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INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS S.A. (INCORP.)

INVESTIGATION INTO PHYSICAL DETERIORATION OF URBAN AREAS

(Prepared on behalf of the United Municipal Executive)

April. 1967

# PHYSICAL DETERIORATION OF URBAN AREAS

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	1 : Circular Minute from Department of Community Development dated 29/3/65 re Slum Clearance Courts.	

INSTITUTE OF MUNICIPAL TREASURERS AND ACCOUNTANTS. S.A. (INCorp.)

INVESTIGATION INTO PHYSICAL DETERIORATION OF URBAN AREAS.

This memorandum has been drafted on behalf of the United Municipal Executive in terms of a resolution taken at its Annual Meeting held at Cape Town on the 21st, 22nd and 23rd February, 1967, and reading as follows :-

"That the Institution of Municipal Engineers, the Institute of Municipal Treasurers and Accountants, and the Medical Officers of Health Group of the Medical Association of S.A. be asked each to prepare a memorandum on the basis of the committee's terms of reference, for consideration by the United Municipal Executive with a view to the submission by the Executive of a combined memorandum to the investigating committee".

It will be recalled that the Minister of Community Development recently announced the appointment of a committee to investigate the causes of physical decay of urban areas and to recommend preventive or curative steps. The terms of reference of this committee are set out hereunder. In pursuance thereof, the Department of Community Development invited interested local government associations to submit written contributions to the committee with reference to existing conditions of deterioration of towns in their areas.

Terms of Reference -

"To investigate and report on :

- (a) The causes of physical deterioration in our cities and towns.
- (b) The existing legislative measures that can be applied in preventing urban deterioration and to what extent these are in fact being applied. Should existing measures prove to be inadequate, how best it could be amplified or substituted.
- (c) The standards township layout schemes should comply with, as regards land-use, density, open spaces and recreation grounds, in each specific area, taking cognisance of the purposes for which the respective areas are to be used.
- (d) Possible measures to prevent areas, not conforming to the required standards, from deteriorating.

- (e) Criteria whereby areas or buildings could be judged and classified as an area or building in the process of deterioration.
- (f) The authorities which should be made responsible for the application of legislative measures, the implementing of policy and the expenditure of funds that might be made available.
- (g) Possible methods whereby financial and other assistance could possibly be rendered to local authorities and owners to improve and beautify township lay-outs, to provide public amenities and for the restoration of buildings, respectively.
- (h) The basis for determining aid that should be rendered in the form of loans or otherwise; income-groups that ought to qualify for assistance and the conditions under which such assistance should be rendered.
- (i) The type of guidance, professional and technical aid required, and how best it could be made available to local authorities and private owners of sites.
- (j) The measure and methods of control that will be necessary in respect of assistance that might be rendered by the authorities.
- (k) To investigate and determine any other relevant factors associated with physical deterioration in cities and towns."



SECTION I - INTRODUCTION

001. With the appointment of a Government Committee of Enquiry into the physical deterioration of urban areas, or urban renewal, as it is widely known, official recognition at the highest level has been given to the existence of the problem of the redevelopment or rehabilitation of deteriorated, depressed areas in South African cities and towns. This welcome action both invites and stimulates at all levels in government and private circles the investigation of a long-standing problem.

002. Although the effects of such deterioration have become more noticeable and serious, along with the rapid growth of the larger cities and towns in South Africa in comparatively recent years, there is no doubt that the problem in the wider world context is a long-standing one, especially in the older European countries, where rapid, mass urban settlement took place along with the industrial revolution, and in countries such as the U.S.A., where extremely rapid population growth and city development, arising largely as a result of large-scale immigration over a few decades, took place over a relatively short period.

003. It is appropriate, therefore, in attempting to analyse the local problem and indicate remedial lines of approach, to have regard to the experience of and the policies attempted or applied by other countries, especially where these appear to be achieving a large measure of success. In a memorandum of this nature, a complete detailed world-wide survey cannot be attempted, nor is it necessary, but in the following pages, by way of illustration of experience elsewhere, a brief survey of the history of the matter in Europe and the U.S.A. will be sketched, as the experience of these countries is regarded as a particularly valuable guide. Acknowledgement is made of the assistance obtained from the United Nations Economic Commission for Europe, from whose report on the Urban Renewal Symposium organised by its Housing Committee in Geneva in June, 1961, much of this information has been obtained. It is pertinent, also, when considering urban renewal, to have

regard to allied problems, such as the provision of alternative standard accommodation for affected families, and those of the lesser-privileged sections of the community, for it is common to find this group concentrated in large numbers in blighted areas, often forming the bulk of the population in these areas.

004. Theoretically, urban renewal can be said to have commenced along with the first erection of shelter for humans and settlement in communities, for deterioration of property and measures to counteract this begin along with its erection. However, although the elements of this problem were present from early times, the problem proper made itself felt only in much later eras - in modern times.

005. The term urban renewal is used to describe the conservation, rehabilitation or redevelopment of deteriorated, depressed or blighted areas of a city or town, and the essence of the problem is the determination of its extent and magnitude, and the size and cost of the restoration and/or reconstruction program involved. The contemporary concept of urban renewal has been developed primarily in the U.S.A., where it has been defined as "a system for preventing the premature obsolescence of urban neighbourhoods and facilities; a tool for the restoration of declining areas which can and should serve a longer period of useful life; a device for the recreation of areas which are worn out, without leaving them, and the people in them to stagnate until some accident of history in the unforeseeable future stimulates new growth". (1)

006. Urban renewal, then, besides conservation and rehabilitation of existing areas, may be said to include the tremendous social upheaval arising from the bodily removal of the inhabitants of whole districts or portions of so-called "worn-out" areas, their re-housing or re-settling in suitable alternative accommodation, planned and erected in accordance with modern town planning and living and working standards, the clearance of the affected area by the acquisition and demolition and/or restoration of existing structures, and the complete replanning and re-development of the

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(1) The U.S. Federal Homes and Housing Agency Administrator.

area following the most modern methods and standards. This dynamic large-scale approach to this problem has been evolved in order to deal with entire areas, and does not replace but rather supplement action possible under slum clearance legislation. The latter is intended to make improvement in living conditions possible in the case of individual and/or isolated premises declared to be unsuitable for human habitation, and action called for in respect of entire areas cannot adequately or effectively be undertaken in terms of this legislation.



SECTION II - URBAN RENEWAL IN VARIOUS COUNTRIES. MAINLY IN EUROPE

A. GENERAL

007. In its housing review for 1954, the Housing Committee of the United Nations Economic Commission for Europe raised the question of Government policies in relation to the existing housing stock and this led to a decision to undertake a separate enquiry on "the clearance of dwellings unfit for human habitation". Following preliminary work by Belgian and United Kingdom personnel, a final report on this subject was published as a part of the Committee's Housing Review for 1958 (E/ECE/365, autumn 1959).

008. At its 18th Session in June, 1959, the Housing Committee agreed to "invite a limited number of countries which have had experience in this field to nominate rapporteurs to work out, in collaboration with the Secretariat, the scope of a more detailed analysis, on the basis of experience gained in their countries, on the subject of clearance of dwellings unfit for human habitation and possibly also on urban redevelopment schemes." Detailed proposals for carrying out an enquiry were discussed in December, 1959, following upon which 9 countries then prepared national reports, following as far as possible the plan adopted. The results of the enquiry received consideration in June, 1960, following upon which the first inter-governmental symposium on urban renewal was arranged and held in June, 1961.

009. The main questions on the Symposium Agenda were :-

- (a) Main features of urban renewal policies and programs;
- (b) Principal criteria for conservation, rehabilitation and redevelopment;
- (c) Organisation of and procedures for drawing up and implementing urban renewal schemes;
- (d) Financing of urban renewal; and
- (e) Conservation and rehabilitation practices.

010. The Secretariat report, which summarised the various issues raised in the Memoranda submitted by various countries (Belgium, Czechoslovakia, Federal Republic of Germany, France, Netherlands, U.S.S.R., U.K., U.S.A.)

and set out some tentative conclusions arising from the debate, was re-written subsequently to take into account discussion at the Symposium, written comments and certain supplementary documentation submitted by various countries, and information and ideas drawn from various published sources. This 1961 Report, therefore, is mainly confined to countries which have submitted written information, is also primarily concerned with large-scale rather than small-scale renewal, with the public rather than private aspects and with renewal at a Governmental rather than local level.

011. Urban renewal legislation and the financing and organisation of renewal are intricately interconnected and there is a wide difference in approach to urban renewal between countries with centrally planned economies and those with private enterprise economies, originating in their different social, economic and political systems. In the eastern European countries urban renewal is part of the program of economic and social development, within the framework of national and regional development plans, virtually wholly planned and carried out by public authorities, and organised, financed and executed as normal construction or reconstruction. In countries with private enterprise economies urban renewal consists of the efforts of public or semi-public authorities, private organisations or individual families and businessmen, or combinations of these, and is generally planned and executed under special legislation. The problems of appraisal and the organisation and financing of renewal also often differ between residential zones (i.e. dwellings and related community facilities) which comprise the major part of an urban area, and other zones, such as commercial or industrial.

#### B. THE SCOPE AND NATURE OF URBAN RENEWAL

012. Urban renewal, although the term may be of recent origin, is not a new phenomenon, and has always occurred in towns in the sense of the replacement of an unsatisfactory old building by a new one. Most major cities have also experienced it in their older part in the sense of large-scale redevelopment. Its present significance arises from the fact that from the outbreak of the last world-war until recent years, the process had been arrested in some countries and because technical and socio-economic



developments have led to a new approach and have increased its importance.

013. The post-war general acute shortage of housing, aggravated in some countries by large-scale rural-urban migration, overshadowed all other urban problems in almost every country, and it was not until the middle 1950s that an adequate improvement in quantitative housing accommodation in a number of countries permitted consideration being given to the problem of the obsolescence and deterioration of existing urban areas. Thereafter a number of countries commenced the systematic clearance or improvement of slum and sub-standard residential areas, and several countries adopted in principle slum clearance policies. In a number of eastern European countries, the central areas of a large number of small and medium-sized towns undergoing planned expansion have been redeveloped on a large scale, while, in the central areas of cities in western and southern Europe, considerable redevelopment for private commercial uses, which had been stopped since 1940, has also occurred. Traffic problems are also causing redevelopment in practically every country.

(1) From Slum Clearance to Urban Renewal

014. However, a general and growing feeling has arisen that the approach to the renewal problem has been inadequate and does not offer a long-term solution; that, for example, measures confined to slum clearance or the redevelopment of central areas are not a sufficient remedy, and that the problem must be considered in a much wider context than that of individual development projects. This has arisen from an increasing awareness of the variety and multiplicity of factors which can lead to the need to renew areas, some of them tending to accelerate the rate of renewal, and of the inter-relationship between this and other urban problems.

015. In most cases an area becomes ripe for renewal because of obsolescence (i.e. when it ceases to function adequately or does not meet the requirements of a modern community) or because of physical deterioration. The latter may be due to the sheer age of buildings and related amenities, but more commonly is the result of poor original construction, poor maintenance,

or overcrowding, due to obsolescence, inadequate standards or non-enforcement of standards because of economic or social circumstances. Obsolescence may also relate to the urban area as a whole, not because buildings are unsatisfactory, but because its general layout, the arrangement of buildings, or deficiencies in necessary or desirable neighbourhood facilities are such that it does not and cannot provide opportunity for sound economic activity or satisfactory living conditions.

016. In the economically and socially more advanced countries the principal cause of obsolescence is a change in demand due to technical, economic and social development. A rising standard of living often expresses itself in a demand for better accommodation and surroundings, more services and more consumer goods - standard housing becomes sub-standard. Neighbourhoods or even whole sections of a town may be considered sub-standard because of undesirable physical conditions such as excess building density, lack of open space, the proximity of conflicting land uses, excessive and congested traffic, shortage of parking space for vehicles, and general appearance, or of the deficiencies of neighbourhood facilities already mentioned. In non-residential areas, the change arising from the socio-economic and technical development in the structure of the labour force (i.e. increasingly large proportions of the population employed in centrally located service and administrative industries) and the change due to automation in industrial organisation, resulting in larger area requirements and lower manpower requirements per unit area of industrial plant, also lead to functional obsolescence. Technological development in the building field makes existing buildings obsolescent, while similar development in the communications field has a similar effect on the roads systems of most cities. The rapid growth of many urban areas makes the existing layout of the central city inadequate and creates great problems of redevelopment, in accommodating city centres inherited from the past to the modern extended urban area, and in turn leads to readjustment problems in the surrounding zone as the encroachment of expanded central area uses on originally residential areas



stimulates the latter's functional obsolescence and utilisation for purposes involving noise, air pollution, traffic etc., for which the area was not designed. Renewal measures, therefore, must recognise the changing function of an area.

017. Obsolescence may also arise from the economic decline or stagnation of an urban area, which discourages the normal replacement of buildings, or modernisation of part of an urban area may lead to the economic decline of other parts. Lack of replacement could be tied to an absence of confidence by investors due to various reasons. Buildings may cease to be occupied and deteriorate, or undesirable physical conditions in an area may lead to a decline in living conditions, a reduction in land values and incomes, and subsequently poor maintenance. Inadequate neighbourhood facilities and services can have the same effect. In terms of national economic crisis or housing shortage, a limitation in the supply of labour and materials for maintenance and improvement of existing housing may stimulate deterioration and obsolescence. Adequate maintenance or modernisation of homes may be discouraged by rents held at non-economic levels for a long time by rent control policies. Where poorly maintained over-crowded properties are permissible and profitable, a market for these deteriorated properties may be provided by the existence of families with enough income to disqualify them from low or publicrent housing but not enough to pay for sound private housing, or who are unwilling or unable to divert enough of their income to pay for standard housing; or may be provided by a complete lack or inadequate supply of social housing for low income families. An acute shortage of housing may necessitate the use of dwellings beyond their material physical lifetime.

(11) A New Concept of Urban Renewal

018. The increasing awareness of the multiplicity of factors which contribute to the growth and spread of obsolescence and deterioration and of the relationship between this and other urban problems, e.g. urban expansion and traffic congestion, appears to be producing a new and broader approach to urban renewal and a growing opinion that it should be viewed in a broad social and economic context and no longer be considered identical with slum

clearance, traffic improvements, or the rehabilitation of deteriorated areas. It is not a once-and-for-all process, but a continuous one, and was conceived not only as a process but also as a program. Its redevelopment, rehabilitation and conservation aspects should be reviewed as parts of a combined operation with the respective activities undertaken simultaneously as may be appropriate in the various parts of the city or renewal area.

019. Conservation is envisaged as a protective process applied to areas generally suited to their function and of sound quality, and to areas of great historical, cultural and architectural value. Regulations requiring the maintenance of buildings, the prevention of overcrowding, and including density limitations and zoning regulations assist in preventing the intrusion of unfavourable uses, and in obviating the occurrence of the many conditions already mentioned that result in deterioration, obsolescence and blight.

020. Rehabilitation is applied in areas when some loss of the original function is being seriously felt, where buildings, though generally structurally sound, are partially deteriorated, or where there are conditions that might lead to these circumstances. It consists of administrative measures controlling the use of land and buildings, either to restore the area to its original functions, or to bring about a new appropriate use for it; the removal of individual buildings and uses that tend to cause deterioration of buildings by discouraging proper maintenance; the use of undeveloped land and the completion of building facades; the correction of conditions that have an adverse effect on the appropriate uses of the land and buildings in the area; the correction of any existing deficiencies in the provision of facilities and public or quasi-public services necessary or desirable for the economically and socially sound use of buildings and land; and the removal of the physical results of either obsolescence or deterioration of buildings.

021. Redevelopment comprises the clearance of existing buildings and the re-use of the land, and is applied in specifically designated areas which are obsolescent as a whole or where buildings are generally in a seriously deteriorated or obsolescent condition.



022.        Redevelopment, rehabilitation and conservation are conceived as parts of a combined operation and are co-ordinated with other community wide programs such as public works, transportation and economic developments. In Europe, the eastern European countries regard urban renewal as a deliberate planned modernisation of every part of the urban organism as a whole and as a complex of measures affecting all elements of a town. In Western Europe, on the other hand, urban renewal measures are still generally conceived as separate processes and are not usually undertaken as parts of a combined operation. Moreover, in some of these countries at least slum clearance is considered as a matter socially and financially distinct from that of the general urban renewal process; and a matter which, though part of renewal from the point of view of physical planning, demands particular consideration from the points of view of appraisal, financing, organisation and legislation. However, it does appear to be widely accepted in these countries that urban renewal should be viewed in a broad social and economic context and in principle comprises three such general processes as redevelopment, rehabilitation and conservation.

023.        More divergence of opinion appears to exist on the question of the relative importance and roles of each of these three urban renewal measures. The importance of conservation causes little disagreement and an important role for redevelopment is also generally agreed on. Even when the legacy of bad or obsolescent development inherited from a past age with different standards is eradicated, the forces producing obsolescence in urban areas today will make redevelopment a continuous necessity. There is less agreement on the role to be played by rehabilitation. In some countries it is held that any appreciable improvement in urban conditions can only be achieved through redevelopment and that rehabilitation is actually a hindrance to redevelopment, as investment of considerable capital sums, which must be amortised, in repairs and modernisation may delay redevelopment, and the presence of isolated new structures may make comprehensive redevelopment difficult at a later stage. On the other hand, the scale of the renewal

problem in some countries and the tendency for the rate of social, economic and technical development to increase, may make redevelopment in the near future of every obsolescent or deteriorated area economically or physically impossible. Some improvement may, however, be desirable in the meantime to bring living and working conditions to a reasonable level, and rehabilitation, therefore, can be very important as a temporary measure until redevelopment can be undertaken. In such cases it is necessary to determine and justify the amount to be invested in rehabilitation in an area destined for ultimate redevelopment, and its amortisation period, i.e. the urban renewal program.

024. It may be that with time rehabilitation will become the insignificant and temporary aspect of urban renewal. With the elimination of the worst development from the past, an ascendancy of industrialised building methods over traditional ones and a continuation of the tendency to treat buildings as consumer goods, the need for rehabilitation may disappear, leaving renewal to consist of the conservation of non-obsolescent urban areas and the redevelopment of the obsolescent.

