

Seite 8

Renewing the Cities and Sustaining American Prosperity

Paper Presented by

J. W. Follin

Director

Division of Slum Clearance and Urban Redevelopment
Housing and Home Finance Agency

Before the
V Meeting of the Inter-American Congress of Municipalities
San Juan, Puerto Rico
December 2-7-, 1954

Honorable delegates to the Inter-American Congress of Municipalities, it is a privilege for me to meet with you today on municipal problems of mutual interest. I received the invitation to speak to this Congress from Mrs. Rincón de Gautier, with the greatest possible pleasure, because this type of opportunity for a United States public official to meet with public officials from all of Latin American is all too rare. Today, I am presenting to you in my brief paper a summary of governmental policies and programs to meet those problems which we are facing in the United States in our endeavor to bring order out of urban disorder. This disorder has grown through the years because of the lack of sound municipal planning and of the proper type of public administrative and regulatory controls, which might have prevented the overcrowding and deterioration of so many of our cities and the many other difficulties with which we are confronted.

These are difficulties common to modern cities all over the world. I am speaking to you most humbly, without any assurance that we have found all the answers to these problems, or that the answers we have found to date will be the answers we shall need tomorrow. I know that you in your various countries are facing similar problems and will have found some answers to them.

I hope to learn from you about them. And it is my sincere hope that by this exchange of experience and ideas, we all will be returning to our homes with a better knowledge of how to cope with what seem at times the almost infinite difficulties faced by today's public officials in serving their communities proudly and well.

Modern technology has provided the public official with many means which, if used properly, can help us to prevent our cities from decaying into vast areas of slum and blight. The public official today must look at his job as one which places upon him the personal responsibility of leaving his city, at the termination of his official service, a better place in which to live and work than it was when he began his public career. This has been our ambition in the past, and I know it will be in the future.

Many of us have often been discouraged by the rapid pace with which we see cities becoming over-populated, with vast areas becoming deteriorated almost overnight, while traffic is jamming the streets to the point of choking the very life blood of communication. The costs of municipal services are rising and in many places the tax returns are not comparable with the needed expenditures for services which a municipality owes its people. These are problems common to all countries and to almost every municipality. We must face them head-on with plans for their solution; plans made with courage and speed. We must find practical solutions which will be lasting, so that we not only can cure present day ills but can prevent their recurrence.

There is now in the United States a nationwide recognition of the fact that our urban areas are a national resource too important

for Federal, State or local governments to permit deterioration to continue. We have therefore been taking steps through the past several years to find the means whereby, through a mutual assistance program, many urban problems can be solved. It is this mutual assistance program which I am discussing with you today, and which I hope will prove of interest and of value to you in the work you are doing in your own countries.

Our municipal problems arise out of certain historical facts. One fact is that, during the past hundred years, urban growth has outrun all expectations of the mid-nineteenth century. Another is that never in our history, until very recently, has there been anything like a real understanding of the necessity to plan and guide urban growth in the public interest. And still another problem-creating fact, of course, is the accumulation of changes in our mode of living, including a great increase in multi-family structures and the almost universal use of the automobile--all profoundly affecting our cities.

Our tremendous job is that of renewing and in large measure reshaping the physical pattern of the cities and towns for the requirements of modern urban life. The problems are: how to plan this, to carry out the plans, and to meet the costs, within the framework of a governmental and fiscal structure which remains essentially the same as it was a century ago.

What is Happening

Already the economy of the United States is predominantly urban and becoming more so. Forty-odd years ago, in 1910, our population was reported by the Census as 46% urban and 54% rural. In 1950,

following a change of Census classifications, the figures were 59% urban, 26% rural non-farm, and 15% farm. But nearly all of the rural non-farm population is now living either in the towns and villages of under 2,500 or within radii of 2 or 3 miles to 20 to 30 miles or more around the central towns and cities, in built-up areas that are constantly spreading out. Today more and more people are living in these urbanizing fringe communities, largely dependent in one way or another on the central city.

