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#### Young Volunteers in ACTION

file ACTION or Volunteerium

A narrative proposal for a Young Volunteers project should contain information of the following sort.

I. The Host Community

How many young people are concentrated in a geographically accessible area? Is public transportation available? Is there an ethnic or economic mix?

Would a Young Volunteer project be a significant addition to the opportunities for volunteering?

Is the community in general supportive of youth activities? Are there developed civic, church, and school programs, to the extent which indicate a receptive atmosphere but not to the extent that Young Volunteers would be perceived to be in competition or merely duplicate?

Are there sufficient numbers of associations, agencies, or projects to absorb the volunteer hours of the Young Volunteers?

Is there likely to be strong support in the mayor's office, the educational system, or the social service organizations?

Is there sufficient potential private sector support available for institutionalization, after two years, of a program which has demonstrated success?

Are there any factors peculiar to the community which would enhance or diminish the likelihood of success?

Is there a history of similar projects in the community?

What seem to be the kinds of volunteer activity which the community could best make use of and which young people can perform?

#### II. The Sponsoring Agency

Can you identify one or several possible sponsoring agencies, to act as recipient of the grant? These agencies may be the mayor's office, a social service agency, religious or fraternal associations, or other sponsor.

#### III. The Director

Can you identify a candidate or candidates for the position of director (volunteer coordinator)? The qualities of the director are all-important to the success of the project. He or she should be between the ages of about twenty-two and thirty; should understand young people and what motivates them; should be knowledgeable about the community's problems, resources, and leadership (both public and private); and should be willing to expend considerable time and energy in behalf of the project. .

#### I. Purpose

All of ACTION's initiatives for the coming months and years rely to a great extent on service by young people, in behalf of themselves and their communities, for the solution both of problems which are general and problems which are povertyrelated. To ensure that the effort's of youth are mobilized in a focussed, effective way and to capture and perpetuate the spirit of service, ACTION will inaugurate a program to develop a corps of Young Volunteers. These volunteers will offer service to their communities on a part-time, non-stipened basis. When the success of the program has been demonstrated, ACTION may seek a specific legislative mandate for YV. The assumptions underlying this plan are that youth may bring special insights to the solution of the problems of the young people of their own communities, and that service to their communities as a whole itself offers the opportunity for achievement, for enlarged understanding, and for the development of leadership skills and a sense of civic responsibility.

#### II. Participation: Volunteers, Grantees, Sponsors

Participation in the program will be open to all youth between the ages of 14 and 22. Volunteer commitment to the project will vary; in order to be considered a Young Volunteer, individuals must serve a minimum of ten hours per month and serve in accordance with an informal contract with the grantee. The contract will cover terms of service including a code of conduct and an agreement to devote a specified number of hours.

Young American Volunteers will not receive stipends. Some assistance may be provided, where warranted, to defray the expense of transportation.

During the demonstration phase, YV will involve targeted cities, suburbs, and small towns. Five locations will be selected to start up the project in FY 81 and to continue it in FY 82. Given sufficient funds and demonstrated success, YV will be expanded in FY 82 to fifteen or twenty additional locations. Grants will be awarded to organizations for the purpose of operating the local project. Organizations eligible for ACTION assistance will be eligible for YV grants. Priority consideration will be given to organizations affiliated with national organizations in order to enhance the probability of replication; e.g., the office of the mayor, Community Chest, Red Cross, Junior League, the Junior Chamber of Commerce, State Offices of Voluntary Participation, VACs, and Volunteer Clearinghouses. Grantees will be responsible for developing a broad-based board including a representative of the Mayor's office, administration of grant funds, employment of a YV staff (primarily a local director), recruitment, training, and supervision of volunteers, and a development of volunteer service stations.

#### III -- The Director

The Director position is critical to the success of the project. ACTION will retain the right to approve the selection of the Director. It is envisioned that the Director position will be an opportunity for the development of youth leadership skills; priority consideration will be given to applicants between the ages of 22 and 30. The project director will be responsible for assisting the grantee in developing an advisory board, recruiting sponsors, selecting major project areas, implementing a campaign to recruit volunteers, administering a program to train them, and organizing a system and program of awards to help motivate them.

The size of the grant will vary by locality - it will average approximately \$40,000. The grant will cover employment of a Director, a part-time assistant, and a secretary. The Director's salary will be approximately \$12,000.00 - \$24,000.00 per year. The initial grant will be for fifteen months in order to include the start-up period. The start-up period will allow time for selection of work sites and recruitment of volunteers.

#### IV. Projects

Projects will offer the opportunity for sustained and short-term service. Sustained activities, requiring a long-term commitment, will include tutoring, literacy, service in hospitals and nursing homes, aid to the elderly, and big brother/big sister type projects. Short-term activities might include cleanup campaigns, innoculation campaign, support of public festivals, painting and restoring public buildings, weatherizing homes, offering dramatic and/or choral presentations in hospitals, orphanages, and nursing homes. The projects will be selected by the director and the board, who will identify activities appropriate to the community in advance of the awarding of the grant.

Grantees will be responsible for involving a minimum of 250 volunteers in the YV program, for a minimum of 2500 volunteer work hours per month. These volunteers must be generated by the local project and care must be taken to avoid taking youth away from other volunteer groups as YV.

- V. ACTION Office Responsibilities
- The Office of Domestic Operations will have national responsibility for implementing the program.
- The Office of Policy and Planning will aid in further planning of the program, and in evaluating it.
- The Evaluation Division will develop an evaluation instrument for YV that will include a comprehensive form for collecting data throughout the year, in order to provide a means for measuring the impact of volunteer activity on each area identified.

8....

- ACTION will develop a training program and materials for project directors and volunteers. ACTION will administer the trianing program for directors, who will in turn administer volunteer training, with local ACTION aid.
- ORC will develop a publicity package to assist in the recruitment of volunteers. The package will include brochures, posters, radio and TV spots with space for local information. ORC will also develop a strategy for informing the public on the progress of the YV initiative.
- The grantee and ACTION will develop recognition programs for the Young Volunteers. Suitable activities would include certificates, meetings with the mayor and other public officials, media coverage, and functions sponsored by civic groups.

#### Young Volunteers in ACTION

Aim:

To encourage youth to participate in worthwhile volunteer activities that will -

 dignify the lives of the less fortunate by lending a helping hand;

2) beautify the areas in the community by assisting with the upkeep;

 identify the needs that will enhance the safety of a community and seek to find ways for improvement;

4) Modify the behavior of youth by relating to positive peer programs.

#### Objective:

To identify the leadership qualities that exist in individuals, helping to enhance the capability by singling them for greater responsibility and rewarding those of merit for outstanding service.

#### Ultimate Objective:

To yearly recognize 50 youths nationally for leadership in the volunteer segment of society. The recognition will be so elevated that there will be a great desire to be selected.

Possible Sources of volunteers:

Boy Scouts Girl Scouts FFA 4H Clubs Key Clubs in High Schools Schools Colleges \*Gangs Boys Club of America (O.J. Simpson) YMCA Big Brothers Big Sisters Sea Cadets Churches Children of Service Club Members Military Base Children

Teams

\* Some of these have a negative aspect, but perhaps the leadership could be reversed in positive projects.

#### Possible Projects:

Highway beautification;

Waterway improvement;

Crime watch;

Escorting the elderly to appointments and store;

General services to retirmeent homes

Weatherization - assist in helping the elderly winterize their homes;

Organize community meals for raising funds for projects;

Helpful relationship with the elderly living near schools;

Teaching of CPR, Red Cross first aid courses to prepare volunteers for emergencies

Environmental projects - forestry, shores, paths;

Interest and restoration of historical places of interest;

After-school recreational programs for working mothers;

Pre-career counselling to establish possible work related volunteer work;

Coaching younger children in sports;

A program that could be an asset to the community, involve many young people of varying ages, and help encourage leadership would be a person per block program. An area could be set up by blocks with a leader and assistants for each block. These people would be responsible for the appearance of the street, sidewalk, encourage upkeep of residences, assist the elderly in maintaining their homes, help with the inform, work with the children in after school programs. Generally establish a program that would strive to improve both the environment and assist the inhabitants. This could be set up competitively which could stimulate greater participation.



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NEW YORK, MONDAY, OCTOBER 5, 1981

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# Reagan to Name a Panel of 36 To Lead Shift to Voluntarism

#### By KATHLEEN TELTSCH

President Reagan, who is moving to shift the burden of many community-aid programs from the Federal budget to private sources, is about to name a highlevel panel to recommend a course of action.

The Task Force on Private Sector Initiatives is to be made up of 36 citizens from business, philanthropy and religlous and civic organizations. It will appoint subsidiary groups to examine housing, youth unemployment, crime prevention, drug abuse and health care, according to James S. Rosebush, a special assistant to the President.

