example, a landscaping project designated for commercial areas of the city solicited input from citizen's groups in adjacent neighborhoods. The City and public school district worked together to facilitate the leasing of an abandoned school building to create a club for at-risk teenagers. Hattiesburg also received national attention for crime prevention and drug awareness partnership programs which were directly supported by neighborhood watch groups. Finally, community resources were allocated to the development of Community Reinvestment Act programs and a housing partnership task force, consisting of neighborhood leaders, local bankers, realtors, and city staff, which obtained \$500,000 in community development block grant funding from the state of Mississippi.

### **4.3 Analysis**

One of the most striking changes resulting from the implementation and evolution of the NIP in Hattiesburg has to do with the interaction of city departments involved in the program. Before the NIP, departments functioned as independent technical units with little incentive or inclination to collaborate either with neighborhood residents or other departments. By contrast, the NSD teams were charged with responsibilities that required cooperation and close communication among team members as well as regular and systematic contact with neighborhood residents and groups.

Because the NSD team became the primary link between the local government and citizens within its assigned district, team members spent time each week working with neighborhood watch groups in both an organizational and problem-solving capacity, and exchanging information with other team members to improve or maintain service quality. NSD team members and neighborhood leaders received training to assist them in making the transition to their new roles. With the neighborhood service delivery system in place, the City could turn its attention to new program design and funding. By coordinating various forms of community resources — public, private, and non-profit — and including all relevant parties in prioritizing and decision-making, programs came to reflect the priorities of residents, transcending particular neighborhoods. Other programs were developed through the organization of partnerships or coalitions around a particular issue such as housing or crime prevention. Existing programs were redesigned based on the input of newly-formed neighborhood organizations. Implemented through the NSD teams, city programs became more specifically targeted to citizens' needs and, as a result, more effective.

The major benefit of the implementation of Hattiesburg's NIP was the development of a new paradigm of interaction between local government and citizens. In particular, elected officials had to be willing to continue their support for an unproven, innovative program through an initial phase characterized by citizen dissatisfaction, performance evaluation, and redesign. The willingness of all the stakeholders to sustain the program paid off in several ways:

- an innovative and long-term solution to long-standing neglect of the city's low-income neighborhoods was created,
- departments began to share information and techniques developed in NIP neighborhoods,
- neighborhood residents and NSD teams worked together to achieve more effective service design and delivery, and



- new systems for tracking complaints and joint problem-solving by NSD teams and residents created more confidence in local government administration and the ability of the City to improve the citizens' quality of life.

New institutional mechanisms created as part of the NIP rested on an early forging of cooperation and communication both among city departments and between city staff and their constituents. Once established, these mechanisms were employed to coordinate community resources to create city-wide improvements in crime prevention and beautification as well as to leverage external resources for housing rehabilitation and construction.

## **5. Model: Community Development Coalitions/Partnerships**

### **5.1 Description**

The earliest form of partnership between government and community organizations involved federal financial support to community development corporations (CDCs). Non-profit organizations governed by community-based boards, CDCs sprang up in the 1960s as part of the Civil Rights and anti-poverty movements with missions such as the improvement of housing or economic conditions in low-income neighborhoods. Many of these first CDCs were associated with grassroots organizing and were funded largely by foundations and Great Society programs of the Johnson administration. In the 1970s, CDC projects increased tenfold in response to urban renewal, redlining, and factory closings. Although foundations continued to provide the majority of funding, federal agencies such as the Community Services Administration and the Office of Neighborhood Development began to take more interest in CDCs during the Carter presidency. By 1980, over a dozen federal programs providing \$2.6 billion were in operation and CDCs had become the central component of the federally-supported Neighborhood Development Movement (Fisher, 1994). However, federal funding was drastically cut as part of the Reagan administration's "privatization campaigns" and emerging CDCs became as concerned with their own economic success and viability as that of the neighborhoods within which they worked.