The facts of where the national income is produced are even more striking. In 1953 it amounted to 308 billion dollars. Deducting the figures for agriculture, mining, forestry and fisheries, 285 billion dollars, or nearly 93% of the total, was the result of activity essentially urban in character.

Technological advance, in nearly all fields of economic endeavor, has been and will continue to be the principal motivating force. Transportation has enormously enlarged and will go on enlarging the areas for production and for the habitations of the producers. As production per worker increases, more and more people will become available for the performance of services; and most services can be rendered only in an urban setting. Even for the farm population, many services which used to be available only in urban areas are becoming more and more common; soon they will be virtually universal.

Now I don't suppose anybody would be foolhardy enough to claim ability to draw up either a precise plan for all this or a time-schedule. But progress toward an ultimate goal, which itself cannot be clearly defined, must be a matter of day-to-day and year-to-year planning, along with the necessary modification of plans to take

account of unforeseen developments and changes sure to occur. It is this sort of down-to-earth planning that I shall have always in the back of my mind, as I try to tell you something of the problems of getting it done, of carrying out the plans, and of raising the money to meet the cost.

The Jurisdictional and Financial Problem

You should know at the outset that our urban problems have become so acute as to persuade the United States Government to offer help to the States and municipalities. And this in spite of the fact that, under our Federal system, the authority to do what has now become imperative must be conferred by the State on the municipality. It has become imperative to eliminate slum and blight conditions, to arrest and reverse the processes of urban decay which lead to such conditions, and to reorganize streets and traffic so as to get rid of the congestion that is threatening to strangle the cities to death.

Whatever the eventual physical pattern of the urban communities, these things must be done just as soon as possible. But under present conditions the municipalities cannot do them without a great deal of help. I will tell you presently about the help being provided by the Federal Government, and of its potentially great importance. First, though, I will explain a little more fully the reasons for it.

Those reasons have to do principally with two obstacles standing in the way of effective action by the municipalities themselves. One obstacle is lack of adequate legal and jurisdictional powers for the local governments, especially as regards planning and the guidance of development as the urbanized areas spread beyond the corporate limits of the cities and towns. Few Latin American nations, I believe, are

confronted with this particular problem. The other obstacle is lack of revenue sources sufficient for current expenditures and the great capital outlays required for the changes and improvements that must be made in local public facilities and amenities, if the urban communities are to provide the framework for sound and healthy development through the enterprise of their citizens.

Most cities have planning commissions or boards, but all too seldom do these have the legal powers necessary to get their plans carried out. The situation is even less satisfactory with respect to the few regional or metropolitan planning agencies in existence. And except in very small installments, it is extremely difficult to obtain the needed authority from the Legislatures of the several States.

No less difficult a problem is the situation with respect to local public finance. Already I've reminded you that most of the wealth and income of the country is produced in the urban communities; but the local governments have access to only a limited part of such wealth and income. Property taxes, which used to be ample for the cities' financial needs, are no longer so, in spite of having been raised so high in many instances as to inflict severe economic damage in the sense of discouraging in-town construction and driving both people and industries out of the city. Most of the other main forms of taxation, which nowadays are immensely more productive of revenue, are at the disposal of only the Federal and State Governments.

Meanwhile local public expenditures have long been rising, and there is every expectation that they will of necessity go on rising. So, despite the growing wealth and income produced in the urban

communities, their local governments can look forward under present conditions only to an everlasting struggle to make ends meet. To expect them to accomplish the great public undertakings that must clear the way and provide the framework for the large-scale private development called for by the changes that must be made in the urban pattern, with the money-rising powers now at their disposal, would be utterly unrealistic.

At best, attainment of a practicable solution of the problem of increased local revenue sources will take a long time, and the urban communities are in no position to wait for it. They must have financial help at once; and as a practical matter in most States only the Federal Government can be counted upon for any substantial portion of what is required.