A leader in American industry is expected to be named soon, possibly this week, to head the committee, and he will be given ambassador-level rank as an indication of the importance the White House attaches to the undertaking.

ing. The panel is part of an effort by the Administration, Mr. Rosebush said, to see that at least some services that will be curtailed by the budget cuts will be maintained with non-Government help. "Our position is that even if there had been no budget cuts," he added, "we would need a revitalization of the private sector."

#### **Other Approaches Under Study**

The Administration is weighing several approaches, he said in an interview last week in Washington. They range over efforts to engage businessmen, foundations and volunteers in a "collaborative partnership" with Governnment, he said.

To encourage voluntarism, the White House is contemplating establishing awards for accomplishments by private citizens. Mr. Rosebush said that Mr. Reagan's recent invitation, in a budget

speech, to citizens to support community charities and neighborhood projects run by nonprofit groups had resulted in a flood of calls to the White House from volunteers eager to talk about their favorite projects.

Reliable data on voluntarism are scarce, but K. Kenn Allen, executive director of Volunteer, the National Centerfor Citizen Involvement, cites a recent Gallup Poll of 1,600 respondents that suggested half performed some voluntary work.

#### No 'Packaged' Proposala

Mr. Rosebush said the White House, in its approach to business leaders, was not offering any "packaged" proposals; but invited recommendations. However, sentiment among corporate executives, as reflected at a White House breakfast for industry leaders suggests that a priority will be dealing with unemployment among teen-agers," particularly members of minority groups. The intention may be to focus efforts on training youths in fields offering the most promising opportunities, such as computer and high-technology industries.

Mr. Rosenbush, 32 years old, came to Government service in May, after earning a master's degree in public administration, working for the Charles Stewart Mott Foundation and later for two affiliates of the Chamber of Commerce.

He looks on his assignment as one of encouraging cooperation between the Government and the private sector in new ways. He conceded that until now there had been a tendency to offer general solutions and he said it was time to translate noble-sounding aims into specific programs.

# **Panel Leader Hopes To Tap Volunteer Spirit**

Panel-from Front Page ident Reagan said:

"This administration seeks to elevate voluntary action and private initiative to the recognition they deserve. We seek to increase their influence in our daily lives and their roles in meeting our social needs.

"For too long, the American people have been told they are relieved of responsibility for helping their fellow men because government has taken over the job."

The president has invited Verity to a White House planning session on the work of the task force.

Verity said that, in consultation with the president and his staff, the task force will develop an agenda of "important things that need to be done and then recruit individuals to get the job done."

He said the work would cover far more than the subject of financial contributions to social and other agencies.

"We are talking about the many voluntary things that can be done, particularly at the local level, with the private sector taking a leadership role in many, many respects," Verity said.

Helping unemployed youths find jobs and establishing programs to rehabilitate individuals released from correctional institutions are among the steps that could be taken, the task force chairman noted.

"There are all kinds of opportunities," he commented.

One initiative, Verity said, would be

encouraging broad use of the Middletown Plan, which was developed by business, government and other leaders in his home town of Middletown, Ohio.

Under the leadership of the local chamber of commerce, a representative group of citizens took a hard look at federal aid to the community and concluded that a sizable reduction was achievable "without unacceptable loss in serving the needs of Middletown or its citizens."

"I would like to see a Middletown Plan started in every chamber in the country," Verity said.

He said a prime benefit of the plan is realized "when you begin to build momentum and you see an awful lot of things that don't have to be done by the government."

The Middletown Plan, he said, provides an opportunity for business to help local government leaders make the most effective use of available resources.

Verity said he also saw a role in the private-sector program for the plan for economic rebirth developed under his chairmanship at the U.S. Chamber.

That program, "Let's Rebuild, America," calls among other things for strengthening the nation's institutions and for providing economic opportunities, Verity noted.

# Task Force Head Hopes To Tap Volunteer Spirit



Verity: Will encourage voluntarism.

The newly appointed chairman of President Reagan's Task Force on Private Sector Initiatives says the panel will seek ways to harness the spirit of voluntarism, which still runs strong among many Americans.

C. William Verity Jr., board chairman of Armco Inc., was chosen by the presidentto head the 35-member task force. Reagan. asked the panel to increase private-sector efforts aimed at resolving social problems.

"We will take initiatives in things that will benefit the country while minimizing the need for government to be into so many different things," Verity said.

Leaders of foundations, voluntary and religious groups, as well as other business executives, are members of the task force.

Verity has held a wide range of voluntary positions in business, civic and academic organizations.

He is chairman of the executive committee and immediate past chairman of the U.S. Chamber of Commerce and is active in various steel industry and international trade organizations.

In announcing establishment of the Task Force on Private Sector Initiatives, Pres-See Panel—Back Page Coct. 13-14 Donald M. Kendall, chairman of the U.S. Chamber of Commerce, and C. William Verity Jr., chairman of the Chamber executive committee, will participate in a George Washington. University symposium, "The Way Back—A Conference on Economic Priorities." Each will present the business viewpoint in discussions with labor leaders.



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WASHINGTON

October 8, 1981

TO:	Diana	
		277
FROM:	Morton	T

RE: BSA Proposed Panel on Ethical Decisions for the 80's for Youth and Families

I share your concerns with this proposed panel.

I recommend against the idea. This is simply opening up another can of worms, like the White House Conference on Families. There is no need for this Administration to create another governmental-private battleground on the social issues. There are enough real issues coming up in Congress and in the Departments and Agencies.

WASHINGTON

October 1, 1981

MEMORANDUM TO:

ELIZABETH DOLE ASSISTANT TO THE PRESIDENT FOR PUBLIC LIAISON /

FROM:

ROBERT M. GARRICK

SUBJECT: BSA Proposed Panel on Ethical Decisions for the 80's for Youth and Families

Mr. J. L. Tarr, the Chief Scout Executive, visited our office on Wednesday, 30 September, to present the attached memorandum. He originally had hoped to meet with Ed Meese, but this could not be arranged.

What Mr. Tarr is specifically interested in is **President** Reagan snappointing a Panel for Athical Decisions for the autor Youth and Families. The Boy Scouts of America are also suggesting Vice President George Bush as Chairman. They are willing to do all the work involved in generating the members of the Panel, obtaining them from a wide variety of disciplines, as indicated in the memorandum attached.

It would appear to me that this should be coordinated through the Public Liaison Office, thus I am taking the liberty of passing this on to you.

Attachment

Fite

WASHINGTON

October 8, 1981

Mrs. D. Williams Parker 911 St. George's Road Baltimore, Maryland 21210

Dear Mrs. Parker:

Mrs. Dole has asked that I respond to your letter of September 25 regarding support of private voluntary organizations involved in foreign assistance.

We very much appreciate hearing your views. The efforts abroad of United States voluntary organizations are very important and are the sort of voluntary action which the President has supported so often in his recent public statements.

I am pleased to inform you that our office hosted meeting of a coalition of these groups on September 21. We are proceeding to raise the awareness within the Administration of the importance of continuing and strengthening the foreign assistance programs of private voluntary organizations.

Yours most sincerely,

biton C. Blachwell

Morton C. Blackwell Special Assistant to the President

SEP 29 1984 D. WILLIAMS PARKER MRS ST. GEORGE'S ROAD RE, MARYLAND 21210 September 25, 1981 Mrs. Elizabeth Dole Assistant to the President for Public Liaison The White House Office 1600 Pennsylvania Ave., N.W. Washington, D.C. 20500

Dear Mrs. Dole:

I am writing in support of the private voluntary organizations (CARE, P.A.I.D., Save the Children etc.) who are requesting discussions with you regarding the broad issue of foreign assistance.

I would also like to express my personal support for encouragement from the administration to Congress to pass the foreign assistance legislation which has been pending for two years now. It is important, both from humanitarian and political points of view, that this country take a firm stand on the great needs for development which exist around the world. We must prove our leadership capabilities in this area, as well as acknowledge our understanding of global interdependency.

I have long been an enthusiastic supporter of Ronald Reagan and his philosophy. As the President mentioned in his television address last night there is an increased need for private volunteerism at this time. Thank you for giving this your consideration.

Sincerely,

Deine 28. Parker

Volunteerium

WASHINGTON

October 19, 1981

Mr. Gerard F. Hurley Executive Director Conference of Private Organizations 1625 Eye Street, N.W. Washington, D. C. 20006

Dear Jerry:

Thank you very much for your letter of October 13 and your kind offer of assistance.