Although states and cities have not had the financial means during the last 15 years to take up the slack in funding, they still contribute more each year to community development than private foundations and corporations combined (Vidal, 1992). Directors of CBOs often complain that the public sector is less than fully committed to or knowledgeable about their programs or the successes they have achieved. Public administrators respond that they face regulatory and bureaucratic obstacles to supporting nonprofits and are concerned about the limited administrative capacity and past failures of some CBOs (Rubin, 1993). On the other hand, a few cities have subsidized community development by taxing luxury items, real estate transfers, and large commercial projects (Fisher, 1994). In addition, foundation support has grown and is especially targeted to project startups. Since 1986, the Ford Foundation, in collaboration with Harvard University's Kennedy School of Government, has provided \$100,000 awards to state and local governments that develop innovative programs and partnerships at the grassroots level (Governing, Oct. 1994).

Community organizations and local governments have also profited from partnerships whose main function is the sharing of expertise and information or the leveraging of community resources for achieving development objectives. Using a "consensual approach" to community organizing, a social worker named Mike Eichler has led the organization of CDC projects in Pittsburgh, Houston, New Orleans, Little Rock, and Palm Beach (Fisher, 1994). Consensual community organizing combines the empowerment goals of political activism with the desire to protect property values and expand neighborhood programs and services. Drawing on a background that includes both the Alinsky tradition and foundation-funded community development projects, Eichler creates development teams that unite all segments of the community — neighborhood residents, bankers, businesspeople, religious leaders, politicians, and government officials — in a common goal of gathering the necessary resources to rebuild the community. According to Eichler, the underlying rationale for choosing consensus over confrontation in his current work has been the focus on privatization initiatives of conservative politicians as well as increasing pressures of global competition. Through participation in consensual community organizing, corporate leaders become more active and aware of social problems, city officials come to see community organizing as valuable rather than threatening, and

neighborhood residents become empowered and gain control over at least some community resources.

Development coalitions have produced a variety of successful and measurable outcomes, including shopping centers in burnt out areas of inner cities, quality housing in place of slums, small business loans for minority-owned companies, and job development programs for abused women (Rubin, 1993). Although funding can take many forms, CBOs claim that local government support is vital to their success. Some local governments have assisted CBOs with core administrative expenses thereby enabling them to allocate more resources to planning and execution of development projects. Other cities have designated a particular CBO as the city's representative and administrator of public funds for neighborhood revitalization. For example, Chicago's Economic Development Office provided financial support to neighborhood organizations in their efforts to retain industries in their communities (Rubin, 1993). Local governments have also used city or CDBG funds to assume the least-secure position on a mortgage for a housing or commercial development project, thereby facilitating the participation of conventional lending institutions. By allocating portions of the capital budget to neighborhood development, municipalities have indirectly supported CBOs through activities such as picking up the added costs of development projects located in a declining neighborhood or funding training of community-based developers.

Although large numbers of CBOs are receiving local government funding, the total amounts are still relatively small, especially in comparison to overall city development budgets and conventional economic development programs (NCCED, 1991; Vidal, 1992). In addition, support seems to be disproportionately concentrated in cities where local officials see the necessity for and value collaboration with community groups. However, even municipalities with little to offer in the way of hard funds are contributing to development by providing strategic and tactical support to CBOs and engaging in shared decision-making regarding community development. In this capacity, local governments have provided administrative waivers of building and inspection fees, donated buildings obtained through tax liens, and developed inspection programs that pressure slumlords to sell their property to community groups for rehabilitation (Rubin, 1993). Municipal officials have also worked with CBOs to retain funding from local banks for city-sponsored housing and economic development programs by educating citizens about federal legislation and how it applies to local conditions.