(111) The Magnitude and Variety of Requirements

025. It is apparent from the variety of factors leading to the desirability of renewing an area mentioned above, that the problem will vary considerably in nature and magnitude between countries, regionally within countries and between cities within regions, reflecting the many differences in social, historical and economic conditions. This variety and the absence of internationally comparable statistics lead to difficulties in ascertaining in sufficiently meaningful and precise quantitative terms the dimensions of the renewal problem, but broad generalisations are possible.

026. There are the historic cities and core areas where the bulk of buildings and layout is old (large proportion of urban areas in Italy, Netherlands, Czechoslovakia, Poland) and no longer meet modern requirements, where road network is similarly deficient, and buildings are technically obsolescent. Nevertheless, their historical, architectural and cultural value makes maintenance of their existing character desirable.



027. Then there are the "modern" cities and towns, i.e. those developed primarily during the 19th Century and typified by the large cities of Belgium, Czechoslovakia, Federal Republic of Germany, U.K., U.S.A. and Scandinavia. These developed rapidly during the industrial revolution period, when building, planning and communication standards were comparatively low. Their large residential districts are far from being slums, but are now generally considered sub-standard. Because redevelopment will be necessary ultimately, there is some reluctance to invest unduly in rehabilitation.

028. The eastern European countries again, (Bulgaria, Hungary, Rumania, U.S.S.R.) were part of territories where housing conditions were very bad, and the qualitative shortcomings of former times still need to be made good. Areas developed at a very low density need to be redeveloped at higher densities to make economical the provision of services. In southern European countries (Greece, Spain) and in Turkey, a similar position obtained and recent industrialisation, together with low building and planning standards or the non-enforcement of standards, have also led to large-scale rural-urban migration and the construction of poor dwellings and shacks, without proper roads and utilities on the peripheries of towns. This so-called "mushroom" development is also found in U.S.A., while Austria, Germany and Italy are affected by the continued existence of "temporary" war-time or post-war buildings.

029. Another aspect of urban renewal, the redevelopment of existing small and medium-sized towns for large-scale planned expansion arising from industrial development or resource exploitation, is found in countries with centrally planned economies. In some of these countries (U.S.S.R., Czechoslovakia, Eastern Germany, Poland) destruction during the last war has resulted in a large part of existing buildings being newly built or rehabilitated. In the U.S.S.R. and the Federal Republic of Germany over half of all housing as at 1959 has been rebuilt or rehabilitated since the war, and accordingly, in parts of these countries the urban renewal problem does not arise.

#### (IV) Implementation of Urban Renewal

030. This complex task consists basically of the determination of requirements, the drawing up of the program, and its execution, and involves

the appraisal of urban areas, physical planning, and questions of organisation, financing and legislation.

031. In eastern European countries urban renewal is part of the program of economic and social development within the framework of national and regional development plans, and is virtually wholly planned, organised and executed by public authorities.

032. In other countries, some of the operations involved, or parts of them, are public and others private. The major part of urban land and buildings is privately owned, and owners have the right to, and do, do much in the way of private rebuilding and repair, subject to the degree of public control applicable. Besides providing the physical development plan to which urban renewal must conform, public authorities in some of these countries are also responsible for maintaining a watch on the condition of the building stock and for undertaking or financing various urban renewal measures under certain conditions.

### C. PLANNING FRAMEWORK AND POLICY ISSUES

033. Some of the policy issues involved in urban renewal and the planning framework within which urban renewal is executed are referred to hereunder, but these technical aspects are more properly the field of professional planning bodies.

#### (I) At a Project Level

034. Conservation and rehabilitation at this level are relatively simple operations from the standpoint of physical planning, and involve only the removal of individual structures, the maintenance, repair and modernisation of buildings and the correction of conditions causing deterioration or obsolescence.

035. Redevelopment, on the other hand, poses numerous city-planning questions, a number of which, important in nearly all countries, raise matters of an organisational, financial or legal nature, often at times more difficult of resolution than technical ones.



036. One of these is comprehensive redevelopment, i.e. redevelopment as a whole, at one time or in planned stages, of an urban area occupied by numerous land-owners or users, but which from planning requirements, is best redeveloped as a whole. The need to secure a satisfactory rearrangement of land use; to provide good standards of design, i.e. day lighting, fire precautions, lift services, car parking, entrances, appearance, heights and open space, etc., which cannot be obtained by the piecemeal replacement of individual buildings within the existing land ownership and street framework; to secure the separation of vehicular and pedestrian traffic; and to encourage the fullest employment of modern methods of building construction obtainable only on large sites, make comprehensive redevelopment essential. Legal, financial and organisational difficulties make this difficult to attain in many countries, although the necessary technical skill is present in most.

037. Comprehensive redevelopment is of particular significance in the eastern European countries, because of their social aims and aspirations - the freeing of women from the burden of household duties, the wider adoption of the communal education of children, and communal catering. To this purpose an urban area is divided into housing districts and their sub-units (micro-rayons), and while service institutions meeting occasional needs are provided in the former, micro-rayons cater for daily needs such as schools and other children's institutions, shops, health services, recreational areas, and a club. Since this principle is applied to all residential development, old and new, large-scale comprehensive redevelopment in old areas arises.

038. This approach is basically similar to the neighbourhood-unit one evolved in the U.S.A. and U.K. and used in several countries, the essential difference being the closeness of the relationship between social and physical planning in the micro-rayon system and the lesser number of services provided so far in the neighbourhood-unit. Some attempt has been made e.g. in the U.K., to apply the neighbourhood concept in the redevelopment of existing urban areas, particularly where the neighbourhood structure and community spirit is strong, so as to leave the neighbourhood pattern as little altered as possible, but difficulties make this almost impossible to achieve. This approach has also

been urged in some countries for the redevelopment of the largest urban agglomerations by the creation of a series of sub-centres ("towns within towns") thereby causing such benefits as reduction of the average journey to work and lessening of congestion in the central area.

039. The question of new land use density of building is also decided on the basis of technical considerations in the light of economic and social policy. Government policy in some countries is to intensify land use in order to reduce urban "sprawl", or to secure more efficient use of limited national land resources, as in the U.K., or to make the provision of area facilities and services more economical, as in Rumania. On the other hand, the high value of land in the central parts of cities, and the high cost of redevelopment arising from the costs of demolition, provision of services, and in some countries the acquisition of land, influence the redeveloping agency towards a density beyond the desirable maximum determined on social, health, aesthetic, traffic and other considerations.

040. Land use is closely related to economic considerations in most western European countries, and land prices will inevitably determine usage according to profit ratios. Less remunerative uses (theatres, clubs, residences) are being eliminated by office and commercial users, despite general agreement that the central area should contain a variety of land uses, although not necessarily over the entire area. Redevelopment has been stimulated also by the need to improve circulation facilities, which are closely related to density and land use.

## (II) At a City Level

041. Issues of land use, density and circulation facilities illustrate clearly the relationship between urban renewal and the whole of urban planning, and especially general city planning for physical development. Urban renewal is part of the continual process of change and adaptation in urban areas. The general city plan (long-term plan based on physical, economic and social surveys and prognoses) is a major tool for guiding urban renewal. New development in a particular area cannot be decided by reference only to the



redevelopment area itself, but should be related to the physical development plan for the urban area as a whole, for matters such as the creation of neighbourhood units, land use, population distribution, density of building, public services and facilities, circulation facilities, should take into account the future character and layout of the immediately surrounding area and the town as a whole.

042.       Redevelopment should also be considered together with peripheral expansion, as any reduction of density and population necessary in the redevelopment area would need to be catered for("overspill") in peripheral development. Or a substantial increase in the population of a city may necessitate redevelopment of the existing urban area. Controlled release of peripheral land may stimulate redevelopment in older areas, and when conservation and rehabilitation are envisaged, account should be taken of the future uses of areas covered in the general city plan. Furthermore, as previously mentioned, many external influences can lead to the need for rehabilitation within an area. As with redevelopment, therefore, conservation and rehabilitation should be conducted within the framework of a general city plan based upon extensive physical, economic and social surveys and forecasts. Such a plan serves also to co-ordinate and integrate renewal with all other applicable public works programs.

043.       In most countries urban renewal appears to be executed within the framework of a general city plan, and in many, planning legislation requires local authorities in all urban areas to make general plans, which, though not always enjoying legal status, ensure urban renewal proceeds within a general planning framework. In other countries local authorities often elect to proceed on similar lines, and sometimes central government assistance is conditional upon such an approach e.g. U.S.A.

044.       Since urban renewal is itself one of the processes of implementing the general plan, the latter must be based upon principles which permit urban renewal on a sound economic and social basis and must therefore be kept up to date and adapted to changes arising from the economy of the regional area,

technological advances and the completion of physical improvements, including urban renewal projects. In the U.K. development plans are required to be reviewed every five years or so.

(III) At a Regional and National Level

045. Although the importance of approaching urban renewal within the broad framework of the general city plan for physical development appears to be widely accepted, there are many related problems that can be tackled satisfactorily only on an even wider basis. To mention only some, the questions of overspill from redevelopment areas, new land use and traffic facilities within a redevelopment area, and conservation in the rural-urban fringe can often only be fully answered in the light of events and circumstances in a wide region around a city or town. In some countries rural-urban migration is a major cause of the growth of obsolescence and deterioration in urban areas. Urban renewal, therefore, within the framework of a general city plan, should in turn make the general city plan subsidiary to one for the urban region within which the city falls.

046. In eastern European countries, regional planning is carried out by the State as part of long-term economic planning, whereas in countries with private enterprise economies it is left to the voluntary co-operation of local planning authorities, and is neither widespread nor fully effective save for a few exceptions. In the U.S.A., metropolitan planning and urban region planning have assumed considerable significance in recent years, especially under the impetus of the 1954 Housing Act, which makes available Federal urban planning grants to state planning agencies for general planning and for metropolitan regional and other planning bodies. Instances of regional and national planning which are of great significance to urban renewal in several countries are "New Town" and "Expanded Town" policies. In the U.K., for example, to permit the dispersion of population from the central areas of certain large conurbations necessitated by redevelopment, new towns have been built at some distance from these conurbations to receive their "overspill" population.



D. CRITERIA AND METHODS FOR APPRAISING URBAN AREAS AND ASSESSING TOTAL URBAN RENEWAL REQUIREMENTS

047. An appraisal of the condition of an urban area and a general plan for physical development are the principal factors determining the selection of renewal areas, the urban renewal measure required, and the order of renewal areas in a program.

(I) Methods of Appraising Urban Areas

048. Appraisal methods in most countries have evolved in close association with public health and slum clearance activities of local authorities - the determination of dwellings unfit for human habitation. Methods used today consequently are mostly designed for application to residential areas, and cover the age of the building, the state of repair, stability, freedom from damp, natural lighting, ventilation, water supply, drainage and sanitary conveniences, facilities for storage, preparation and cooking of food and for the disposal of waste water. While this is mainly in the hands of local authorities, they in turn are influenced by the standards of the central government. The result is that standards and criteria vary between countries and also within countries such as U.S.A., where each local planning and public housing agency chooses its own, but is, of course, influenced by standards used in its state legislation or by the Federal Urban Renewal Administration, etc.

049. A few countries (Belgium, Czechoslovakia, France, Hungary, Netherlands, U.S.S.R., Yugoslavia) have introduced for national use appraisal methods based on uniform criteria, and these generally have two parts, one relating to the structural and physical characteristics to determine deterioration, and the other to the building's suitability as a dwelling to fix the degree of obsolescence.

050. In Belgium dwellings are divided into 6 classes :-

- (a) dwellings in good condition
- (b) dwellings in good condition but overcrowded
- (c) dwellings in good conditions but which must be demolished
- (d) dwellings in reasonable condition
- (e) dwellings unfit for habitation but repairable
- (f) dwellings unfit for habitation and not repairable

051. In France 4 groupings are used, dwellings in good condition, improvable dwellings, improvable dwellings partly unfit for habitation, and improvable dwellings totally unfit for habitation. In the Netherlands a committee has been established to develop a uniform system, and has commenced on the basis of basic defects i.e. a fundamental drawback to the habitability of a dwelling, and other defects. In the U.S.A. the American Public Health Association has developed directives for an appraisal method using basic defects and conditions that form a serious and permanent menace to health or safety.

052. In Hungary, Yugoslavia and the Netherlands attempts have been made to reach appraisal methods which will provide an assessment of the cost of renewal of a dwelling compared with the cost of a new dwelling, as well as a measure of obsolescence and deterioration. These methods raise the question of whether most appraisal methods, which treat obsolescence and deterioration as purely or primarily a physical or technical condition of buildings are sufficient. What matters in the material life of a building is the moment when all the materials, products or functional components constituting it, cease to have a certain value in the economic and social sense, and there are many factors other than just physical conditions determining that value. The value of the land on which it stands, for example. There comes a point when the old building no longer pays and is replaced by a new one, but this may have little connection with the age or physical condition of the original building. The lifetime and value of buildings may be affected by capital shortages, high interest rates or the possibilities of adaptation to new functional requirements.

053. As urban renewal is concerned with all buildings, not only dwellings, an appraisal system should take into account the location, age and condition of other structures and area conditions. In Czechoslovakia and Belgium criteria include ventilation in relation to width of street, open space, the proximity of objectionable industries, the possibility of flooding, the general condition of the block and whether it is to be expropriated or cleared, traffic conditions, and the average density of buildings in the district.



The nearest approach to a special appraisal system for measuring the quality of neighbourhood conditions and facilities other than housing which affect the level of living in residential areas, is the American Public Health Association survey technique, "Appraisal of Neighbourhood Environment." The general satisfactoriness of a district is judged by a system of defects and basic defects, with a rating system using penalty scores. Primary emphasis is put on items most directly associated with threats to health, safety and amenity, such as excessive land crowding, periodic flooding of low-lying areas, excessive noise, fire hazard, smoke or other nuisance from non-residential sources and traffic hazards or disturbance from major thoroughfares or railroads. This method is detailed and expensive, however, and its use is not insisted on by the U.S. Urban Renewal Administration. In Germany an appraisal of residential areas was made in 1961 as part of the 1961 Census. In the U.S.S.R. and other centrally planned economy countries, research is at present in hand to develop a comprehensive survey method for the appraisal of whole areas.

054. In a project area, the appraisal of physical conditions is followed in most cases by an investigation of the social and economic conditions and structure of the delimited area. A social survey covers such phenomena as the number of inhabitants and households, household composition, the age, occupation and incomes of individuals, present rents, rehousing desires, and quality of occupancy. An economic survey is a survey of property enterprises and economic activity in the renewal area. The former may include a sub-division plan, a property register, a classification of property according to value, an evaluation of the stock to be demolished, and an estimate of the value of the terrain after renewal. The latter part provides data on the number of enterprises, their type, number of employees, nature of clientele or customers, profit margins and resettlement requirements, estimates of indemnities for eviction and removal etc. In redevelopment areas these surveys furnish essential information for the planning and financing of a project, for the preparation of the physical plan for redevelopment and for the implementation of the relocation operation, while in rehabilitation and conservation areas, they help to make clear social and economic conditions

which may lead to deterioration and obsolescence, the correction of which is necessary for successful renewal. They serve also in the selection of the urban renewal measure to be applied. In the U.S.A., for example, private property ownership and willingness to take loans vitally affects the decision to rehabilitate or redevelop an area, because the former is impracticable in the absence of co-operation by residents.

(II) Estimating Total Urban Renewal Requirements

055. In some countries some of the data which appraisal and social and economic surveys gather may be obtained from the real-property inventories maintained by local authorities, which could act as continuous records of the condition of building structures, but their use would be limited. Governments rarely have at their disposal accurate, up-to-date quantitative data on renewal requirements, and most of the information available to governments relates to dwellings. The greatest sources of information, in general, are the decennial population and housing censuses which in some countries contain considerable information about the housing stock, such as size, type of housing unit and facilities, but this material generally provides an inadequate basis for a national or local urban renewal program. Notable exceptions are the U.S.S.R. and the U.S.A. censuses.

056. Because of this inadequacy, a number of countries planning large-scale national slum-clearance or renewal programs have found it necessary to make special national surveys of the dwelling stock.

E. ORGANISATION AND FINANCING OF URBAN RENEWAL OPERATIONS

057. The implementation of a renewal operation is a relatively costly and complicated process. It is costly for a variety of reasons. Firstly, redevelopment compared with development on vacant land, between which a choice must often be made, must bear the extra costs of demolition and clearance. Furthermore, the value of land in a redeveloped area is generally much higher than that of vacant land in the outskirts of a town. The quality of the replacement is usually better than that of the original, and improvement in environmental facilities is also generally involved with re-



development. In addition, in most private enterprise economy countries, though the value of buildings demolished may be low, site values, due to a general and rapid rise in land prices in practically every country in recent years, may be so high that they cause difficulty in financing certain socially desirable forms of development. Conservation and rehabilitation are also costly because of environmental improvements involved and costs of reconditioning and maintenance. Consequently, urban renewal cannot always be executed with a financial profit. Moreover, the scale of renewal required sometimes places a demand on available resources which at a given stage of economic and social development is difficult to meet.

058. Implementation of a renewal operation is complicated because the many various activities involved, although necessarily part of one operation, are often the responsibility and interest of many public and semi-public authorities at all levels, of a wide range of professions, and of private enterprise; and are often financed in different ways. Utilities and public buildings for example, are usually the responsibility of public authorities and financed directly from public funds. Housing is both a public and a private concern, as also are commercial and industrial enterprises. Furthermore, many of the public spheres are the concern of both central and local levels of government.

059. In meeting these conditions, countries have adopted a wide range of methods of organisation and financing, but methods of financing and organising are usually interdependent.

#### (I) Redevelopment in Countries with Centrally Planned Economies

060. State planning controls all planning and development projects including urban ones, and their financing and organisation, while the implementation of redevelopment schemes is the responsibility of public authorities of various sorts and at various levels.

061. The timing and scope of a redevelopment project and the allocation of funds are all laid down in national economic development plans, prepared by the central government in conjunction with regional and local authorities for the country as a whole and for the individual

economic areas and towns therein. They form the economic basis and a guarantee of completion for a redevelopment project.

062. In general, the cost of acquisition of land and buildings, where not already publicly owned, and the cost of demolition and clearance are carried in the budgets of the local government authority. The construction of all public and social buildings and services and the greater part of urban housing construction are financed by the central government, which also advances loans and other assistance to co-operative housing societies and individual home builders. Industrial and commercial redevelopment is financed by state and co-operative enterprises.

