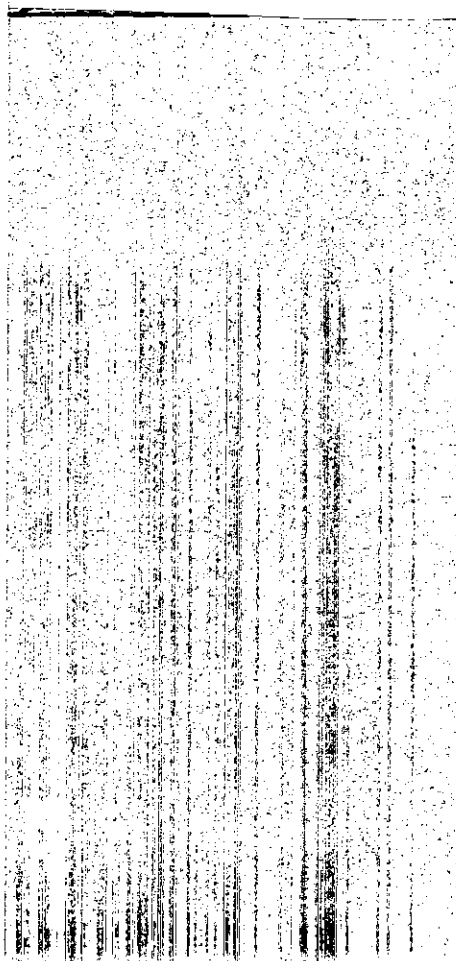


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THE DELIMITATION OF URBAN RENEWAL PROJECTS

A THESIS

Presented to  
the Faculty of the Graduate Division

by

Walter Thomas Edelen

In Partial Fulfillment  
of the Requirements for the Degree  
Master of City Planning

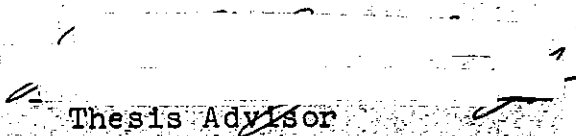
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## ABSTRACT

The purpose of this study is to determine the considerations that are involved in locating and delimiting sound urban-renewal projects. In addition, the considerations that dictate the priorities assigned to the projects finally selected are presented. As used in this study, the term "urban renewal project" denotes a precise area of a city that has been selected for redevelopment by a community and its local public agency.

A properly selected urban-renewal project can be an important tool in community development. The full benefits of urban renewal cannot be realized unless the local public agency selects and redevelops its projects in accordance with a sound-selection policy. This selection policy must be supplemented by an equally sound method of assigning priorities to the projects selected.

It was found that a sound project-selection policy should take into account: (a) the community objectives that influence project selection; (b) the federal, state and local legislative requirements for urban renewal projects; (c) the community groups that have a direct influence on project selection; and (d) the effects of finances on project selection.

It is recommended that in assigning priorities to the



projects selected consideration should be given to: (a) the community's reasons for establishing an urban renewal program; (b) the attitudes of the local residents toward urban renewal; (c) the physical characteristics of the projects; and (d) the financial problems presented by the different projects.

## CHAPTER I

### INTRODUCTION

The urban-renewal project is the heart and soul of any community's program to eliminate slums and blight. If a city's projects are carefully selected and planned, the local urban-renewal program will run smoothly and successfully. On the other hand, a city that chooses its projects in a haphazard manner without the benefit of sound planning will have nothing but trouble. The purpose of this study was to determine the considerations that are involved in locating and delimiting sound urban-renewal projects. In addition, the considerations that dictate the priorities assigned to the projects finally selected are presented.

As used in this study, the term "urban-renewal project" denotes a precise area of a city that has been selected for redevelopment by a community and its local public agency. For the sake of brevity, the word "project" may be used in place of the term "urban-renewal project."

Urban renewal as a planning tool.--When the Housing Act of 1949 was passed, the Declaration of National Housing Policy contained in the Act stated that the purpose of the Act was:

. . . the realization as soon as feasible of the goal of a decent home and a suitable living environment for every American family thus contributing to the development and redevelopment of communities and the advancement of the growth, wealth and security of the Nation. (1)

The principle of providing "a decent home and a suitable living environment for every American family" has been widely recognized by the supporters of urban renewal. Unfortunately, the remainder of the statement referring to the idea of developing and redeveloping communities has been largely overlooked. As a result, many cities have missed excellent opportunities to coordinate their long-range development plans and their urban-renewal programs.

The full benefits of an urban-renewal program are realized only when the program is used as a planning tool. A section describing the planning objectives that affect the choosing of urban-renewal projects is contained in Chapter II. The important fact to be kept in mind at this point is that urban renewal is only one of a number of planning tools available to communities and it should be utilized as such.

The development of federal participation in urban renewal.--

Prior to 1949, there was very little urban-renewal activity in the United States. A few cities, such as Chicago, Illinois, and Cleveland, Ohio, were doing some redevelopment work but

their efforts were slow and sporadic. However, the year 1949 ushered in a tremendous surge in urban renewal which has continued to the present time.

When Congress passed the Housing Act of 1949 (1), federal aid to help localities cope with the problem of slums and blight became available for the first time. Unfortunately, this first program concentrated primarily on clearing and re-developing existing slum areas and did little to help cities stop the spread of urban blight. As a result, many communities found that new slums were forming faster than the old ones were being eliminated. This oversight was corrected by Congress in 1954.

Under the provisions of the Housing Act of 1954 (2), communities may obtain assistance in establishing city-wide programs to check the spread of slums and blight. Generally speaking, there are three programs that cities can use to combat urban decay. These programs are as follows:

1. Conservation and protection of sound areas,
2. Rehabilitation and conservation of areas that can be economically restored, and
3. Clearance and redevelopment of areas that cannot be saved.

Since 1954, the scope of federal participation in local

urban-renewal program has increased steadily. The Housing Acts of 1956 and 1959, in particular, have broadened the scope of federal participation.

The General Neighborhood Renewal Plan, established by the Housing Act of 1956 (3), is designed to help communities eliminate slums on a broad scale. The chief advantage of a General Neighborhood Renewal Plan is the fact that it permits a local public agency to prepare comprehensive redevelopment plans for slum areas that are too large to be treated as a single urban-renewal project. In turn, the comprehensive redevelopment plans foster continuity in the agency's efforts to fight slums on a wide front.

The Housing Act of 1959 (4) provided communities and their redevelopment agencies with the Community Renewal Program. This program is designed to consider the blight conditions in the entire city instead of studying one particular section of the municipality. The basic product of a Community Renewal Program is a comprehensive program for eliminating all the slums in the community.

Present status of urban-renewal programs.--As a result of the assistance provided by the aforementioned Housing Acts, more than 600 urban-renewal projects have been initiated in approximately 200 cities in the United States. In order to

carry out these projects, both the local and federal governments have spent or will spend many millions of dollars. For its share of the cost of these projects up to December 31, 1959, the federal government has disbursed approximately \$34,000,000 in planning advances, \$571,000,000 in temporary loans, and \$235,000,000 in capital grants to communities engaged in urban renewal. The tremendous importance of the urban-renewal movement is vividly illustrated by the federal government's willingness to disburse these huge sums of money for the sole purpose of helping cities eliminate their slums and blighted areas.

It would seem, with all this money available for slum removal and prevention, that urban blight and decay would be eliminated in the very near future. Unfortunately, this is not the case. Despite the vast sums of money being spent for urban renewal, many urban renewal officials feel new slums are being created as rapidly as the old ones are being eliminated. As a result, the slum situation is almost as bad today as it was forty years ago.

There are many reasons for this: opposition of land owners, difficulty in relocating displaced families, and the high prices paid for slum properties are a few. However, the chief reason is the fact that the majority of

the cities have not had time to establish and carry out General Neighborhood Renewal Plans and Community Renewal Plans. As a result, there has often times been a lack of sound planning prior to the selection of urban-renewal projects and, therefore, many of them have been poorly selected.

The expensive delays and bad publicity caused by poor project selection can be avoided if the officials of the local redevelopment agency have formulated sound policies for the agency's staff members to follow in choosing urban renewal projects. The remainder of this study is given over to a discussion of the elements that should be taken into account in sound project selection.

## CHAPTER II

### COMMUNITY OBJECTIVES THAT INFLUENCE PROJECT SELECTION

The first questions that the local officials and the redevelopment agency should ask about an urban renewal project are, "Why are we choosing this area for redevelopment? What are our objectives?" Of course, the primary goal must be the elimination of slums and blight. However, urban renewal can also serve secondary purposes such as stabilizing the city's tax base or increasing available land for the central-business district. As many communities have discovered, it is these secondary objectives that make urban renewal the valuable planning tool that it is.

Generally speaking, the community objectives which influence the selection of urban-renewal projects can be divided into three categories:

1. Housing objectives,
2. Economic objectives, and
3. Planning objectives.

Of course, all of these objectives are closely related and the achievement of one will often permit the community to accomplish several others as well. For instance, when a local public agency demolishes the substandard structures



in a district and then redevelops the area, slums are eliminated, the local tax base is usually improved, and municipal operating costs are usually reduced. However, each of these objectives influences project selection in different ways.

#### Housing Objectives

There is little doubt that the low-income housing problem is a prime reason that prompts many communities to establish urban-renewal projects. As of June 30, 1958, the Housing and Home Finance Agency had approved 324 projects for advanced planning or execution. Out of these 324 projects, 177 or 52 per cent will be redeveloped for predominantly residential purposes. In addition, 57 of the remaining 147 projects will be redeveloped with residences as the secondary reuse. (5)

As a rule, most of the improvement in the living conditions of low-income is accomplished by relocating these families in standard dwelling units in other areas of the city. However, the statistics presented in the preceding paragraph still serve as an indication that providing better low-income housing in former slum areas is one of the main objectives of most of the communities that are engaged in urban renewal.

There are two factors responsible for this trend. The

first is the emphasis placed on low-income housing in the federal legislation that provides federal aid for urban renewal.

The second factor responsible for the emphasis on housing is the growing realization on the part of local leaders and civic groups that slum living conditions are closely associated with human decay and disease. For instance, a study made in Cincinnati, Ohio, showed that the following ratios existed between the death rates of people living in slum districts and families residing in standard areas:

1. three times the rate from tuberculosis;
2. two and one-half times the rate from pneumonia; and
3. two times the rate from accidents. (6)

Of course, housing alone is not responsible for these conditions. Income, education, heredity, physical constitution and many other factors play an important part in creating these conditions. However, the fact remains that these conditions usually prevail in areas of poor housing. Consequently, the elimination of slums facilitates efforts to reduce human suffering in the community.