## 5.2 Case Study: Capital Funds for Neighborhood Development in the Twin Cities<sup>7</sup>

### *Background*

The cities of Minneapolis and St. Paul lie at the center of a metropolitan area of 2.3 million residents encompassing much of southeast Minnesota and parts of western Wisconsin. Often referred to as the

Minneapolis & St. Paul, Minnesota	
1986 Population:	356,840 and 263,680, respectively
1987 Unemployment:	4.6% and 5.1%
1985 Per Capita Income:	\$12,302 and \$11,557
1989 Below Poverty Level	
All families:	14.1% and 12.4%
Female-headed:	38.1% and 33.6%
Source: National League of Cities, 1988; City & County Data Book, 1992	

“Twin Cities” because they lie adjacent to each other in the junction of the Minnesota and Mississippi Rivers, Minneapolis and St. Paul share a tradition of strong neighborhoods and well-informed citizen groups. Corporations and financial institutions in the Twin Cities have also demonstrated a willingness to support civic efforts and local development through allocation of staff time and resources to develop effective public-private partnerships.

In 1987, Twin Cities local officials noticed a trend of decreasing participation of the area's largest banking institution in city-sponsored small business and housing loan programs. Both cities decided to conduct more detailed studies which confirmed that the bank's lending practices for community development programs had changed dramatically over the previous three years: in Minneapolis, total lending decreased from almost \$10 million in 1985 to less than \$1 million in 1987; bank loans to St. Paul residents were cut in half between 1984 and 1987. The study also revealed possible underlying causes for this shift in lending practices. In the mid-1980s, the bank had undergone a massive restructuring resulting in the centralization of credit decisions. In addition, the bank had plans to expand into nine new states and was seeking changes in Minnesota's interstate banking law. City officials speculated that if the bank succeeded in developing a much larger market, economically distressed neighborhoods in the Twin Cities might be passed over for wealthier areas posing less lending risk.

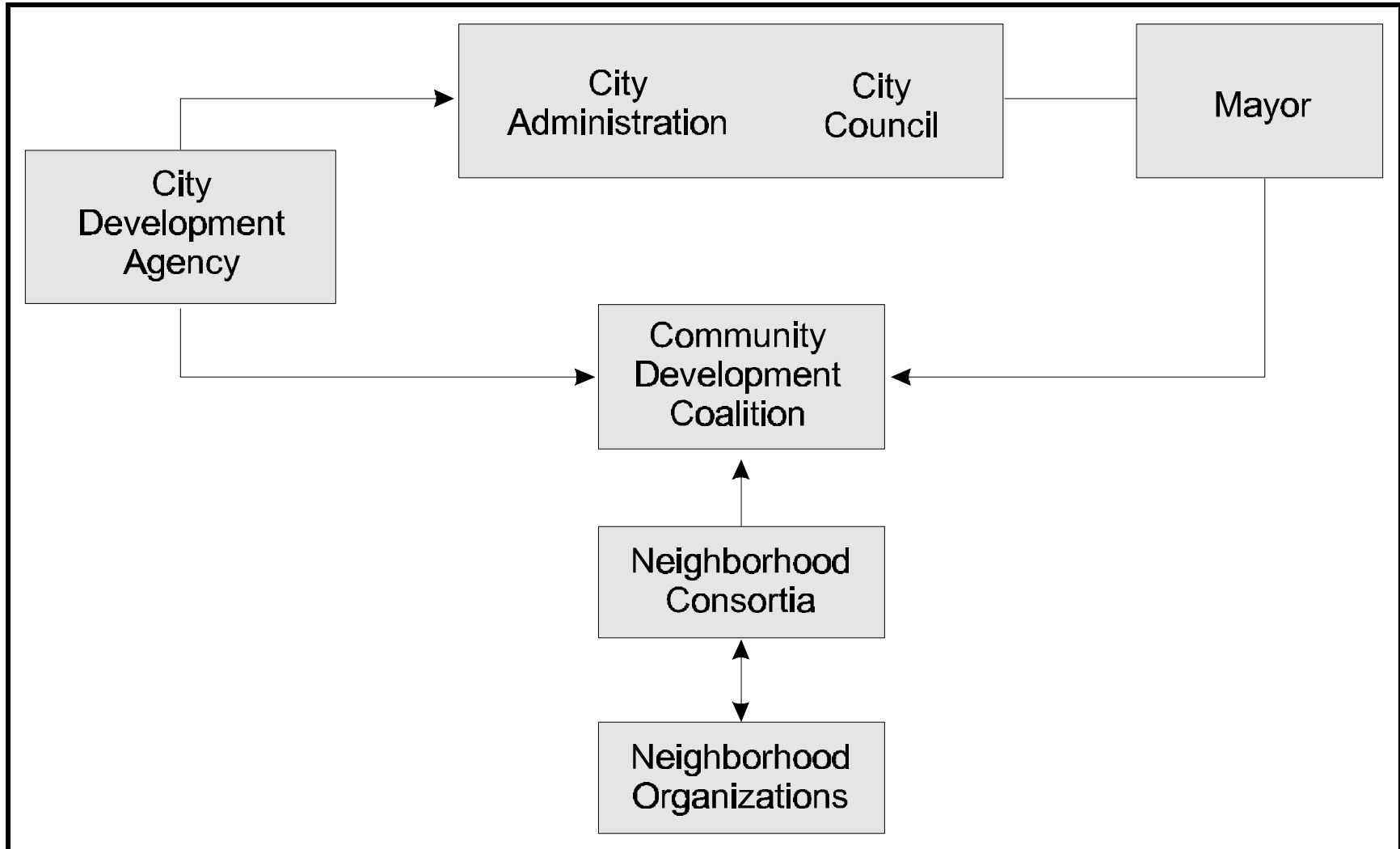
### *Formation of a Community Development Coalition*