The Beginnings of Federal Aid

As regards urban problems, Federal aid has a history of only about 20 years. From the outset, it has been concerned mainly with housing, although about 10 years ago substantial portions of the aid to the States for highways began to be made available for the main traffic arteries within metropolitan areas. The aid can be extended, moreover, only after the States have granted the cities specific authority to accept it, and usually the State enabling legislation has laid down specific rules as to how the funds could be used. As an obviously necessary counterpart to this, however, a condition of the Federal aid has been that the local governments be authorized by the States to deal directly with the Federal Government and to work out with it courses of action which in common agreement are best calculated to accomplish the ends in view. Thus thanks to local initiative and

Federal cooperation, a start has been made, if only a small one, toward giving the urban communities the legal and jurisdictional powers they need.

Prior to our entry into World War II, Federal aid for housing had an economic as well as a social purpose, that of helping to cure the depression of the 1930's. By the end of the 1940's, however, when the need was to increase the housing supply and to improve housing standards and conditions, experience had shown that a great deal more was involved than just new houses alone. Consequently the earlier concept of slum clearance began to take on a broader meaning. It was becoming evident that, for effective treatment of slums and blighted areas, the whole living environment in such areas would have to be improved. This meant as a rule the elimination of overcrowding of the land and the provision of better community facilities and amenities, along with better dwelling units.

This broadened concept was embodied in Title I of the Housing Act of 1949, which may be said to represent the real beginning of Federal aid to the urban communities for dealing with the wider range of problems I've been talking about. Under Title I the cities and towns were permitted to receive Federal loans and capital grants for carrying out redevelopment projects. The areas of these projects must be re-planned in accordance with local city plans before Federal funds may be given to the city for the purpose of buying and clearing the land for whatever appropriate purposes are involved. Each city pays at least 1/3 of the net cost; the rest is a grant from the Federal government.

Raising the Sights and Broadening the Base

The original Title I program has been going on for about five years. Under it a good deal has been accomplished. But important --

even epoch making--as that legislation was, it provided for no more than a promising start toward a solution of our complex of urban problems. It was becoming clear more than a year ago that the program as provided in the Housing Act of 1949 was not big enough and broadly enough based. A re-survey was needed, and President Eisenhower, in September, 1953, appointed an Advisory Committee on Government Housing Policies and Programs. Widely representative of the business, financial and civic interests of the country, that committee worked through the autumn, with the enthusiastic help and collaboration of the official agencies. It produced a series of analyses and recommendations which are truly remarkable for objectivity and comprehensiveness. Here are a few of the significant conclusions, which I quote from the Committee's 377-page Report to the President as published in December of 1953.

A piecemeal attack on slums simply will not work--occasional thrusts at slum pockets in one section of a city will only push slums to other sections unless an effective program exists for attacking the entire problem of urban decay. Programs for slum prevention, for rehabilitation of existing houses and neighborhoods, and for demolition of wornout structures and areas must advance along a broad unified front to accomplish the renewal of our towns and cities. This approach must be vigorously carried out in the localities themselves, and will require local solutions which vary widely from city to city.

Another passage of the Report says:

Inasmuch as it seems to be well established that the Federal Government will extend financial assistance to cities to eliminate slums, it becomes important for the Federal Government to make sure that the aid provided will actually do the job intended and that it will cover the maximum ground.

What we hope we are doing is to help the cities help themselves.

By clearing slums, removing blight, and checking the deterioration cycle, cities should be able to increase municipal revenues at the same time they are reducing the demand for services. In short, we are trying to establish the urban renewal process on an orderly basis so that over the long pull we will establish healthy cities with reduced requirements for the Federal aid which we now find mandatory.

But the job will be neither cheap nor easy. There is no simple dramatic solution. There must be well-planned and well-organized action, using all the tools of slum prevention, physical rehabilitation, neighborhood conservation and slum clearance. No one tool will do the job. Each is absolutely essential to the effectiveness of the other.