A local public agency can select three different types of projects that will ultimately improve the low-income housing in a community. The first type is a project that contains substandard low-income housing. In a project of

this sort, the deteriorated structures can be torn down and replaced by standard dwellings for low-income families. The second type is a project in a non-residential area that is suitable for housing. The agency can clear the area and redevelop it for low-income housing. The third type is a project in a low-income neighborhood that is beginning to decay. The agency can rehabilitate the area and thus improve the city's supply of low-income housing.

### Economic Objectives

That urban redevelopment is economically beneficial is well known throughout the nation. Statements to this effect appear in numerous community reports published by local public agencies. The following quotation is from a workable program prepared for the District of Columbia in 1955:

Thus the District of Columbia but for a renewal program faces the fiscal future of a declining assessable base in the deteriorating areas, increasing costs for municipal services in those areas and little opportunity for new assessments as available land for new construction is being rapidly exhausted. (7)

As a rule, a community's economic objectives are as follows:

1. to improve the local tax base;
2. to reduce municipal operating expenses;
3. to encourage commercial, industrial and housing development;

4. to stimulate the local economy; and

5. to take advantage of federal aid.

Although these goals are so closely related that efforts to accomplish one will also lead to the attainment of the others, enough variations exist among these economic factors to merit an individual discussion of each one.

To improve the local tax base.--A critical lack of funds is one of the toughest problems faced by many cities. The situation has been further complicated in numerous municipalities by the decline of property values within their boundaries. This development becomes extremely important in view of the fact that the ad valorem tax on real property is the chief source of revenue in most cities. Consequently, the stabilizing effect that urban renewal has on a municipality's tax rolls makes redevelopment popular in a large number of cities.

An excellent example of the capability of urban renewal to improve a municipality's tax base is contained in the workable program prepared for the District of Columbia. A section of this report contains the following statement:

Estimates prepared by the Redevelopment Land Agency indicate that after completion of the projected redevelopment of Southwest Washington, the assessed values for tax purposes will increase to approximately

\$157,000,000 from \$20,500,000 and annual real estate receipts at current rates will increase to \$3,430,000 from \$451,000 prior to redevelopment, or an annual gain of almost \$3,000,000. (8)

Although the figures presented above may seem extreme, they illustrate the effect that redeveloping a slum area can have on a community's tax base.

Since the elimination of almost any slum area will improve the community's tax base, most local public agencies do not bother to study a project to determine whether or not it will lead to any improvement in the tax rolls. However, in case there is any doubt, a comparison should be made of the existing tax revenues from a project with the estimated revenues that the redeveloped land will yield. Of course, it is possible to select projects that will yield the maximum increase in the tax base.

To reduce municipal operating costs.--The same shortage of revenues that has prompted cities to take steps to improve the local tax situation has also forced these communities to try to reduce their operating costs. However, as demands of citizens for more public services continue to mount, many localities have found that it is virtually impossible to reduce expenditures. Here again, urban renewal enters the picture.

Slums, of course, cost money. It has been estimated that blighted districts account for 45 per cent of a city's total service costs and yield only 6 per cent of the tax revenues. (9) "Jacksonville, Florida, found that in one of its slum areas, municipal service costs exceeded revenue by \$40,000 per year." (10) As a result of the conditions described above, local public agencies have discovered that eliminating the slums in a community will ultimately result in reduced operating costs.

In order to select projects that will reduce municipal operating costs, the local public agency must first determine what areas of the city are absorbing most of the operating budget and why these areas are so expensive to service. The costs referred to here are street maintenance expenditures, police-protection costs, fire-protection expenses, welfare costs, and other similar city expenditures. After the agency has determined the existing operating costs in a project, it can compare these costs with the estimated future costs for the completed project to find out whether or not the project will actually lead to reduced municipal operating costs. This process may be repeated for each project until one is found that will lower the city's operating expenses as much as possible.

To secure additional commercial, industrial and residential sites.--The rapid growth of many American cities has resulted in a shortage of good commercial, industrial, and residential land. This is particularly true in the central areas of a large number of municipalities. Consequently, a number of communities have resorted to urban renewal to provide new sites for business, industry and homes. The preceding section discussed the role of housing objectives in urban renewal. The commercial and industrial trend is borne out by the fact that, as of June 30, 1958, the Housing and Home Finance Agency had accepted a total of 60 commercial and 47 industrial projects out of a total of 324 project areas approved for advanced planning or execution. Of the remaining 217 sites, 169 were redeveloped with businesses as a secondary use; while 65 areas contained industries as their secondary use.(11)

If an urban renewal project is to be used as a site for an industry, a residence or a business, the redevelopment agency must be sure that the project selected has adequate transportation facilities. In addition, the project must also be provided with the proper utilities, namely sewerage, electricity, water and gas. Finally, the project must be selected in accordance with the city's future land-use plan.

To stimulate the local economy.--Experience has shown that

the demolition and construction activities associated with urban-renewal projects generally stimulate the economy of the community involved. Furthermore, those projects that are redeveloped for commercial and industrial purposes will provide additional employment opportunities for the local residents. In turn, the increased local employment will add to the sales volume of the city's merchants. Finally, some of this money finds its way into the treasury of the local government and enables the city officials to provide better and more varied community services. This effect of urban redevelopment on a locality's economy is often a strong enough motive in itself to lead a municipality into an urban-renewal program.

When a community initiates an urban-renewal program for the primary purpose of stimulating the local economy, the redevelopment agency must select urban-renewal projects that will provide a wide variety of employment opportunities. As a rule, a clearance project in a built-up area will provide more employment than any other type of urban-renewal project. The local economy will be stimulated even further, if the project is redeveloped for industry or business, or both. If the project is being planned for these uses, it will have to meet the requirements set forth in the preceding section for projects of this type.



To take advantage of federal aid.--There have been instances in the history of urban renewal of cities establishing urban-renewal programs simply to take advantage of the federal assistance offered. However, in most cases this objective became secondary when the real benefits of slum clearance became apparent. Of course, there is really nothing wrong with this motive since the community will almost certainly benefit from urban renewal, regardless of the reasons that prompted the initiation of the program.

Projects that are being selected for this purpose are subject to no special considerations. All the local public agency has to do is to make sure that the project meets all the requirements of the federal laws.

#### Planning Objectives

After considering their housing and economic objectives carefully, local public agencies often find that a number of acceptable projects will improve the city's housing and economy. In order to decide which project to undertake first, these agencies generally turn to their community's planning goals. Quite frequently, the renewal officials' final decisions are strongly influenced by the following planning objectives:

1. to change the land use in an area;

2. to improve the local street pattern; and

3. to provide needed community facilities.

Here again, it must be noted that all three of these objectives are so closely related that they may all be attained in the same project. However, each of the above goals is important enough to be studied separately. Therefore, the ensuing paragraphs are devoted to a discussion of the aforementioned planning objectives.

To change the land use in an area.--The opportunity to change the land use in a sector of the city is one of the outstanding advantages of an urban-renewal project. Through urban renewal, a community can clear a blighted area and redevelop it in accordance with the future land-use plan. The federal government will pay up to two-thirds of the net costs. The chief federal limitation placed on this type of redevelopment is the provision that a market for the land must exist within the community.

The Housing and Home Finance Agency has approved 90 projects in which the predominant use will be changed from residential to non-residential.(12) This total represents approximately one-third of the 281 blighted residential areas that had been approved by the HHFA as of June 30, 1958. In

addition, 158 of the remaining 191 projects that have been accepted will be redeveloped for both residential and non-residential purposes. These figures demonstrate that most of the communities engaged in urban renewal are using it to change either part or all of the land uses in their projects.

In order to select an urban-renewal project that will change the land use in an area, the local public agency must first determine where the areas are that do not comply with the community future land-use plans. This can be done by comparing the existing land-use map with the future land-use plan and thus identify areas in which land-use changes are desired. After locating these areas, the agency must determine which ones satisfy the eligibility requirements for an urban-renewal project as presented in Chapter III. The eligible areas can then be selected as urban-renewal projects.

To improve the local street pattern.---In addition to altering land uses, local public agencies have also used urban-renewal projects to improve their community's street pattern. As a rule, the improvements are obtained by clearing a site and then redesigning the existing street system in accordance with the city's thoroughfare plans. In the past this approach was generally limited to the minor streets and non-limited access

major thoroughfares in the locality.

Today, a growing number of communities are using urban renewal to acquire rights-of-way for limited- or controlled-access highways and then selling the land to the highway departments. This method usually results in greatly decreased acquisition costs because of the reduced condemnation proceedings. In addition, urban-renewal projects can be used to supplement these highways by providing redesigned street systems at the various access points to facilitate the movement of traffic onto and off of the highway. Furthermore, urban-renewal projects can be used to assemble the remnants of land left over when the right-of-way for the limited-access highway was purchased. These remnants can then be redeveloped and put back into productive use.

If a project is being selected to improve the local street system, the redevelopment agency must find areas in the community that have poor street patterns and are eligible for urban renewal. In addition, the city's long-range thoroughfare plans must be taken into consideration.

To provide needed community facilities.--The tremendous growth that is taking place in many cities is rapidly outstripping their existing community facilities and making

them obsolete and inadequate. Consequently, many local public agencies select projects that will facilitate the municipality's efforts to provide new facilities such as schools, fire stations and governmental buildings. Quite frequently, a school or a fire-house site will comprise only a small section of the project and therefore, appear to be of minor importance in the redevelopment scheme. However, in many cases, the true facts are that the need for the school or other facility in that particular section dictated the selection of the project.

When selecting projects for this purpose, the local public agency must consult the city's long-range community facilities plan to determine where new facilities are needed. Armed with this knowledge, the agency can select projects that contain needed community facilities and that meet the other requirements of an urban-renewal project.

#### Summary

When choosing urban renewal projects, the city officials and the local public agency must base their selections on sound objectives. These community objectives include housing objectives, economic objectives and planning objectives.

Housing objectives.--Urban renewal is supported primarily by federal funds supplied through legislation that is heavily

slanted toward improving low-income housing. As a result, many communities have adopted the improvement of low-income housing as the city's primary objective in selecting urban-renewal areas.

Economic objectives.--In addition to simply eliminating slums and blight, many redevelopment agencies have discovered that urban renewal can be used to achieve a wide variety of economic objectives. Consequently, more and more local public agencies are basing their project selections on the economic objectives made possible by urban renewal.

Planning objectives.--Quite frequently, the local public agencies have found that there are several areas in the community that will satisfy the housing and economic objectives of the program. When this happens, these agencies usually turn to their planning objectives as guides for final selections.

Conclusions.--All of these objectives must be worked out ahead of time. In order to do this, many communities have established a long-range planning program to serve as a guide in determining the goals of the redevelopment program.

After determining the objectives involved, local public

agencies can select projects which will permit the attainment of the maximum number of the community's goals.

