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WORK FROM HOME! (REALLY!)

Visionary immigrant tells East Palo Altans the way out of poverty is to run your own business, and the government should help

By Loren Stein

COTTAGE INDUSTRIALIST
Midpeninsula public access television personality David Tschang wants to see his city rezone neighborhoods to allow mom-and-pops to flourish.

DAVID TSCHANG holds up his handmade poster board, points to diagrams, legends and maps too small to read, and makes his impassioned pitch to the wrong television camera. The retired engineer is as charged-up as ever for his 19th appearance on local cable access TV in the past year. No matter that many in his target audience may not even subscribe to cable, or that his half-hour shows are often aired in the middle of the night. David Tschang has a message for the masses and, in particular, for the working poor of East Palo Alto: it's time to stop working for The Man and become The Man.

"We need to organize and define our goal—what are we going to do to help ourselves?" the 70-year-old Chinese immigrant says. "We all have a common interest: to migrate upwards economically. The American dream says that you own a home, right? But that's not good enough. You have to own your own business, which means you can climb the economic ladder and organize together and get a fair price for our efforts."

Tschang, whose shirtsleeves stick too far out of his suit, finds the right camera and says earnestly, "We all have several levels of dreams, and this is the immediate level of dream. For East Palo Alto, our immediate dream is to have a small business."

AND A MOM-AND-POP IN EVERY GARAGE . . .

In the three years since he devised his plan, which he calls Habitat for Small Business, or Mom and Pop of EPA, he's talked it up at nearly every City Council meeting. He hands out homemade business cards to all takers. Potential supporters also get his detailed, but circuitous business plan that intermingles concepts of "truth and humanity" with things like zoning, infrastructure and revenue streams. He happily reports having recruited four fellow volunteers so far, "but when we have 15 members," he says with confidence, "we can really change the world."

He figures he's spoken to 1,300 people about his ideas, appealing for help and community support. Indefatigable, he comes across as a bit eccentric. But the catch is, even some of those who've been

ignoring him admit he's onto something.

Tschang has grasped a concept that appears to have eluded many government economic planners: the technological revolution and the rise of virtual business practices have changed the economy and made many old-fashioned economic development practices ineffective, or even obsolete.

Like many other city officials in search of sales tax revenues, leaders in hard-pressed East Palo Alto—one of the most economically challenged communities in the Bay Area—have encouraged a mix of office buildings (used mostly by commuters) and big-box retailers. But for increasing numbers of workers in the new economy, real financial security isn't about landing a minimum wage job as a retail clerk in Ikea or Home Depot. Tschang believes that economic development efforts in East Palo Alto should be reformed to make cottage industries or small business ownership the primary goal.

The way to do that, he says, is to get the city to change the zoning restrictions to allow for small-scale commercial enterprises to be scattered throughout

neighborhoods. Under his plan, people would be allowed to build second or third stories over their garages or basements to house "micro-businesses," anything from small tech startups and accounting companies to special labs or boutique manufacturing firms. "Old economy" enterprises such as light manufacturing would be housed in garages or basements; "new economy" knowledge companies would be on the first floor; and living units on the second floor. Tschang calls the plan "3X3X3."

Modeling it after Habitat for Humanity, the wildly successful program embraced by Jimmy Carter that relies on volunteers to build low-cost housing around the country, Tschang envisions that groups of East Palo Altans would come together to create home-grown businesses through collaborative, collective efforts. He wants half of the city's redevelopment funds to go toward helping small businesses, and hopes to set up a corporation that oversees the effort and assists and trains residents in business practices and learning what he

calls "the language of business."

This is not only the American dream, he says, it's the way out of poverty for all the world's citizens. "The poor people, the unorganized, are hurt worst by the bad economy," he says. "This is more

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than just about East Palo Alto, it's about the world community. We need to solve the problem from the bottom up. People can't survive right now. We need to create a living and lasting legacy for the next generation."

Despite his unpolished style and limited English skills, Tschang is intelligent and

well-read. His small home on East Palo Alto's busy University Avenue is disheveled and cluttered—with stacks of papers covering nearly every inch of floor space—but his tall bookshelves are neatly lined with tomes on technology and economic theory. With a masters in mechanical engineering from the Illinois Institute of Technology, Tschang has been a small business owner himself, founding a machine shop that grew to 17 employees. He's also worked for the U.S. Department of Defense auditing engineering projects and made semiconductor manufacturing equipment. But his cottage industry cause has been his calling ever since he retired eight years ago.

Tschang's messianic zeal has gotten him this far. But he's also paid a price for it. "The City Council never responds to my questions because they think my plan can't be executed," he says with a sigh. "I even begin to doubt if the idea makes sense." But just as quickly he shakes that thought off.

CAPPING THE CAPITALIST

East Palo Alto City Councilmembers definitely know David Tschang. They also sigh when they're asked what they think about the man and his plan. ("Hmm, how to be *politic* about this," says one.) Yet there are indications that Tschang's perseverance is beginning to pay off, at least in terms of getting his ideas noticed.