063. Comprehensive redevelopment of residential areas is carried out as follows: Funds for housing and for public services and utilities are allocated to the local authority. Planning and design are done by planning and design offices present in such economic area and in the major cities. The physical execution of the scheme is entrusted to consolidated organisations for construction set up in cities under the local government authority or special ministries. Trusts for roads, public utility networks, green areas, building construction, etc., execute the project as contractors.

## (II) Redevelopment in Countries with Private Enterprise Economies

064. In the other European countries and the U.S.A. the organisation and financing of redevelopment is necessarily more complex. The major part of urban land and property is privately owned with redevelopment rights. Public authorities, too, are also generally large-scale property owners. And it has been found in most countries that the community must play a greater role in redevelopment than simply influencing the direction of private development. In all the economically advanced countries public action to encourage, assist or undertake redevelopment and some public expenditure have been found necessary. This generally occurs when redevelopment requires the use of powers available only to local authorities, e.g. compulsory acquisition of property, or where socially desirable redevelopment is not undertaken because it is unprofitable.

065. An indication of the state financial assistance available in certain countries is given in the following schedule :-



State Financial Assistance Available for Slum Clearance, Redevelopment, Rehabilitation and  
Rehousing in Selected Western European Countries and North America.

Country	Redevelopment		Rehabilitation	Rehousing
	Slum Clearance (i.e. dwellings only)	General Redevelopment (i.e. mixed areas)		
BELGIUM	<p>1. Grants to local authorities and low-cost housing societies, covering the cost of interest and amortisation of the difference between cost of acquisition plus demolition and the final value of the land cleared as a building site.</p> <p>2. Grants to private individuals which cannot exceed 20,000, 25,000 or 30,000 francs, according to the municipality.</p> <p>3. Low-interest (1.25%) loans repayable over 66 years and grants for the complete costs of roads to low-cost housing societies.</p>		<p>1. Loans to national low cost housing societies for rehabilitation of sub-standard dwellings.</p>	<p>1. Loans to low-cost housing societies to build dwellings for families displaced by slum clearance.</p> <p>2. Rent subsidies.</p>
CANADA		<p>1. Grants to provinces or local authorities of 50% of cost of preparing scheme acquisition, clearance, relocation, services, etc.</p> <p>2. Loans to provinces or local authorities to cover 2/3 of their share of costs.</p>		<p>1. Loans to owners for improvement.</p> <p>2. Insurance of loans to owners for improvement.</p>
DENMARK	<p>1. Grants to local authorities covering 50% of any difference between costs of acquisition plus demolition and resale value of land.</p> <p>2. Grants to private owners of 50% of "net cost" (local authorities pay the other 50%).</p> <p>3. Low-interest loans to local authorities for payment of their share of "net cost".</p>		<p>1. Subsidies, loans or guarantees for rehabilitation of dwellings.</p>	<p>1. Loans or guarantees for loans for dwellings for families displaced by slum clearance.</p>
FRANCE		<p>1. Grants to local renewal agencies; (local authority public or semi-public society, low-cost housing societies or private societies) towards costs of acquisition and demolition of land to permit the agency to resell at below cost price.</p> <p>2. Short-term low-interest loans to meet costs of acquisition and clearance.</p>	<p>1. Loans or grants for the execution of major works of internal and external maintenance in dwellings.</p>	<p>1. Loans to low-cost housing societies for dwellings to rehouse families displaced by redevelopment.</p>
IRELAND				<p>1. Grants to local authorities, covering 2/3 of the loan charges on local authority housing for displaced families.</p> <p>2. Loans and grants for purchase and building of homes.</p>
NETHERLANDS	<p>1. Grants to local authorities of 50% of any difference between costs of acquisition plus demolition and resale value of the land.</p>		<p>1. Premiums for improvement of dwellings (except generally where structural defects) up to the amount which can be amortised.</p>	<p>1. Five-year rent subsidies to families moving from slum areas into new housing (decreasing 20% annually).</p>
NORWAY	<p>1. Low-interest loans to local authorities for the acquisition of land and building in slum-clearance areas.</p>			
UNITED KINGDOM	<p>1. Subsidy to local authorities on an acreage basis annually for 60 years for land used for housing and ancillary purposes which is very costly to buy, clear or prepare.</p>	<p>1. The expenditure of the local authority on acquisition, clearance and preparation of a site can be included in the calculations for a general grant to local authorities.</p>	<p>1. Grants to home-owners, covering half of the cost of the provision of certain basic facilities in dwellings.</p>	<p>1. Subsidies for all types of approved new local authority housing, the amount of subsidy payable depending on the financial situation of the individual housing authority.</p>
UNITED STATES		<p>1. Grants to local renewal agencies covering 2/3 or 2/4 of "net project cost" (i.e. 1) costs of acquisition of property, plus demolition, plus site improvements, plus supporting facilities less 2) Presale value.</p>	<p>1. Grants towards cost of spot clearance and demolition of properties and towards public improvements.</p> <p>2. Insurance of loans for outstanding renovation and modernisation by approved lending institutions against losses up to 90% of their holdings.</p>	<p>1. Development loans and annual subsidies to cover operating deficits to local housing authorities for low-rent housing.</p> <p>2. Insurance of mortgages on new or existing housing on liberal terms in clearance or rehabilitation areas.</p> <p>3. Insurance on Mortgages on lower-priced new and existing homes for families certified to have been displaced by urban renewal.</p>



(III) Reasons for Public Action in Organising and Financing Redevelopment

066. The need to use public powers of compulsory purchase is frequently the cause of public action in countries with private enterprise economies. Land ownership or right to use land is usually divided among numerous individuals, private businesses or public authorities. A good deal of redevelopment implies a rearrangement of property boundaries etc. and can only be effected if and when the owners agree to it and demolish, construct or rebuild their properties to the extent necessary, or if private redevlopers can acquire sufficiently large areas of land. Most modern schemes propose buildings of various heights, and retention of some open space. Individual owners will be variously affected thereby, some beneficially in relation to others. The former will be induced to rebuild, while the latter will show little interest in the scheme. For this and other reasons it is most unusual for all landowners to redevelop at the same time and the scheme may well stagnate. Due to the differing ages of buildings, the various interests and plans of property owners and their various financial expectations from redevelopment of their property, private redevlopers often cannot assemble suitable areas of land. All this leads to the need for public authority intervention.

067. Several methods have been proposed or tried to reduce the need for public acquisition on this account, with a view to reducing the financial redevelopment burden on local authorities. In Sweden, some local authorities use their expropriation powers on behalf of limited-profit redevelopment companies, and also form mixed public and private enterprise ones. In Norway a proposal required agreement by all owners affected by an approved scheme to redevelop within a time stipulated by the local authority, coupled with a right to expropriate the properties of owners not agreeing, given to other owners or a society. Similar proposals or conditions are found in U.K., Belgium and France.

068. There appears to be little difficulty in financing redevelopment in central business areas and their fringes in these countries. The growth of most cities ensures a demand for central area location which permits rents high enough to cover costs of redevelopment despite the high land acquisition



costs due to the considerable rises in land prices in most countries in recent years. Only in the "depressed" or under-developed regions does private enterprise seem to lack the resources to undertake such large-scale redevelopment by itself. In central business areas, therefore, the use of public funds generally arises from the need to use compulsory powers to reorganise land or to redevelop an expensive central area site in a manner that involves an economic loss for some public purpose.

069. The case is different in the much more extensive residential areas, especially in the so-called "twilight areas" which in most cities formed a ring around the central area. When redevelopment involves a change of land use to a more profitable one (residential to commercial), where an increase in density is possible, or where new dwellings will be for a higher income group able to bear the costs, the investment return is often sufficient to attract private developers. Since there is a limit to the amount of land needed for commercial and industrial uses, densities may need to be decreased and difficulty is experienced in getting rid of existing tenants, the extent of such redevelopment is limited. Often in these areas, the value of the site in its existing use plus the cost of clearance exceeds its value for redevelopment, and little interest by private enterprise is shown, with the result that public engagement occurs in almost every country.

#### (IV) Scope of Public Action

070. The form of public engagement in redevelopment that is most widespread, though restricted in scope, is public slum clearance. In some countries the primary aim of the relevant legislation is the clearance of an area and the rehousing of the occupants, rather than the re-use of the cleared land. This allows clearance and rehousing to proceed apart from redevelopment problems. In most countries, however, the clearance of large areas is looked upon as redevelopment, and is an equally strong motive even where clearance is the first objective. Much redevelopment therefore, arises through slum clearance procedures.

071. On the other hand, in a number of countries, public authorities may in various ways and to various extents engage in the general redevelopment of deteriorated or obsolescent parts of urban areas. As distinct from slum

clearance, not only may areas of dwellings unfit for habitation be redeveloped through public action, but also commercial, service, industrial and other areas which comprise an urban area; and whereas slum clearance areas may often be developed for residential purposes, these areas may be rebuilt for the original use or for one deemed more suitable.

(V) The Public Authorities concerned

072. The public authorities concerned directly with slum clearance and other redevelopment are generally at a local level, as the powers and responsibilities for the many operations involved are generally vested in local authorities, or, as in Belgium, in a group of such authorities forming a regional renewal authority. This is not always the case, however, and sometimes they are vested in other public authorities or divided between local and other public authorities.

073. In some countries rehousing is largely carried out by semi-public housing societies (Scandinavian countries, Belgium, Netherlands, France). In Belgium, Local Improvement Commissions, comprising representatives of local authorities and other public and semi-public bodies, have been created as consultative bodies to local authorities, and projects are executed either by the local authority or a Public Service Property Society subsidiary to the National Housing Society. In the U.S.A. local government responsibilities are carried out by local authorities established under state law, and there may be a housing authority, a special redevelopment authority or a regular city department to carry out this function in any given city. The local renewal agency may also be the county or state government as well as the city government. In France, a local authority may entrust a project to a special agency, which may be an association of property owners in the affected area, a public authority such as a low-cost housing society, a "mixed economy" society (both public and private shareholders), or, if certain (mostly financial) guarantees are provided, a private society, chosen by the local authority in accordance with established rules. All or any of the redevelopment functions



can be entrusted to such agency. Special redevelopment authorities have also been advocated in the U.K., where it is suggested that the central government should authorise the establishment of Development Boards, or Urban Renewal Commissions which would assume the role of the local government authority and acquire and redevelop designated areas. Such arrangements have the advantages that financing arrangements can be geared to long-term operations, a qualified and experienced board is attainable, employment of experts not available to local authorities is possible, and a degree of redevelopment is possible in areas where a loss would be incurred, by using surpluses from profitable areas. Disadvantages, however, also apply. There is the difficulty of obtaining co-operation and co-ordination between the special commissions and the local authority. Since renewal is a continual process and part of a continual operation including rehabilitation and conservation, there is much in favour of its remaining a responsibility of local government. In U.S.A. this is almost the rule.

074. Central authorities are also directly involved, and in some countries, have drawn up and allocated funds for national slum clearance programs (Belgium, Denmark, France, Ireland, Netherlands, U.K.). In others (France, U.S.A.) funds have also been allocated by the central government for national urban renewal programs including redevelopment. In most countries, the proposals of local authorities are reviewed and/or approved by a central authority. In U.S.A. approval is a requirement for financial assistance, in effect giving control to the central government. This enables the avoidance of harm to private interests, a check on the efficiency of the project and an assessment or limitation of the financial commitment. Supervision by the central U.S.A. government is obtained also via the Program for Community Improvement, which must be prepared and approved annually before financial aid for urban renewal can be dispensed, and permits realisation of over-all objectives such as a comprehensive community development plan; improvement or adoption of a local code and ordinances governing the construction, use and occupancy of buildings; the identification and analysis of blighted

areas; administrative machinery for co-ordinating program activities and adequate funds to support such activities; a plan, organisation and resources to meet the re-location needs of families displaced by governmental action; and effective action by a local committee with community-wide representation to encourage citizen participation in the local urban renewal program. Many of these are normally provided by local government.

(VI) The Function of the Local Authority

075. It appears that in most countries the approach adopted for the execution of a redevelopment project is essentially the same. Apart from the research and preparatory work for a project, the public authority usually acquires the land and buildings affected; demolishes the buildings and clears and prepares the land; provides for the rehousing, temporary or permanent, of the occupants of the clearance area either within the area or elsewhere; provides public utilities and services; and finally, leases or sells the prepared ground to private developers for building. These authorities seldom engage in the actual construction of new buildings, except for normal responsibilities. In the U.K., local authorities may and do build public housing, but otherwise take part only when private enterprise is unwilling to act. This happens sometimes in France, too.

076. Although this approach assures comprehensive redevelopment, it has major problems, too. For example, the procedure involved in compulsory acquisition is generally elaborate and cumbersome; very heavy capital expenditure is involved, causing possibly a rise in rates; because it is many years before the investment pays and before a loan is serviced; and as the price obtainable for the cleared land does not meet the cost to the local authority the resulting financial loss limits the amount of redevelopment it can afford to undertake.

077. Various measures to overcome these difficulties have been taken in some countries. In France, expropriation formalities have been greatly simplified, but the rights of the property owner are considerable, and expropriation only occurs when they dissociate themselves from a scheme or an amicable agreement cannot be reached concerning their participation rights in redevelopment schemes.



(VII) Financial Assistance to Local Authorities

078. By far the most common solution is for the central government to assist local authorities financially through low-interest loans to meet the heavy capital expenditure involved in redevelopment and through subsidies to meet part of any financial loss involved.

079. In France and the U.S.A. financial assistance is available for general redevelopment. In countries with large slum-clearance records (Belgium, Netherlands, U.K.) there would appear to be a distinction in government policies between slum clearance and other redevelopment, and financial assistance is available (1961) for the redevelopment of slum areas but not non-residential areas.

080. For slum clearance the central governments of Belgium, Denmark and Norway make low interest loans to local authorities for the acquisition of land and buildings. In Italy all slum clearance costs are met by the central government. The most widespread form of financial assistance to local authorities for slum clearance are grants of various sorts to cover part or all of any loss incurred should the resale value of the land not meet the cost of acquiring clearing and preparing it for rebuilding, and meant as an encouragement to undertake slum clearance. In Belgium local authorities receive the cost of interest and amortisation of the difference between the cost of land acquisition plus demolition and the final value of the land as a building site. In Denmark and the Netherlands subsidies are given covering half the losses resulting from clearance. In the U.K. a subsidy is available on an acreage basis annually for 60 years. The expenditure on acquisition, clearance and preparation can also be included in the calculations for a general grant under the Local Government Act, 1958. In France and the U.S.A. grants are available which in effect subsidise redevelopment. Although the participation of property owners in France reduces costs and makes financing easier, in order to make the operation balance financially, grants are available, aimed at restoring the price of the cleared land to one reasonable for the proposed use and avoiding undesirable planning measures. Similarly in the U.S.A. grants cover the greater part of the difference between the cost of acquisition plus clearance and preparation, and the resale value. Depending upon the procedure followed and the size and resources of the community, grants total  $\frac{2}{3}$  or  $\frac{3}{4}$  of the

difference. Up to 20% of federal funds can be used for non-residential purposes (subsequently increased to 30%). Despite some criticism of this policy cities in U.S.A. are not producing feasible proposals on a scale commensurate with the magnitude of needs, due mainly, to the shortage of funds at the local level, and there is pressure for a larger grant. In France, financial assistance is also provided for general redevelopment in the form of short-term low-interest loans to cover the period between acquisition and sale or leasing of cleared land or new buildings. Until the Local Government Act, 1958, assistance similar to that given in France and the U.S.A. was also available in U.K. (grants of 50% of difference between acquisition etc. costs and value of land for new use). New legislation in the Netherlands is expected to provide for grants to assist the implementation of zoning plans in so far as they are accompanied by the redevelopment of built-up areas.

081. In addition in some countries financial assistance is made available to assist the rehousing of families displaced by redevelopment, many of whom cannot meet the economic costs of new housing and need to be, at least temporarily, assisted. As this rehousing responsibility largely rests on local authorities, this may limit redevelopment schemes. A distinction is commonly drawn between slum clearance and other redevelopment, the latter only receiving this type of assistance.

082. In a few countries, the central government contributes to the cost of preliminary work (survey and appraisal). This cost may be large and act as a deterrent. In France and the U.S.A. these charges may be included in project expenses eligible for subsidy, and in the latter country grants also cover general planning.

083. Financial assistance is given in a few countries to private developers for slum clearance, with a view to reducing the need for public authority action. In Belgium grants are made to private individuals for the demolition of slum dwellings, while in Denmark a majority of property owners in a slum clearance area have the right to implement an approved redevelopment plan themselves, central and local authorities each meeting a half of the loss resulting from clearance. Grants are made in the Netherlands to owner/



occupiers of slum dwellings to build a new dwelling.

(VIII) Rehabilitation and Conservation

084. These measures fall into two categories, those relating to individual buildings and those relating to the functioning and condition of areas as a whole. Individual buildings require maintenance and renovation and are not normally the concern of local authorities except in the case of dwellings and public buildings. The latter measures are, however, and are part of the normal operation of competent municipal administration, such as the removal of individual buildings and uses that tend to cause deterioration of surrounding buildings by discouraging proper maintenance.

085. In western European countries, rehabilitation and conservation of buildings used for dwellings do not normally become the concern of public authorities, except when publicly owned, until they become unfit for habitation. However, steps have been taken in several countries to ensure rehabilitation of existing dwellings where this appears worthwhile, significantly in the form of grants and loans for improvement and repair, and in changes in national rent policies to facilitate this in rental dwellings.

086. Financial assistance is important in Belgium, Denmark, France, Ireland, Netherlands, U.K. and U.S.A. In Belgium, Government loans to the two national low-cost housing societies are made on their undertaking as a priority to use part of the loans for rehabilitation of sub-standard dwellings. In Denmark the State may guarantee or grant loans and grant subsidies for rehabilitation. In France, a national fund exists for making, under certain conditions, grants or loans to property owners for the execution of major works of internal or external maintenance. Grants are available in Ireland, and in addition local authorities remit rate increases on the value of repairs for 7 years. In the Netherlands, a system of premiums was introduced after the war for the improvement of dwellings, while in the U.K., houseowners' grants of half the costs of the provision of certain basic facilities are paid. In the U.S.A. a substantial contribution to the rehabilitation of homes in urban renewal areas is made by the National Housing Act through renovation and modernisation loans, under which legislation the Federal Housing Agency can insure against losses on outstanding loans by approved lending institutions of up to 90% of their holdings.