### CHAPTER III

#### LEGAL AND PHYSICAL REQUIREMENTS THAT AFFECT THE SELECTION OF PROJECTS

When selecting urban renewal areas, the local public agency must give full consideration to all the legal aspects involved. Every requirement of the federal, state and local laws must be satisfied. If this is not done, there is a possibility that the courts may not uphold the findings of the redevelopment agency.

#### Federal, State, and Local Requirements

According to Mr. John Edmunds of the Region III Office of the Housing and Home Finance Agency in Atlanta, Georgia, urban renewal has developed to a degree similar to the development of zoning in 1920. In other words, urban renewal is generally recognized and accepted in most of the states. However, there are still a few which do not permit the wide variety of urban-renewal activities that are allowed by the federal government. This problem is discussed in detail in the state legislation section of this chapter.

At the present time, both federal and state laws are concerned primarily with the physical characteristics of slum and blighted neighborhoods. In order to qualify as an



acceptable urban-renewal project an area must have certain deficiencies, such as deteriorated residences, within its boundaries. As a result of this requirement, the physical composition of a slum is of paramount importance in selecting urban-renewal projects for either clearance or rehabilitation. A portion of this chapter is devoted to a study of the physical requirements of federal, state, and local legislation with respect to the blighted and deteriorated sections of a city.

#### Federal Requirements

If a community wishes to receive assistance from the federal government for urban renewal, it must select projects which satisfy the urban-renewal provisions of Title I of the Housing Act of 1949, as amended. These can be divided into two categories-- general provisions applicable to all projects and specific provisions applicable to the different types of clearance projects. These provisions are discussed in detail in the following paragraphs.

General provisions.--The following general provisions must be met.

In order to qualify for urban renewal, an area must meet all the state and local as well as the federal requirements for an urban renewal project. A review of state and

local requirements is presented in the following sections of this chapter.

A proposed project must satisfy the definition set up in section 110(a) of the Housing Act of 1949. This definition states that an urban-renewal project is a slum area which the Administrator approves as appropriate for urban-renewal.(13) The "Administrator" mentioned here is the Commissioner of the Housing and Home Finance Agency or HHFA. Although the preceding definition is general in its phrasing, numerous other eligibility requirements serve to narrow its scope.

Before the HHFA will approve a project for Title I assistance (14) the area must be deteriorated to such an extent that public action is necessary to halt any further degeneration of the area itself and to prevent the spread of blight into the surrounding neighborhoods.

An area is eligible for clearance activities if 50 per cent or more of the structures, not including accessory buildings, within the project are substandard because of the building deficiencies listed below:

1. Need for major repairs or extensive minor repairs.
2. Inadequate original construction or alterations.
3. Inadequate or unsafe plumbing, heating or electrical facilities.
4. Other equally significant building deficiencies.(15)

A slum may be cleared if more than 20 per cent of the buildings are substandard and the area also contains two or more of the following environmental deficiencies:

1. Overcrowding or improper location of structures on the land.
2. Excessive dwelling unit density.
3. Conversions to incompatible types of uses, such as rooming houses among family dwellings.
4. Obsolete building types, such as large residences or other buildings which through lack of use or maintenance have a blighting influence.
5. Detrimental land uses or conditions, such as incompatible uses, structures in mixed use, or adverse influences from noise, smoke or fumes.
6. Unsafe, congested, poorly designed, or otherwise deficient streets.
7. Inadequate public utilities or community facilities contributing to unsatisfactory living conditions or economic decline.
8. Other equally significant environmental deficiencies.(15)

A slum or blighted neighborhood which does not meet the qualifications for clearance may still be eligible for rehabilitation, as provided for in the Urban Renewal Manual published by the Housing and Home Finance Agency. (16). This may be in the form of comprehensive rehabilitation or limited rehabilitation.

An area may be rehabilitated comprehensively if it is still basically sound and can be restored to good condition

for an extended period of time. In addition, the present land-use pattern must agree with the city's long-term plans with respect to structures and streets. Finally, the density of the existing development must comply with the community's standards.

On the other hand, limited rehabilitation may be applied to residential areas which are built-up and deteriorated and are in need of safer and more healthful living conditions. Furthermore, these areas must have decayed so completely that they cannot be restored to good condition, and the redevelopment agency cannot clear and redevelop them within the next ten years.

The mere fact that deficiencies do exist in a section of the community is not enough to satisfy the eligibility conditions for federal assistance. The factors which create blight in a neighborhood must be distributed throughout the area. Any part of a proposed project which does not contain these features will not be approved unless it constitutes a relatively minor portion of the area. However, a sizable section of a project that lacks the appropriate deficiencies may be included if it is necessary to achieve the urban-renewal objectives of the community or if it is needed to establish a sound project boundary.

When selecting an urban-renewal area with a specific reuse of the land in mind, the local public agency must be careful to consider the federal provisions concerning residential land uses. Section 110(c) of the Housing Act of 1949, as amended, states:

Financial assistance shall not be extended under this title with respect to urban renewal area which is not predominantly residential in character and which, under the urban renewal plan therefor, is not to be redeveloped for predominantly residential uses. (17)

In other words, an urban renewal project must either start with housing or end with it. This condition is a result of the basic fact the act authorizing urban renewal is, of course, a Housing Act and therefore is concerned primarily with the problem of providing acceptable living quarters for the American people.

Fortunately, an exception has been provided to allow communities to use urban renewal for non-residential purposes where housing was not improved. Under the terms of a "non-residential exception project" a non-residential area may be redeveloped for predominantly non-residential use if the local officials can show that such an undertaking is essential to the proper development of the community. The detailed requirements for this type of project are described in the section entitled, "Specific Provisions Applicable to Different Types of Urban Renewal Projects."

Section 105(c) of the Housing Act of 1949, as amended

contains the following pertaining to relocation:

There be a feasible method for the temporary relocation of families displaced from the urban renewal area, and that there are or are being provided, in the urban renewal area. . . decent, safe, and sanitary dwellings equal in number to the number of and available to such displaced families and reasonably accessible to their places of employment. (18)

Therefore, when selecting an urban renewal project, the local public agency must consider the problems it will face when it tries to rehouse the families displaced by the project.

Chapter II deals with this topic in detail.

Specific provisions.--The federal government has established six different types of projects which communities can clear and redevelop, as follows:

1. Predominantly Residential Project;
2. Not Predominantly Residential Project;
3. College and University Project;
4. Nonresidential Exception Project;
5. Predominantly Open Land Project; and
6. Open Land Project.

Each of these projects is governed by its own peculiar requirements. These provisions, which will be set forth in the ensuing paragraphs, are based primarily on the present character of the area, the extent of its present development and the reuses proposed.

In order to eliminate any question concerning the meanings of the terms used in the ensuing paragraphs, their characteristics are presented here. These terms are as follows:

An area is considered to be "predominantly residential" from the standpoint of the existing situation if 55 per cent or more of the land within its boundaries is used for dwellings and neighborhood facilities. A structure is classified as a residence if more than 55 per cent of its floor space is used for residential purposes. In addition, vacant lots may be considered residential if they are in primarily residential areas and are bounded by residences; or if they are used for residential purposes, e.g. house gardens and private parking.

A project is considered "predominantly residential" from the standpoint of proposed reuse if 50 per cent of the land is to be devoted to the uses described above.

Any part of the community which does not satisfy the preceding definition must be classified as "nonresidential".

An area is classified as "built-up" if 50 per cent or more of the land is occupied by permanent structures including paved streets and unpaved streets which are absolutely necessary to furnish access to the area.

A sector of the city is defined as "predominantly open land" if it fails to satisfy the "built-up" criteria

stated above, but is still more than 10 per cent developed.

A tract of land is considered to be "open land" if it contains no man-made improvements with the possible exception of a few incidental structures and buildings occupying not more than 10 per cent of the area.

Although six types of projects are discussed in the ensuing paragraphs, only the "predominantly residential projects" which may be redeveloped for any use and the "not predominantly residential projects" that are developed for residential purposes have been utilized extensively. The "non-residential exception projects", the "predominantly open land projects", and the "open land projects" have been ignored by most municipalities because of the legal, financial, and political problems which these projects generate. The "college and university projects" were established by the Housing Act of 1959. Consequently, the various cities throughout the country that are engaged in urban-renewal activities have not had time to take advantage of the new project provisions. Because of the acceptability of projects which benefit educational activities there will undoubtedly be a number of urban-renewal projects in this category in the near future.

In order to qualify as a predominantly residential project an area must, of course, be predominantly residential.



After meeting this requirement, the area may fall into one of three classes. These three classes must meet the requirements set forth above. Furthermore, each of these classes must meet the additional requirements presented below.

Built-up areas have no additional requirements.

Predominantly open-land areas are subject to a number of additional requirements. These are presented later in this chapter.

An open-land area can qualify as a predominantly residential project if it also qualifies as an open-land project. The criteria for open-land projects are set forth in a later section of this chapter.

Finally, it should be noted that there are no restrictions on the reuses of land in predominantly residential projects except that there must be a market for the redeveloped land.

A project is a not predominantly residential project if it is not predominantly residential in character and the local public agency intends to use federal funds to pay part of the redevelopment costs. Projects in this classification must meet the following requirements before they can be approved by the HHFA:

The areas selected must satisfy the respective conditions set forth in the preceding section for built-up, predominantly open-land or open-land areas.

The project must be redeveloped for predominantly residential use.

When selecting a college and university project, the local public agency must see to it that the site chosen meets the following standards:

The area chosen must include the principal buildings of the institution itself or of one of its branches.

If the project does not include these buildings, it must be close enough to the college or university to permit over 50 per cent of the site to be enclosed by a boundary drawn no more than one-fourth of a mile from the property of the institution involved.

Before an area may be established as a "nonresidential exception project, it must be nonresidential in character and the renewal plans must call for nonresidential redevelopment.

In addition, these projects are subject to the following conditions and limitations:

The local officials must be able to justify a resolution that the area must be redeveloped for nonresidential uses in order to permit the city to develop properly.

Projects in this category are not eligible for capital grant funds in excess of 20 per cent of the total funds authorized for the community on or after September 23, 1959.

If the area is predominantly open land or open land, it must satisfy the standards established for such areas.

In order to qualify as a predominantly open-land project, an area must be predominantly open land as defined previously. In addition, the area must be holding up the development of the community and there must be no possibility of the site being redeveloped by private interests. The Urban Renewal Manual suggests the following items or characteristics of such areas:

1. Substandard buildings occupying a considerable portion of the area.
2. Improper size and shape of lots.
3. Poorly designed, obsolete, or inadequate street patterns.
4. Obsolete utilities.
5. Deterioration of site improvements.
6. Complexities of ownership or title.
7. Serious tax delinquency.
8. Lack of adequate and convenient access to the area.
9. Serious topographical difficulties. (19)

An area may be classified as an open-land project if it meets the definition of an open area as described earlier in this chapter. Projects of this type are subject to the

following restrictions:

An open-land project must be developed as housing for families displaced by the community's urban-renewal activities.