In discussing their findings with neighborhood groups, city officials learned that they were experiencing the same difficulties in their attempts to secure bank loans for projects. As a result, a coalition was formed to strengthen the position of the various stakeholders which included the mayors of Minneapolis and St. Paul, both cities' development agencies, and members of two consortia representing a total of two dozen neighborhood organizations. A graphic depiction of the local government and community organizations involved in the negotiations for community development funding in the Twin Cities is contained in **Exhibit 4**.

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<sup>7</sup> This case study is based primarily on information from Matt Kane and Peggy Sand, *Economic Development: What Works at the Local Level*, National League of Cities, Washington, DC, 1988.

**Exhibit 4: *Community Development Coalitions/Partnerships Model***



In January 1988, both mayors met with the chief executive officer of the bank to express their concern about the decrease in access to credit for Twin Cities neighborhoods as the bank pursued more profitable markets. City and bank officials agreed to meet weekly in an effort to establish an agreement on the amount and types of credit the bank would continue to provide for city-sponsored programs. But by February, negotiations between the cities and the bank had ground to a halt.

In deliberating the coalition's next step, city officials proposed that the public participation requirements of the Community Reinvestment Act be used to delay the bank's proposed acquisition of another bank in a nearby town.<sup>8</sup> One of the consortia filed a petition with the Federal Reserve Board requesting more time for public comment on the effect of the acquisition on community credit needs. The petition mentioned that city officials shared the consortium's concerns which lent extra weight to the petition in the eyes of the Federal Reserve Board regulators. The filing of the petition alone served to bring the bank back into the negotiations. Within days, the neighborhood consortia representatives, bank officials, and city officials met to develop a draft agreement that set an overall commitment amount by the bank for city-sponsored loan programs. As a result, the consortium withdrew its petition and weekly meetings were scheduled to develop a formal agreement.

In March, the coalition stepped up the pressure to finalize formal agreement negotiations by having Minneapolis city officials postpone designation of the bank as a city depository. The bank knew that if the City decided to withdraw its account, it could represent a loss of as much as \$15 million a month in deposits. Moreover, the bank's public image would be severely damaged. In addition, the bank was concerned about the effect of the coalition's actions on a bill currently pending in the state legislature to liberalize inter-state banking laws, allowing the bank's expansion into other states. Although state legislators had not formally linked passage of the bill to a successful agreement with Twin Cities officials, delayed hearings on the bill prompted bank officials to seek a more timely resolution to the controversy. The coalition reached a preliminary understanding with the bank in April which set overall monetary goals for program funding.