087. The liberalisation of rent policies during recent years in Belgium, Denmark, Federal Republic of Germany, France, Ireland, Italy, Netherlands, Spain, Sweden, Switzerland and U.K., has been aimed at facilitating repairs and modernisation of rented property. In some countries, decontrol or permission to raise rents has been directly linked to maintenance and improvements by landlords. In Denmark, 5% of the 8% rises in 1959 and 1960 were to be set aside for internal and external maintenance respectively. In Germany, legislation in 1960 authorised a general rent increase of 15%, and a further 20% increase for better equipped and larger dwellings to encourage modernisation by landlords. A revised rent control law in 1959 in France, in addition to doubling the basic price per square metre for calculating the bi-annual rent increases, provides for annual rises calculated on the basis of a coefficient related to the actual state of maintenance, and from 1960 rents can be increased or decreased according to a maintenance coefficient. In the Netherlands the 1960 rent increases are not applicable where certain defects are present or maintenance below standard. Controlled rents in the U.K. may be increased by  $8\frac{1}{2}\%$  of expenditure on improvements, and this percentage may be increased to  $12\frac{1}{2}\%$ .

088. In eastern European countries administration and financial machinery exists for systematic rehabilitation and conservation and is financed primarily from state funds in the same way as redevelopment. In general, the costs of upkeep and repair are subsidised, as rents have remained under control at a level requiring this. In Eastern Germany, Poland, Hungary and Yugoslavia rents have been raised in recent years to more economic levels to assist maintenance.

089. Rehabilitation and conservation in U.S.A. are undertaken on an area basis by local authorities as part of comprehensive urban renewal programs, and public funds are made available by the central government, which shares in the cost of public improvements covered in urban renewal objectives, and in the cost of spot acquisition and demolition of individual properties too dilapidated to be rehabilitated or which are deteriorating influences on other area properties. The local authority in these schemes carries out



inspections, the listing of deficiencies and the notification of owners, often involving long detailed conferences.

090. Such schemes in the U.K. have been undertaken by the Civic Trust in co-operation with local authorities in the centres of small and medium-sized towns, chiefly as demonstration projects. But there are no special legislative provisions for such schemes by public authorities.

(IX) Relocation Problems

091. Redevelopment and to a limited extent, rehabilitation involves the displacement of businesses or people from a project area. In all countries there is a legal or social obligation to relocate them in the area itself after rebuilding, or elsewhere, or to pay compensation.

092. In western and southern Europe the main financial problem is the provision of alternative accommodation at prices or rents which the affected families are able to meet. The economic rents of new accommodation are usually higher and apply to families mostly earning below-average incomes. Measures to meet this vary widely. Many countries subsidise rents for low income families from clearance areas (Ireland, Scandinavia, U.K.). Other local authorities in U.K. arrange rent rebate schemes by the pooling of rents from all housing owned by the local authority, and tenants pay the proportion of the assessed rental that they can afford, losses being offset by surpluses earned on older houses. Any final loss is met by a fixed central government subsidy. In the Netherlands tenants of older housing are encouraged to move to better accommodation leaving the older cheaper dwellings for displaced families.

093. Extensive national assistance to local authorities or directly to displaced persons is available in many countries. In Belgium, loans are made to the two national low-cost housing societies, provided a part (30%) is used for displaced families, and in France 100% loans are available to such societies. The Irish government meets  $\frac{2}{3}$  rds of loan charges on dwellings for this purpose, but  $\frac{1}{3}$  rd only on normal housing. In Italy the central government can build this type of accommodation and sell or let same at minimum economic prices. Rehoused tenants in the Netherlands receive rent subsidies, decreasing by 20% annually, for 5 years, while in the U.K.,

subsidies were payable between 1959 and 1961 to local authorities for such rehousing per dwelling per annum for 60 years. New legislation is to make subsidies payable on all types of approved new local authority housing, the amount dependent upon the individual financial position of the housing authority. In the U.S.A. federal aid re redevelopment or rehabilitation projects is dependent upon approval of relocation plans, under which low-income families have priority to new or existing low-rent public housing constructed under the U.S. Housing Act, 1937, in terms of which development loans and annual subsidies to cover operating deficits are available. Since 1954, the central government has also insured on liberal terms mortgages on new or existing housing in urban renewal areas, and on even easier terms for displaced families.

094. In the eastern European countries the problem is not one of rent level, but of availability of housing for relocation. Rents are assessed according to income and family size and the dwelling itself, and displaced families are entitled to new standard housing authority dwellings.

095. Moving expenses is another problem to many families, and in several countries assistance is given in this respect (Belgium, Czechoslovakia, Rumania, U.S.S.R., U.S.A.) Local authorities also pay relocation grants in the Netherlands and U.K.

096. Resettlement of private, commercial and industrial enterprises required to move from affected areas also offer many economic problems. To reduce the closing down of businesses and the payment of large sums of compensation, great emphasis is placed on finding alternative premises (France, U.K., U.S.A.). Many businesses, however, cannot bear the costs of relocation and either go out of business or resettle in other deteriorating areas, both results considered as undesirable. Relocation grants or eviction indemnities are paid in several countries, but these are usually small, and do not solve the real problem, that of the marginal profitability of these businesses. In France special re-establishment loans are offered.

097. It is customary in some countries to rehouse families on the same site, and this minimises geographical and social disturbance, but this is not always possible, e.g. in areas of high density and overcrowding.

098. It has been found essential to establish a close liaison between the staff of the renewal authority and displaced persons to ensure the



success of a project, and this involves visits to families and businesses, assistance in movement, and visits to the rehousing area.

F. LEGAL POWERS AND LEGISLATION FOR URBAN RENEWAL

099. The implementation of urban renewal at a local level involves the use of a wide variety and range of powers by public renewal authorities.

(I) Legal Powers

100. Conservation and rehabilitation seem to require the use of public powers to the greatest extent. Amongst these are those concerning legal prescription and the enforcement of standards for the prevention of the construction of sub-standard buildings, for the maintenance of the condition of buildings, for the prevention of residential overcrowding, for the control of the use of land and buildings to maintain density limitations and to prevent undesirable uses of land and buildings.

101. The control of new building is generally the responsibility of local government while the control of the use of land and buildings is achieved through planning legislation at city level. This is often easier to achieve in new areas than in old areas.

102. In most countries, the authority for the prescription and enforcement of codes of maintenance is connected with the powers of condemnation of dwellings contained in housing or special slum clearance legislation. In most cases it does not go beyond the powers of requiring the carrying out of repair or maintenance work at a reasonable cost to render an unfit or insanitary dwelling habitable, or permitting the local authority to undertake the work and recover expenses. In the U.S.A., however, local committees commonly adopt special codes of maintenance. Where a dwelling cannot be repaired at reasonable cost, usually local authorities may acquire it by agreement or compulsorily, and either repair or demolish it. In times of housing shortage such powers are reluctantly used, but they are of assistance in clearing deteriorated buildings.

103. Amongst the most important legal aspects of redevelopment are the purposes for which renewal authorities may acquire land, for it is usual to acquire all the land and buildings in a project area. In many countries such acquisition is first attempted by agreement, and in U.S.A.

and Germany most land is thus acquired, but in most countries acquisition involves the use or threat of compulsory acquisition. In most private enterprise economy countries, local authorities under housing, planning or special slum clearance or redevelopment legislation, may compulsorily acquire for clearance and redevelopment obsolescent and deteriorated dwelling areas, and may include land surrounded by a clearance area or adjoining land. In a number of countries this is not limited to residential areas, but also to all uses of land and buildings. In the U.S.A., land so acquired can be leased or sold for re-use, instead of the public authority itself proceeding with the project, and this practice has long been accepted in most European countries. Legislation in a number of countries also provides for improvement to commence before completion of acquisition proceedings.

104. In nearly all countries, compensation is paid on the basis of "market value", having regard to the authorised uses of land or any permission given for development or change of use. In Denmark and Ireland, however, property owners have no right to compensation for structures that have been condemned if the land on which these stand is expropriated. In the U.K. when unfit houses are subject to slum clearance procedure, basic compensation is limited to the value of the land as if it were clear of buildings and available for development in accordance with the provisions of the by-laws, subject to an additional payment of supplementary compensation to certain classes of owner-occupiers.

105. Difficulties arise in determining market value and any portion of it that may be due to the publication of the redevelopment plan, and some projects proceed in stages over a period, with beneficial effects on portions not yet proceeded with.

106. In centrally planned economy countries, land appropriation is generally a simple and relatively inexpensive operation, as the land is already owned by the state. Compensation also is not a great financial difficulty. In the U.S.S.R. compensation is generally limited to the value of the building, unamortised expenditure and a payment for re-establishment, and in Rumania for buildings compensation is paid according to price schedules taking quality and depreciation into account, while land compensation is assessed according to a price-schedule for the whole urban area.



(II) Legislation for General Urban Renewal

107. In the U.S.A., this appears in the National Housing Act, 1949, which offers federal loans and grants to local renewal agencies for acquisition for slum clearance accompanied by comprehensive redevelopment. The follow-up act of 1954 extended federal financial aid to cover rehabilitation and conservation as well.

108. In contrast, in European countries, effective renewal is carried out by legislation for specific purposes, such as housing, slum clearance, planning, road improvements, open spaces, etc. It is felt in some of these countries that urban renewal is a complex into which many elements enter and combination into one piece of legislation would be unwieldy. In the U.K. for example, it has been found that in many cases comprehensive urban renewal is quite secondary to the specific questions such as unfitness of dwellings, new housing development, or road improvement, and that better results are obtained by using limited powers for limited purposes. At the same time, the need for a general urban redevelopment power is widely accepted.

SECTION III - URBAN RENEWAL IN THE U.S.A.

A. GENERAL

109. Any consideration of urban renewal includes the question of the provision of housing and its upkeep and replacement. During the first two centuries of building in the U.S.A. houses were erected without being regarded as a public problem. In the atmosphere of an expanding frontier economy, home-financing facilities available to the individual were meagre as more lucrative investment attracted capital into other fields. Investment in land and rental housing located in commercial and later in industrial centres became highly profitable. Heavy waves of immigration accelerated the growth of the housing need.

110. Throughout the 19th century housing as a problem of urbanisation grew in proportion to the expansion of the urban population. Between 1820 and 1840 the urban population trebled. The growth of slums became an acute problem in cities of the eastern seaboard of the U.S.A., especially in New York City, with the heavy immigration that began with the Irish about the middle of the 19th century. The problem spread westward as successive waves of immigrants colonised in urban areas, taking over housing accommodation that had been abandoned by former residents, that was already deteriorated, and which quickly became slums. Other factors assisting the growth of slums were low wages and poverty, the invasion of business and commerce into residential areas, the haphazard, uncontrolled growth of cities, leniency towards the owners of dilapidated property in the matter of tax assessments, and in the toleration of low standards in the renovation of old dwellings, racial or other restrictions limiting the location or quality of housing available to certain groups, and neglect by municipal government in adopting and enforcing sanitation and safety regulations. With the spread of industrialisation and the corresponding commercial expansion, urban growth brought governmental action to regulate city housing construction in the interests of public health and safety.

111. The Federal Government first became interested in slum clearance and urban renewal in 1892, when 20,000 dollars was voted for an investigation of slum conditions in cities over 200,000 in population. In 1937 an Act was passed containing limited slum clearance provisions and providing



assistance to cities to build low-rent housing for low-income families, but requiring a slum dwelling to be removed for every new one built.

112. In 1949 the Federal Government took action to meet the spread of slums and the dearth of standard housing in urban areas and enacted the Housing Act, 1949. This Act provided federal aid to urban communities for the clearance of blighted areas, which were to be sold at write-down values to private developers agreeable to build middle-income housing or other projects appropriate to those sites.

113. In his statement before the Housing Sub-Committee of the United States House of Representatives' Committee on Banking and Currency, Mr. W.L. Slayton, Commissioner of the Urban Renewal Administration of the Housing and Home Finance Agency said in November, 1963 -

"In effect, by enacting title I, Congress clearly indicated that the clearance and redevelopment of blighted areas was a national objective, that private enterprise could not do it alone, that public power to assemble land was necessary, and that the public costs should be shared by Federal and local governments. In providing for a Federal sharing in the costs, the Congress recognised two hard facts. First, our cities were financially strapped - as they continue to be - by the squeeze between rising municipal expenditures and limited taxable resources. Secondly, and I think equally important, the Congress acknowledged that urban blight was a national problem and that the afflicted cities should not be expected to solve it alone. The human, social and economic costs of slums spread far beyond municipal boundaries."

114. Response to the Act, however, initially proved disappointing, because public housing had grown in disfavour and it was generally assumed that the low-cost housing program, with slum clearance, was being transferred from public to private auspices. Difficulties were experienced with the

early urban renewal projects. According to information obtained in the U.S.A. by the recent Johannesburg delegation led by Cr. J.F. Oberholzer, M.P.C., these included such matters as :-

- (a) insufficient consultation with the public,
- (b) absence of socio-economic surveys and of active steps to relocate displaced persons,
- (c) demolished areas lay vacant,
- (d) reluctance of private developers to participate,
- (e) some projects were beyond the capacity of single consortiums,
- (f) where demolition was staged, adjacent slums acted as a deterrent,
- (g) lack of confidence that adjacent areas would not deteriorate,
- (h) improvement of interim amenities provided in blighted areas was desirable,
- (i) inability to enforce the provisions of metropolitan and regional schemes,
- (j) low densities were permitted in some new housing developments,
- (k) rate of rehousing of sub-economic families was insufficient.

For example, the delegation was informed, a Washington project of 700 acres commenced 12 years ago, envisaged that residents of the affected area would be permitted to return, but displaced families had to find their own alternative accommodation with the result that the poorer element tended to reoccupy slum premises elsewhere. The main complaint was that compensation did not cover property replacement value. Over 400 displaced small traders received compensation for the value of their properties, but not for goodwill, and none have yet returned to the project area, nor have displaced families. Redevelopment in the area catered for other than the lower-income groups. And, in Philadelphia, where the Eastwick urban renewal program comprises 2,300 acres of cleared land, fifteen years after the project was first tackled very little building had taken place. The area is too large for a single developer and the city will be compelled to engage numerous developers and divide the



area into manageable portions. However, a succession of amendments over the years broadened the methods and objectives of the urban renewal program, reflecting both experience with the program and a better understanding of the needs of rapidly changing urban areas. Some of these were aimed at the needs of the middle ring of an urban area, the vast "grey areas" of ageing housing and inadequate urban facilities, and introduced the conservation and rehabilitation concepts as well as allocating a percentage of available funds to other than residential projects. In 1956 relocation payments were authorised, as also advances for the preparation of general neighbourhood renewal plans covering planning areas too large or complex to be executed as single projects. Later grants became available to assist communities to prepare community renewal programs, while the 1961 amendments permitted sales of urban sites at prices appropriate to the construction of housing for moderate income families, public agencies were allowed themselves to rehabilitate a limited number of housing units as demonstrations for the encouragement of project property owners and residents, relocation payments were liberalised, hospitals included, and an increased share (30%) of available funds allotted to non-residential projects. This last mentioned item indicated "a growing awareness of the importance of using renewal to revitalise the economic base and the taxable resources of cities, large and small. It recognised the contribution of urban renewal in creating better job opportunities as well as in improving housing conditions. These two objectives of renewal are interdependent". (1)

115. To date considerable progress in urban renewal has been made, and by July, 1965, the Housing and Home Finance Agency of the Federal Government had dealt with some 1,600 projects in almost 800 different localities. A summary of the components of the gross costs of 584 projects as at 30th June, 1963 is given hereunder :

Land acquisition	64.0%
Planning	1.7%
Project Administration	3.2%
Interest	3.7%
Site Clearance	2.8%
Supporting facilities	9.3%
Site Improvements	10.4%
Other	4.9%
	<u>100.0%</u> (1)

(1) Statement W.L. Slayton to Housing Subcommittee of U.S. House of Representatives' Committee on Banking and Currency.

116. Federal funds spent and reserved in the 15 leading urban renewal cities between 1949 and 1960 were as follows :-

	<u>Spent</u> Millions of Dollars	<u>Reserved</u> Millions of Dollars	<u>Spent per capita</u> in dollars
New York	65.8	94.6	8.3
Chicago	30.8	77.2	8.4
Philadelphia	17.3	87.6	8.6
Washington D.C.	16.1	40.4	20.9
New Haven	13.5	24.1	88.8
Norfolk	11.7	14.4	38.2
Baltimore	9.2	43.0	9.8
St. Louis	8.6	37.0	11.5
Pittsburgh	8.2	24.8	13.6
Boston	8.1	18.3	11.6
Detroit	7.5	22.2	9.5
Minneapolis	7.2	10.2	14.9
San Francisco	6.0	9.1	8.1
Buffalo	5.6	18.9	10.5
Newark	5.4	34.3	13.3 (1)

117. By 1962 this expenditure in the 15 leading cities had grown to :-

	<u>Millions of Dollars</u>
New York	143.3
Chicago	108.0
Philadelphia	79.6
Baltimore	54.6
Washington, D.C.	52.4
Pittsburgh	43.8
Cleveland	40.8
New Haven	38.6
St. Louis	35.4
Newark	34.5
Detroit	34.4
Norfolk	33.9
Cincinnati	29.1
Memphis	23.2
Minneapolis	19.5 (1)

118. Urban renewal is envisaged as a locally planned and executed community wide improvement program, using public and private resources. Through it, a city seeks to re-fashion and rebuild its physical assets along modern lines, so that it can cope more successfully with the many problems of this industrial age - poor housing, traffic congestion, inadequate sites for commercial and industrial growth, decay of down-town areas, and neighbourhood deterioration. Although more than slum-clearance, it may include it, and is intended to be systematic improvement according to a comprehensive community plan, including slum clearance, conservation of neighbourhoods, repair and modernisation of individual buildings and installation of necessary public improvements. To achieve successful urban renewal,

46/.....

(1) Urban Renewal Politics - Slum Clearance Newark - Harold Kaplan



a city should first survey its assets and liabilities and draw up a Community Renewal Program. "A point I wish to emphasise and which was impressed upon us, re urban renewal, is that one should very carefully select the first area for urban renewal treatment, because the success of general urban renewal schemes will depend on the success of the first project." (1) Individual projects will vary according to whether complete clearance and redevelopment are required or whether conservation and rehabilitation measures in some degree will be sufficient. The 1960 Housing Census disclosed that 1 in every 5 homes (i.e. 15.7 million) were either dilapidated or deteriorating at that time, and many of the remainder were not up to standard in various respects.