I have taken the liberty of forwarding your letter and the copy of the letter to the President from the Grand Exalted Ruler of the B.P.O. Elks, Raymond V. Arnold offering Past G.E.R. Homer Huhn, Jr. for service on President Reagan's task force on volunteerism to Jim Rosebush. Jim is a Special Assistant to the President and has been tasked with overseeing the Private Sector Initiatives (PSI) task force. I am sure he will be in touch with Mr. Arnold shortly.

If I can be of any assistance to you please do not hesitate to call on me.

Cordially,

Morton C. Blackwell Special Assistant to the President

cc: Jim Rosebush

# -CONPOR

CONFERENCE OF PRIVATE ORGANIZATIONS 1625 Eye Street, N.W. Washington, D.C. 20006 (202) 466-8424

October 13, 1981

Honorable Morton C. Blackwell Special Assistant to the President Room 191 Old Executive Office Building The White House Washington, D.C. 20500

#### DIRECTORS

Chairman Clarence Ruddy Loyal Order of Moose

Vice Chairman Harold B. Berman National Club Association

Secretary-Treasurer M. Daniel Splain, III Fraternal Order of Eagles

Robert E. Davis Improved Order of Red Men

Edward McCormick, Jr. US Power Squadrons

Sam Willits United States Jaycees

Robert A. Yothers, P.G.E.R. B.P.O. Elks

Executive Director Gerard F. Hurley, CAE Dear Morton:

It was good to see you again at Red Caveney's office. We're excited about the prospects of moving forward to pursue all opportunties down the road, however long it may take to reach a level of real focus in the private organization community.

The B.P.O. Elks, one of the cornerstone groups of CONPOR, is truly committed to a better communications between the governors and the governed. This principle is supported by all member groups of CONPOR.

In that spirt, may I pass on for your consideration a copy of the letter to President Reagan from the Grand Exalted Ruler of the B.P.O. Elks, Raymond V. Arnold, who offers Past G.E.R. Homer Huhn, Jr. for service on President Reagan's Task Force on Voluntarism.

We would be most pleased to assist you in any way on all of these questions.

ncekely, Berard/F. Hurley, CAE Executive Director

GFH/kld



#### GRAND LODGE

Benevelant and Protective

#### ORDER OF ELKS

UNITED STATES OF AMERICA

RAYMOND V. ARNOLD Grand Exalted Ruler

Box 1067 JACKSON, MICHIGAN 49204

October 7, 1981

The Honorable Ronald W. Reagan President of the United States The White House Washington, D.C. 20500

Dear Mr. President:

As a major contributor in the private sector and having historically supported a variety of significant programs in the areas of civic betterment, youth activities, health and education, the Benevolent and Protective Order of Elks, 1.6 million strong, believe we can provide a real contribution to your Task Force on Private Sector Initiative.

Our Order has contributed in excess of \$380,000,000 since the turn of the century in support of programs for those less fortunate. Had it not been for this support, many of these programs (aide for the handicapped, cerebral palsy therapy and rehabilitation, crippled children's hospitals, cancer research, scholarships for needy youngsters, just to name a few) would have been totally dependent on government subsidy for their existance. Last year alone, Mr. President, our Order contributed \$19.8 million and over 3.5 million hours of volunteer time to a variety of very badly needed projects in our communities and states. These contributions were made solely and totally by our membership without public solicitation or support.

This is only a brief overview of some of the programs that individual Elks organizations throughout America have initiated to help meet local needs with local expertise. Like you, Mr. President, we hold a firm belief in individual initiative, and applaud your dedication toward returning our country to the foundations that made it great. We want to be a key part in that journey.

Tell America About Elkdom

The Honorable Ronald W. Reagan - 2

I would like to nominate a leader of our Order, Homer Huhn of Latrobe, Pa. to serve on your Task Force. As a Past Grand Exalted Ruler, a Past Grand Secretary and current member of the Grand Lodge Advisory Committee, no one individual is better acquainted with true grass roots voluntarism in this country -what it is capable of accomplishing and what it has accomplished for the benefit of our country and its citizens.

Mr. President, as a leading fraternal Order devoted to benevolent and patriotic principles, we strongly believe that the many organizations like us will provide the grass roots support and activism that your program will require if it is to succeed.

For the benefit of your program and this country, I respectfully urge that you give Homer Huhn's nomination serious consideration.

In response to your message to the nation on September 24, I am asking each of the Elks state association presidents to call on all the lodges in their respective states, in both our names, to increase their contributions both to our state major projects and the various benevolent programs we now have in force, and to seek opportunities to expand their voluntary man-hour contributions within their communities.

I have every confidence that the members of the Order will respond to this call. I will be happy to report that response to you once it has been compiled.

Respectfully yours,

mond V. Arnold

Grand Exalted Ruler

r. Homer Huhn, Jr., PGER . P. O. E. O9 Shenandoah Drive,South atrobe, PA 15650

Brother Homer Huhn, Jr. is the 11th Pennsylvanian to hold the highest office in BPOElks of the United States of America. He was born in Uniontown, PA June 3, 1918. When he was 13 years of age he and his family moved to the Mount Pleasant area. He was educated in the Mount Pleasant Township Public Schools graduating from Mount Pleasant Township High School in 1937. He attended Pennsylvania State University, and following his schooling there successfully completed a course in Budgeting with the University of Pittsburgh.

For several years Brother Huhn owned and operated a Cleaning and Tailoring business, and then became Tax Clerk of Westmoreland County, Pennsylvania in 1955 where he established its first mechanized tax writing system. He became Chief Clerk and Secretary to the Board of County Commissioners in 1964 and its Administrative Assistant in 1968. He was vice-chairman of the Westmoreland County Municipal Water Authority, organized and served as President of the State Association of Chief Clerks and County Commissioners, and a member of the State Association of Secretaries. He served as a Trustee of the Frick Community Hospital, and a Director of the Mount Pleasant Savings and Loan Association and the Standard Savings and Loan of Wilkinsburg, PA. He was very active in civic and political affairs and served as County Treasurer of his political party for many years.

The high-ranking Elks leader is a member of the Wesley United Methodist Church in Mount Pleasant and a member of Masonic Lodge #562 in Scottdale, PA, a member of the Odd Fellows Lodge #350 and the Moose Lodge #27 in Mount Pleasant, and the Eagles Lodge #1007 in Scottdale.

He was initiated into Mount Pleasant Lodge #868 in 1941 and was Exalted Ruler in 1952-1953. Serving as a Trustee of his Lodge until 1955 he then became its Secretary, holding the office for 11 years. He was very active in Lodge work, served as a member of the Building Committee and instituted the Student Aid Program, which is still in effect. In 1956 he was elected an Honorary Life Member in the Lodge.

Brother Huhn was also active in the Pennsylvania Elks State Association, serving as District Treasurer, District President and Chairman of the District Advisory Committee. He served on various State Committees and as Trustee of the State Association. He served as President of the State Association in 1964-1965 and in 1966 became its Secretary, an office he held until he was appointed Grand Lodge Secretary in January 1971. He was subsequently elected to this office in July 1971 and has been reelected annually since that time, constantly displaying his integrity, administrative ability, knowledge of the affairs of the Order and strict adherence to its Constitution and Statutes. He presently serves as Chairman of the Advisory Committee of his State Association.

His Grand Lodge activities, in addition to serving as Grand Secretary from 1971-1977, include District Deputy Grand Exalted Ruler in 1956-1957, a member of the Committee on Credentials in 1966-1967, Lodge Activities Committee of Grand Lodge in 1967-1968 and 1968-1969, the Auditing and Accounting Committee in 1969-1970 and Chairman of the Lodge Activities Committee in 1970-1971, an appointment he resigned to become Grand Secretary.

Brother Huhn married Josephine M. Hvdock in 1942

Vilunticher

WASHINGTON

October 19, 1981

Mr. Yubi G. Separovich, Chairman Elks National Government Relations Committee 5309 Wedge Circle Fair Oaks, California 95628

Dear Mr. Separovich:

Thank you for your very kind letter of October 9.

It is certainly no imposition to ask me to pass on Mr. Huhn's name for the Private Sector Initiative (PSI) task force.

I have taken the liberty of forwarding your letter to Jim Rosebush, Special Assistant to the President for this task force along with a letter from Gerald Hurley, Executive Director of CONPOR and a letter from Raymond V. Arnold, Grand Exalted Ruler, B.P.O. Elks, both of which also recommend Mr. Huhn. I am sure he will be in touch with you or Mr. Huhn shortly on this matter.

If I can be of any assistance to you please do not hesitate to call on me.