A more detailed letter of understanding which delineated specific goals for neighborhood development programs in each city was signed in May by the mayors and city council presidents from each City, representatives of the community groups, and the chief executive officer of the bank. The formal letter of understanding committed the bank to lending goals of \$47 million in St Paul and \$42.5 million in Minneapolis over a five year period and spelled out specific amounts for each program. Although no legal means for enforcement of the agreement was established, the participation of the chief executive officer and the publicity surrounding the formal agreement were indications of a serious commitment on the part of the bank. In addition, bank representatives agreed to meet every six months with community groups and city officials to monitor its progress in achieving the goals contained in the agreement. The results of these meetings were made available to the public in semi-annual reports.

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<sup>8</sup> The Community Reinvestment Act requires local financial institutions to earmark a portion of loanable funds each year for disadvantaged or low-income neighborhoods in their community.

### 5.3 Analysis

At the time Twin Cities officials discovered that local financial resources for city-sponsored programs had drastically decreased, both cities already enjoyed sophisticated public participation environments characterized by strong private sector support and numerous public-private development partnerships. Both cities also had established loan programs to promote small business development and affordable housing. The financial crisis was precipitated not so much by negative changes in local conditions as by the “pull” of lucrative markets external to the Minneapolis/St. Paul metropolitan area.

Although public and non-profit institutions in each city were well acclimated to their role in long-term development, none were powerful or credible enough to compete for resources at the national, regional, or even local level. However, the community development coalition was effective because individual members: (1) were experienced in operating in the Twin Cities area, (2) represented the constituencies affected by the loss of capital, (3) complemented rather than duplicated each other's skills and roles, and (4) were likely to benefit from a reinstatement of the bank's commitment to neighborhood development.

The coalition fostered stronger links both between the two cities and between the cities and the citizen consortia. The mayors and development agency staff from Minneapolis and St. Paul joined forces to more effectively pressure the bank to negotiate. Development staff also provided technical assistance to citizen representatives in strategic planning of actions and participation in formal negotiations with the bank's senior staff. Finally, the coalition functioned in a “watchdog” capacity by monitoring the bank's ongoing commitment to the terms set out in the funding agreement and facilitated access by the public to the bank's community lending practices through published, semi-annual reports.

The formation of the coalition and the willingness of the members to take on an adversarial role in bringing the negotiations to a conclusion produced dramatic results in the bank's commitment to specific lending levels over a five-year period. The lending agreement also represented an efficient use of public funds to leverage private sector, market rate loans for community development. However, the bank retained complete flexibility in all decisions regarding loan approvals and the timetable of funds disbursement. If the bank failed to meet the goals contained in the letter of understanding, city officials would have to renegotiate with perhaps less effective results if the bank happened to be in a more stable, non-expansionist period.

The community development coalition was successful mainly due to supporting legislative and

Allocations for <b>St. Paul</b> included:	
*	\$15 million for low-income <b>multi-family housing</b>
*	\$5 million for <b>single-room occupancy housing</b>
*	\$11 million for neighborhood <b>economic development</b>
*	\$6 million for <b>small business</b> loans
*	\$1.6 million for <b>working capital</b> loans
*	\$4 million for <b>rehabilitation</b> and <b>energy</b> loans
<b>Minneapolis</b> was slated to receive:	
*	\$5 million for <b>commercial rehabilitation</b>
*	\$23 million for <b>small business</b> loans
*	\$3 million for <b>conventional financing</b>
*	\$15 million for <b>rental rehabilitation</b>
*	\$1 million for <b>working capital</b> loans.

political environments, and the right mix of members. Armed with information, the coalition was able to use the vulnerability of the bank to its advantage in keeping the negotiation process alive. The existence of strong and well-organized neighborhood groups and the expectation of citizens regarding private sector involvement in community development circumvented the need for elaborate political or skills training before planning and executing actions. As a result of the coalition's steady and increasing pressure, the bank agreed to a dramatic increase in lending levels ensuring the continuation of city-sponsored community programs over a five-year period. However, a major weakness of the coalition's strategy was the fact that no legal enforcement of the bank's proposed commitment was included in the agreement, leaving the implementation of the funding entirely to the bank's discretion.