The area must be suitable for safe, decent and sanitary homes.

The property values of the site selected must be within the financial means of the displaced slum dwellers and it must be convenient to their places of employment.

Capital grant funds are not available for open-land projects.

Loans and advances for projects of this type are limited to 2-1/2 per cent of the estimated gross project costs of the projects undertaken by the local public agency under other contracts for federal assistance.

#### State Requirements

Every state has its own unique approach to slum clearance and urban redevelopment legislation. As a result, a careful analysis of the laws of the state is a necessary part of any urban renewal program.

Unfortunately, the mere fact that a state has adopted an Urban Renewal Law does not mean that a community may establish an urban-renewal program without considering the legal implications involved. Indeed, a number of cities

have found that their state enabling acts were unconstitutional when they attempted to carry out urban-renewal projects.

If the constitutionality of a state's urban renewal enabling legislation has not been proven, the communities in that state must try to select projects that will result in little or no legal action. The following paragraphs describe the status of urban-renewal enabling legislation in the various states and the District of Columbia.

Appendix A summarizes the legal status of urban renewal in the fifty states, the District of Columbia and Puerto Rico as of September, 1957. The data in Appendix A is taken from a report published by the Housing and Home Finance Agency. (20)

When this information was compiled, forty-one states had urban renewal enabling legislation while nine did not. Of the nine states without renewal laws, Florida and South Carolina had had statutes that were declared unconstitutional by their respective State Supreme Courts. Louisiana's statute was found to be inadequate by that state's Supreme Courts. The remaining six states, Idaho, Mississippi, Montana, New Mexico, Utah and Wyoming have had no specific legislation permitting urban renewal activities. Mississippi, however, passed an urban renewal enabling act in 1959.

In the states that have not tested the legality of their urban renewal legislation, the local public agencies should attempt to set up test cases in order to determine the exact status of their enabling laws. In particular, this must be done in communities that are contemplating extensive urban-renewal programs in order to avoid costly law suits and delays.

Communities in states that have constitutional urban renewal enabling legislation must select urban renewal projects that meet the qualifications of such legislation. In addition, the local officials must follow the procedures set up in the state legislation.

For example, consider the case of Allen et al. versus City Council of Augusta et al. (21) In this case, the residents of an area that had been designated as an urban-renewal project protested the Council's action on the grounds that the area was not a slum and that the Council had acted illegally in classifying it as such.

In answering this charge, Chief Justice Duckworth said:

This entire case hinges upon section 5 of the act which provides that No municipality shall exercise any of the powers hereinafter conferred upon municipalities by this act until after its local governing body shall have adopted a resolution finding that: (1) one or more slum

areas exist in such municipality and (2) the rehabilitation, conservation or redevelopment, or a combination thereof, of such area or areas, is necessary in the interest of the public health, safety, morals or welfare of the residents of such municipality. It must be noted that it is not required that any evidence or proof be taken or considered but simply that a resolution be adopted so finding. This could only mean that the officials concerned exercise their own judgment based upon what they know or believe and make their findings. The very nature of matters required to be found by the resolution shows them not capable of being brought under judicial determination. (21)

In brief, Justice Duckworth is saying that the city has carried out all the formalities of the Urban Redevelopment Law of Georgia and therefore, the matter is not within the jurisdiction of the court.

On the other hand, the Supreme Court of Virginia took just the opposite view in 1956. In the case of the Bristol Redevelopment and Housing Authority versus Denton, Justice Eggleston said:

Thus, the condition of an area is the very basis of the jurisdiction and power of a redevelopment authority to acquire property located therein by eminent domain. Unless the area meets this definition the authority has no power to acquire it and the council has no basis for the approval of such taking. In this situation, the court has the right to determine whether the area is in fact "blighted or deteriorated" as defined in the statute. (22)

In other words, Justice Eggleston is saying that the mere fact that the city has made a finding that a slum exists in an area does not necessarily mean that the area actually is a slum. Besides going through the formalities prescribed

by the law, the city must also have a set of suitable standards with which to evaluate prospective urban renewal projects.

The wide variation in these two opinions is a prime example of the differences which exist among the states. As a result, the local public agency must consider not only the state legislation but also its interpretation in the state courts.

In deciding that the court had the right to review the findings of the local government, the Supreme Court of Virginia also assumed the authority to judge the standards used by the local public agency to classify the structures in a proposed project. Justice Eggleston pointed this out when he said: "The mere lack of private baths, private toilets, hot water, or central heat, does not bring the area within the terms of the statute." (23) The same point was made in Kansas in 1954 when that state's urban renewal law was declared unconstitutional because of its arbitrary classification system. (24)

As a result of these decisions the local officials and the redevelopment agency must be able to justify their findings. The best way to do this is to show that the area being studied is substandard because it fails to meet the minimum requirements of the local codes and ordinances. In the event that



the community lacks a complete set of codes and ordinances, the various model laws, such as the Southern Standard Building Code, may be used. The use of these codes is discussed later in the Physical Determinants section of this Chapter.

Despite the tremendous dissimilarities among the state laws, there are three sections which usually appear in urban redevelopment enabling acts that have a direct bearing on the selection of project areas. These three sections are normally entitled

1. Preparation and Approval of Urban Renewal Projects and Urban Renewal Plans;
2. Condemnation and Sale to Private Individuals; and
3. Definitions.

The relationship between these provisions and the process of choosing sites for urban-renewal projects is discussed in the following paragraphs.

Preparation and approval of urban renewal projects and urban renewal plans.--Provisions in this category normally require the officials of a city to adopt a resolution stating that the site selected is a slum or blighted area and therefore is appropriate for an urban renewal project. In order to justify this action, the officials must be able to show that the site is indeed a slum according to reasonable standards.

Ordinarily, these criteria are set forth in the definitions section of the state enabling legislation.

In addition, there is usually a requirement that the municipality be able to rehouse all of the persons displaced by the renewal program. A requirement that the urban renewal plan must conform to the general plans of the community may also be included.

Condemnation and sale to private individuals.--A great deal of controversy has arisen over a community's using eminent domain to acquire land in an urban-renewal area and then selling it to private individuals for private use. Because of this conflict, the local public agency must check the eminent domain section of the state urban-renewal law to be sure that it has the authority to sell the land in a project to private individuals. If this power has not been granted, the agency must be careful to select only areas which are suitable for traditional public uses such as parks, schools, and public housing.

Definitions.--State urban-renewal acts always contain a section composed entirely of definitions. These definitions describe in detail the characteristics that an area must exhibit before it can be classified as an urban-renewal project. When

considering a sector of the city for redevelopment, the local agency must be sure that it fits the definitions established by the state.

As a rule, only three of these definitions have a direct bearing on the process of choosing urban renewal projects. These are the definitions of: a "Slum Area", a "Blighted Area", and an "Urban Renewal Area."

The following definitions are typical of those included in many state urban-renewal laws. These particular definitions are taken from a draft bill prepared by the Housing and Home Finance Agency as a model for the various states. Since a number of them have based their laws upon this model, these definitions are used extensively.

"Slum Area" shall mean an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and over-crowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of such factors is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency, or crime, and is detrimental to the public health, safety, morals or welfare. (25)

The key to this definition lies in the interpretation given to the word "predominance" by the state courts. As a rule, "predominance" means that 50 per cent of the buildings or improvements in a project must be substandard before the area can be classified as a slum area. However, some states require a higher percentage of deterioration before a section of a city can be designated as a slum area. An example of this can be found in the State of North Carolina's Urban Redevelopment Law which requires "that at least two-thirds of the number of buildings within the area are of the character described in this subsection...".(26)

"Blighted Area" shall mean an area which by reason of the presence of a substantial number of slum, deteriorated or deteriorating structures, predominance of defective or inadequate street layout, faulty lot layout in relation to size, adequacy, accessibility or usefulness, insanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessment delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire, and other causes, or any combination of such factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes

an economic or social liability and is a menace to the public health, safety, morals, or welfare in its present condition and use. (27)

The word "predominance" plays the same role in this definition as it did in the preceding one. In addition the word "substantial" must also be considered here. This word is usually construed to mean that at least 20 per cent of the structures in the proposed project must be substandard before the area can be considered a "blighted area".

"Urban-Renewal Area" means a slum area or a blighted area or a combination thereof which the local governing body designates as appropriate for an urban-renewal project. (27)

#### Local Requirements

Local legislation plays an important role in the selection of urban-renewal areas in communities that have home rule charters or special enabling acts. However, the laws adopted under these circumstances are usually drawn up along the same lines as a state act and may be studied in the same manner.

#### The Use of Physical Characteristics to Delimit Projects

The preceding pages of this chapter established the general requirements that a slum area must meet before it can

be selected as an urban renewal project. Subsequently, this section is devoted to a detailed discussion of how the physical characteristics can be utilized to delimit both the general and the precise location of a project.

In addition, this section suggests to communities a method that can be used to justify designating a sector of the city as a slum area. The best way to prove that a sector of a city is a slum is to show that the buildings, streets, and utilities within the area do not meet the standards established by the local codes and ordinances. A community that lacks a complete set of codes and ordinances may use the various model laws available, the housing survey designed by the American Public Health Association and the APHA report entitled "Planning the Neighborhood", to analyze a possible urban-renewal site. Of course, the city will have to adopt the model codes before they can be used to legally designate slums. A complete list of these laws, plus the references to the American Public Health Association publications, is included in Appendix B.

As stated above, the physical characteristics of a slum or blighted area may be used to select the general and precise location of a project. These characteristics may be divided into two categories, (1) characteristics that establish

general location, and (2) characteristics that establish precise location. This section is devoted to a study of these characteristics and the role they play in the selection of urban renewal projects.

#### Characteristics that Establish General Location

This category is composed of the following items:

1. Condition of structures
2. Adequacy of streets and lots
3. Adequacy of utilities
4. Overcrowded housing
5. Detrimental land uses or conditions

Each of these features can be a direct contributor to the deterioration of a neighborhood. Therefore, their presence is a factor to be considered when urban renewal projects are established. The ensuing paragraphs are given over to a study of each of these factors and its part in selecting sites for redevelopment.

Condition of structures.--Perhaps the first indication of the existence of a slum is the substandard condition of the buildings in the neighborhood. These structures generally exhibit weak foundations, sagging doors, broken windows and broken steps on the outside. Inside, they have no running

water, no flush toilets and inadequate light and ventilation.

The legal criteria for determining the condition of the structures in an area may be drawn from the local building and housing codes.

Adequacy of streets and lots.--In many slum areas the streets are one of the major causes of blight and decay. Streets which are narrow, crooked, unpaved and often times too steep greatly decrease the values of abutting properties. Access to the neighborhood and circulation within it become extremely difficult. Consequently the area is unsuitable for business, industry or homes.