Cordially,

Morton C. Blackwell Special Assistant to the President

cc: Jim Rosebush

RAYMOND V. ARNOLD Grand Exalted Ruler Box 1067 JACKSON, MICHIGAN 49204



STANLEY F. KOCUR Grand Secretary 2750 Lake View Avenue CHICAGO, ILLINOIS 60614

GRAND LODGE

Benevolent and Protective

ORDER OF ELKS

UNITED STATES OF AMERICA

GOVERNMENT RELATIONS COMMITTEE YUBI G. SEPAROVICH Chairman

5309 Wedge Circle FAIR OAKS, CALIFORNIA 95628

October 9, 1981

Mr. Morton C. Blackwell Special Assistant to the President The White House Washington D.C.

Dear Mr. Blackwell:

We are very sorry that your heavy work schedule made it impossible for you to attend any of our Elks Government Relations Committee Seminars. But we appreciate your continued interest and in our concern.

We would like to impose upon you for a moment to have you ask President Ronald Reagan to consider Mr. Homer Huhn, Jr. of 809 Shenandoah Drive, South; Latrobe, Pennsylvania, to be a member of "Task Force on the Private Sector Initiative." He is an outstanding American gentlemen whose years of corporate experience qualifies him for this position.

As a past leader of the Benevolent and Protective Order of Elks, over 1,600,000 members, he made use of his experienced leadership in many ways. His kind of foresight and enthusiasm gave the Order of Elks an outstanding and most successful fraternal year while he served as the Grand Exalted Ruler and several years previously as the Grand Secretary of the Order.

Under today's difficult business climate, Mr. Huhn would have the necessary courage to step in and assist the "Task Force on Private Sector Initiative" in a way that would be the most beneficial for our Country.

We are ever so gratefull for the excellent appointment of Morton C. Blackwell as Special Assistant to the President.

Kindest personal regards.

Most Gordially vours.

Aubi G. Separovich, Chairman Elks National Government Relations Committee.

#### Toll America About Flkdom

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HERITAGE FOUNDATION

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Dedicated to Serve the Donor

nowley called 9/18 July 21, 1981

Mr. Morton C. Blackwell Special Assistant to the President for Public Liaison The White House Washington, D.C. 20500

Dear Mr. Blackwell:

le volunteeriem

- Pardon this long delay to thank you for a very informative and interesting briefing on Monday the 13th. I am among those who support the President's efforts toward economic repair, and only wish that he could go further with it. It is too bad that Jim Castelli of the Star couldn't have mentioned also the gentleman from Baltimore who spoke so eloquently in favor of the President's program.

At the briefing you invited us to make an appointment to see you for further discussion about the nation's economy and our religious and charitable objectives. I would like to make such an appointment, and have already talked with Maiselle Shortley about it.

I am especially desirous of making such an appointment for a prominent Georgia Judge as well as for myself. We would like to see you together. Judge Braswell D. Deen is Presiding Judge of the Georgia Court of Appeals. He is associated with National Heritage Foundation, having mutual concerns relative to the religious, moral, charitable, and economic health of the nation. He is called upon as a speaker on these matters throughout the nation, and is highly respected among Christian people as a spokesman. We would be deeply grateful if you could answer certain of our questions, and communicate some of our ideas to the President.

Miss Shortley suggested that in order to find a date suitable to Judge Deen I request tentative appointments on three dates. Could you set aside a time on either of the dates, August 19, 20, or 21? Judge Deen will then decide on one, and make arrangements to make the trip from Atlanta. Thank you for your cooperation. Judge Deen has a problem with these dates

WASHINGTON, D.C. OFFICE The Heritage Building **Suite 1030** Annandale, Va. 22003 (703) 820-3413

There are some of them who have left a name so that tomorrow will see their light, and there are some who have no memorial, who have perished as though they had not lived.

Sincerely,

Dalè Crowley,

President

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# THE WALL STREET JOURNAL.

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#### **\* \*** EASTERN EDITION Community Spirit

### Local Groups That Aid Poor Flourish by Using Confrontation Tactics

Industrial Areas Foundation Teaches Members Means Of Fighting Bureaucracy

#### Showdown at Merrill Lynch

#### By LAUREL LEFF

Staff Reporter of The WALL STREET JOURNAL Notwithstanding the maxim about looking a gift horse in the mouth, the United Neighborhood Organization believes in doing exactly that—and, if need be, kicking it in the teeth.

When the UNO, a Los Angeles community group, received a \$1,000 gift from a local savings and loan association, officials of the group took one look at the check and promptly returned it. "We asked for \$3,000," explains Sister Maribeth Larkin, the UNO's chief organizer.

The S&L followed up with a new check for \$3,000.

Such successes are commonplace for the UNO, which comprises 20 parishes (19 Roman Catholic and one Episcopal) and 93,000 families in the heavily Hispanic district of East Los Angeles. So far this year, the UNO has raised about \$55,000 in business contributions, which will be added to some \$100, 000 in dues pald by church members. Since its founding in 1976, the UNO's annual budget of \$150,000 has allowed it to pursue such activities as persuining the police to increase patrols, for city hall to improve public services. If pressuring insurance companies to lower auto insurance rates.

#### WEDNESDAY, MAY 13, 1981

Sharing the UNO's successes is its parent, the Industrial Areas Foundation, a group founded by the late political activist Saul Alinsky. Indeed, it might be said that without the IAF, the UNO would have gone the way of the many community organizations for the poor that have either faded or failed since their heyday in the Great Society days of the 1960s.

#### Transfer of Power

The IAF's stated objective is to take some of the power held by politicians, bureaucrats and businessmen and return it to families and churches by organizing democratically run community groups. "We're only teaching poor people what the business community has been doing for a long time," says Edward Chambers, the IAF's 50-yearold executive director. "Top management husn't got the corner on brains, although it does have the corner on money. But organized people with a little money can beat management money."

IAF-affiliated groups are always based on churches, which provide an established structure, a base for dues and an aura of respectability. Directing each local group is a cadre of experienced, highly trained professional organizers who teach members to concentrate on winnable issues. Tactics taught by organizers range from planning and participating in carefully orchestrated meetings with community officials to staging confrontations known as "actions." Such actions have included tying up banks (by having hundreds of people line up to change dollar bills into pennies) and threatening to dump live rats on the steps of city hails.

#### Founding Father

"They're frustrating, annoying, relentless and irritating to politicians," says New York's lieutenant governor, Mario Cuomo, who has dealt with an IAF group in the New York City borough of Queens. "But that's part of the secret to their success."

Much of that success is attributed to Mr. Alinsky, who founded the IAF in 1969 as an institute to train organizers of community action groups. Then 60 years old, Mr. Alinsky had begun organizing major community projects in the years after World War II.

#### PRINCETON, NEW JERSEY

Known for his brilliant organizing tactics as well as his brash comments the once called a Catholic cardinal "an unchristian, prehistoric muttonhead"), Mr. Alinsky opened the IAF with grants from the Rockefeller Foundation and the Midas Institute, a private philanthropic organization. The purpose of the new group was to train organizers, and it adhered to that aim despite Mr. Alinsky's death in 1972. Mr. Chambers, one of Mr. Alinsky's principal organizers, assumed the leadership of the group when the founder died; and under his leadership, the IAF has evolved into a professional training facility and sponsoring unit for a network that today comprises community groups in 11 cities aross the country and a statewide group in Wisconsin.

#### **Confederations of Churches**

True, some IAF organizing attempts have failed, notably in Kansas City and Pittsburgh. Nevertheless, the group today has more work than it can handle, forcing it to decline a recent request for an IAF presence in Denver. Currently, organizing efforts are starting in south-central Los Angeles and the Texas cities of El Paso and Forth Worth.

The IAF operates out of a small office on New York's Long Island and is financed by money from each of its local groups (about \$20,000 per group per year). The groups differ in their structure, but all began as confederations of churches. And while some church officials frown on the IAF, complaining that religion shouldn't be entwined with politics in any way, the IAF's Mr. Chambers sees the role of the religious institutions as vital.

"Churches are already organized – they're little pockets of power," Mr. Chambers explains. "Loyalty to the church is a tremendous plus. We can play on that and parlay it into loyalty to the community group." What's more, national church denominations also help IAF groups meet their annual budgets, which typically range from \$150,000 to \$300,000.

(Even though Mr. Alinsky was Jewish, synagogues have eschewed IAF involve-

Please Turn to Page 25, Column 1

## Community Spirit: Local Organizations That Assist The Poor Flourish by Using Tactics of Confrontation

#### **Continued From First Page**

ment. The IAF says that Jews often have their own organizations and are suspicious of the church involvement in IAF groups.)

