



S.W.E.E.T.
alabama

SWEET Alabama

Sustainable Water, Energy, and Economic Transition in Alabama

STRATEGIC PLAN AND
COMPREHENSIVE ORGANIZATIONAL OUTLINE

AUGUST 2020

ActNow@sweetal.org

www.sweetal.org

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SUSTAINABLE WATER, ENERGY, AND ECONOMIC TRANSITION
IN ALABAMA

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EXECUTIVE SUMMARY

Despite abundant natural resources and a beneficial climate for green and renewable energies, Alabama is home to some of the most predatory and inefficient uses of energy and water in the world. Alabama's extreme poverty and environmental crisis prompted a UN tour of our rural counties following an outbreak of hookworm, a parasitic disease connected to open sewage and improper sanitation. These derelict conditions of infrastructure and housing are appalling, particularly in a nation of extreme affluence.

Likewise, Alabama's urban areas are pockets of poverty despite surrounding conditions. For example, Birmingham's poverty rate is at 29.4%, although Jefferson County's overall poverty rate is only 15%. According to a 2016 study of US cities from the American Council for an Energy-Efficient Economy (ACEEE) and the Energy Efficiency for All (EEFA) coalition, Birmingham's low-income households use 10.9% of their household income to pay utilities, which is the second highest in the country.* Alabama has the sixth highest poverty, yet we pay the highest household electric bills in the US, according to a 2020 WalletHub report.** This disproportionate energy burden not only perpetuates the cycle of poverty, but is a key component of it.

SWEET Alabama's vision is dedicated to pragmatic solutions that can create real change in Alabama. SWEET Alabama's programs are designed to be implemented in partnership with affected households and communities to create lasting change. Poor sanitation, health concerns, and disproportionate energy burdens serve as prime examples of the environmental and economic injustices these programs will directly target.

Home improvement and efficiency programs will help individual households get the tools and education needed for a home that runs efficiently and effectively. A Home Energy Retrofit Program and Sustainable Home Capital Improvement Fund will provide investment in home improvements, while community-based popular education models allow the changes in individual households to ripple out into the wider community.

Support of economic transition will come in the form of a Small Dollar Development and Energy Cooperative Start-Up Fund, a Small Dollar Sustainable Housing Development Start-Up Fund, and a Cooperative Business and Education Center. SWEET Alabama also will work to pursue local policy change, pursuing Municipal Affordable Housing Trust Funds. SWEET Alabama's work on this level will be bolstered by the establishment of a Regenerative Home Improvement Community Development Financial Institution.

Many policies and laws must be changed or created for SWEET Alabama to effectively implement the solutions outlined in this strategic plan. Therefore, SWEET Alabama will collaborate with and support the policy and grassroots organizing work of other organizations. Collaboration and support may take the form of many tangible actions to facilitate SWEET Alabama’s mission of a just transition.

[*Lifting the High Energy Burden in America’s Largest Cities: How Energy Efficiency Can Improve Low-Income and Underserved Communities, April 20, 2016, Research Report u1602 by Ariel Dreobl and Lauren Ross](#)

[**Most & Least Energy-Expensive States, Jul 14, 2020, Adam McCann](#)

I. HOME IMPROVEMENT AND EFFICIENCY

a. Home Energy Retrofit (HER) Program

In partnership with other community organizations, this free program will support eligible participants to have small repairs and renovations (up to \$2,000) for low-to-moderate income homeowners relating to energy and water systems, including regenerative and energy efficiency retrofits.

b. Revolving Fund for Sustainable Home Improvements

This program will provide funds (\$500 – \$10,000) for eligible participants towards addressing sustainable land, energy, or water system repairs, as well as renovation and retrofits for low-to-moderate income homeowners. This includes, but is not limited to, sustainable home weatherization, zero energy retrofitting, whole home water filtration, water catchment, greywater systems, and compost toilets. It can also be applied toward replacing outdated and energy inefficient home appliances.

The resident will pay for the services at cost in regular installments with no time frame deadline until it is reimbursed. SWEET Alabama will work with each applicant on payment, with a goal of a monthly payment *less than or equal to* the applicant’s monthly savings after improvements.

c. Popular Education

Workshops, informational outreach, and community events with partnering organizations will be SWEET Alabama’s main popular educational venues. This community-based dialogue will focus on regenerative practices for water, energy, and economy, how these practices can be effectively implemented, and resources available to encourage and support this transition.