Lots which are too small also contribute to urban decay. Subdividing land into small parcels encourages overcrowding and a resultant decline in living standards. Many slums are composed of lots less than 30 feet in width and 50 feet in depth. In order to build a house, the owner is forced to cover most of the lot. As a result, homes in these areas are too close together to permit adequate ventilation and light.

A municipality or a redevelopment agency can legally judge the adequacy of the streets and lots in a proposed project by using the local zoning ordinance and subdivision regulations as a foundation for its findings.



Adequacy of utilities.--Slums and blighted areas are almost always served by inadequate public utilities, if they are served at all. As a result, many of the homes in the area are without water during periods of peak consumption. This in turn leads to low standards of health and sanitation, particularly in areas where the sewers are too small to carry off the waste with an adequate supply of water and are totally ineffective without water.

Furthermore, these neighborhoods generally have too little gas and electricity. This condition results in dwellings which are poorly heated and lighted.

The American Public Health Association's report entitled "Planning the Neighborhood" provides excellent standards for a city to use in demonstrating that the utilities in an area are substandard.

Overcrowded housing.--Another characteristic of a slum neighborhood is the overcrowded condition inside the homes in the area. In many cases there may be as many as two or more persons per room and quite frequently the entire dwelling unit may be a single room.

Dwelling-unit overcrowding is often found in areas where large homes have been abandoned by wealthy citizens in their flight to the suburbs. These structures are fre-

quently converted to rooming and boarding houses of the worst type.

A community can utilize its zoning ordinance, and its building, housing and health codes to show that the overcrowding of dwelling units in a section of the city is far too great to meet existing legal standards. Therefore the area may be classified as an urban-renewal project and treated accordingly.

Detrimental land uses or conditions.--Slums often develop because of the proximity of undesirable industrial and commercial activities such as slaughter houses, steel mills and railroad yards. In many cases, the district that feels the effects of smoke, noise and odors created by these activities will be blighted to a degree directly proportioned to their nearness to the installation.

In areas of this type, a city can use its zoning ordinance or its land-use plan as the basis for a legal determination that the detrimental land use is either a non-conforming use or is not in keeping with the long-range plans of the community.

In order to use these five criteria to select possible urban-renewal areas, the local public agency must make an inspection of the city and find out where these situations

exist. Of course, the agency need not extend its survey into sectors of the city that are obviously in standard condition. Locations of substandard conditions with reference to each of these criteria should then be plotted on a base map of the city and a line drawn around each area which is substandard. Almost without exception, the boundary lines drawn in this manner for each factor will coincide with those drawn for the others. As a result, the redevelopment agency will have uncovered the general limits of its urban-renewal projects.

#### Features that Establish Precise Location

The characteristics that can be used as tools to decide the precise location of a project are as follows:

1. Feasible Physical Size of the Project
2. Boundaries

Feasible physical size of the project.--The size or extent of a slum or blighted section of the city must be considered in laying out the boundaries of an urban-renewal project. In many cases the area may be so large that the city is unable to redevelop it at one time. Insufficient funds, a shortage of low-cost housing for the displaced families and the lack of a market for the land are usually the limiting factors.

Size becomes a controlling factor in the selection process. An area must be chosen that the city can successfully redevelop within a period of five years. This fact will usually force the community to split its slums into small projects.

Once the feasible size of the project has been determined the redevelopment agency can turn to the problem of selecting definite boundaries for the area. °

Boundaries.---When determining the precise boundaries for an urban-renewal project, the local public agency must remember that any boundaries chosen must be so located as to make the finished urban-renewal project a stable area in itself. For example, consider a slum neighborhood that has developed on both sides of a river. The river, because of its width, will serve as an effective barrier between the two blighted sectors of the city. Therefore, despite the fact that the entire neighborhood could qualify as a slum project, the local public agency can redevelop the two areas separately and at different times without fear that the detrimental effects of the still untreated sector will harm the project.

Every effort should be made to take advantage of strong natural or artificial boundaries when selecting an urban-renewal project. These boundaries can be any

prominent feature such as a river, ravine, a major highway or a park.

Unfortunately, prospective projects are seldom bounded by more than one prominent feature. Consequently, the local public agency normally finds itself with two alternatives to follow in selecting the project boundaries. The line can either be drawn down the center of a street or it can be drawn to coincide with lot lines. Both alternatives have their own unique problems.

The center line of a street can be determined with a minimum of effort and is easily drawn. On the other hand, such a boundary does not permit the redevelopment authority to exercise any control over the opposite side of the street that is outside of the renewal area. As a result, the redevelopment area may front on slums that are as bad as the slums that have been eliminated by the project. This condition will undoubtedly have an adverse effect on the completed project and may eventually lead to the area's return to its original decayed condition. Furthermore, the federal government will recognize only 50 per cent of the improvements on such streets as eligible for financial assistance. These conditions, as a rule, make boundaries of this sort undesirable.

Project boundaries that are drawn along lot lines are a little more difficult to determine but they are superior to the center line of a street for several reasons. First of all, rear lot lines permit the project to back rather than face undesirable adjacent areas. Secondly, such a boundary puts all the streets within the project and renders any improvements made on them eligible for federal assistance. Finally, a lot line boundary can be used to pick up remnants of land which may have been left by some major construction work, such as an expressway, that is being carried out as part of the project plan.

The lot lines referred to here are usually the rear lot lines of the property involved. However, this creates no particular problem since rear lot lines can be used as boundaries on all sides of a project. The only two places where a side lot line might serve as a boundary would be at the corner of a project or in the middle of a block of land that is only partially within the project.

When laying out a project boundary on lot lines the redevelopment agency must be careful to take in sufficient land to permit efficient utilization of the property acquired. The amount necessary should be determined by the reuse proposed. For instance, a strip of land to be used for resi-

dential purposes should be at least 100 feet deep. On the other hand, an industrial operation would require more depth.

The one fact that should be kept in mind by the local public agency is that the boundary selected must be able to make the urban-renewal project a stable area in itself. This is particularly true of projects that are not part of a General Neighborhood Renewal Plan. Since this stability is also a characteristic of a good zoning boundary, the basic principles used in establishing the boundaries of zoning districts may be used here.

#### SUMMARY

A slum area must meet all the requirements of the appropriate federal, state and local urban-renewal legislation before the area can be selected as an urban-renewal project. Consequently, the local public agency must be fully familiar with these requirements before attempting to choose any projects.

Basically, the federal, state and local requirements are grounded on the physical characteristics of a slum area. As a result, the local public agency must analyze the physical composition of a blighted area to determine whether or not the area can qualify as an urban-renewal project. The local public agency can use the standards set forth in the local codes and

ordinances to justify the designation of a sector of the city as a slum area that should be redeveloped through urban renewal.

The local public agency can also use the physical characteristics of a slum to select the general and precise location of a project. The boundaries of the projects selected in this manner must be so located as to make the finished urban-renewal project a stable area in itself.



## CHAPTER IV

## COMMUNITY GROUPS THAT INFLUENCE PROJECT SELECTION

Amidst the confusion of physical characteristics, financial problems and reuse decisions, a community and its local public agency may underestimate the importance of community groups that should be considered when urban-renewal projects are being selected. This error is generally brought to light when the urban-renewal project begins to run into opposition from the citizens of the community. As a rule, these objections are aimed at either the family relocation plans or the reuse proposals.

These facts point to one basic conclusion. The local public agency must either select urban-renewal projects that are acceptable to the local citizens or be faced with the problem of overcoming the opposition of the residents of the community.

This chapter is devoted to a study of the community groups that must be considered when selecting an urban-renewal area. In general, there are eight groups of people whose wishes must be considered. These groups are as follows:

1. the local power structure;
2. minority groups;

3. the project inhabitants;
4. real estate firms;
5. churches and religious groups;
6. merchants;
7. neighborhood groups; and
8. the community as a whole.

The influence of each of these groups will vary from one community to another and will also change with the different projects proposed by the redevelopment agency. This fact, coupled with the absence of an adequate reporting service devoted to the human problems of project selection, makes it difficult to document the community groups encountered in choosing urban-renewal areas. Consequently, the statements made here can be supported by examples but not by concrete statistics.

In spite of the diversity exhibited by these groups, they have one thing in common. These groups must be dealt with in the early stages of the project selection process. So doing, of course, enables the redevelopment agency to avoid spending time and money on urban-renewal projects that are not acceptable to the citizens of the community. With this thought in mind, the following paragraphs are devoted to a discussion of the attitudes and reactions of the people

affected by a project. In addition, some solutions to the difficulties presented thereby will be presented.

### The Local Power Structure

Without the support of the community's leading citizens, the local public agency has little chance of carrying out an urban-renewal project. Therefore, most agencies try to ascertain the attitudes of the local leaders towards the urban-renewal program before proceeding with the selection of projects.

After discussing the program with the community leaders, the local public agency usually selects the projects that meet with the approval of these prominent citizens. This approach permits the agency to avoid most of the high-level opposition to urban renewal that may exist in the community. In addition, this approach gives the renewal agency a chance to enlist the support of the community's leading citizens for the urban-renewal program.

### Minority Groups

The problems presented by minority groups are just as important and far more complex than the situations encountered in dealing with the local power structure. The importance of this subject is demonstrated by this statement of the Housing

and Home Finance Agency, "Special emphasis should be placed upon minority group participation." (28) Unfortunately, minority-group participation alone is not enough. Local public agencies have found that it pays to determine the outlook of the rest of the community with regard to minority groups.

Experience has shown that relocation is the biggest urban-renewal problem encountered in dealing with minority groups. This is true from two different standpoints. First of all, the members of the group usually object to being moved. Secondly, the residents of the neighborhoods in which the displaced families are to be rehoused may oppose the renewal agency's plans.

In addition to relocation, there is another minority-group problem that merits discussion here. In some of the states in the southeastern sector of the United States, negro groups are frequently reluctant to express themselves. Consequently, renewal agencies may fail to realize just how difficult it is to relocate these people until, suddenly, they are almost completely overwhelmed by the virtually insurmountable problems caused by the low incomes, ignorance and discrimination that are the lot of the southern negro.

Urban-renewal officials have discovered that the best

way to solve these minority-group problems is to hold meetings with these people and to get to know them. Ordinarily, there are seven general facts about the involved minority groups that the agency should study. These items are discussed in the following section entitled, "Characteristics of the Project Inhabitants".

As a rule, the difficulty encountered in rehousing minority-group families forces local public agencies to limit the size of projects that are located in the minority-group sectors of a city. Furthermore, the agency has to take more time to redevelop a project that houses minority groups because of the prejudice and discrimination that must be overcome when working with these people. Of course, this additional time increases the cost of projects in these areas.