The IAF's church base helps to explain the particular success of Alinsky-style groups among heavily Roman Catholic Hispanic communities. IAF successes in Los Angeles and San Antonio, Texas, have belied conventional wisdom that Hispanics are unable to exert political clout. But IAF organizations have also been effective among blacks and whites and among various Protestant denominations. For example, the Queens Citizens Organization, an IAF group made up of 30 Catholic and Protestant parishes representing 250,000 people in the predominantly middle-class New York City borough of Queens, has been particularly effective in dealing with public officials and businessmen.

Founded in 1977, the QCO got off the ground with an Alinsky-style flourish. In what now is a celebrated incident, New York's Mayor Edward Koch, then newly elected, stormed out of a meeting with the fledgling QCO when the group refused to allow him five minutes for a speech instead of the two minutes that had been scheduled. The mayor's action received considerable oriticism, and the QCO received abundant attention. With a certain coyness, the QCO now refers to Mayor Koch as one of "our founding fathers."

Recently, the QCO invited all its state legislators to a meeting to discuss the borough's growing arson problem. When only about half showed up, QCO officials vowed to tell the group's congregations which legislators weren't willing to meet with them. At the next meeting, a month later, all the legislators or their representatives attended. (The QCO and the legislators recently agreed on proposed bills to help reduce arson by such means as stiffer penalties for insurance fraud; the bills have been subinitied to the state legislature, which hasn't vet acted on them.)

"Our congregations are a valuable communications network, and the politicians know that," says Gregory Pierce, a 33-yearold ex-seminarian and IAF organizer. Mr. Pierce says involvement in groups such as the QCO is also beneficial to churches. "QCO stabilizes the neighborhoods which support (churches) and provides their people with a vehicle to fight for their values," he explains.

Another reason for the IAF's success is that it resists dependence on a charismatic leader or a single issue, both of which could die or disappear. Rather, it is the group itself that is important; and the group is taught to function effectively without seeking outside help.

"Our iron rule is never do for others what they can do for themselves," says Mr. Pierce, who notes that the IAF's staff in one locale never numbers more than four so the main burden falls on the community members. "That's what differentiates us from social workers, politicians and 80% of all ministers," he says. "We're interested in people substituting one power elite for another power elite."

As part of that localized control, IAF affiliates can hire and fire IAF-trained organizers. And the IAF itself usually recommends rotating organizers between different cities every couple of years. "After two or three years in one place, an organizer tends to try to keep power for himself," says Mr. Chambers, the IAF executive director.

(Local groups pay organizers between \$20,000 and \$40,000 a year, a much higher range than that recommended by founder Alinsky. "Saul always believed in hair-shirt salaries, but he was wrong about that," Mr. Chambers says. "I want political organizing to be a profession, with a professional salary.")

As part of its emphasis on winnable issues, IAF organizers train community groups to begin with small projects. For example, one of the IAF's newest groups, the East Brooklyn Churches in New York City, isn't launching its organizing drive with an assault on crime even though it is based in a crime-infested Brooklyn neighborhood; instead, it is negotiating with the Port Authority of New York and New Jersey to ensure that an industrial park planned for the area provides jobs for neighborhood residents.

More difficult to teach are the tactics of confrontation. Sister Maribeth Larkin of the UNO recalls she was so nervous during her first action that she became physically sick. But she went ahead with her presentation to the Los Angeles City Council, she says, and "my shyness dropped behind the role I was supposed to play." She adds: "You learn a lot about your potential."

As part of its confrontation tactics, the IAF deliberately creates a tense atmosphere during meetings; the object is to forestall stock speeches or soothing platitudes from those on the other side of the table. And local groups are taught to go right to the top if meetings with underlings prove unsatisfactory. A case in point, and a good example of an IAF group in action, involved the UNO; Safeway Stores Inc., the Oakland, Calif.based supermarket chain; and the investment firm of Merrill Lynch, Pierce, Fenner & Smith Inc.

After going through Safeway's normal channels to complain about an unclean store in East Los Angeles and receiving no satisfaction, the UNO requested a meeting with Safeway's chairman and chief executive officer, Peter Magowan; Mr. Magowan declined to meet. The UNO then sent a telegram to Merrill Magowan, Peter Magowan's brother, who is a Safeway director and a Merrill Lynch vice president in San Francisco.

Merrill Magowan didn't respond to the telegram. On a Monday morning at 10 a.m., 300 UNO members and a horde of press people descended on the Merrill Lynch office in downtown Los Angeles. The UNO's president, a tiny woman named Gloria Chavez, knocked on the office door and told the manager the group had an appointment with the vice president. It isn't clear whether the manager became so upset when he saw the throngs of people in the lobby that he shoved Mrs. Chavez, who stumbled backward; the manager retreated into his office.

The UNO then sent a priest into the office demanding an apology for Mrs. Chavez and an answer to the telegram. Finally, the manager arranged for Merrill Magowan to telephone his brother, the Safeway chairman. Following that phone conversation, Safeway at reed to fly five UNO leaders to the company's Oakland headquarters. After the meeting, the store was cleaned up; furthermore, Safeway has since announced plans to build a new store in East Los Angeles.

"Everyone at that action really had a sense of power," Sister Maribeth recalls of the Safeway confrontation. "We proved we could move a financial institution as remote from our community as Merrill Lynch."

The UNO now is trying to make the entire Los Angeles business community less remote. It has met with top executives of 70 Los Angeles companies, using the meetings to explain how the UNO works and to request "investments" in the group. "We don't accept charity," Sister Maribeth says. "We're looking for an investment. We think our organization improves the quality of life in the community, which makes it a better place to do business as well as a better place to work." BISHOP'S OFFICE 75 GREENE AVENUE BOX C BROOKLYN, NEW YORK 11202

#### June 2, 1982

Memorandum:

To: Mayor Edward I. Koch From: Bishop Francis J. Mugavero and East Brooklyn Churches

This is a proposal for a joint venture by the City of New York, Religious denominations and East Brooklyn Churches to rebuild large devastated areas in the East New York-Brownsville sections of Brooklyn, starting with not less than 1,000 single family, owner-occupied, row houses, with an overall goal of 5,000 new homes.

The City of New York owns several East Brooklyn sites which are presently unmarketable. East Brooklyn Churches has access to substantial working capital, qualified local leadership, and more than 30,000 dues paying members.

If the City of New York and East Brooklyn Churches can, with all possible speed, combine their forces, a profound contribution can be made toward the improvement of life in this great city and be a model for other cities.

The immediate benefits would be:

- 1. renewal of a destroyed area served by two city subway lines and already equipped with streets, sewers, utility lines, schools and churches.
- 2. An environment conducive to stable family life.
- 3. Insurance for present City and State commitments to the area.

East Brooklyn Churches is prepared to do the following:

- Build 1,000 or more units of single family, owner-occupied, conventional brick and block, row housing in compliance with the New York City building code and FHA standards.
- 2. Build two-bedroom types to sell for not more than \$40,000 and threebedroom types to sell for not more than \$45,000.

- 3. Erect both two and three bedroom model homes for sales purposes.
- 4. Start major construction activity as soon as 25% (approximately 250) of the original group of homes are sold and deposits taken.
- 5. Complete the first thousand homes within one year of the start of major construction activity.
- 6. Be responsible for all design, selling, advertising and promotion and for the maintenance of good neighborhood relations.
- Select contractors with special qualifications for building large tracts of single family homes and as many qualified minority sub-contractors as possible.
- 8. Provide contractors as required, with interest-free construction funds.

To accomplish the objectives of this program, the City of New York should:

- 1. Advise the general public, through the media, that the program has the full, unqualified support of the City Administration.
- 2. Advise all agencies involved that they are to cooperate fully and assign a City official as coordinator and expediter to work with the developers, and to speed all paper work, approvals and procedures.
- 3. Expedite all hearings and procedures before the Board of Estimate, Planning Commission, Community Boards (ULURP), etc.
- 4. Assist the developers in obtaining from the State of New York or elsewhere the lowest interest rate and longest term mortgage loans for each house sold. (An additional payment for mortgage insurance may possibly be added)\*
- 5. Convey free and clear and ready for construction the site or sites selected.
- 6. Rehabilitate and refurbish the subway or elevated stations serving the area selected. This should be started almost immediately as evidence to the community of the City's commitment and good faith.

-2-

- 7. Provide a fund of \$10,000 per unit as a free capital loan secured by a lien repayable out of the proceeds of any sale whenever that sale is made\*\*
- 8. Provide the maximum tax abatement available under present law.

#### Note:

- \* This matter has been discussed with New York State Commissioner Richard Berman, who said such housing would qualify for the lowest possible rate available from the State mortgage finance agency.
- \*\* Because the interest rate would have been much lower under Section 235, such a capital loan would not have been necessary last year. Secretary Pierce has suggested that he would look with favor on the use by the City of Community development funds for this purpose. He is conscious we will be serving a market it is not possible to serve in any other way.