"He's very passionate about what he believes," says City Councilmember David Woods. "Even at the city's holiday party he'll show up, handing out his name and address. But we can't throw out the zoning ordinance completely. He wants to up-zone every single family residence, but having a motorcycle repair shop next to a day care center just won't work. He's a smart guy but he has to take the whole community into consideration." Adds Woods, "[His plan] is not impossible but it's unlikely," explaining that neighbors would have to band together and that most people are looking for single family homes. With the slumping economy "and the way things happen in EPA," he says, all three levels would end up being used for housing.

But might it be time for dramatic measures? Woods says that East Palo Alto has already made big changes. "Now it's the time to be very careful, because we're running out of land to be utilized and we have to be selective about which developers we allow into the community," he says.

Large development projects such as University Circle and Ravenswood 101 Retail Center are well under way, where a number of corporate retail chains have set up shop to help create a business tax base, which the city sorely needs. Several

other office space and retail projects are also planned.

But what East Palo Alto has lacked is a strong community identity, which is precisely what Tschang says he is trying to change. He wants to take the city back to its entrepreneurial roots. Most locals have forgotten that in 1916 poultry farmer Charles Weeks moved to East Palo Alto and set up his vision of utopia with a somewhat similar "one acre and independence" plan for living off the land. Roughly 1,200 farmers raised chickens and grew crops, often earning enough to support their families. (The dream ended in the late 1920s when an epidemic killed most of the chickens.)

Nowadays, the city's nearly 30,000 residents live within 2.5 square miles just across Highway 101, only a few blocks away from tony, upscale Palo Alto. Incorporated as recently as 1983, the city has suffered through low real estate values and property tax revenues, and has no central business district.

Despite the city's struggles, what city officials say they want from Tschang is a working model of his plan. "At the moment I don't have a better idea; I'm the last one to stand in his way," says City Councilmember Chris Woodard. "[But] I'd like to see a proven product . . . Create a model; show us what can be done. I believe he has the capability to do that." Still, he adds, "People look to other means to make ends meet. I don't know how to turn around the whole capitalist economy, to turn it the way he wants it to go. I don't know how it would play out. It's hard to change; you'd need to change your mind-set too."

"It's a little unrealistic that everyone would want to start their own business," says Adam Keigwin, legislative aide to San Mateo County Supervisor (and former East Palo Alto mayor) Rose Jacobs Gibson, whose district includes East Palo Alto. "She thinks Tschang should create a more formal business plan to give his ideas more validity. She's certainly supportive of small businesses. She thinks his tactics are a bit kooky but she gives him a lot of time, where a lot of people disregard him."

The exasperation in East Palo Alto Vice Mayor Donna Rutherford's voice is audible as she says, "I think he has some good ideas . . . [but] the reality is everything doesn't work all of the time. He's very zealous about what he believes in and that's part of the democratic process and his right to free speech. I'm not trying to downplay what he's stressing but a city has guidelines, policies and rules to follow." Adds Rutherford: "I say document it and bring it forth. Talk is cheap, so to speak."

Despite Tschang's ubiquitous cable TV presence, East Palo Alto's redevelopment

division manager Carlos Martinez says he is not familiar with Tschang or his proposal. But, he says, "The concept of assisting people to help themselves or start their own business is a wonderful idea. How to achieve that is the question."

Martinez believes that East Palo Alto has made leaps and bounds in its progress, but he says it was touch and go there for awhile. "A few years ago the thought was that East Palo Alto wouldn't be able to survive as a city; many people were in doubt," he says. "But the city has proven everyone wrong. It's in stable financial condition and it's finding and creating its own identity. That's not something you can quantify but it's a great step in the growth of the city. Many of the improvements have not been tangible, they're something that can't be seen, and there will be other advances that won't be visible. The progress occurs very slowly."

An alternative was to "get rid of everyone, displace people, create great dislocation," he adds. "But that's not the way the city is doing it. East Palo Alto is enabling residents to improve their quality of life and that takes time, it takes generations. Changes are slow."

'A GOLD MINE'

Tell that to David Tschang. After 14 years of living in East Palo Alto, he's impatient; the changes are just not coming fast enough. The big retail developments are a failure, he says, the parking lots are empty on weekdays; and the big box model can't work. "We're spending \$7 million for the police budget and we still can't solve the problems. We're hitting the wall."

Tschang leans across his kitchen table and points to the productivity pyramid on his board. "The concentration of wealth shows we're going in the wrong direction, and it won't stop, because they are so efficient at creating wealth," he says. So it's simple, according to Tschang: turn East Palo Alto into a small business incubator, step by step, lesson after lesson, neighbor helping neighbor. "This is a gold mine right here," he says. "We're surrounded by enlightened people willing to give us a chance for such things to happen. We have a responsibility to help each other. If we don't do that, who is to be blamed?"

Tschang is aching to make his case, just give him an opportunity. He doesn't own this idea, he hastens to say, and what's more, he's confident that ultimately his plan will bear fruit. How could it not? "I will keep on doing this unless they chase me out of this community and force me to sell the property," he says. "And if I can afford to, I will continue to go on TV. At 7 years old I was a farmer; for five years I had no schooling. I don't give up easy." ♡