#### Characteristics of the Project Inhabitants

Local public agencies have found that relocation difficulties are not limited to minority groups. Indeed, it is often just as hard to remove white families from slum areas as it is to remove negroes. The problem is made even more difficult by the fact that white slum dwellers are often successful in their efforts to avoid being displaced because of their ability and willingness to bring political pressure

to bear on the redevelopment agency. Of course, there may also be some resistance from neighborhoods chosen as rehousing areas for the displaced families. However, this problem is not as critical in this case as it is when minority-group families are being relocated.

In order to minimize the relocation problem, renewal agencies have found that the characteristics of the inhabitants of a project area must be studied carefully. This is particularly important if the people involved happen to belong to a minority group. Basically, the following seven items should be considered:

1. the racial composition of the group;
2. the general income level;
3. the educational background of the inhabitants;
4. the age of the residents;
5. the religious affiliations;
6. the owner-renter occupancy of the dwellings; and
7. the average family size.

Each of these items will have a direct affect on the manner in which the residents of a community will react to an urban-renewal project. The following paragraphs discuss the characteristics mentioned above.

The racial composition of the group.--The most important feature to be considered when choosing an urban renewal project is the race of its occupants. Catherine Bauer described the problem when she wrote:

. . . and finally looming above all else in many local redevelopment difficulties is the race relations question, sharpening most of the housing issues to a razor edge and forcing basic, community-wide decisions on the matter of discrimination and segregation.(29)

As a result of this condition, an area that houses Negroes, Puerto Ricans, Mexicans, or members of some other minority group will present an extremely difficult relocation problem. The shortage of housing facilities for these people makes it very hard to find suitable living quarters for them. In addition, the residents of most communities usually object strenuously to any efforts to move members of a different race into neighborhoods in which they have not previously lived.

Slums that house minority racial groups often force local public agencies to select initial projects in relatively undeveloped sectors of a city. These projects are then redeveloped as housing areas for the families that will be displaced by future projects in the more densely populated areas of the city.

The general income level.--Unfortunately, the income of the majority of families and individuals in slum areas is low.

In some cases, these people do not earn enough to pay the minimum rents in a public-housing project. Consequently, the local public agency is hard pressed to find decent living quarters which these families can afford.

When the inhabitants of a prospective project have extremely low incomes, the local public agency has to subsidize the moving costs of the displaced families. This, of course, increases the overall cost of the project and subsequently limits its size.

The educational background of the inhabitants.--As a rule, a majority of the occupants of a slum have little formal education. This fact becomes significant when considered in the light of the results of an attitude survey conducted in Milwaukee. These results indicated that individuals with less than a high school education were likely to feel that the substandard area in which they lived was completely satisfactory. Consequently, these people were reluctant to move.

In addition, individuals or families that have little education are generally forced into the lower paying types of employment. As a result, the agency finds itself faced with low-income problems.



The reluctance to move on the part of the poorly educated slum dweller usually increases the time required to remove all of the residents from a project. In turn, this time delay limits the size of the project since the federal government requires that urban-renewal projects be scheduled for completion within five years.

The age of the residents.---The older the inhabitants of a blighted district are, the more likely they are to oppose any redevelopment plans and the harder it will be to relocate them. Of course, it is possible that the age factor is simply a reflection of length of residence with its resultant friendships and associations. The majority of the residents of an area who are over forty years of age will generally resist any efforts to relocate them. Therefore, local public agencies usually consider the ages of the inhabitants when studying a possible project.

A project that contains a large number of elderly residents presents the same size-limitation problem as a project that houses a poorly educated group.

The religious affiliations.---Religion is undoubtedly one of the important factors to be considered when selecting a project. The role played by churches and religions in the

process of choosing urban-renewal areas is discussed later in this chapter.

The owner-renter occupancy of the dwellings.--Almost without exception, the majority of the owner-occupants in a project will object to any efforts to clear or rehabilitate the area. This reaction is the result of a property owner's natural objection to his property's being classified as substandard and therefore, subject to demolition. In direct contrast to this situation, the tenant-occupants in the same neighborhood will usually favor rebuilding the area if they are assured of being rehoused in decent quarters at reasonable rates.

In addition to the two groups mentioned above, the local public agency must also consider the reaction of the individuals who own buildings in the project but live elsewhere. Normally, these individuals will object to the area's being cleared even if they are paid a good price for their property. These objections are based on the fact that slum properties generally yield a 12 to 20 per cent return on the owner's investment. Furthermore, these owners usually do not want to bother with the effort required to reinvest their money.

Undoubtedly, this problem of owners resisting the agency's efforts to acquire their property creates difficult

situations that a local public agency will have to solve. When selecting projects, the agency should seek the cooperation of owners by showing them the benefits that they will receive. In areas of extreme resistance, agencies may be forced to use evictions and the courts to acquire condemned properties. If the local public agency is reluctant to resort to the law and is unable to persuade the recalcitrant owners to sell their property, the project may have to be abandoned.

If the cooperation of the property owners cannot be obtained, the local public agency is faced with the problems of delay and subsequent limitations on the size of a project. A project that requires condemnation proceedings will cost 25 to 35 per cent more than a project in which most of the owners sell voluntarily. The increased costs may force the agency to reduce the size of the project.

The average family size.--Since the redevelopment agency has the responsibility of rehousing every family in an urban-renewal project, information on the size of the families must be obtained. This factor becomes particularly important in areas that contain a substantial number of large families because it is difficult to obtain quarters for families containing more than five or six members. Further-

more, large families will usually prefer to remain in larger dwellings that are substandard rather than move into a standard unit that is smaller. Finally, it has been found that large families containing young children often have low incomes and cannot afford to move.

The relocation problems posed by large families will generally increase the time required to clear a project and will also increase the net cost of the project. These two conditions will normally force the local public agency to reduce the size of the project.

#### Real Estate and Development Firms

Real estate and development companies play an important role in urban renewal. These firms are the ones who will be called upon to purchase and develop the project areas as well as to assist in relocating the displaced families. Consequently, the local public agencies must consider the reactions of the city's realtors and developers when selecting urban renewal projects.

As a rule, the local real estate and development firms oppose urban renewal projects for two reasons. First of all, projects are used to eliminate the slum housing that yields very handsome commissions to the real estate firms that usually manage these slum properties for the owners.

Secondly, the realtors and developers are forced to provide standard dwelling units for the displaced families to keep the local public agency from rehousing these families in public-housing projects. Unfortunately, most of these firms feel that standard, low-income housing is a poor investment and are reluctant to build housing of this type.

In communities where the local real estate and development interests oppose urban renewal, the local public agency will have to select projects that will provide these firms with the maximum opportunity to make a fair profit off of the redevelopment work. Furthermore, the local public agency must make every effort to convince the realtors and developers that urban renewal is good for the community and consequently, it will eventually benefit them.

#### Churches and Religious Groups

Churches and religious groups pose a very special problem for the development agency. The Housing and Home Finance Agency states that, ". . . churches located in the neighborhood can often play a key role in interpreting the program to neighborhood families with whom they have had long association." (30) However, the experience of most agencies has been that a church will usually oppose the relocation of a large percentage of its congregation in a

different part of the city. Furthermore, local public agencies have encountered stiff opposition to plans calling for the demolition of a church building when clearing a renewal site.

In order to relieve the opposition presented by a church or religious group, the local public agency can delimit projects that will have as little effect as possible on a church or religious group. On the other hand, the agency could also select a project that would displace a church and a majority of its members and assist in relocating them in another sector of the city.

#### Merchants

In its booklet entitled, How Localities Can Develop a Workable Program for Urban Renewal, the Housing and Home Finance Agency says: "The active support of the business community is a major asset." (31) Unfortunately, it can also be said that the active opposition of the business community is a major liability. In Bessemer, Alabama, for example, local merchants objected so strongly to plans to develop an urban-renewal project as a commercial site that the entire project was dropped. Furthermore, the neighborhood merchants will usually object to having their customers relocated.

In order to avoid reactions of this sort, a local public agency should sound out the feelings of the business-

man before selecting a project for commercial redevelopment. This is particularly true if the area under consideration is not a part of the established business district of the community.

Many renewal agencies have found it best to restrict their plans for commercial urban-renewal projects to existing business areas. This policy is usually followed until the local merchants can be convinced of the need for commercial redevelopment in other parts of the city. The most common method employed to eliminate the merchants' objections to relocating customers is to simply include the protesting merchants in the project.

#### Neighborhood Groups

Neighborhood-protection groups or "choose-your-neighbor" groups are one of the biggest obstacles to relocation that renewal agencies have encountered. Many times these groups are formed in order to keep the local public agency from housing displaced families in their neighborhood. Quite frequently, these organizations have been able to cripple the redevelopment program by bringing pressure to bear on their representatives in the local government. In Milwaukee, this opposition became so strong in one case that the urban renewal project was dropped completely.

Many redevelopment agencies have tried to eliminate this opposition by relocating displaced families in areas whose residents have substantially the same characteristics as the families being rehoused. Furthermore, the agencies informed the inhabitants of the affected neighborhoods about the relocation plans well in advance of any attempts to actually place families in the vicinity. As a rule, this was done through local leaders and civic groups. Besides keeping the affected people informed, this approach also gave the agencies time to revise their plans if necessary.

Unfortunately, it is not always possible to follow the procedure described above because of the shortage of housing available to low-income and minority-group families. When this happens, a renewal agency has no choice but to try to relocate the displaced slum families in areas not previously inhabited by families of this sort. Naturally, any efforts to do this will bring out the neighborhood-protection groups in full force.

In dealing with these groups, the local public agency should try to sell the program to the organization as a whole and to the strongest dissenters as individuals. This can be done through local leaders and group meetings and through television, radio and the newspapers. These people must be shown that they will not be asked to live with thieves, cut-



throats and other undesirables. Instead they must be convinced that their new neighbors will be honest, hard-working people who deserve a chance to live in clean and decent homes.

Of course, this approach will force the agency to choose the families very carefully when it comes to placing them in these neighborhoods. It is unfortunate that human nature forces this approach upon redevelopment agencies. However, the situation does exist and must be dealt with.

The influence of neighborhood groups frequently prompts local public agencies to select projects that can be planned to rehouse the original inhabitants. If this is impossible, the agency can try to select projects whose residents are generally acceptable in the areas that have been chosen as sites for relocation.

#### General Community Attitudes

Before selecting an urban-renewal project, the local public agency should consider the general attitude of the community toward government undertakings of this sort. If the majority of the residents have a liberal viewpoint, the agency may feel free to select a rather ambitious project. On the other hand, if the inhabitants are conservative, the agency may be compelled to choose projects that are limited in scope.