+ Am

## EAST BROOKLYN CHURCHES

OUR LADY OF THE PRESENTATION

1661 ST. MARKS AVENUE BROOKLYN, NEW YORK 11233

JUNE 15, 1982

#### THE NEHEMIAH PLAN

WHAT FIVE THOUSAND NEW HOMES WOULD MEAN FOR LOCAL PARISHES AND CONGREGATIONS IN THE EAST BROOKLYN COMMUNITY "You see our wretched plight. Jerusalem lies in ruins, its gates destroyed by fire. Come let us rebuild the wall of Jerusalem and be rid of the reproach." --Nehemiah

#### INTRODUCTION

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The key pastors, men and women religious, and lay leaders of East Brooklyn Churches have spent the past eight months investigating a long-range strategic plan for the community of Eas. Brooklyn. Partners in this investigation have been the national staff of the Industrial Areas Foundation and successful developers and builders. Exploratory discussions have been held with the middle-managers and top leadership of eleven denominations -- Roman Catholic, mainline Protestant, and black Baptist and Pentecostal.

After extensive discussion, the local parishes and congregations of East Brooklyn churches have asked that the denominations participate in the fundamental reconstruction of congregations and communities, in a plan that aims at rebuilding the walls, in a design that undergirds the last enduring institution in the East Brooklyn community and in scores of communities like it -- the local church and synagogue.

The parishes and congregations of East Brooklyn Churches have proposed that the denominations invest loans, at no interest, for a period of five years, in a pool jointly controlled by the denominations and by East Brooklyn Churches. This twelve million dollar pool would be used to guarantee the quality construction of as many as five thousand singlefamily owner-occupied rowhouses in the East Brooklyn area. How it would be used, the mechanics of the pool, the participants in its use will be spelled out in these pages.

#### PARTICIPANTS

1. <u>East Brooklyn Churches</u>. • East Brooklyn Churches is an organization of thirty-six parishes and congregations in the East New York, Oceanhill, Brownsville, City Line, East Flatbush, and Bushwick areas of Brooklyn. Among the denominations now involved are: black Baptist and Pentecostal, Roman Catholic, Lutheran (Missouri Synod, LCA, AELC), Episcopal, Presbyterian, and Reformed Churches. East Brooklyn has an annual budget of \$125,000 per year; a dues base of \$60,000 in 1982, increasing to \$70,000 in 1983, and \$90,000 in 1984; a professional staff; and a commitment to

the training and development of leaders through a process of research, action and evaluation. In its three years of existence -- two years of sponsoring committee work and over one year of operations -- EBC has begun to build a track record on local issues like food quality, missing street signs, demolition and re-sealing of abandoned buildings, improvements of local parks, and others. At the same time, the leaders have seen that the campaign for better services from governmental agencies and better services from local private sector institutions cannot reverse the fundamental deterioration of the area. Reconstruction must take place. This campaign for better services and the reconstruction of a residential base is being done in the context of religious values and religious traditions.

2. <u>Industrial Areas Foundation</u>. The Industrial Areas Foundation, founded in 1939 by the late Saul D. Alinsky, is the most successful organizing group in the country. The foundation's work -- with Mexican-American groups in San Antonio, Texas and Los Angeles, California; with black groups in Baltimore, and, historically, in Chicago, in Buffalo, and in Rochester; in multi-racial groups in Houston, Texas, and Queens, New York -- attracted the attention of local East Brooklyn pastors and prompted those pastors to invite the Industrial Areas Foundation into East Brooklyn. The Industrial Areas Foundation, now headed

by Edward Chambers and based in Metropolitan New York, has long and deep relationships with Roman Catholic leaders, mainline Protestant leaders, Jewish leaders, and black church leaders.

3. <u>Denominations</u>. The following denominations have been involved at some depth in the current discussions:

> Episcopal Church -National Presiding Bishop Diocese of Long Island National Staff Local Churches

Roman Catholic Church -Bishop of Brooklyn Local Churches

Reformed Church -Executive Coordinator New York Synod Executive Local Churches

United Church of Christ -National Staff Board of Homeland Ministries

Lutheran Churches -National and Local Staff Missouri Synod, LCA, AELC, ALC Local Churches

Presbyterian Church -National Staff Local Churches

Introductory meetings or conversations have been held with the United Methodist Church, the Disciples of Christ, the American Baptist Church, and the Southern Baptist Church. Extensive discussions have taken place with local Baptist and Pentecostal ministers.

4. <u>Private Developers and Builders</u>. A series of meetings has taken place with a wide variety of builders and developers who have experience in the field of home construction and major financing of such efforts. The most valuable resource has been Mr. I. D. Robbins, former builder, former journalist with the New York <u>Daily News</u>, and presently writing commentary on local and national housing trends. Mr. Robbins is not interested in being the builder or developer of the present proposed plan, but has been serving as consultant to the Industrial Areas Foundation and East Brooklyn Churches.

5. Political Leaders - City and State. The full support of the top city and state public officials is critical to the success of this plan. With all participants pulling together -- top political leaders, top church leaders, successful builders, organized citizens in the local community -- this plan will not be slowed by cumbersome bureaucracies and low-level political infighting. The pace -- the momentum -- of such an effort is a key ingredient to its success. The vision and energy of the top political leaders of the city and state, applied to this plan, will no doubt stimulate the pace and create the required momentum.

#### BACKGROUND ON THE EAST BROOKLYN AREA

Most see East Brooklyn as an area of devastation. There are large tracts of vacant land, hundreds of abandoned and burned-out buildings, high crime rates and low reading and math scores. But in this devastation there are several resources:

<u>Resource One: Vacant Land</u>. There are areas of twenty, forty, sixty acres of vacant or nearly-vacant land. Building thirty new rowhouses to an acre, one could build new communities of six hundred or twelve hundred or eighteen hundred homes in several sites.

<u>Resource Two:</u> <u>Infrastructure</u>. The streets, sewers, gas and electric lines are in place. This means what builders call "off-site" costs, often 10% or more of total construction costs can be avoided. In many places, schools and firehouses are already in place. The areas are served by existing subways, rail, and commercial boulevards.

<u>Resource Three</u>: <u>Local Religious Institutions</u>. There are churches and synagogues, church schools (including <u>new</u> church schools being built by Lutheran and Baptist congregations), networks of leaders and followers, professional staffs of religious men and women, lay people with talent and vision, and clear signs of the working of the Spirit in the East Brooklyn area. In the devastation,

most congregations survive, and some thrive. They serve as the touchstone institutions for stable leaders and stable families.

<u>Resource Four: East Brooklyn Churches.</u> Thirty-six of these local churches have joined together to form East Brooklyn Churches. As the church protects and promotes the values of family, EBC protects and promotes the values of local congregations.

#### THE NATURE OF THE RESPONSE

19. <sup>1</sup> 1911 1. <u>Any response to the conditions of East Brooklyn</u> <u>must be large in scale</u>. Small-scale or pilot-project approaches, amid the devastation of East Brooklyn, are doomed to defeat. The encompassing pressures and strains swallow up smaller efforts. The area is full of smallscale efforts that have deteriorated and collapsed either because of incompetence, corruption, or poor design. There is a need to create entirely new environments for better and safer family life--environments affordable to the working poor, to someone making \$16,000 per year, to those who want to build a stable congregation and a stable community.

2. <u>The homes must be low-rise, single-family, owner-occupied</u>. Why single-family houses? Families prefer them. Contrary to conventional wisdom, single-family rowhouses can be built for one-half the cost of an equal-sized unit

in a high-rise apartment house. They provide safer neighborhoods and more stable neighbors. They avoid the problems of overcrowding and high-rises.

Control over the design, the quality of construc-3. tion, and the sale of the homes must be maintained by a partnership of East Brooklyn Churches and the religious The effort must be seen as mission and denominations. ministry, as an undergirding of existing congregations or as a base for new church development, and as the first step in the reconstruction of a community where men and women and children can live and work, learn and play, in peace. Historically, religious institutions have followed their people -- first to the outer edges of cities, then to the suburbs. This plan suggests that the religious institutions should bring people back to where the churches are, that the churches should take the initiative in rebuilding homes in the vacant lands of the central cities, not the wooded acres of outer suburbia.

4. <u>Financial subsidy support from the state or the</u> <u>city must be forthcoming</u>. It might take the following forms: A write-down of the interest rates (down to 10%); straight capital grants to each of the homeowner (in the range of \$10 - 20,000 each on a \$40 - 45,000 home); and tax abatements.