119. The procedure suggested by the U.S. Housing and Home Finance Agency in urban renewal matters is firstly the formulation of a local program, local in the sense that it must be locally conceived, planned and executed by a Local Public Agency, which must adopt a Workable Program for community improvement, i.e. a framework for individual projects. Application is then made for Federal aid, and this must be via the medium of a resolution adopted by the local authority concerned. Before a project can be approved, there must be a public hearing and the local authority must adopt a plan, ensure that it conforms to the overall locality plan, agree to the proposed plan of relocation of affected population as feasible, and arrange for the local share of funds for the project, the latter usually by a co-operative agreement between the local authority and the local public agency. An initial survey establishes the project and is the basis of the application to the Urban Renewals Administration, whereafter detailed surveys, appraisals, plans and estimates lead to the urban renewal plan, which is then approved and grant and/or loan funds become available for the actual execution of the project. The acquisition of properties, relocation of displaced families etc. then takes place, followed by rehabilitation or demolition by contract usually. When the area is cleared, publicity and advertising precede arrangements for the new development carried out by private enterprise.

47/.....

(1) Report on Johannesburg Municipality Overseas Tour - Cr. J.F. Oberholzer,  
M.P.C.

B. FEDERAL AID

120. Federal assistance is available to help a community carry out its urban renewal program when local resources alone are inadequate. Evidence given during the 1953 review of the Housing Act and urban renewal legislation indicated clearly that very few cities had adequate public or private resources on the scale necessary for an effective program, and since then this need has been repeatedly recognised in urban renewal legislation. To obtain assistance, a community must meet the requirements of local, state and federal laws (building deficiencies, overcrowding etc.).

Federal assistance takes the following forms :-

- (a) Grant for preparation of full-range renewal programs on a community-wide basis, including identification of needs, estimates of financial rehousing and other resources, and programming of projects.
- (b) Loan and grant for planning and execution of projects involving the rebuilding or conservation of blighted and deteriorating urban areas.
- (c) Grant for comprehensive planning in either metropolitan or other urban areas or in smaller communities for which comprehensive planning aids are usually inadequate.
- (d) Grant for demonstrations of urban renewal techniques and for acquisition of land for permanent open-space purposes.
- (e) Special mortgage financing aids for new or rehabilitated housing in redevelopment of project areas.
- (f) Special mortgage financing aids and public housing assistance to provide low-cost private or public housing for displaced families.

121. Because of the increasing needs for commercial and industrial expansion in many cities, 30% of authorised urban renewal funds since 1959 may be used on projects predominantly non-residential both before and after redevelopment. Special exceptions are permitted also for projects involving



colleges, universities and hospitals, and projects in officially designated redevelopment or disaster areas.

122. The difference between the cost to the city of buying, clearing and preparing land for redevelopment, and the proceeds of its sale (termed "write-down") is actually the net cost of making available for redevelopment land which would otherwise remain a slum or blighted area. It arises because the urban renewal plan may call for lower densities, conversion from mixed to residential uses, or a change from a built-up area to a park, school or other public use, and the land values of these uses may be less than cost.

C. FEDERAL AID FOR OPEN-SPACE LAND ACQUISITION

123. By 1960, 70% of the population lived in urban areas, and is expected to be 80% by 1980. Open space is being used at the rate of a million acres per year, and as it diminishes, the need for it increases.

124. Open-space land is undeveloped or predominantly undeveloped land in urban areas having use for park, recreation, conservation, historic or scenic purposes. To be eligible for Federal assistance, land to be acquired must be in an urban or urbanising area, and such assistance (grant) covers only title acquisition costs, excluding administrative and proposed development costs.

125. Any government or public body is eligible for grants, which may not exceed 20% of the cost of the land, provided that grants up to 30% may be made where the public body itself has the responsibility for providing open space land for the entire urban area, or shares this responsibility with other jurisdictions representing a substantial portion of the urban area under an inter-governmental compact or agreement.

126. It is required as a condition that a program of comprehensive planning for the urban area must be in effect, that the open space proposal is important to the execution of such plan, that other public bodies affected have reviewed the proposal, that existing open-space land is being preserved and that purchasing requirements are being fulfilled.

D. ROLE OF LOCAL GOVERNMENT AND PUBLIC OPINION

127. Projects are initiated planned and carried out by a local public agency, and may be a separate urban renewal agency, a local housing authority, or a department of the city government.

128. However, all urban renewal activities in a city are under the effective control of the city council, as the elected representatives of the people. It is the council which approves specific projects and bond issues, enforces local housing codes, authorises applications for federal financial assistance, approves provisions of the Workable Program for Community Improvement, the Community Renewal Program and local budgets for actual operations. In some states citizens have a right to vote on whether urban renewal shall be undertaken and on connected bond issues.

129. Federal law, however, recognises the importance of public hearings in the democratic process, and requires such to be held locally in connection with every project.

E. WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

130. This is the community's own local plan of action for using both public and private resources to the best advantage of the city. It must be designed to bring permanent benefits and should thus include the basic elements necessary to meet certain goals and objectives. It embraces the following :-

- (a) Codes and ordinances
- (b) Comprehensive Community Plan
- (c) Neighbourhood Analyses
- (d) Administrative organisation
- (e) Financing
- (f) Housing for Displaced Families
- (g) Citizen Participation.

131. The Program is submitted to the central government agency for approval and certification so as to qualify for federal assistance and thereafter must be recertified annually, based on a review of progress.



132. It has been generally accepted that renewal is a continuing process involving a multitude of activities such as conserving and redeveloping blighted residential neighbourhoods, rejuvenating downtown commercial areas, creating new industrial and commercial sites, and providing land for new schools, parks, playgrounds and cultural centres.

#### F. FINANCING OF PROJECT

133. Advances may be made by the central government via its Urban Renewal Administration to finance preliminary surveys and plans. When a project has been approved, a loan is obtainable for carrying out the project, and covers land acquisition, relocation of site residents, clearance of buildings to be eliminated, and preparing land for disposal, but not building construction. However, the local agency may undertake a limited amount of rehabilitation of residential structures for demonstration purposes.

134. After land sales are complete, usually a deficit (net project cost) remains, resulting from the excess of the above permissible expenditure above the proceeds of sales. A similar shortfall may occur when an area is destined primarily for rehabilitation as a result of costs re replanning, improved public facilities, advisory assistance to property owners and spot clearance.

135. Two-thirds of the net project cost or three-fourths where the city has less than 50,000 population, or in any city of population 150,000 or under in an officially designated redevelopment area, or in any other city that assumes its own planning and other administrative costs, are met by the central government. The city may meet its share of the net project cost in cash, or through local project improvements or public facilities serving the project site (streets, schools, firestations, sidewalks, sewers, etc.) known as non-cash local grants-in-aid.

#### G. DEVELOPMENT OF PROJECT AREA

136. This is executed by private enterprise, except where the city itself or some other local government agency (school board, park board, etc.) uses part or all of the land for a public purpose, in accordance with governmental policy of enlisting the active aid of private enterprise and the community.

137. After adoption of the plan, this is publicised and proposals invited, land is disposed of under competitive conditions or by negotiation at not less than its fair value for the new uses, as established by the local agency and confirmed by the central one.

#### H. RELOCATION

138. The local public renewal agency is required to offer displaced families decent, safe and sanitary housing, conveniently located and at prices or rents within their means. Such families are eligible too, for moving costs and property loss of up to 200 dollars, and from January, 1964, a relocation adjustment payment of up to 500 dollars.

139. Alternative accommodation may be provided by the city by building low-rent public housing with central government funds, or adopting other rehousing plans, but project funds are not available until rehousing is assured.

140. Displaced businesses may be reimbursed up to 3,000 dollars for both property losses and moving expenses or from October, 1962, up to 25,000 dollars for moving expenses only. From January, 1964, small businesses may receive relocation payments of 1,500 dollars. Low interest re-establishment loans are also available, plus technical assistance and advice from local renewal agencies.

#### I. ACQUISITION OF PROPERTY AND COMPENSATION

141. The acquisition of private property by all governmental levels is possible either by direct purchase or under what is known as the "eminent domain" process. The latter process is the right of government to purchase private property for the public good with due process of law and upon payment of just compensation. Urban redevelopment has been deemed to be a public use.

142. Compensation is based upon fair market value determined by the making of at least two separate independent appraisals by recognised appraisers familiar with local real estate values. In doing so, an appraiser must set value in accordance with practices and precedents established in eminent domain proceedings in State and local courts. Fair market value definitions vary, but is generally considered to be the price a property would fetch if



exposed for sale on the open market, allowing reasonable time to find a knowledgeable purchaser, both parties being willing participants. A dissatisfied owner has access to Court for a determination of fair market value.

J. BENEFITS OF URBAN RENEWAL

143. Many important benefits are gained. People get better housing, and no longer need to live in squalor and filth, but can participate in many of the fruits of an affluent society. Financial gains to local communities arise. New structures in renewal areas usually result in substantial tax revenue increases, while adjacent property values are beneficially influenced and investment in new buildings and rehabilitation of old ones is encouraged. The elimination of slums often results in decreased costs of such services as fire, health, police and welfare in those areas. Areas and cities benefit generally, as obsolete land uses are replaced with more pleasant, efficient, types of development. And the renewal scheme itself generates economic activity in the city.

K. URBAN RENEWAL PROJECTS IN THE U.S.A.

144. Some details of actual projects undertaken in the U.S.A. by way of illustration, together with additional comments furnished by them, are appended :-

(1) Sacramento, California

145. The urban renewal program in Sacramento consisted largely of redevelopment, described as an operation of planning, financing, acquisition, relocation, demolition, site improvement and disposition. The following procedure is advocated.

146. The City Planning Commission with the assistance of the Redevelopment Agency selects one or more project areas within the redevelopment area and prepares a preliminary plan conforming to the Master Plan. Detailed studies then are made, including an analysis of building conditions and other blight factors; cost of acquiring property and other costs; potential re-use of cleared land; site, architectural and engineering plans; standards for redevelopers; relocation plan; financial plan and legal documentation. Thereafter public hearings are held and all necessary approvals obtained.

147. The major portion of planning costs may be advanced by the central government, but when a Loan and Grant contract is completed, these must be repaid, and the Agency must arrange to meet 1/3rd of net projects costs. This may be in cash or non-cash or both - if cash, may be by Tax Allocation Bonds or by General Obligation Bonds of the community. Non-cash grants may be donated land, demolition work, installation or construction of streets, utilities and other site improvements or by provision of public buildings or facilities. The central government makes progress payments, and supplies interim operating funds, usually at interest rates between 3 and 4 1/2%. The Agency may itself borrow operating capital, and rates are usually 1 1/2 to 2 1/2%.

148. The Agency must ensure that land is acquired in a fair, efficient, and equitable manner, and is completed expeditiously. In deciding offer prices two independent appraisal reports are needed and are prepared by local qualified appraisers on contract. Maximum acquisition costs are approved by the Housing and Home Finance Agency, which indicates its view of fair market value, and this information is made available to owners, who, if not satisfied with offered prices, may go to Court for a decision.

149. A relocation section is set up in accordance with Federal and State laws to assist families and others to relocate with the least possible hardship into "decent, safe and sanitary" housing and to offer assistance to business and other concerns. Aid is offered in various ways - relocation payments, referrals to public housing, referrals to private rentals and sales, assistance in obtaining federal loans or rental housing or to businesses in getting loans from the Small Business Administration, or in securing counseling aid from the State Department of Employment. Loans cover the purchase of 1 to 4 family homes over 40 years at below-market interest rates and apply also to non-profit organisations giving priority to displacees. Relocation payments cover moving costs up to 200 dollars and adjustment payments up to 500 dollars in certain circumstances. While businesses and non-profit organisations for loss of property and for moving costs may be paid up to 3,000 dollars or for actual moving expenses up to 25,000 dollars. Small concerns may also receive a displacement payment of 1,500 dollars.



150. Demolition contracts are awarded on a sealed-bid basis, and as it proceeds, physical site improvement, such as the installation of utilities, sewers, storm water drains, streets, can proceed.

151. Thereafter the land is sold to interested developers. Interest is encouraged by advertising and brochures, and consideration of offers includes originality of proposal, quality of design, compatibility with other project construction, economic soundness of proposal, and a major matter - potential overall benefit to the city. Disposal of land may be by sealed-bid, public auction, predetermined price etc. Negotiation is preferred in this city, because of the flexibility it permits.

152. Sacramento's Capital Mall project for commercial use cost approximately 14.5 million dollars (8.4 on land acquisition) of which sales of cleared land may reach 6.5 million dollars leaving net project cost at 8 million dollars. Of this the Federal Government will meet 4.7 million dollars, leaving 3.3 million dollars to be met by the community in cash and non-cash grants. Non-cash grants consist of utility installations and public parking facilities. Tax revenues are estimated to increase 5 to 6 times that of previous revenues.

(ii) San Francisco, California

153. An area of land was acquired in 1965 for the purpose of preservation as open land for recreational and park purposes at a cost of 380,000 dollars, of which an amount of 114,000 dollars was granted by the Federal Government via its Housing and Home Finance Agency. The existing services in the area (about 1 block) were acquired as part of the purchase and will be maintained by property taxpayers, and it is expected that any improvements or restoration will be met by private subscription.

(iii) White Plains, New York

154. The City has proceeded with a "Central" Urban Renewal Project for the redevelopment of 130 acres costing 55 million dollars. Sale of cleared land is expected to bring in 11 million dollars, leaving 44 million dollars to be met by the federal government, the state and the city in the

respective proportions of  $\frac{2}{3}$ rd,  $\frac{1}{6}$ th and  $\frac{1}{6}$ th. Compensation for land was determined by two separate, independent appraisals by real estate experts, subject to central government approval. Existing services are being replaced and the cost will be credited towards the City's share of the total costs. The scheme is predominantly non-residential and real estate taxes are expected to triple and yield about 7 million dollars in additional taxes. Temporary financing will be arranged by government loans at about 4% initially and later the sale of urban renewal notes expected to be at approximately 2%.

155. While land acquisition costs are paid on fair market price in accordance with two independent sworn appraisals the selling price of cleared land is again determined by its appraisal on its new use, and this price is usually lower (termed write-down price). This price is usually less than the cost to a sponsor-developer of himself acquiring and clearing land, who is not further subsidised by the City, and thereby participation by sponsor-developers is encouraged. Certain federal and state aid is available, of course, if low-income housing is developed, but otherwise funds come from private enterprise, except that repayable loans can be obtained from the Federal Housing and Home Finance Agency.



SECTION IV - URBAN RENEWAL IN GREAT BRITAIN

A. GENERAL

156. The population of England and Wales was estimated at about 6 million in 1750. By 1801 it was nearly 9 million, in less than another two generations almost 18 million, and by 1914 over 36 million. This population increase added to the concentration of the population in terms of the demands of the industrial revolution created a sudden and enormous demand for accommodation, and it was required within walking distance of the main centres of employment at low rents. The lack of appreciation of the inadequacy of the standards that became accepted during this period resulted in the accommodation available to labourers and factory hands being little more than the bare essentials of shelter, mostly terrace-type two storey buildings in which overcrowding became rife. Eventually the relationship between public health and such living conditions was realised and an indifferent public was persuaded of the need to reform.

157. The first housing reform efforts started in the countryside, but in the cities this was slower. It was during the second half of the 19th Century that housing legislation reached the statute book, and the basis of housing law was laid down on principles that remained effective in 1956. In 1851 the Labouring Classes Lodging Houses Act and the Common Lodging Houses Act gave power to local authorities to build lodging houses, apparently intended as suitable accommodation for the labouring classes, and to inspect and regulate common lodging houses respectively. The Artisans and Labourers Dwellings Act of 1868 gave local authorities power to demolish or improve insanitary dwellings, the appearance of slum clearance legislation. It was not until 1879, however, that local authorities were empowered to build houses with state loans to replace those closed or demolished and to charge a rate (local property tax up to 2d in £1) toward the cost. The Artisans and Labourers Dwellings Improvement Act in 1875 and its amendment act 4 years later provided for the improvement and clearance of large areas.

158. These acts were permissive only, and were held to be complicated and expensive to operate (compensation for acquired property) and little was achieved. A later act in 1890, the Housing of the Working Classes Act, was designed to ease some of these difficulties and to encourage action by local authorities. Nevertheless, private enterprise was still regarded as the main source of supply of houses of all kinds, and local authorities built only about 5% of all dwellings up to World War I. By then, however, a great improvement had taken place in the condition of towns. Wages were better, standards were rising, and public health legislation had probably had more influence than the housing acts themselves.

159. Along with this control of town growth developed the humanitarian aspect, commencing with a few idealistic industrialists. By the end of the 18th Century, Robert Owen attempted some kind of planned community at New Lanark, then between 1853 and 1876, Titus Salt built a new mill and community buildings for his labourers. Others followed and in 1898 Ebenezer Howard published a book setting out the theory of the garden city, which eventuated in 1903 in the Letchworth Garden city. No other new town appeared for about 20 years, but low density development of the same type began to appear, as transport services improved, towns expanded, and the need for planned control led to the first Housing and Town Planning Act in 1909. The Small Dwellings Acquisition Act of 1899 and the growth of the building society movement assisted the individual with limited capital to acquire a house on mortgage.

160. World War I restricted housing progress, and legislation fixing rents and protecting tenants against eviction appeared. Post war housing shortages compelled the retention of this legislation, and with private enterprise unable to provide economic housing other than at higher rents, a government subsidy was made available for the first time to induce local authorities to provide low-rent housing. Some form of housing subsidy has been available ever since.

161. The Housing and Town Planning Act, 1919, made local authorities responsible for housing needs in their own areas, and offered a subsidy equal



to the loss on approved housing schemes after the local authority had exhausted the proceeds of a 1d rate. This most generous ever subsidy was effective and provided 176,000 houses of good standard. But rising costs, and the fact that the form of subsidy did not encourage economy, together with the financial slump, led to its repeal. The 1923 and 1924 acts provided subsidy in an altered form, with state aid limited to a fixed sum, and some assistance in block grant form went to small houses built by private enterprise. As a result, the provision of housing increased, some 239,000 houses being built in the year ending 31st March, 1928, of which, 104,100 were subsidised local authority houses, and 74,600 subsidised private enterprise houses. Subsidies were only removed for general purpose housing in 1933, when costs fell, but house production fell from 1928, and did not again reach 100,000 until 1938.