Although a small number of citizens were actually involved in the coalition, they represented a large number of neighborhood constituents throughout the two cities. Coalition members each brought to the effort a different strength, which taken together constituted a rich collection of tools from which to draw in developing a strategy. At the same time, the coalition had to be vigilant in managing inequality in commitment or credibility among members as well as differing objectives or methods.



## 6. Comparative Analysis of the Four Participation Models

The decentralization of decision-making and administration of federal grants for community development created an environment that facilitated the eventual emergence of more innovative and effective participation models. During the period of heavy public investment at the local level, federal government subsidies informed decision-making regarding community development activities in large urban centers. Local governments with the resources to successfully navigate complex application and administrative processes were rewarded with sizable federal grants for new construction of infrastructure and expansion of services to encourage development.

Having started down that path, the federal government, in an effort to ensure that taxpayers' money was being effectively employed to reach national objectives, continued to escalate the number and requirements of federal grant programs culminating in the excessive regulations of the anti-poverty programs and the collective call for decentralization by local governments. The CDBG program, as a deliberate transfer of authority for programmatic decision-making to the local level, paved the way for a new level of intimacy in the interactions of local government officials and their constituents. As a result, local governments and citizens all over the U.S., including those reviewed in these case studies, began to collaborate to fashion new forms of participatory governance.

As representatives of the four models, the case studies demonstrate strengths and weaknesses in their impact in the areas of local governance, services/capital projects, and citizen organizations. Table 1 which follows provides a detailed comparative matrix of the models, indexed by the corresponding case study.

In addition, the models and their illustrative case studies reveal certain characteristics that can be generalized as typical of the U.S. experience:

- ▶ The history of participation in a particular area is one of adaptation to changes in the local environment, i.e. citizen involvement in local government is constrained (or promoted) by the political, economic, and legal environments within which citizens and public officials interact.
- ▶ The catalyzing agent for increased participation can be an elected official, public administrator, individual citizen, citizen group, or professional community organizer.
- ▶ The attitudes of citizens and government about their role (and expectations of the other's role) in the development process inform both the process and results of participation efforts.
- ▶ The legacy of the participation experience is frequently an overall higher level of community leadership and expertise and/or better functioning of government institutions.

**Table 1: Comparative Analysis of Public Participation: Four U.S. Models**

<b>PARTICIPATION MODELS</b>	<b>Decentralization of Federal Grants Administration</b> (Houston)	<b>Political Empowerment/ Grassroots Organizing</b> (San Antonio)	<b>Community Development Coalitions</b> (Minneapolis/St. Paul)	<b>Local Government as Community Development Catalyst</b> (Hattiesburg)
<b>GOVERNANCE</b>				
Inter-departmental communication	Creation of inter-departmental task force for CDBG application	No change	Closer informational links between twin cities' development agencies	Sharing of NIP assessment techniques; inter-departmental NIP committee & NSD teams created
Transparency	Public hearings and notices, workshops, media coverage	Scheduled meetings with elected officials, voter education, media coverage	Media coverage of signing of lending agreement; published reports from semi-annual meetings	Neighborhood meetings with NIP committee and NSD teams
Accountability to public	Slow rate of funds expenditure; sub-area commissioners acted as liaison between residents and city staff	Elected officials directly accountable to COPS constituency due to broad political influence and knowledge of the issues	No legal means of enforcing terms of agreement; meetings held every 6 months to monitor progress	NSD team members directly accountable to neighborhood groups in their district for quality of services