5. The best builders available must be attracted to build these homes. Why big builders? Would black and

Hispanic contractors and workers have a chance to participate? Yes. A better chance. The big builders would employ dozens of small subcontractors, assure tight schedules and prompt payments. We will be looking for builders who can handle thousand-house projects. Once construction is organized, builders should be able to produce ten houses a day, using as many as fifty separate subcontractors.

6. The homes must be affordable to members of the parishes and congregations located in the area -- and to the relatives and friends of those congregants.

7. All homes must be pre-sold.

## THE PURPOSE OF THE FINANCIAL POOL

The twelve-million-dollar pool would be used as a revolving loan fund. The EBC-Consortium would loan this money to the builder during the period of construction (say four months), so that the builder would be spared the expense of going to a bank and borrowing money at today's interest rates. This would cut 5-to-6% off the cost of the house -- a significant savings to the eventual homebuyer.

The twelve-million-dollar pool would also be used as a sign of the commitment of major denominations to the work of the local institutions involved in East Brooklyn Churches and to a plan to reconstruct cities in a systematic, prudent, successful way. The pool would be a form

of power. With it, the major denominations and organized local churches would be able to act from a position of strength in the public arena.

The presence and use of the pool would also guarantee:

1. that the best developers would be attracted;

2. that the EBC-Consortium (including the major denominations) would control quality and pace of construction;

3. and that overall costs would be kept low.

As the builder completes the homes, the pool would be replenished and be made available to be loaned again.

### MECHANICS OF THE POOL

All elements regarding the mechanics of the pool would need to be negotiated by lawyers representing the participants. This section is meant to suggest a basic outline.

1. The denomination would agree to make the money available for five years at no interest.

2. Initially each denomination would sign a letter of intent, pending the agreement of a number of other denominations.

3. When a sufficient number of denominations are in agreement, the denominations would commit their moneys to a central financial pool. The pool would be supervised

by trustees representing each participating denomination. When the funds were not in use, they would be invested at top interest rates and all interest income would be passed along to the denominations proportionate to their participation.

4. All participants would, in advance, agree to professional review, accounting, and auditing procedures to guarantee safety and confidence.

5. At the end of the five-year term, all moneys would be returned to the participants, according to the agreement.

# CONCLUSIONS

The program thus has all the major elements for success: low land cost; avoidance of many "off-site" costs; economy of design with conventional materials and construction practices; large-scale construction; low selling expenses; avoidance of local expenses and other "soft costs"; and an organized community, church-based, with an experienced builder working for them. It is a free enterprise venture. It has an American character of local ownership and design. It would raise the level of local services. It would help scores of thousands of working- and non-working-poor who presently live in the community by introducing a greater mix of homeowner into an area glutted with high-density high-rise structures. It would be rooted in the Bibical thrust of rebuilding the walls and being rid of the reproach -- the reproach of living in devastation, the reproach of poor services, the reproach of violence and crime, the reproach of people in a state of siege, the reproach of mainline and local religious bodies on the defensive rather than envisioning and reconstructing new cities, new institutions, new communities.

It is mission and ministry in the eighties.

FIRST ADDENDUM TO NEHEMIAH PLAN: DESCRIPTION OF PHASE I OF PROGRAM

Plan, sell, build, close and occupy 1,000 units of single-family row housing on one contiguous site in Brooklyn where streets, sewers and utilities exist.

Cost

Average cost of 2 bedroom homes shall be \$40,000, of 3 bedroom homes \$45,000. Shopping centers or other community facilities, if any, are not included in this cost.

Type of construction

All construction and equipment shall be conventional and meet FHA standards as to room sizes, etc.

Model Homes

One two-bedroom and one three-bedroom model homes are to be constructed for sales purposes.

Pre-Selling

Deposits are to be taken and contracts with buyers signed before construction starts.

Time Table

For the first 1,000 units allow from 12 months from the start of construction. The first closings on the purchased houses should occur from four to five months after the start of construction. Assuming an original closing on 100 units, closings should occur during the remainder of the period of the first project at the rate of 90 a month.

Use of Money

The total of all borrowings for construction should amount to 50% of the total selling cost for the entire 1,000-house project. But assuming a five-month cycle, on a \$40 million project, construction funds of only \$8,330,000 would be required. (If this were a private job being started today, the cost of financing during construction would add an additional \$1,833 to the cost of each house.) As mortgage closings occur, the funds should be recycled through the trust to finance additional construction.

Pre-Construction Costs - No more than \$500,000

Crganization, promotion, legal, architectural, engineering, staff, model homes, <u>selling to be amortized</u> pro rata on first 1,000 homes.

Construction Loans - \$8,330,000

To be paid out as per actual purchasing, construction schedules and progress, and repaid or credited pro rata after each closing.

Five months after construction starts, the return of construction funds following closings of approximately 100 units a month will be sufficient to finance the remaining construction. Construction can then start on Section I), equal in size to Section I. The construction cycle for Section II can be shorter because much of the preparation work need not be duplicated. There is no managerial reason, if working capital is available, why two or more sections cannot be operated simultaneously.

Conclusion and Continuing Program

A minimum program of 1,000 units is required to be certain a new, sound neighborhood is created, to attract the quality of builder desired and to achieve economies of scale and speed.

Prudence also suggests that the sponsoring group should have a working fund of 50% more than the estimated construction financing need.

Once a project is well started and the soundness of the selling and construction programs are proved, it is important to obtain additional mortgage financing commitments and sites and continue building. This will enable the builders to maintain their pace and control costs.

# SECOND ADDENDUM TO NEHEMIAH PLAN: DESCRIPTION OF TRUST AGREEMENT

To manage the funds for the housing program sponsored by the Industrial Areas Foundation and associated organizations, the following setup is suggested:

1. A trust to be established in accordance with an agreement entered into by all of the contributors to the trust.

 Each of the contributing organizations shall name one trustee to the controlling board and, if necessary, name successors.

3. The purpose of the trust shall be to manage the funds loaned for five years by contributing organizations for the purpose of rebuilding devastated areas. Initially work shall be carried out in areas of Brooklyn, New York, where it is believed major progress can be made in cooperation with an existing organization known as East Brooklyn Churches in which many religious groups are participating.

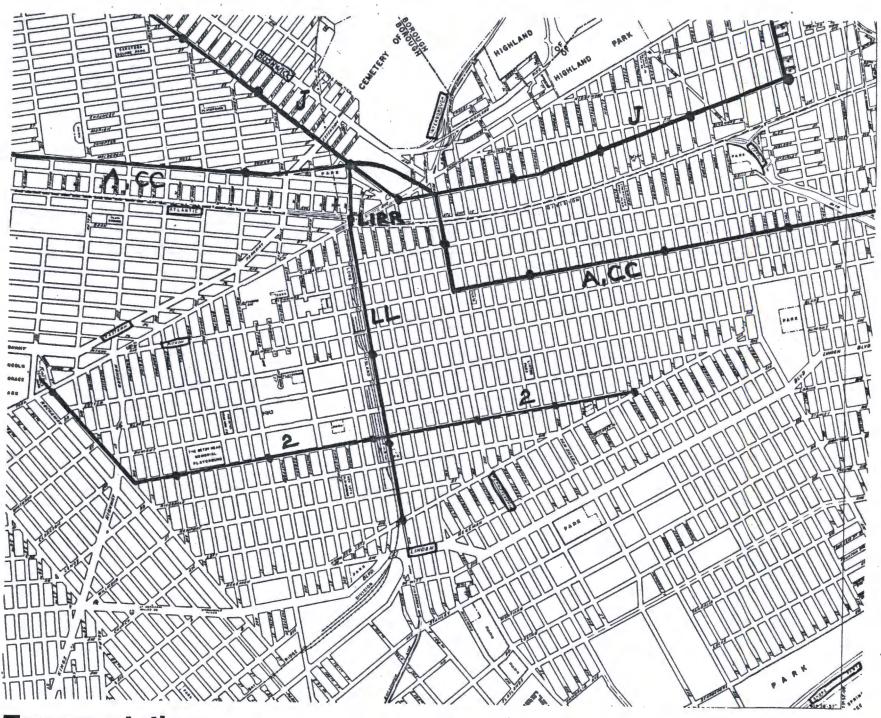
4. An executive officer of the trust shall be designated. He or his designated employees may negotiate with and, if authorized, enter into agreements with public agencies, consultants, contractors and others needed to advance the program.

5. An executive committee of five individual trustees shall be named by the trust to serve between meetings of the board.

6. The trustees and management of the trust shall be obligated to invest those funds of the trust on loan for construction on the highest prudent basis.

7. Interest-free loans to the trust from participating organizations shall be for a period of five years. These monies may in turn be loaned to contractors or builders on an interest-free basis to encourage them to participate in the development program and to avoid the burden of high-interest construction loans. The trust is required to plan its programs so that they will be completed by the end of the five-year period so that funds, plus interest earned if any, can be returned to their donors at that time.