II. COOPERATIVES AND COMMUNITY LAND TRUSTS

a. Small Dollar Development and Energy Cooperative Start-Up Fund

This donor-sponsored fund will be available for green energy cooperatives and sustainable community-based cooperative businesses. This fund will also be available for the cooperative members to attend national or regional trainings, host community and member trainings, file fees for incorporation, and conduct market analysis research. These green co-ops can request up to \$5,000 to fulfill startup needs.

b. Small Dollar Sustainable Housing Development Start-Up Fund

New or small existing community land trusts (CLTs), community development corporations (CDCs), and housing cooperatives will be able to make financial requests of up to \$5,000 from this donor-sponsored fund for small dollar needs. This fund will be available for CLTs or housing co-ops to attend trainings, host community and member trainings, incorporate or apply for 501(c)3 status, engage in asset mapping and other qualitative and quantitative research, or create a regenerative housing strategic plan or master plan for community sustainability.

c. Cooperative Business and Education Center

The Cooperative Business and Education Center will host an office to support workers, tenants, and small business owners to either transform

their current business into an employee-owned cooperative, or to build a cooperative business, cooperative bank, or housing complex within their community.

This center will host educational sessions on asset-based community development, cooperatives, and community land trusts (CLT), how they can benefit the member and the community, and how one could begin the process to start one. It will also help prospective cooperative members write business plans, engage in asset mapping, develop community master plans, and identify prospective land and capital for their cooperative or CLT.

III. LOCAL POLICY

a. Municipal Affordable Housing Trust Funds (AHTFs)

Inspired by the Alabama Housing Trust Fund, which the state has neglected to fund, SWEET Alabama will work with local cities and municipalities in Alabama to pass Affordable Housing Trust Funds. The legislation will carefully outline programs that align with the National Housing Trust Fund.

The AHTFs will address the housing needs of working families, seniors, persons with disabilities, and other households living at or below 60% of the area median income. The funds would be used for the acquisition, construction, and rehabilitation of affordable housing, including predevelopment costs and for use in revolving loan funds. It will also be available for resident services and down payment assistance.

The Affordable Housing Trust Funds will be available only for non-profit housing developers and residents. It is earmarked for low to moderate income homeownership options. Prioritization is given to permanently affordable homeownership options, such as community land trusts and housing cooperatives.

b. Regenerative Home Improvement Community Development Financial Institution (CDFI)

The cornerstone of this policy will include the creation of a community development financial institution (CDFI) that focuses on regenerative home improvement practices, zero energy retrofits, and eco-housing. In keeping with the democratic economies theme, the CDFI should be either a credit union or a non-profit CDFI that is controlled in commons by the neighborhoods it serves. The CDFI will concentrate on micro-finance or lending under \$100,000 to enable low-moderate income homeowners to weatherize, repair or retrofit the electrical or water systems, install solar panels, implement strategies for passive energy and radiant heat, or execute other regenerative designs for their homes.

SWEET Alabama will work with local cities and municipalities in Alabama to pass ordinances to invest annual funds into the community development financial institution (CDFI) to serve the city or zone.

CONCLUSION AND SUMMARY

Alabama's real estate centered development strategy is unsustainable. In what amounts to municipal trickle-down economics, the goal of the strategy is to attract high-income residents with the idea that their spending will trickle down to poorer populations. This does not work at the national level, nor does it work locally. Our plan argues for a low-income asset-based community development strategy that increases income and fosters a democratic economy. To do this, we must create institutions that are controlled, by and large, by the most disadvantaged of our population. The centerpiece to such a strategy is developing permanently affordable low-moderate income housing, worker-owned housing repair businesses, and community-owned utilities, which is both profitable and democratic.

By supporting a Revolving Fund for Sustainable Home Improvements to retrofit our existing housing stock we can save the residents of Alabama millions of dollars while establishing new markets for worker and community-owned housing repair businesses.

By supporting these community-owned institutions and establishing local policies and community development financial institutions we can create access to capital for homeowners and small businesses, alleviate poverty, foster a truly sustainable housing and energy sector, and create a model state for economic and environmental justice.