162. During World War I it was estimated that 796,246 houses were needed in England and Wales, and 115,565 in Scotland to replace slums. The Housing Act, 1930, provided a new kind of subsidy, specially designed to encourage local authorities to clear slums, to rehouse slum dwellers and particularly large families from unfit houses which were demolished and to rebuild congested areas, and comprised a fixed rate per person rehoused, with special additional financial help for agricultural workers and for rehousing in flats or expensive sites. Economic conditions led to a slow start, but by 1933 local authorities were requested to prepare a 5 year program, which resulted in a plan of 280,000 insanitary houses to be cleared and 300,000 to be built in replacement. By 1938 it had grown to 464,000 dwellings, and steady progress was made up until World War II.

163. The Overcrowding Act of 1935 set a standard in this respect and provided a subsidy for dwellings to abate such overcrowding. The average for working class households for the whole country was 3.8%, but in some areas the percentage was 20% and over. In 1938 the two remaining subsidies were brought into line, the slum clearance subsidy being reduced and the overcrowding one increased. Between 1933 and 1939 some 254,266 houses were built by local authorities for slum clearance, and 19,855 for overcrowding abatement. Private enterprise produced well over 200,000 houses a year, and

altogether between 1918 and 1939, 4 million new houses were built, of which 1½ million were built by local authorities for letting and about 2½ million by private enterprise, mainly for sale to owner-occupiers. Low-rental accommodation, however, was still insufficient.

164. Some of the new housing estates were regarded as unsatisfactory in that the community aspect had been neglected. Unplanned development continued to accentuate problems. But some isolated examples of self-supporting communities had been developed - Welwyn in 1921, Speke in Liverpool and Wythenshawe at Manchester. The great cities continued to grow, and improved transportation enabled more people to seek better living conditions on the periphery.

165. On the outbreak of World War II a rent control and tenure security measure was enacted in 1939, covering all dwellings other than the most expensive. Building virtually ceased and billeting was relied on for bombed-out people. In 1945 the popular demand was for housing for homes lost during the war and for those who had never had the opportunity of setting up homes. Of about 11 million houses in England and Wales, some 3 million had been damaged and about 250,000 were uninhabitable. As new households were put at 550,000, the shortage fell between  $\frac{3}{4}$  and 1 million dwellings, without having regard to higher standards.

166. Apart from temporary measures, which produced some 125,000 emergency bungalows, the assistance of local authorities was needed, and the Housing (Financial and Miscellaneous Provisions) Act, 1946, provided subsidies of a fixed amount per dwelling, of which one-quarter had to be contributed by the rates, as well as any loss eventuating on a scheme. In 1956 subsidies for general housing were discontinued. Between 1945 and 1952 the state regulated housing output, whereafter licensing restrictions were gradually relaxed and the proportion of private enterprise to local authority houses rose until in 1956 the former had a greater number under construction. Owner-occupation of small houses was assisted by a joint guarantee scheme between state, local authority and building society for 95% loans, and total advance limits were brought into line with post-war prices.



167. The national census in 1951 revealed a total of 13,311,900 separate dwellings in Great Britain, occupied by 14,481,500 private households, a shortfall of 1,169,000 separate dwellings, but overcrowding had noticeably decreased. By 1954, over 1.9 million new dwellings had been built, and it was felt that slum clearance could be resumed. Accordingly a Housing and Rents Act was passed to encourage the replacement and improvement of old houses, and modified procedure re slum clearance. The resultant survey by local authorities of unfit houses in 1955 gave 847,112 houses as slums of which it was thought 375,484 could be dealt with in a 5 year period. The act provided for the acquisition or temporary repair of slum and obsolete property for deferred demolition. Rent increases were allowed on proved repair expenditure.

168. Under British housing law, a landlord is responsible for ensuring that any dwelling let is fit for habitation. If subsequently declared otherwise and incapable of being made fit, compensation is payable only for the value of the site, if acquired compulsorily for redevelopment, plus an allowance for repairs executed recently and an allowance under the Slum Clearance (Compensation) Act, 1956, for certain classes of owner-occupiers or business occupiers. A local authority is responsible for rehousing tenants displaced by such action and a state subsidy is available towards the cost of new dwellings for rehousing purposes. State aid is also available for carrying out essential repairs to houses that can neither be made entirely fit at reasonable cost, nor be closed immediately because of lack of rehousing accommodation.

169. The Housing Act, 1949, provided grants to landlords, owner-occupiers, local authorities and housing associations for the improvement of houses to modern standards, or for the conversion of large houses into two or more dwellings. Although made progressively more attractive, little use was made of them until the mid-1950s. After 1930 local authorities were permitted to pool the subsidies received under different acts and to use them to fix rents in accordance with individual tenant financial needs. After 1945, full employment, children's allowances and other forms of welfare assistance greatly improved the rent-paying capacity of many tenants, but post-war costs and high interest rates resulted in rents a good deal higher

than pre-war ones. Local authorities were therefore encouraged to rationalise rents to narrow the gap between prewar and postwar rents and many introduced differential rent schemes, based on income, number of children, etc.

170. Three reports together set up the principles accepted for a post-war national planning policy. The Royal Commission on the Geographical Distribution of the Industrial Population (Barlow) in 1940 recommended that decentralisation or dispersal of industries and population from congested areas should be carried out into garden cities/suburbs, satellite towns, trading estates and by further development of existing small towns. The Uthwatt committee dealt with compensation and betterment and the Scott committee land utilisation in rural areas. In 1944 the Town and Country Planning Act gave special assistance for the reconstruction of war-damaged areas, and the 1947 Town and Country Planning Act covered the acquisition of development rights of all land on behalf of the community, made development subject to permission by the local planning authority, and required development plans for the whole country.

171. The New Towns Act 1946 was concerned with the recommended new self-contained communities, and under which development corporations could be appointed and land designated for New Towns with finance from public funds. By 1956 development was under way in 15 new towns. At the end of 1955, nearly 31,000 dwellings had been completed but surplus population needing housing was still impressive, especially in the big cities (London 400,000, Birmingham 200,000 etc.). Some of the smaller places could assist in this respect and the Town Development Act, 1952 provided for agreements between exporting and importing local authorities whereby the financially stronger exporting authority could provide financial and technical assistance in respect of housing for tenants nominated by them. The state could provide grants towards major expenditure on water and sewerage services, and county councils could assist. In 1955 the amount of grants was clarified, while the retention of higher rates of subsidy for rehousing overflow population from congested areas and from unfit houses emphasised the importance attached to decentralisation as a part of housing policy.



172. By 1957 the effects of the national economic conditions were being reflected in a reduction in the annual rate of house building, and as the payment of subsidies was largely limited to dwellings built for the replacement of slums, local authorities were confining their activities increasingly to this aspect of housing. During this year also a new Rent act was passed, introducing decontrol of houses in the higher value categories and allowing gradual rent increases for all controlled houses with limits related to rateable values and tenancy conditions.

B. THE RENEWAL OF TOWN CENTRES.

173. A bulletin on the renewal of town centres was issued by the U.K. Ministry of Housing and Local Government in 1962, of which extracts are quoted hereunder, as it was felt that in town centres the problems of renewal are found in their most intensive form. "The town centre is important because it is the social hub of the town, the centre of local business and civic life, the entertainment and shopping centre". Not only individual buildings but the whole pattern of the town centre may prove inadequate. Traffic congestion is an obvious threat. Outer areas have outstripped the town centre in proportional growth.

174. "Renewal should be an expression of local pride and initiative. It should spring from the determination of local people and the local authority to improve their town. But in carrying it out special skills and advice will be needed - not least those of the private developer. Above all, public support must be enlisted. In short, the best results will be achieved by co-operation between local government and private enterprise, with the support of local public opinion."

175. The first step is to make a careful and objective appraisal, and clarify the objectives aimed at. Careful planning is essential and a framework for renewal. "It is essential that the local authority should retain the initiative in planning and guiding the town's redevelopment and not let it pass by default to individual developers, who, however competent their proposals, cannot perform the local authority's functions or absolve them of responsibility for the result."

176. "Where a local authority initiates redevelopment proposals they should from the outset aim at a result which is sound in financial as well as physical planning terms. The financial aspects should be appraised at a very early stage in the planning process one of the objects being to open up opportunities for profitable redevelopment. It is seldom possible to arrive at a firm and detailed financial assessment in the first instance and the finances of the schemes should be kept under review as the planning work proceeds and various elements become capable of more precise appraisal. The plan should recognise the hard facts about financial losses involved in the destruction of existing buildings; the possible thinning out of existing intensive development where this is called for and the provision of new roads, car parking facilities and open spaces; and should seek to create the maximum values in the redevelopment area consistent with good planning to offset some of these losses."

177. The normal agency for the carrying out of commercial redevelopment is private enterprise, and the interests of displaced traders must be respected.

C. URBAN RENEWAL PROJECTS IN GREAT BRITAIN.

178. An indication is given hereunder of some of the projects undertaken in recent years :-

(i) Nottingham

179. Nottingham is actively engaged with redevelopment plans. One of these relates to traffic and is designed to protect the central area by two deflecting rings - an inner ring road and an inner motorway - involving 34 miles of high capacity primary routes of which 11 miles will be new and 23 miles radically improved existing roads. The whole project is expected to take nearly 40 years, will cater for 3 times the present traffic volume and will cost £68 million, of which £51 will be national expenditure. The scheme is to run concurrently with some major urban redevelopment schemes, of which the principal ones are "Broad Marsh" and "Victoria Station".

180. The "Broad Marsh" scheme will cover 25 acres, of which the first stage may cost nearly £8 million, cover 13 acres, and be a joint venture between the local authority and "Town and City Properties". It is intended to link this development by means of a pedestrian area to the "Victoria



Station" project of some 17 acres to be developed later at a cost of £15 million and sponsored entirely by private developers. A new civic centre is also envisaged.

(ii) Liverpool

181. Liverpool has a £200 million plan over 20 years to put a new face on the city. This local authority's share will be £66 million, of which £25 million is likely to be spent over the next five years. The £10 million "Lime Street Station" project by private developers has been started and 3 other major schemes are being planned. The overall aim is to ensure that the city centre will be the main commercial, shopping and entertainment centre of Merseyside.

182. The cost of acquisition of land for this scheme will be met either by private developers or by the local authority. If the former, the procedure followed will be that the private developers will acquire land not already owned by the local authority to whom the freehold interest will be transferred. The land will be leased to the private developer for 99 years, with periodic reviews of land rental, commencing when development is substantially complete. Construction costs will be financed by the developer. If financed by the local authority 60 year loans will be used, rates meeting capital charges, offset by rents receivable. It is hoped to apply the first method to commercial redevelopment and the second to civic development. The local authority may qualify for land acquisition grants for redevelopment in areas of extensive war damage of 50% of annual losses, but no other state grants are available except that for major road improvements at 75% of approved expenditure (Class I roads) including land acquired.

SECTION V - THE POSITION IN SOUTH AFRICA

A. PUBLIC HOUSING DEVELOPMENT

183. Urban renewal is closely associated with the rehousing of urban populations and with the poorer sections of the community. In South Africa the conception that the housing of the lesser privileged classes of the community should rest mainly upon local authorities was first embodied in legislation in the Housing Act, 1920. This act provided for the borrowing of funds from the Provincial Administration, from such other source as the Administrator might approve, or from Housing Loan Funds provided by Parliament and administered by the Provincial Administrations for the purpose of either constructing dwellings or lending money for that purpose. Such funds were restricted to economic housing, for at that time the accent was on economic housing, and it was considered that thereby existing dwellings would become available for poorer people, and that subsidies were harmful influences on the individual, and were, in reality, subsidies to employers. No provision, therefore, existed for subsidies to local authorities for sub-economic housing, but there was already a general assumption that local authorities were responsible, partly at least, for housing the poorer inhabitants of their areas.

184. The need for subsidised housing for the poorer classes, arising from poverty and in many cases, low incomes, and the fact that losses on schemes for this group had to be borne by local authorities from rate income, led to the introduction in 1930 of a further scheme under which funds were made available at sub-economic interest rates for the erection and letting, but not the sale, of houses. Preference was to be given to families evicted from slums, and this scheme became applicable to Bantu also in 1934. The interest rate, originally fixed at 3%, was gradually reduced to  $\frac{3}{4}\%$  by 1936. It was provided that local authorities should bear a loss equal to that borne by the state in lending funds at  $\frac{3}{4}\%$ , such loss to be regarded as equivalent to  $2\frac{1}{2}\%$  on funds lent. As further encouragement, and because the state had over the years accepted the need for large-scale subsidisation, the compulsory loss to be borne by local authorities was reduced to  $1\frac{1}{4}\%$ . Many local authorities



found that their losses exceeded this statutory maximum, but considerable progress was being made in sub-economic housing.

185. In 1944 a Housing Amendment Act was passed, under which the formula for the sharing of losses on subsidised national housing for all races was amended. Funds were made available to local authorities at  $3\frac{1}{4}\%$  over 40 years, with the state reserving the right to change the rate, and local authorities could let but not sell houses constructed, and charge to such schemes interest, redemption, rates, repairs, maintenance and all local authority services, not exceeding  $10\%$  in total of the capital cost of the scheme. Should the basic  $3\frac{1}{4}\%$  interest rate be changed, this figure would be correspondingly adjusted. Losses on these schemes were shared in the following manner :-

- (a) if the total rents were  $5\%$  or less of the capital cost, state  $\frac{3}{4}$  and local authority  $\frac{1}{4}$ ,
- (b) if the total rents exceeded  $5\%$  but did not exceed  $6\%$  state  $5/7$  and local authority  $2/7$ ,
- (c) if the total rents exceeded  $6\%$ , state  $2/3$  and local authority  $\frac{1}{3}$ .

Should a profit on a scheme eventuate, this accrued  $2/3$  to the state and  $\frac{1}{3}$  to the local authority.

186. Housing progress was slow, however, and in 1945 the Housing (Emergency Powers) Act was passed, intended to speed up the housing program. This covered the proclamation of regulations dealing with a wide variety of matters, including the maximum profit of builders on national housing schemes, the training of building artisans of different races, the control of buildings materials and equipment, the expropriation of land, and the compulsory letting of vacant houses. Subsequent legislation reintroduced the availability of funds for sub-economic housing at  $\frac{3}{4}\%$ , on the stipulation that state losses were to be restricted to the difference between  $\frac{3}{4}\%$  and ruling economic interest levels. Local authorities were permitted to fix rentals at such levels as would ensure that such schemes were economic to them.

187. The 1944 amending act also made provision for the introduction of differential rents, and in 1945, it was decided that where differential

rents were not applied, national housing schemes were to be limited to tenants with incomes not exceeding R50 per month. Maximum loan and income limitations and rental differentials have been amended from time to time, the most recent, with effect from 1st August, 1966, setting income limits for ~~4%~~ sub-economic schemes at R100 per month for Whites and R60 per month for Coloureds, Chinese and Indians. With effect from the same date differing interest rates according to income have been applied to tenants in housing provided from economic funds, as follows :-

<u>Whites</u>		<u>Indians, Coloureds and Chinese per month</u>	<u>Interest Rate for Rent Determination</u>
<u>Families with 2 or less children per month</u>	<u>Families with more than 2 children per month</u>		
over R100 to R130	Over R100 to R130	Over R61 to R95	3%
130 160	130 160	95 130	5%
160 180	160 250	130 180	6½%
180 225	250 300	180 225	8%

183. The effect of these stipulations on the monthly rentals applicable to the tenant income groupings laid down in respect of two blocks of Council-owned flats presently under construction in a major city is appended :-

<u>Block 97 Flats</u>	<u>Approved Rental</u>	<u>Rental based on</u>			
		<u>3%</u>	<u>5%</u>	<u>6<math>\frac{1}{2}</math>%</u>	<u>8%</u>
38 x 1 bedroom flats	R28.30	R25.10	R28.60	R32.00	R34.50
59 x 2 bedroom flats	43.00	37.65	42.90	48.00	51.80
<u>Block 85 Flats</u>					
27 x 1 bedroom flats	33.00	28.80	32.90	36.85	39.90
58 x 2 bedroom flats	49.20	43.20	49.35	55.30	59.85

189. It will be observed that graduated rentals according to income have been introduced within the community group qualifying for economic housing, that in the above schemes the lowest income group, that is the group nearest to eligibility for sub-economic housing, are to be subsidised to the extent of about 12%, while the remaining groups respectively, will meet rentals equal to the economic rental for the scheme, meet such rental plus about 12%, meet such rental plus approximately 22%.

190. During 1951, an act, the Bantu Building Workers Act No. 27 of 1951, was passed "to provide for the training and registration of bantu building workers, for the regulation of their employment and conditions of employment, and for



other incidental matters". This act permitted the use of bantu building workers within bantu areas, and, besides providing employment avenues for bantu on a higher level of skill, training and remuneration, enabled considerable reductions in the cost of accommodation for the bantu community to be achieved.

191. A further act of great impact on bantu housing was passed in the following year, the Bantu Services Levy Act No. 64 of 1952. In terms of this act every employer of labour, including local authorities, within a declared area, was required to pay a modest contribution (maximum 30c per week )

in respect of all adult male bantu employees, into a fund administered by the local authority for the area, with the exception that no contribution was payable in respect of domestic servants or any adult male bantu for whom his employer provided accommodation. From this contribution, a limited portion could be set aside by Ministerial direction in a special fund administered by the Government and intended for the subsidisation of bantu transport services. The Bantu Services Levy Fund itself was inaugurated to assemble funds to be used for the provision of access services to and internal services within bantu areas, such as roads, sanitation, water and electricity, either by way of grant or loan from the fund.

192. These two acts contributed greatly to the substantial reduction made in the backlog of urgently needed bantu accommodation of adequate standards. By making considerable cost reductions possible in this and in other ways, rentals were largely brought within the means of the bantu community as a whole, thereby changing the emphasis in bantu housing from a sub-economic one to one economic to local authorities.

193. Had similar legislative provisions been made applicable to the Coloured and Indian communities, similar progress could, no doubt, have taken place. Unfortunately, this has not occurred, and consequently, not only are those communities at a financial disadvantage when compared with the Bantu community, especially when the substantial bantu beer profits made in some provinces, and their uses, are also taken into account, but housing provision for those communities did not progress commensurately. It is only in the last few years, for example, that large scale housing schemes in Natal, where the Indian community is largely found,

have commenced, and much yet remains to be accomplished.