1.

# Transportation

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TO:	Industrial Areas Foundation
FROM:	I.D. Robbins
RE:	Background Memo on Housing Finance

East Brooklyn Churches, is proposing to build for sale a minimum of 1,000 single-family townhouses. They will be built in areas now burned out and leveled. They are designed to create large, new, healthy neighborhoods. Sewers, streets, utilities and subway transportation are in place.

Behind the decision of East Brooklyn Churches, the Industrial Areas Foundation, and the various national and local church bodies to build and help finance the new housing are a number of economic and social factors:

1. Single-family row houses can be built for half the cost of equivalent space in higher rise buildings. Typical "gut" rehabilitation also costs almost as much as new high-rise construction, twice as much as row housing.

2. The City of New York owns large acreage taken over for nonpayment of taxes or abandoned after fires, vandalism, etc. There is no present use for this land and the city would benefit from its redevelopment. 3. Single-family houses do not involve continuing large rent subsidies as in apartment houses built and tenanted under the Federal "Section 8" rent subsidy program. The average "Section 8" apartment in New York carries an estimated subsidy of more than \$500 a month, in relative perpetuity. Six years of Section 8 subsidies would be sufficient to pay for a singlefamily house and own it free and clear. In any event, Section 8 has been phased out.

4. The best financing deal for single-family housing was Federal "Section 235" which wrote down mortgage interest rates to as low as 7%. The City of New York did not take full advantage of this program on a reasonable scale when it was available. A few years ago, 12 projects totaling approximately 1,600 units were announced but they were not large enough to have a qualitative effect on neighborhoods.

5. Without Federal "Section 8," the rent subsidy program, or the "Section 235" interest subsidy program, it becomes necessary in order to provide housing for families presently priced out of the housing market, to develop new concepts of financing based on the aid of cities and states. Under today's condition of construction and indirect costs, subsidies are required to build anything but extreme luxury housing. At interest rates of 17% or higher and construction costs of \$60 a foot or more, even builders of luxury, high-rise apartment houses have felt they had to have tax abatement.

6. To achieve a useful housing program for the middle and lower middle-income family, it was essential to devise a new "package."

This includes:

a. The most economical form of house construction, the single-family row or town house built on a large scale, 1000 or more units. Present city-sponsored homes to be financed and subsidized with remaining Federal interest subsidy funds start at \$48,000. The East Brooklyn houses would be offered at \$40,000.

b. Contribution of City-owned land.

c. Re-use of existing streets, sewers, utility lines.

d. The lowest possible interest rates on permanent mortgage financing. (Presently, 13% from the State of New York is still too high.)

e. The maximum tax abatement available under existing law.

f. To avoid the extremely high cost (20% or more) of money needed during construction, working capital provided at no cost to the builder or charge against the cost of the house. (Aside from providing responsible leadership, this is the major contribution of the church groups. It is estimated that it should save 7% of the total cost of construction.)

g. A free City loan of \$10,000 per house, probably from Federal Community Development Funds. Such funds are normally used up each year. In this case they would be secured by a lien on each house, repayable out of the proceeds of any resale. This would reduce the effective price to the buyer of a \$40,000 house to \$30,000. At a 10% annual price inflation rate, the selling price in three years would be \$53,240. There is also evidence from Federal data that substantially all of the homes would be

resold within ten years. This suggests that the capital grant concept, because it is self-regenerating, may be the most logical and economical form of public assistance on a continuing basis.

4.

h. Avoidance of other "soft" costs which have characterized construction in New York, including high legal and other professional service costs. By having the active support of the city administration and local church, civic and political groupings, costly and disheartening political delays can, it is hoped, be avoided.

# NEHEMIAH

### The call of Nehemiah: his mission to Judah

- <sup>1</sup> The words of Nehemiah son of Hacaliah. In the month of Chislev, in the <sup>2</sup> twentieth year of King Artaxerxes,<sup>a</sup> when I was in the citadel of Susa, one of my kinsmen, Hanani, arrived with some men from Judah. I asked them about the Jews—the remnant rescued from captivity—and about Jerusalem.
- <sup>3</sup> "Those who escaped from captivity," they replied, "who are back there in the
- province, are in great trouble and humiliation: the walls of Jerusalem are in 4 ruins and its gates burned down." On hearing this I sank down and wept; for several days I mourned, fasting and praying before the God of heaven.
- <sup>5</sup> And I said, "Yahweh, God of beaven, great God who must be feared, maintaining covenant and kindness with those who love you and obey your <sup>6</sup> commandments, let your ear be listening, and your eyes open, to hear your servant's prayer. I am making this to you now day and night on behalf of the sons of Israel, your servants; and I confess the sins of the sons of Israel which
- <sup>7</sup> we have committed against you: I and my father's House have sinned. We have acted very wickedly toward you: we have not kept the commandments, laws
- and customs you laid down for Moses your servant. Remember, I beg you, the charge you gave to Moses your servant: 'If you prove faithless, I will
- 9 scatter you among the peoples; but if you come back to me and keep my commandments and practice them, even if your outcasts were at the very sky's end, I would gather them from there and bring them back to the place I have
- 10 chosen for my name to dwell in.' Now these are your servants, your own people: you have redeemed them with your mighty power and outstretched arm.
- <sup>11</sup> O Lord, let your ear be attentive to your servant's prayer and to the prayer of your servants who delight to reverence your name. I beg you, let your servant be successful today; make him acceptable to this man."

At that time I was cupbearer to the king.

- <sup>1</sup> 2 In the month of Nisan, in the twentieth year of King Artaxerxes,<sup>a</sup> the wine being my concern, I took up the wine and offered it to the king. Now I had
- <sup>2</sup> never been downcast before. So the king said, "Why is your face so sad? You are not sick, surely? This must be a sadness of the heart." A great fear came over
- <sup>3</sup> me and I said to the king, "May the king live for ever! How could my face be other than sad when the city where the tombs of my ancestors are lies in ruins,
- 4 and its gates have been burned down?" "What," the king asked, "is your request?"
  5 I called on the God of heaven and made this reply to the king, "If it pleases

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### NEHEMIAH

the king, and if you are satisfied with your servant, give me leave to go to Judah, 6 to the city of my ancestors' tombs, and rebuild it." 'The king, with the queen sitting there beside him, said, "How long will your journey take, and when will you return?" So I named a date that seemed acceptable to the king and he gave

- 7 me leave to go. I spoke to the king once more, "If it please the king, could letters be given me for the governors of Transeuphrates to allow me to pass through
- 8 to Judah? And also a letter for Asaph, keeper of the king's park, to supply me with timber for the gates of the citadel of the Temple, for the city walls and for the house I am to occupy?" This the king granted me. for the kindly favor of my God was with me.
- <sup>9</sup> So I traveled to the governors of Transeuphrates, and handed them the king's letters. The king had given me an escort of army officers and cavalry.
- When Sanballat the Horonite and Tobiah the Ammonite slave<sup>b</sup> came to know of this, they were much displeased that anyone should come to promote the welfare of the sons of Israel.

#### The decision to rebuild the walls of Jerusalem

- And so I reached Jerusalem and stayed there for three days. Then I rose in the night, with a few other men, not having told anyone what work God had inspired me to do for Jerusalem, and having no animal with me but my own
- <sup>13</sup> mount. At night, therefore, leaving by the Valley Gate, I went by way of the Well of the Dragon to the Dung Gate; I examined the walls of Jerusalem with
- 14 their gaps and burned-out gates. I went on to the Fountain Gate and the King's
- <sup>15</sup> Pool, but found no further path for my mount. So I returned, in the dark, through the wadi, still examining the walls, and came in again by the Valley
- <sup>16</sup> Gate. And so I returned without the officials knowing where I had gone or what I was doing. So far I had said nothing to the Jews: either to the priests.
- 17 the authorities, the officials or any other responsible persons. Then 1 said to them, "You see the trouble we are in: Jerusalem is in ruins, its gates have been burned down. Come, let us rebuild the walls of Jerusalem and suffer this indignity
- <sup>18</sup> no longer." And I told them how the kindly favor of God had been with me, and also repeated the words the king had said to me. "Let us start!" they exclaimed, "Let us build!"; and with willing hands they set about the good vork.
- <sup>19</sup> When Sanballat the Horonite and Tobiah the Ammonite slave, and Geshem the Arab came to know of this, they ridiculed us, and came and asked, "What
- 20 are you doing? Are you planning to revolt against the king?" But I gave them this answer, "The God of heaven will give us success. We, his servants, are going to build; you have neither share nor rights nor memorial in Jerusalem."