There is no justification for Federal assistance except to cities which will face up to the whole process of urban decay and undertake long-range programs:

(1) To prevent the spread of blight into good areas of the city through vigilant maintenance of housing and neighborhood standards and strict occupancy controls.

(2) To rejuvenate areas worth saving into sound, healthy neighborhoods by replanning the areas, removing congestion and adverse uses, providing parks and playgrounds, reorganizing streets and traffic to protect the renewed neighborhoods and both compelling and encouraging physical rehabilitation of all structures worth saving.

(3) To clear out nonsalvageable structures and obsolete land uses through clearance and redevelopment.

These conclusions and many more provided the groundwork for the bill introduced in Congress in January which became the Housing Act of 1954 when approved by the President in August. I shall not attempt to give you more than a few highlights of this legislation.

In the new act it is made unmistakably clear that the urban areas to be dealt with may be much larger than those which are cleared under the old program. Federal financial assistance is then authorized (on the same two-thirds of net cost basis), not only for the portions to be cleared but for provision of the improved public facilities and amenities required for rehabilitation of the entire "urban renewal area." Thus a powerful incentive may be created for the owners of property in deteriorating areas to make improvements at their own expense, since visibly their neighborhoods would begin to improve. Private expenditure to hasten the improvement process obviously would represent a wise investment. And special provisions are included, elsewhere in the Housing Act of 1954, for easier private credit, if the property owners in such areas need to borrow for their home improvements. Included also is provision for a certain amount of low-rent public housing, especially for use when families unable to pay

for privately owned housing are to be displaced through urban renewal operations.

But the new legislation goes much further. Before a local community can become eligible for capital grants under the new Act, that community must draw up and submit to the Federal Government for approval a "workable program" to deal with its whole problem of urban decay. As a main component of such a program, each city asking for the grants must enforce codes and ordinances to compel the owners of substandard properties either to rehabilitate the structures and bring them up to standard, to take them out of use, or to demolish and remove them. At the same time the Act contains an authorization for the Housing and Home Finance Agency to establish an urban renewal service or technical assistance program (1) for furnishing to communities, at their request, help in the preparation of their workable programs and to provide them with technical and professional assistance for planning and developing local urban renewal programs, and (2) for the assembly, analysis and reporting of information about these programs.

Altogether the Housing Act of 1954 makes it clear to the local urban communities, as never before, that the Federal Government has no desire or intention to tell them how precisely to deal with their problems, but that, along with technical aid when requested, they may expect to receive Federal assistance in the form they most urgently need--namely, cash money--only when they have demonstrated their determination to do everything they can to solve those problems for themselves.

Looking into the Far Future

Now in closing let me tell you of an additional spur in the

Housing Act of 1954, or anyhow an inducement, for the sort of planning we need now and will need more urgently as time goes on. In the Housing Act of 1954 there is a provision whereby the Federal Government may make planning grants, on a fifty-fifty matching basis, "to official State, metropolitan, or regional planning agencies empowered under State or local laws to perform such planning." Such grants may be made also "to State planning agencies for the provision of planning assistance. . . to cities and other municipalities having a population of less than 25,000 according to the latest decennial census."

Cautiously--maybe too cautiously--we are groping our way toward creation of the planning and administrative machinery we shall need. We haven't got it yet, and no doubt we'll run into obstacles in addition to those we can see now. But I think I may say that we are approaching the vast and complex undertaking in the spirit expressed by President Eisenhower in his January message to Congress in behalf of what is now the Housing Act of 1954. Referring particularly to the elimination and prevention of slums and blight, he said:

The knowledge, the skills, the resources, and, most important, the will to do this job already exist in the Nation . . . We have the unlimited resources which grow from the independence, pride, and determination of the American citizen.

I am grateful to you for giving me this opportunity of speaking to you. On behalf of the Government of the United States, I offer to you our sincere hope that you will feel free to visit us and to study what we are trying to accomplish. We are always at your service.

#####