Besides the general attitudes discussed above, the renewal agency should consider the community feeling toward public housing. This is important because of the large number of displaced slum dwellers that normally have to be relocated in public housing. If the citizens oppose public housing, as they do in Charlotte, North Carolina, the redevelopment agency will have to select projects that will require a minimum of family relocation.

#### Summary

Local public agencies in many cities have found that the various community groups can delay an unpopular urban-renewal project for extended periods of time. The possibility of a project being delayed becomes critical in light of the Housing and Home Finance Agency's policy of approving only projects that can be carried out in five years or less.

In some cases, the resistance of the local community groups to a project may become so strong that the entire project may have to be abandoned. When this happens, the urban-renewal project frequently becomes a political issue that may affect the entire governmental organization of the community.

If the characteristics and reactions of the local community groups are considered, the local public agency can generally select projects that are acceptable to the majority.

of the residents of the community. On the other hand, if the redevelopment agency underestimates the importance of these groups when selecting a project, the agency may be confronted with serious delays and, possibly, the complete abandonment of the project.

## CHAPTER V

## EFFECT OF FINANCES ON THE SELECTION OF URBAN RENEWAL PROJECTS

In urban renewal, as in every municipal function, money is a critical factor. All of the principles established in the preceding chapters are useless if the community is unable to finance its urban-renewal program. Consequently, local public agencies have found it wise to treat their city's financial status as one of the most important factors to be considered when selecting areas for urban redevelopment. This chapter is devoted to a study of the effect that finances have on the selection of urban-renewal projects.

Normally, finances will have two basic effects on an urban-renewal project. First of all, a lack of funds frequently limits the size of the area that the city can afford to renew. Secondly, a market must exist for the redeveloped land before the Housing and Home Finance Agency will approve the project for federal aid. Therefore, the size of a project may also be limited by the local market, since the city cannot afford to redevelop more land than the market can absorb.

In order to study the problems mentioned in the pre-

ceding paragraphs, this chapter is divided into the following sections:

1. Sources of revenue available to the community; and
2. Effect of the local market on project selection.

Each of these topics and its effect on project selection is discussed in detail in the remaining pages of this chapter.

#### Sources of Revenue Available to the Community

As stated previously, a lack of funds can seriously restrict the size of an urban-renewal project. Consequently, the financial condition of the city becomes highly important because the amount of money that the city is able to provide determines the amount that will be contributed by the federal government.

Although some financial assistance may be available through state programs, the role of the states in urban renewal is generally insignificant. At the present time, only the states of New York and Pennsylvania provide monetary assistance. In these states, loans from a revolving fund are available to cities for use in urban-renewal programs. However, as the need for urban renewal becomes more apparent throughout the country, more state aid will undoubtedly be provided. Consequently, it is advisable for local public

agencies to check into the situation in their respective states to see if any financial help is available particularly with reference to non-cash local grants-in-aid such as street construction by the state highway department.

The local budget.--A first step normally taken in the selection of an urban-renewal project is the preparation of an estimate of what it will cost to redevelop the project. Next, the amount that the city has available for redevelopment is determined. Many cities with limited budgets coordinate their urban-renewal projects with the local capital-improvements budget in order to take advantage of non-cash local grants-in-aid provisions. A detailed explanation of non-cash local grants-in-aid is presented later in this chapter.

After working out the non-cash local grants-in-aid, the agency then adds the city's contribution and can thus determine the amount that will be provided from federal sources. The total of the funds available is compared with the estimated project cost to determine whether the project is financially feasible. If the estimated costs exceed the available funds, the local public agency then reduces the size of the project to the point where the city can afford to redevelop the site.

The cost estimate for the proposed project should be prepared as accurately as possible. If the estimate is too low, the city may find itself saddled with an urban-renewal project that is too expensive. As a rule, the total cost of a project can be broken down as follows:

1. land acquisition costs - 65 per cent
2. site improvement costs - 27 per cent
3. administration and planning costs - 8 per cent

Although these estimates represent the average break down of the costs of a project, it must be remembered that urban renewal projects are subject to large cost variations. For instance, a small project that is located directly adjacent to a city's central business district will generally be extremely expensive to acquire. As a result, the acquisition costs may comprise 80 or 90 per cent of the gross project cost.

In determining how much the city will pay as its share of the renewal expenses, the local public agency has to decide which federal assistance formula to use. At the present time, there are two in use. The first is the two-thirds formula under which the federal government pays two-thirds of the net project cost. As used in this case the net project cost is the difference between the cost of the project and the amount realized from the sale of the redeveloped land.

The advantages and disadvantages of the two formulae are presented in the ensuing section of this chapter entitled, "The federal assistance program". The methods available to the community for paying its share of the expenses are also described in the following section.

Perhaps the most important point to be remembered about the local budget is that the amount that the community can provide for the project will determine how much the federal government will contribute to the city. The sum of these two amounts equals the total that the local public agency will have to spend. This total, of course, determines the ultimate size of the urban-renewal project.

The federal assistance program.--Under the terms of the present federal assistance program, as administered by the Housing and Home Finance Agency, a community may pay its one-third or one-fourth share of the net project cost in cash or in the form of non-cash local grants-in-aid. A non-cash local grant-in-aid can be roughly defined as an expenditure made by a community in planning or carrying out a project. The amount of the expenditure is then credited to the city's portion of the net project cost.

Naturally, the majority of the municipalities prefer to pay their share of the expenses through non-cash local



grants-in-aid because they give the city an opportunity to receive credit for money that would probably have to be spent anyway. For example, if a slum neighborhood needed a school, the city would be forced to build one there sooner or later. In this case, the local public agency could establish an urban-renewal project in the area and build the school as part of the renewal plan. As a result, the cost or at least a part of the cost of the school can be designated as a non-cash local grant-in-aid and used to pay part of the community's share of the net project cost. However, not everything that the city does in a project is eligible as a non-cash local grant-in-aid. At the present time, the federal government will approve only the following items as non-cash local grants-in-aid:

1. Donations, at cash value, of land or other real property in the project area;
2. Demolition and removal work, at cost, in the project area;
3. Eligible project improvements;
4. Public buildings or other public facilities;
5. Under the provisions of Section 112 of Title I, certain expenditures by a college or university;
6. The local contribution, in the form of tax exemption

or tax remission with respect to a low-rent housing project on land acquired as part of the project.(32)

Complete details concerning non-cash local grants-in-aid may be obtained from the Urban Renewal Manual published by the HHFA.(33)

The costs that may be included in the gross project cost differ under the two capital grant formulae. Under the provisions of the three-fourths capital-grants formula, the federal government will accept as the gross project cost the total amount spent by the community for the following items:

1. acquisition of property;
2. demolition and removal of buildings and improvements;
3. site preparation and improvements;
4. expenses incidental to disposition of acquired land; and
5. carrying charges related to the previous expenditures.

On the other hand, under the terms of the two-thirds capital-grant formula the federal government will accept as the gross project cost the total amount spent by the community for the following items:

1. all the items permitted under the three-fourths formula; and, in addition,

2. all the administrative, planning, overhead and legal costs incurred.

The three-fourths capital-grant formula is preferable only for projects in which the administrative, planning, overhead and legal costs are low as compared to the gross cost of the entire project.

#### Effect of the Local Market on Project Selection

The local market normally has two effects upon the local public agency's efforts to select urban-renewal projects. It limits the projects to those that can be re-developed for uses that are in demand on the local market and in an amount that the local market can absorb.

The needs of the local market may be determined by hiring a local real estate operator or a professional economic analyst to conduct either a limited study of the marketability of land in a proposed project or a complete study of the local economy and market. As a rule, the latter is the better course of action.

The critical point to be considered here is that the redevelopment agency must select projects that can be re-developed and sold on the local market. If there is no demand for the land in the project, the federal government

will not provide financial assistance for the project and it will probably have to be abandoned since few communities can afford to carry out an urban-renewal project without federal aid.

#### Summary

Available local finances frequently determine the size of a project. In addition, the marketability of the land, after redevelopment, is also a critical factor in determining the location and size of a project.

The federal government will contribute either two-thirds or three-fourths of the net project cost, depending on which capital grant formula the city decides to utilize. The three-fourths formula is preferable only if the administrative, overhead, and legal costs of a project are a small proportion of the total cost.

Most cities prefer to pay as large a part as possible of their share of the cost of a project in the form of non-cash local grants-in-aid. Consequently, these communities select projects in which the city is able to make improvements that qualify as non-cash local grants-in-aid.

## CHAPTER VI

## ASSIGNING PRIORITIES TO URBAN RENEWAL PROJECTS

Experience has shown that there are usually several areas in a city that can qualify as urban-renewal projects. As a result, the local public agency is faced with the difficult task of working out the sequence in which the projects will be carried out. The problem of assigning priorities can be a difficult one, particularly where strong justification exists for redeveloping a number of projects.

There are almost as many approaches to the problem of priorities as there are local public agencies in the United States. Furthermore, most of these approaches are based on sound reasons and can be strongly defended. For example, consider a small, rural community whose economy is declining and consequently, the city's population is decreasing. A local public agency in such a community would give top priority to any project that would stimulate the local economy and halt the emigration of the local citizens. On the other hand, a community that is expanding rapidly may find that its central business district is being restricted by the slums in the center of town. In such a community, the local

public might very well assign the number one priority to a project that would provide room for the growth of the central business district.

However, there are agencies that use very little logic in determining priorities. In the words of one official of the Housing and Home Finance Agency: "Some local public agencies just flip a coin to see which project they will carry out first." Of course, this practice should be eliminated as quickly as possible.

Since the relative importance of the elements that should be considered when assigning priorities to urban-renewal projects must be determined at the local level, no attempt is made in this chapter to evaluate the relative importance of these items. Instead, this chapter simply presents the elements that a majority of the local public agencies utilize to determine priorities for the projects in their own communities. These elements are as follows:

1. the community's objectives in establishing an urban renewal program;
2. the attitudes of the local residents toward urban renewal;
3. the physical characteristics of the projects; and
4. the financial problems presented by the various projects.

These elements are similar to the project-selection criteria that have already been discussed. However, there are a number of differences between project-priority considerations and project-selection criteria. These differences are presented in the following sections of this chapter.

The community's objectives in establishing an urban renewal program.--As a rule, there are three basic objectives behind a community's decision to establish an urban-renewal program. The first objective is a desire to improve the housing of the low-income groups in the city. The second objective is the economic benefits that can be derived from the program. The third objective is the desire to use urban renewal as a tool to implement the community's long-range plans.

Chapter II contains a detailed explanation of these community objectives and may be referred to for further study. The point that must be made here is that these objectives should always be considered when assigning priorities to projects. In order to do this, the local public agency first determines which of the three objectives is considered the most important by the city. Once this is determined, the redevelopment agency can give first priority to the project which comes the closest to achieving the city's primary objective.