194. As a consequence of housing and allied legislation over the years, considerable progress in the provision of suitable housing for the middle and lower-class sections of the overall population has been achieved, particularly so in the case of the Bantu, while in Durban, where this problem in relation to the Indian community is largely centred, large Indian housing schemes are currently under way. In Port Elizabeth, large schemes for Coloureds have been under way for several years and steady progress is being made.

195. Housing legislation, however, although, it has had the effect of reducing the conditions that give rise to the need for urban renewal and of retarding the actual growth of blighted areas, by the provision of adequate housing, is not in itself urban renewal legislation designed for the mass clearance and redevelopment of such areas for various uses.

#### B. PUBLIC HEALTH AND SLUM LEGISLATION

196. The public health authority at local level has three main legal instruments at its disposal to demand and preserve satisfactory standards for residential accommodation, viz the Public Health Act, Public Health By-Laws and the Slums Act, the main provisions of which are summarised below.

##### (i) Public Health Act, No. 36 of 1919 (as amended)

197. Each of the former South African colonies had their own health laws but following Union, and in no small part influenced by the influenza epidemic of 1918, a national code was adopted which had the effect of applying uniform standards and procedure throughout the Republic.

198. In terms of Section 10 every local authority is required and empowered to take in respect of its district all lawful, necessary and under its special circumstances reasonably practicable measures, inter alia, to promote and safeguard the public health and to exercise the powers and perform the duties in respect of public health conferred or imposed upon it by the Act or any other law. Section 121 imposes a similar duty for preventing or causing to be prevented or remedied all conditions liable to be injurious or dangerous to health arising from the erection or occupation of unhealthy dwellings, or from over-crowding; Section 122 defines what are nuisances; Section 129 deals with the demolition of unfit dwellings



proved to be a nuisance, and Section 130 prohibits back-to-back dwellings and rooms without through ventilation.

199. Unfortunately the procedure to be followed in securing the abatement of a nuisance and the demolition of a dwelling under the Act is laborious and has been held to constitute a civil proceeding. Therefore, the Public Health Act is seldom employed by local authorities in this connection.

(ii) Public Health Regulations/By-Laws

200. Most local authorities rely upon their own Regulations/By-Laws, including those relating to buildings, framed under the respective Local Government Ordinances promulgated by the Provincial Administration concerned. These legal codes are fully enforceable and lay down criteria for compliance as regards minimum structural standards and the maintenance of repair and appearance of dwellings. Regulations/By-Laws do not as a rule incorporate legislative powers to require the demolition of unsatisfactory dwellings but do in some cases make provision for "closing orders" which in practice are of little effect. There is, however, an absence of uniformity of standards between local authorities other than provincial Standard Regulations/By-Laws which are really merely intended as a guide.

(iii) Slums Act No. 53 of 1934 (as amended)

201. Because the problem of slum elimination had become serious and urgent and due to the limitations of the then existing legislation in this matter the Slums Act was introduced in 1934 "to make better provision for the elimination of slums". The Act is only applicable to local authorities by proclamation and although it has been applied to many local authorities there must be a large number of peri-urban area authorities to which it does not have application.

202. The Slums Act includes the following provisions -

- (a) definition of what constitutes a slum;
- (b) report by the medical officer of health to the local authority that in his opinion a nuisance in terms of the Act exists. In this context he must, in coming to an opinion that a nuisance

exists, be guided by whether any condition exists which (i) does not conform with the requirements of the Second Schedule (adequate living space, segregation of the sexes, latrine accommodation and accommodation for the preparation and cooking of foods); (ii) is injurious or dangerous to health or liable to favour the spread of any infectious disease; (iii) is unsafe; or (iv) does not have a proper, sufficient and wholesome water supply reasonably accessible.

- (c) The transmission by the local authority to the Slum Clearance Court of the medical officer of health's report.
- (d) The constitution and powers of the Slum Clearance Court.
- (e) An order by the Slum Clearance Court directing the owner of premises to remove the nuisance, or, if it is satisfied that any dwelling comprised in a slum is so dilapidated, or so defectively constructed, or so situated that repairs or alterations are not likely to remove the nuisance, direct him to demolish the dwelling.
- (f) Authority to the local authority to carry out the terms of the order should the owner fail to do so.
- (g) The Slum Clearance Court may treat premises within the boundaries of an area as a single set of premises.
- (h) The local authority may acquire or expropriate any land comprised in a slum or any land which adjoins or is near to a slum.
- (i) The local authority may make regulations in regard to, inter alia, the prevention of overcrowding or the use of premises which are unhealthy, insanitary, unfit for human habitation or likely to be injurious to the health of the persons occupying them; the control, inspection and licensing of premises in defined zones; the fixing of the number of occupiers, separation of the sexes, the conduct, cleanliness, cleansing, drainage, lighting and ventilation of such premises; and the provision of yard space, air space, floor space, food storage, water supply, washing accommodation and latrines.



203. The Slums Amendment Act, No. 55 of 1963, contains the following additional provisions :-

- (a) The powers of a local authority may be vested in the Secretary for Housing if he considers that it is not performing effectively the duties imposed by the principal Act, in which event the Regional Director, State Health Services assumes the role of medical officer of health.
- (b) The National Housing Commission, notwithstanding anything contained in the Housing Act, No. 4 of 1966, or any other law may acquire any land comprised in a slum, and any land which adjoins or is near to a slum.

(iv) Directives from Department of Community Development

204. In a circular letter dated 25th July, 1963, local authorities were informed, by the Acting Secretary for Housing, of the main provisions of the Slums Amendment Act, 1963, including the following :-

"(e)(i) that if the Minister of Housing has any doubt as to whether a local authority is performing effectively the duties imposed upon it by the Principal Act as regards the prevention or the remedying of nuisances in the area under its control, he may by notice in the Gazette, authorise the Secretary for Housing to exercise all the functions and to perform all the duties imposed on a local authority by the Principal Act".

205. The Secretary for Community Development in a circular minute 17/1/2 dated 29th March, 1965, copy of which is attached as Annexure I, addressed all local authorities (and all offices in the Department of Community Development and Chairmen of Slum Clearance Courts) on the insufficiency of co-ordination between the said authorities. It was advised inter alia that :-

- (a) If a medical officer of health should launch a vigorous campaign against nuisances under the Slums Act, he should make certain that the local authority moves into position to receive inhabitants,

who will be rendered homeless, in housing schemes to be carried out for them should they not be in a position to fend for themselves.

- (b) The Department of Community Development with its two funds was also carrying out large schemes which included provision for the lower income categories, and the medical officer of health could therefore also look to that Department to take into its schemes some of those to be rendered homeless on account of action under the Act.
- (c) The Slum Clearance Court must unavoidably be guided by the Department of Community Development and the local authority as to possible dates when inhabitants could be taken up in housing to be provided as aforesaid.
- (d) Slum clearance should not be looked upon as urban renewal as the legislation is virtually a Health Act.
- (e) With co-operation and liaison on the lines indicated, the Slums Act, which had for the greater part from its inception been almost a dead letter, would be instrumental in positive community development.

(v) Slum Clearance

206. The modest achievement in actual slum clearance hitherto effected under the Slums Act No. 53 of 1934 is illustrated by the experience, for example, of the City of Durban. It must be acknowledged, however, that this experience is not common to all centres, as in some, such as Port Elizabeth, difficulties have arisen rather from those associated with alternative accommodation than with the application of the Slums Act. The Slums Act was employed by the Durban City Council for effecting slum clearance prior to, and during the early stage of World War II but, due to a request by the State to suspend its operation owing to the perennial accommodation shortage which persisted in the post-war years no slum clearance per se was undertaken. When the ban was lifted, inter alia, staff limitations precluded a resumption of Slums Act proceedings. The Council had, however, in 1939 adopted Regulations in terms of Section 32 of the Act, with a view to maintaining basic sanitation and conserving the state of a large number of dwellings situated within 12 defined Zones in the City.



207. As a result of the promulgation of the Slums Amendment Act, No. 53/1963, Slum Clearance Courts were established to take over the role of slum declarations from the local authority which was then required to receive reports of nuisances from the Medical Officer of Health and refer the same to the Secretary of the Court. Arising from the terms of the amending Act the City Council on 7th April, 1964, considered the implications and resolved that the City Medical Officer of Health should proceed in terms of Section 1(2) of the principal Act whenever he was of opinion that a nuisance existed.

208. Since the Department resumed slum clearance until the end of October, 1966, the number of premises that has received consideration under the Slums Act totalled 225, of which 28 were not proceeded with due to factors which included (a) lack of suitable alternative accommodation, (b) pending major reconstruction, (c) acquisition by the City Council for road development purposes, (d) the owner having applied for permission to demolish in terms of the Housing Act, and (e) the City Medical Officer of Health deciding that proceedings were not warranted at that stage. These premises were brought to attention by the health inspectorate in the course of routine inspections, by reports received from the Department of Community Development in its administration of the Rent Board and the Slum Clearance Court, or by complaints from other sources. Of the 197 cases proceeded with, 28 properties were demolished prior to consideration by the Slum Clearance Court, and 64 cases are awaiting consideration by the Court.

209. Of 111 premises considered by the Court, slum declarations were made in respect of 95 and the balance have been adjourned temporarily. Five appeals have been lodged by owners with the Minister of Housing against the Court's decision, of which one was ruled out of order, the Minister declined to uphold three, and one case is awaiting ministerial decision.

210. Arising from the actual Declarations (95), 23 properties have been demolished and ten rescissions granted.

211. As an indication of the re-housing problems to be faced in any major scheme of urban renewal the experience gained in slum clearance so far is not without interest. Of the 95 properties formally dealt with by the Slum Clearance Court in terms of the Slums Act, although eleven premises were actually vacant at the time, the racial occupation distribution was 22 European premises, 12 Coloured premises, 60 Indian and 1 Bantu. The actual occupation particulars of the occupied premises at time of Declaration and in respect of which alternative accommodation was necessary were as follows :

<u>Racial Group</u>	<u>Families Units</u>	<u>Adults Over 10 years</u>	<u>Children Under 10 years</u>
European	23	65	28
Coloured	38	143	55
Indian	145	532	275
Bantu	21	51	12
Total	<u>227</u>	<u>791</u>	<u>370</u>

212. In every case forming the subject of a declaration the Court has granted a period of six months in which its order has to be complied with, thereby affording an opportunity for the re-housing of tenants and the carrying out of demolition. In certain cases the time limit set by the Court has expired, or owners have required tenants to vacate by an earlier date. In such circumstances discretion is exercised by the City Medical Officer of Health and, depending upon the merits of the case, extensions of time in which to comply or occupy have been granted without exception. Six such instances have arisen so far due to problems arising in the following categories :-

- (a) indeterminate ownership;
- (b) repairs in hand;
- (c) rebuilding plans implications (2);
- (d) occupants awaiting alternative accommodation (4).

(vi) Public Health Nuisances

213. Section 1(2) of the Slums Act, 1934, lays down criteria for the guidance of a medical officer of health in arriving at an opinion as to



what constitutes a nuisance. These standards range from the absence of certain basic amenities and the defective structural condition of premises to matters of a non-structural character such as overcrowding and the non-segregation of the sexes. It must be emphasized that a City Health Department encounters, as a matter of routine, a very large number of premises which are deficient in one or more respects and deals with these problems under the various Public Health By-laws, Regulations framed under the Public Health Act, the Building By-laws and other codes, and although these instruments do not include every aspect dealt with under the Slums Act nevertheless in actual practice they are adequate to ensure the correction of many unsatisfactory conditions.

214. In coming to an opinion whether or not to proceed under the Slums Act a City Medical Officer of Health must take into account a number of factors, viz. :-

- (a) that there will be difficulties to be faced with regard to the re-housing of occupiers, in accordance with the housing position in a particular City at a particular time, as, for example, in Durban at present, particularly in the case of Coloureds and in respect of all races of persons falling into the lower sub-economic class;
- (b) that there are a certain number, (usually substantial) of premises that would fall within the ambit of the Act, as for example, at present in Durban, in the absence of precise information, an estimated 4,000 at least; and
- (c) that the qualified personnel available to carry out the technical aspects entailed in the survey of every potential slum as a prerequisite to Slums Act proceedings are limited.

215. In such circumstances it is usually the current policy of a City Health Department to proceed exclusively with individual premises which have reached an advanced stage of disrepair and dilapidation and which may also be grossly deficient as regards basic sanitary amenities, but to disregard for the present any accommodation which firstly could reasonably

be put into a state of repair and secondly are sub-standard only in respect of non-structural consideration.

216. It is therefore a case of having to decide upon the worst cases being processed for slum clearance, taking the aforesaid factors into account, and endeavouring to secure improvement of the remainder by other means. Accordingly, in Durban no case has been submitted to the Slum Clearance Court merely on the grounds of an absence of amenities, overcrowding, non-segregation of the sexes, absence of a convenient water supply and the like, and it is likely that this approach is adopted by many local authorities.

(vii) Difficulties in Applying the Slums Act

217. With the experience gained since the resuscitation of slum clearance in 1964, a number of difficulties can be cited which have retarded its implementation and hindered the undertaking of a more vigorous campaign under the Slums Act. These include the following :-

(a) The extent of field and administrative activity entailed in

(i) carrying out the meticulous procedure and the scheduling of defects, deficiencies, and unsatisfactory conditions for presentation to a Medical Officer of Health, the Public Health Committee of a City Council and the Slum Clearance Court,

(ii) correspondence, interviews and records, and

(iii) appearances in Court,

has exceeded the capacity of the health inspectorate staff it has been possible and permissible to recruit and allocate to this activity.

(b) There has been an insufficiency of rehousing accommodation available and although municipal departments responsible for the allocation of accommodation in Municipal schemes have assisted whenever possible, and a high degree of priority has been afforded to applicants who are slum occupants, no specific allocation is available as a prerequisite to slum clearance. More recently, the Department of Community Development has indicated that it wishes to increase its allocation of accommodation in Municipal developments and up to 100% in certain schemes.



Accordingly, it is now necessary to direct applicants for rehousing to that Department. To date, no slum rehousing per se has been undertaken by the State.

- (c) Certain racial groups have in some instances not been well catered for, such as, for example, in Durban, the Coloured group until recently, but in this case, certain rehousing accommodation should be available shortly.
- (d) The biggest problem so far encountered is what to do with the sub-economic, and more particularly the lower sub-economic, categories of the European, Coloured and Indian racial groups. These include large numbers of indigents, widows with children whose sole source of income lies in maintenance grants, pensioners, unemployed, disabled persons and other indigents or social misfits. No means have so far been provided for the rehousing of the lower sub-economic slum dwellers in transit camps, work colonies or other accommodation either by the State or the local authority. In fact there is some doubt as to which public authority is responsible for the provision of lower sub-economic housing.
  - (i) In terms of the provisions of the Slums Act it is the duty of a local authority to ensure that slum conditions do not exist and to take steps to eliminate them and in general to provide suitable housing for the inhabitants of its area. In the event of it failing to do so the Department of Community Development is entitled to exercise the powers of a local authority itself. (See Housing Code, Chapter VI at P.16).
  - (ii) Under the Housing Act the State may construct housing schemes within the area of any local authority and transfer the scheme thereto.
  - (iii) The local authority is compelled in terms of Section 45(1) of the Housing Act to provide services such as water, rubbish removal and sewerage which are required in connection with any scheme which the National Housing Commission constructs.

- (iv) The Housing Act confers on the State the powers to fulfil the function of providing housing to all sections of the Country's population. The Act empowers the Department of Community Development to undertake housing itself and to assist persons by making available to them loans direct or in conjunction with building societies. The Act further provides for the provision of funds to local authorities to enable them to provide housing and also to grant loans to utility companies, other bodies and persons.
- (v) The Housing Code (Chapter XI C at P.62) has this to say regarding the housing of persons in the very lowest income groups :-
- "1. There are certain single persons and families who, on account of their exceptionally low incomes, cannot afford even the rental of the cheapest conventional type of dwelling in a sub-economic ( $\frac{3}{4}$  per cent rate of interest) housing scheme.
  2. It is however, possible to make provision for the housing of such persons on land of an ordinary economic or sub-economic housing scheme by the construction of a scheme consisting of a group of linked rooms with separate or communal latrines.
  3. The scheme may in fact be regarded as a rehabilitation housing institution for the domicile of people until their financial position has improved to such an extent that they can be included in an ordinary housing scheme and local authorities should also make a contribution towards easing the rent obligations of the occupants by regarding such a scheme as a welfare project and to do everything possible to limit the cost of the dwellings and the laying on of the services to an absolute minimum.
  4. Savings on costs of administration may possible be effected by regarding a project of this nature as an institution rather than as a group of separate dwellings in respect of



which separate charges are levied. Furthermore, certain expenditure on such a scheme may possibly be considered a charitable service and be financed from a welfare services vote of the local authority. It is further also necessary that a local authority should provide services to the occupants at a special low rate or free of charge".

Until such time as adequate accommodation is made available for "disqualified" persons any attempt to stimulate slum clearance, redevelopment or urban renewal will be thwarted, and what is suspected is that slum dwellers in this category are merely transferring their domicile to other slum-type dwellings,

- (e) No means at present exist whereby socio-economic surveys of dwellers in "blighted" areas can be undertaken and although some surveys required for specific purposes by particular local authorities have been made in the past, a special arrangement would have to be concluded if a similar service is to be reintroduced in future. The State Department of Social Welfare and its sister departments in respect of Non-Europeans are unable to perform a task of this magnitude, and it is understood that no staff is available to undertake on-site investigations into financial circumstances of individuals. The local authority, likewise, is similarly unequipped. The result is that health inspectors are endeavouring in the course of their other responsibilities to make cursory examinations of the position without any particular training or guidance in the subject.
- (f) No machinery is therefore available to carry out the full range of investigation and assistance necessary for the rehabilitation of slum dwellers. It should be appreciated that those who dwell in slums, in a majority of cases, do so from force of circumstances and there is usually a tendency to develop a slum outlook. Three main types are encountered, viz. :-
- (i) those who with a little assistance will be able adequately to rehabilitate themselves and afford suitable alternative accommodation;

- (ii) those who will require to be rehabilitated by education, a much greater degree of aid involving possibly financial assistance, and/or help in securing employment; and
- (iii) those who even with encouragement and subsidisation will not emerge from the slum mentality morass and will require reaccommodation in a work colony, treatment for alcoholism or mental deficiencies, institutional training, or reaccommodation only in lower sub-economic housing.