<b>PARTICIPATION MODELS</b>	<b>Decentralization of Federal Grants Administration</b> (Houston)	<b>Political Empowerment/ Grassroots Organizing</b> (San Antonio)	<b>Community Development Coalitions</b> (Minneapolis/St. Paul)	<b>Local Government as Community Development Catalyst</b> (Hattiesburg)
<b>GOVERNANCE</b>				
Institutional strengthening	New institutional mechanisms for development of lower-income areas (CDD, HRCPC, housing plan)	No change	Coalition included all relevant constituencies; stronger relationship between city and neighborhood groups	NSD teams became permanent mechanism for basic service delivery and problem-solving; NIP committee took over program development
Staff development/training	Public information workshops sponsored by political interest groups	No change	Formal negotiation techniques	Computerized complaint tracking system; training of NSD team members
<b>SERVICES/CAPITAL PROJECTS</b>				
Efficiency	Administrative costs held to 10%	Use of member volunteers to register and mobilize tens of thousands of voters	Continued leveraging of private sector resources through matching of city financing with market-rate loans	Coordination of public, private, and non-profit community resources for problem-solving and fund-raising

<b>PARTICIPATION MODELS</b>	<b>Decentralization of Federal Grants Administration</b> (Houston)	<b>Political Empowerment/ Grassroots Organizing</b> (San Antonio)	<b>Community Development Coalitions</b> (Minneapolis/St. Paul)	<b>Local Government as Community Development Catalyst</b> (Hattiesburg)
<b>SERVICES/CAPITAL PROJECTS</b>				
Effectiveness	CDBG activities based on residents' priorities; CDBG funds replaced city revenues for some capital projects	Reallocation of CDBG funds for low-income neighborhoods	Commitment to specific funding amounts for small business and housing loans in distressed communities	City programs redesigned to reflect input of residents and implemented through NSD teams
Levels of service	Housing rehabilitation and capital projects delayed until the third year by legal and administrative problems	Increase in minority areas; decrease in suburban and industrial areas	Dramatic increase in lending levels over five-year period	Increase in programs for at-risk youth, crime prevention, clearance, beautification, and routine maintenance
Project Implementation	Citizen impatience at slow rate of funds expenditure, especially in area of housing rehabilitation	Projects implemented in a timely way due to COPS' media support and influence with elected officials	Schedule of loan approval and disbursement of funds determined by bank	Initial focus on one neighborhood at the time replaced by simultaneous coverage of entire city by NSD teams
<b>CITIZEN ORGANIZATIONS</b>				
Leadership	Director of HRCPC and subarea commissioners	Professional organizer, Catholic clergy, and indigenous leaders	Representatives from two consortia of neighborhood groups	Leaders of neighborhood organizations; housing task force representatives

<b>PARTICIPATION MODELS</b>	<b>Decentralization of Federal Grants Administration</b> (Houston)	<b>Political Empowerment/ Grassroots Organizing</b> (San Antonio)	<b>Community Development Coalitions</b> (Minneapolis/St. Paul)	<b>Local Government as Community Development Catalyst</b> (Hattiesburg)
<b>CITIZEN ORGANIZATIONS</b>				
Strategies	Informational meetings; ethnic solidarity and competition for funds; lobbying officials	Confrontational meetings; candidate endorsement and voter mobilization	Use of pressure tactics (CRA, inter-state banking regulations, withdrawal of city depository status); formal negotiation	Problem-solving meetings; involvement of neighborhood organizations in program design
Number of people/meetings	30 public information meetings in target areas; 2 public hearings attended by 700; citizen task force of 26; approximately 60 sub-area commissioners	Meetings with elected officials attended by thousands of COPS members; annual convention with 6,000 members in attendance	Representatives from 2 consortia representing 2 dozen neighborhood groups	80 neighborhood watch groups; 15 resident organizations
Effect on decision-making/policy	Based on citizen and staff input, final decisions made by director of CDD	Direct impact on expenditure of city development revenues and block grants	Direct impact on bank lending goals for neighborhood development	Joint prioritizing and problem-solving by neighborhood residents and NSD teams
Skills development/training	2 technical consultants provided for citizen task force; MNRC staff acted as administrative resource for HRCPC	Extensive training of leadership in strategic planning, problem-solving, legislation	Informal training of neighborhood groups regarding legislation	Organizational support of neighborhood watch groups by NSD teams; formal training of neighborhood leaders

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