The attitudes of the local residents toward urban renewal.--

Experience has shown that the local public agency has to take into account the attitudes of the local residents whenever decisions concerning urban-renewal projects are being made. In cities where this has not been done, the opposition of special-interest and citizens groups has greatly delayed efforts to redevelop the projects selected by the redevelopment agency. A thorough discussion of the problems created by the attitudes of local groups is set forth in Chapter IV.

In order to avoid these problems, most local public agencies give top priority to the projects that are most acceptable to the residents of the community. This is particularly important in cities that are just beginning their urban renewal programs. If a city is just getting into urban renewal, the local public agency may establish the first project in an area where all the physical benefits of urban renewal are readily apparent to the citizens of the municipality. With this example as a selling point, the agency can then go on to less glamorous projects with the full support of the local residents. Of course, the local public agency still has to consider the attitudes of the people when redeveloping the ensuing projects.

The physical characteristics of the projects.--Quite fre-



quently, the local public agency determines its project priorities by starting with the worst slum area. Undoubtedly, this approach has some justification. The worst slums are eliminated immediately and the projects can be redeveloped as standard areas. Unfortunately, experience has shown that this approach does not eradicate the slums in a community because new slums are formed faster than the old ones can be cleared. Consequently, more and more local public agencies are concentrating their efforts on trying to stop the spread of blight first and then turning to the elimination of the existing slums in their respective communities.

The physical characteristics of urban-renewal projects that are described in Chapter III can be used to assign priorities to projects from two different standpoints. First of all, the local public agency can select the projects that are in the poorest condition and redevelop them first. On the other hand, the agency can attempt to check the formation of slums by giving top priority to projects that are just beginning to decay. After stopping the growth of slums in the community, the redevelopment agency can concentrate on the projects that comprise the worst slums in the city.

The financial aspects of the various projects.---The fourth element that most local public agencies consider when as-

signing priorities to projects is composed of two items:

1. the net project cost; and
2. the demand for the land in each project.

Chapter V contains a detailed study of the relation between these two elements and an urban--renewal project. This section is devoted to an explanation of the role these financial aspects play in determining priorities.

If the community wishes to keep its initial expenditures to a minimum, the local public agency can give top priority to the project with the lowest net cost. This approach also permits the city to get its money back in a shorter period of time because of the small amount invested. Of course, the type of reuse proposed and the marketability of these reuses will also determine how long it takes for the city to realize a return on the money invested. Finally, a quick return results in the city's having money on hand for more urban renewal. On the other hand, the municipality may have a large sum earmarked for urban renewal and the local public agency may redevelop the most expensive project first.

The demand for the land in the redeveloped projects also plays an important role in determining the sequence in which the projects will be planned and executed. As a rule, the local public agency will proceed with those projects that

contain land that will have the greatest local market demand after redevelopment. This principle is applicable to both residential and non-residential projects.

Summary.--After selecting a series of urban-renewal projects, the local public agency has to decide on a definite time sequence to follow in carrying out the projects chosen. Since the order in which the projects are planned and executed is important to the success of overall urban renewal programs, the redevelopment agency must be able to justify the priorities that are assigned to the various projects.

The majority of the local public agencies consider each project with respect to the community's objectives and the general attitudes of the citizens toward urban renewal. In addition, the physical characteristics and the financial aspects of each project are taken into account. Each of these considerations is weighed in proportion to its importance in the community. The projects are then studied in the light of these weighed considerations and the project that scores highest in the overall picture is assigned the first priority.

## CHAPTER VII

## CONCLUSIONS AND RECOMMENDATIONS

Urban renewal is one of the most versatile tools that today's cities can utilize to implement their long-range development plans. Through urban renewal, a community can eliminate its slums, improve the local tax base, correct weaknesses in the existing street pattern and provide sites for public purposes and for business, housing, and industry. Indeed, urban renewal can be used to carry out an almost limitless number of community improvements.

However, the full benefits of an urban-renewal project cannot be obtained unless the local public agency selects and redevelops its urban-renewal projects in accordance with a sound selection policy and an equally sound policy of assigning priorities to the projects selected. The purpose of this thesis is to determine the elements that comprise such policies and to present these elements in the form of a recommended program for selecting projects.

Conclusions.--As a result of the research carried out in this thesis, the following conclusions are drawn:

1. Urban renewal should not be carried out as a

separate municipal program. Instead, the urban-renewal program should be coordinated with the community's long-range development plans.

2. A poor project-selection policy will usually lead to costly revisions, delays and possible abandonment of a project.

3. The most common objectives that prompt cities to initiate an urban-renewal program are:

- a. the improvement of low-income housing;
- b. the economic benefits afforded; and
- c. the opportunity to implement planning objectives.

4. Prospective urban-renewal projects must satisfy all the requirements of the appropriate federal, state and local urban-renewal legislation.

5. The physical characteristics of a slum area can be used to determine both the general and the precise location of an urban-renewal project.

6. Experience in several cities has shown that the opposition of the following groups can seriously hamper or even stop a project:

- a. the local power structure;
- b. minority groups;
- c. the project inhabitants;

- d. real estate firms;
- e. churches and religious groups;
- f. merchants; and
- g. neighborhood groups.

7. The amount of money that the city has available for urban renewal will usually dictate the size of the projects finally selected.

8. The local market for land is a critical factor in determining the ultimate size and general location of the city's urban-renewal projects.

9. Quite frequently, the local public agency finds that it has several slum areas in the community that can be selected as urban-renewal projects. Consequently, the agency has to decide on a method of determining priorities that can be applied to the projects to determine the order in which they will be carried out. In many communities the sequence in which the projects are redeveloped may spell the difference between the success or failure of the local urban-renewal program.

Recommendations for selecting and assigning priorities to urban renewal projects.---The urban-renewal project is the cornerstone of a sound urban-renewal program. Consequently, the local public agency must take pains to select projects that will yield the full benefits of urban renewal to the

community. This can be accomplished by establishing a sound method for selecting projects and then working out an equally sound method for assigning priorities to the projects chosen. Based on the conclusions presented in the preceding section and the other research conducted for this thesis, the following recommendations are made:

1. A local public agency that is initiating an urban-renewal program in a community should establish a project-selection policy based on the following elements:

- a. the community objectives that influence project selection, with emphasis on the city's long-range plans;
- b. the federal, state and local legislative requirements for urban renewal projects;
- c. the community groups that influence project selection; and
- d. the effects of finances on project selection.

2. After setting up a project-selection policy, the local public agency should devise a system for assigning priorities to the projects selected. This system should consider the items listed below:

- a. the community's reasons for establishing an urban-renewal program;

b. the attitudes of the local residents towards urban renewal;

c. the physical characteristics of the projects;  
and

d. the financial problems presented by the various projects.

These elements should be weighted according to local conditions and each project should then be studied in the light of these weighted elements. Naturally, the project that rates the highest in the overall picture is assigned the first priority.



**APPENDIX**

## APPENDIX "A"

## Summary of Legal Status of Urban Renewal

I. Jurisdictions having enabling legislation or specific constitutional provisions (or both) authorizing public agencies to undertake slum clearance and urban redevelopment projects:

Alabama	Nebraska
Alaska	Nevada
Arizona	New Hampshire
Arkansas	New Jersey
California	New York
Colorado	North Carolina
Delaware	North Dakota
Dist. of Columbia	Ohio
Georgia	Oklahoma
Hawaii	Oregon
Illinois	Pennsylvania
Indiana	Puerto Rico
Iowa	Rhode Island
Kansas	South Dakota
Kentucky	Tennessee
Maine (Portland & Bangor)	Texas
Maryland	Vermont
Massachusetts	Virginia
Michigan	Virgin Islands
Minnesota	Washington
Missouri	West Virginia
	Wisconsin

II. Jurisdictions having no enabling legislation or specific constitutional provisions authorizing public agencies to undertake slum clearance and urban redevelopment projects:

Florida**	New Mexico
Idaho	South Carolina**
Louisiana***	Utah
Mississippi	Wyoming
Montana	

- \* Separate independent agency empowered to exercise rehabilitation and conservation powers.
- \*\* Statute declared unconstitutional for exercise of eminent domain power for redevelopment for private use.
- \*\*\* Statute inadequate.

III. Jurisdictions in which courts of last resort have upheld constitutionality of slum clearance and urban redevelopment enabling legislation:

Alabama	Missouri
Arkansas	New Hampshire
California	New Jersey
Connecticut	New York
Dist. of Columbia	Ohio (home rule)
Illinois	Oregon
Kansas	Pennsylvania
Maine	Rhode Island
Maryland	Tennessee
Massachusetts	Virginia
Michigan	Wisconsin

IV. Jurisdictions in which courts of last resort have determined slum clearance and urban redevelopment legislation is unconstitutional:

Florida  
South Carolina

## APPENDIX "B"

## CODES AND ORDINANCES REFERENCE LIST

I. Building Code:

- a. Southern Standard Building Code  
Southern Building Code Congress  
Brown-Marx Building, Birmingham, Alabama
- b. National Building Code  
National Board of Fire Underwriters  
85 John Street, New York 31, New York
- c. American Standard Safety Code for Building Construction  
American Standards Association  
70 East 45th Street, New York 17, New York
- d. Uniform Building Code  
International Conference of Building Officials  
610 South Broadway, Los Angeles 14, California
- e. Basic Building Code  
Building Officials Conference of America, Inc.  
110 East 42nd Street, New York 17, New York

II. Plumbing Code:

- a. Report of the Coordinating Committee for a National Plumbing Code  
U.S. Department of Commerce  
National Production Authority  
Washington 25, D. C.
- b. American Standard National Plumbing Code, ASA  
A40.8-1955  
The American Society of Mechanical Engineers
- c. Southern Standard Building Code, Part III, Plumbing  
Southern Building Code Congress  
Brown-Marx Building, Birmingham, Alabama

### III. Electrical Code:

- a. National Electrical Code  
National Board of Fire Underwriters  
85 John Street, New York 31, New York

### IV. Housing Code:

- a. A Proposed Housing Ordinance  
American Public Health Association  
1790 Broadway, New York 19, New York
- b. Minimum Housing Ordinance  
Tennessee State Planning Commission  
Nashville, Tennessee
- c. Uniform Housing Code  
International Conference of Building Officials  
610 South Broadway, Los Angeles 14, California
- d. Minimum Housing Code  
Alabama State Planning and Industrial Development  
Board  
Montgomery, Alabama

### V. Gas Code:

- a. Gas Piping and Gas Appliances in Buildings, NBFU  
No. 54  
National Board of Fire Underwriters  
85 John Street, New York 31, New York
- b. Southern Standard Building Code, Part II, (Gas)  
Southern Building Code Conference  
Brown-Marx Building, Birmingham, Alabama
- c. American Standard Gas Code  
American Standards Association  
70 East 45th Street, New York 17, New York

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