Apart from a question of rent collection, the services of properly trained social workers are a sine qua non to deal with the specialised aspects of financial investigations, poverty, rehabilitation and social problems of a like nature because, in the case of slum dwellers, it is essential to rebuild individuals' circumstances and outlook as well as using bricks and mortar for rehousing development.

The present slum clearance program is therefore unlikely to be an effective measure, otherwise than in connection with a limited number of individual premises throughout a city.

(viii) Urban Renewal in Relation to Public Health

218. The Slums Act may be regarded as a satisfactory instrument for achieving a measure of conservation or renewal of individual dwelling units or sets of premises in specific areas which are limited in size, but it is necessary to remove many of the aforesaid difficulties before any significant progress is possible. It must, however, be recognised that discretion lies with a medical officer of health as the officer appointed by law to initiate proceedings, and with a Slum Clearance Court which has the authority inter alia to require owners to undertake major repairs or eliminate non-structural deficiencies.

219. Thus, the outcome could be the reverse of what was the ultimate intention, individual property conservation and renewal rather than area replanning and redevelopment. And even if the local authority proceeded under its powers of Slums Act expropriation the Minister would have first



to be satisfied on a number of scores, the most important of which would be the existence of a very high percentage of grossly defective premises in any given area and the prior availability of adequate and suitable alternative housing accommodation for all races and categories of occupants involved.

220. Urban renewal in its wider concept is a problem of another order. Whilst any scheme of redevelopment or replanning would receive support if the area concerned constituted a material measure of low-standard housing, nevertheless the implementation and execution of large-scale programs of this nature cannot be regarded as promotive health projects or justified on purely public health grounds.

221. Apart from an inevitable proportion of slum dwellings in a given area there will obviously be many premises which are non-residential in character thus the objectives of urban renewal will be far wider in implication. It is necessary to emphasize that the demand for urban renewal could better be justified on many considerations other than public health, as the following examples illustrate :-

- (a) changes in character of neighbouring areas thereby emphasizing aesthetic eyesores;
- (b) outdated road network which impedes the free flow of local and through traffic thus creating congestion;
- (c) the need for open spaces and public amenities;
- (d) Group areas zoning;
- (e) laggardly redevelopment or unsatisfactory piecemeal replanning by private enterprise;
- (f) the desire to shift a residential district closer to employment centres or to remove a juxtaposition to industrial areas;
- (g) Group area or other considerations demanding or suggesting the need for regional replanning of urban boundary districts which are contiguous to areas under the jurisdiction of neighbouring urban or rural authorities which have been or are likely to be affected by local development schemes;
- (h) the lack of modern concepts of town planning giving rise to an urge to redesign certain areas although, structurally, all

premises therein are not necessarily sub-standard from a public health viewpoint.

C. COMMUNITY DEVELOPMENT LEGISLATION

222. Legislation of greater relevance to urban renewal was enacted in 1955, when the Group Areas Development Act (No. 69/1955), subsequently amended by the Community Development Act (No. 44/1965) and designed to "provide for the control of the disposal, and for the acquisition of immovable property in group areas and other areas defined under the Group Areas Act, 1950, and for the promotion of community development of such areas, and for the said purposes to establish a board and to define its functions, and to provide for matters incidental thereto", made its appearance. In terms of section 13 of this act, the board established under the act could delegate any of its powers under the act to any local authority, statutory body or other body corporate by agreement, in respect of an area, whether or not within its jurisdiction area, excepting, by an amendment in 1959, the power to expropriate mineral rights. Authority to local authorities to borrow funds, with board approval, for the exercise of delegated powers, is conveyed by the same section.

223. The implementation of this legislation throughout the country involves a vast practical problem still in the throes of effective solution, and, as yet, its application leaves many areas virtually untouched. In order to make progress and to effect any reduction in the remaining task awaiting fulfilment, a vast stock of new standard housing is required for the various groups making up the population. In Durban, for example, great endeavour is still required, especially in respect of the Indian community, largely resident in this part of the country, and, as far as wage levels and employment are concerned, at a disadvantage, as a community, by comparison with other racial groups. This has resulted in the clearly visible level of poverty of this group, and this can be alleviated with any permanency, only by the creation of employment opportunities, so that in turn reasonable accommodation becomes financially attainable along with its physical provision. Little is achieved if areas are cleared for future occupation



by a particular race group without the provision of alternative housing for the displaced persons of another group, and employment where this is interrupted or unemployment obtains. In the meantime, until the general well-being of the Indian community, and indeed of other similar under-privileged racial groups or sections thereof, is improved, it is evident that there is an immediate need for housing subsidisation, and this, in many cases, will continue after the provision of standard housing.

224. While community development legislation may be regarded as a combination of slum clearance with urban renewal and town planning requirements in group areas, which, amongst other beneficial effects, will also act as a stimulant to a city's and the Country's economic base, and have a favourable effect on local rate income and employment opportunities, it does not cover the entire possible urban renewal field, and should not be pursued without regard to the needs of balanced and harmonised City and State economic development, allowing all interests, industrial, commercial, residential, etc., to fuse in the effective creation of living and working conditions adequate for all sections of the community, and permitting the attainment not only of a finer city in which to live, but fuller and happier individual lives. This has been attained in some overseas countries, notably the "New Towns" of Great Britain referred to earlier in this memorandum, and is being attempted locally, in the case of the Indian community in the Durban area for example, by the creation of entire new towns, such as Chatsworth and Phoenix/Mt. Edgecombe, complete with all requirements, planned in accordance with modern standards, and providing areas for commercial and industrial development by private enterprise. These latter activities are a vital necessity, if these towns are to prosper and internal employment possibilities are to be created. The application of the benefits of border industries to these areas would be an important stimulus in this respect.

225. "The creation of employment opportunities - surely one of the most important social necessities of this age - is the aim of all communities, the concern of all Governments, the great guarantor of

peaceful progress. Development in a stable economy will keep pace with the annual accretion to the labour market, and will be so phased and arranged that all areas will benefit alike. Too often has haphazard development led to undue social and industrial concentrations in a few main zones. The consequences of this are frequently depopulation of rural districts and unemployment in once thriving areas which have been left behind by the march of technological progress. In the areas of heaviest concentration an intolerable and unsupportable burden has been thrown on housing and services and a solid barrier created to sound economic progress." (1)

226. "If maximum employment is an objective, the siting of industries in or near areas of unemployment, unless factors of overriding economic relevance clearly make this impossible of fulfilment, is a development justifying the closest scrutiny and encouragement". (1)

227. This balanced development is regarded as vital, not only to the interests of the local town/area community, but also to the economic future both of individual cities and the entire Country. "The problems of continued and stable development in the established economy are largely those of maintaining a balance between the various elements which are necessary to growth" (1) To lose sight of this important aspect of resettlement and community development would not only not further those interests, but possibly might actually encourage a retrogressive trend in the affairs of the particular section of the community.

228. Although the Department of Community Development has perhaps been concerned only with the implementation of group areas legislation, the local authority has been compelled, willy nilly, to take a wider view of resettlement problems, in both local and national interests. Accordingly, attempts to co-ordinate state and local interests in the allocation of new standard housing should not only cater for community development interests, but also allocate a sufficient share of such housing to allow the local authority to concentrate on the rehousing of persons

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- (1) Selecting Investment Priorities for the Growing Enterprise - Paper delivered by Dr. G. Rissik at the 14th C.I.C.S. World Management Congress in Rotterdam on 21st September, 1966.



affected by its program of capital works, e.g. freeways, by the clearing of land for industrial development (creation of employment), by the alleviation of slum conditions within existing housing schemes, and by the transfer of tenants from sub-economic housing where their incomes cease to comply with the sub-economic income limits laid down.

229. Since 1963 the central government has pressed local authorities to accept delegated powers under the act, and indicated then that there was no intention of imposing financial burdens on local authorities, and that loan funds could be made available to finance the acquisition of affected properties or development work in group areas, at current interest rates. Local authorities have not, however, as a body responded to any marked degree. Although, local authorities concede that urban renewal and group areas development schemes might in some cases be complementary in purpose, this would in many cases not be so, and schemes involving the rehousing of sections of the population into better standard housing are likely to result in losses to local authorities, in the absence of financial aid. The accommodation thus acquired in the affected areas, too, is also usually unsuitable for other purposes, while property acquired entails a loss of rate income while unsold, whether held by the board or the local authority.

230. Thus, while some local authorities have indicated that they are prepared to co-operate with the state in the acceptance of delegated powers under this act, they are prepared to do so only on the basis of not being involved in financial losses.

231. The Community Development Board, however, has in the meantime itself proceeded with the acquisition and control of immovable property, including that in areas ripe for urban renewal in collaboration with local authorities, such as Fordsburg in Johannesburg, District 6 in Cape Town and South End in Port Elizabeth. It is also freezing development in such areas adjacent to those it proposes to acquire, thereby preventing further

unsuitable development in surrounding areas. The board continue to assure local authorities that it wishes to work in close collaboration with them. It appears that in the case of Fordsburg, the board intends to offer the ultimately consolidated area to the local authority at cost.

232. Should rehousing on this basis prove feasible without substantial losses to local authorities, urban renewal may well be expedited. The state is unlikely to be able to avoid losses arising from urban renewal while those falling to local authorities will need to be kept within reasonable limits, or be subsidised to greater extent than is possible under any present legislation. It is noteworthy that participation by private enterprise is apparently not envisaged, in direct contrast to urban renewal schemes in other parts of the world, where this is regarded as of prime importance.

233. Further legislation of relevance, comprises a consolidating measure, the Community Development Act (No. 3/1966), and in the Transvaal, a recent Town Planning Ordinance which provides for the first time for the imposition of a betterment tax on properties where user rights are extended. The latter legislation may provide limited funds for local authorities in that province for urban renewal purposes.

234. Urban renewal legislation in South Africa, however, apart from the limited provisions described above, is conspicuous by its absence. This no doubt has been recognised and has led to the welcome recent government announcement of the appointment of a committee of investigation into the physical deterioration of urban residential areas.

#### D. LEGISLATION RE ACQUISITION OF LAND, ETC. BY LOCAL AUTHORITIES.

235. Existing legislation under which local authorities are empowered to acquire land includes the following :-

##### (i) The Housing Act

236. In terms of Section 62 of the Housing Act (No. 4 of 1966), any local authority, with Ministerial approval, may purchase or in any other manner acquire immovable property for housing purposes, by means



of funds obtained under the Act, while, in terms of Section 66, any land needed for the construction of dwellings or housing schemes, again with Ministerial approval, may be purchased, expropriated or otherwise acquired, provided that where expropriation is resorted to, Ministerial approval is dependant upon the inability of the local authority to purchase the land on reasonable terms and other suitable land is unavailable.

237. These provisions are confined to land for housing purposes, a restriction which, in many instances of urban renewal activities where redevelopment of other kinds is intended, may make these powers inoperative, while, where applicable, progress would be dependant upon the availability of housing funds.

(ii) The Slums Act

238. Section 17 of the Slums Act (No. 53 of 1934) permits a local authority to acquire by agreement or expropriation, with the Minister's approval, any land comprised in a slum, together with land adjoining or near, and may borrow money under the Housing Act for this purpose.

239. These provisions would appear to be suitable in some instances of urban renewal proceedings, provided that transaction costs can be met by the local authority.

(iii) The Natives (Urban Areas) Consolidation Act

240. In terms of Section 16(1)(a) of the Natives (Urban Areas) Consolidation Act (No. 25 of 1945), a local authority may, for location, village or hostel purposes, and subject to the approval of the Minister after reference by him to the Administrator, acquire land within or without the urban area. In the absence of agreement with the owner, expropriation may be resorted to, subject to the payment of compensation decided in terms of the Expropriation Act. Should a portion of farm land outside the urban area be required, the local authority is obliged to expropriate a reasonable portion of the farm in the circumstances of the case.

(iv) The Expropriation Act

241. This Act (No. 55 of 1965) provides for the expropriation of land and other property for public purposes and sets out the manner in which compensation is to be determined. In terms of Section 15 an Administrator may confer on a local authority any powers he has in terms of the Act in relation to land. In the exercise of such powers by a local authority, the provisions of the Act apply.

(v) Town Planning Ordinances

242. These, no doubt, vary over the four provinces, but as an indication of applicable legislation, the relevant provisions of the Natal legislation, the Town Planning Ordinance (No. 27 of 1949) are set out in the following paragraph.

243. In terms of Section 57, a local authority may, with the prior approval of the Administrator, purchase land required for town planning schemes by agreement, and where such agreement is unobtainable, by expropriation, after it has been declared a designated area by the Administrator (Sections 47 ter and 47 duodec). These provisions, however, not only entail the financing of the transaction by the local authority, but are extremely cumbersome in operation. It would appear that, in order to overcome the present difficulties and the lack of available capital funds, an amendment to the Ordinance is required, under which the Administrator will be empowered to designate an area where a new plan for the area has been approved in terms of the Ordinance, and the area has been declared a slum in terms of the Slums Act, and authorise the local authority to acquire land, by expropriation if necessary, in the designated area, either on its own behalf or on behalf of a development company formed to develop the area under the control of the local authority and in terms of a constitution approved by the Administrator.

(vi) Local Government Ordinances

244. Provision for the acquisition and disposal of land/immovable property by local authorities in the four provinces appears in the respective local government ordinances viz.,

Cape - Municipal Ordinance, No. 19 of 1951

Natal - Local Government Ordinance, No. 21 of 1942

O.F.S. - Local Government Ordinance, No. 8 of 1962

Transvaal - Local Government Ordinance, No. 17 of 1939.

245. In terms of Sections 128, 178 and 79 respectively, of the Cape, Natal and Transvaal Ordinances, a local authority may acquire, with the Administrator's consent, land/immovable property within or without the municipality. In the O.F.S. the ordinance (Section 75) permits the acquisition of immovable property with the Administrator's consent, such consent being unnecessary where the purchase price does not exceed the municipal valuation, and the Administrator may require and be guided by a meeting of rateable property owners, who may by majority vote reject or approve of the acquisition.

246. Expropriation of land is provided for, in the Cape (Section 129) for all municipal purposes and outside the municipality for certain purposes such as sewerage etc., with the Administrator's consent, compensation to be decided by agreement or arbitration; in Natal (Section 139) for the public benefit, within or without the borough, with the prior approval of the Administrator, compensation



to be decided by agreement or arbitration; and in the O.F.S. (Section 76) within the municipality with the Administrator's consent, who may require the majority decision of a ratepayers' meeting.

247. Local authorities are empowered in all provinces to alienate immovable property, in terms of Sections 145, 171, 77 and 79 of the Cape, Natal, O.F.S., and Transvaal Ordinances respectively, the consent of the Administrator being required, who, in the O.F.S., may require the views of a ratepayers' meeting.

248. Apart from the common power of making regulations to control nuisances etc., the Natal Ordinance (Section 166) enables the Council to serve notice upon the owner/occupier of any dilapidated and unsightly building to restore it to a fit, proper and sightly condition or to demolish it. In the O.F.S. a similar provision exists (Section 122) whereby a Council may cause a building to be removed or demolished whenever such is considered to be unsightly or its removal/demolition is necessary in the public interest. Under Section 75 of the Transvaal Ordinance, too, a Council may apply to the Magistrate's Court for a closing order and a cleansing and disinfecting order or subsequently a demolition order, for premises certified by the Medical Officer of Health as a result of defective or unsuitable construction or arrangement, bad condition, want of light, air or ventilation, or other reason, to be unfit for human habitation or to constitute a danger to the health of the inhabitants of any neighbouring premises.

249. In the Transvaal, the Municipalities Powers of Expropriation Ordinance (No. 64 of 1903) also empowers local authorities to acquire for municipal purposes any lands within or without the limits of the municipality by purchase or expropriation. When compensation cannot be decided by agreement, this is determined by arbitration.

SECTION VI - URBAN RENEWAL AND POVERTY

250. Poverty may be defined as an insufficiency of the material necessities of life, but this is not an exact definition because the necessities of one society may be luxuries in another, and completely unknown in a third. The idea of insufficiency is likewise difficult to fix with precision. Some writers distinguish between poverty as the normal condition of the poorest stratum of a population, and indigence or misery as the economic helplessness of people who have no regular source of income.

251. Three types of poverty may be distinguished. Firstly, collective poverty - the more or less permanent insufficiency of the material means of life for an entire population, because of limited economic resources, such as occurs in India. Secondly, cyclical poverty, the widespread but temporary deprivation which occurs because of a failure of crops in an agricultural economy or a breakdown in trade in a commercial one, or overproduction in an industrial one. Whereas in past eras this entailed periodic famines, nowadays it is evidenced by mass unemployment. And thirdly, individual poverty, a condition of want resulting from individual misfortune or incapacity. This state often applies to widows and orphans, the victims of accident and failure, the residents of idle villages and the workers of bankrupt enterprises, criminals and outcasts, the lame, halt and blind, the mentally abnormal and deficient, drunks and drug addicts, and the sick and aged. Although it has become customary in industrially advanced countries to provide varying degrees of relief for each of these classes of misfortune, these are often insufficient to support a normal style of life. There is another type of poverty, which might be termed ideal poverty, where such a state or at least a condition of frugality is maintained as an end in itself, as in certain religious doctrines.

252. Poverty was common in earlier times, and occurs in modern times, frequently in underdeveloped regions and following wars. It is bounded by starvation as one extreme, and at the other, may be merely an inability



to achieve the average level of living of a particular society at a particular time. Since the level of living is not uniform and is increasing irregularly in different countries, at any given time differences in the level between countries will obtain, so that, for example, an unemployed worker in the U.S.A. may be better placed than a fully employed Chinese.

253. The important aspect of poverty is that its penalties are always severe, and the poor by comparison are always found to have more illness, shorter lives, more physical and mental defects, more frequent personal crises, less education, less opportunity for advancement, less security and less leisure.

254. Economic progress, however, over the past few centuries has tended to mitigate poverty everywhere by abolishing famine and raising the minimum level of living. The consumption of most useful commodities has increased greatly per capita in the last century. In industrialised countries, attention has changed from food sufficiency to universal motorcar and refrigerator ownership, while in less advanced regions, productivity increases have ensured ample food stocks. However, one of the first results of a secure food supply is a large increase in population, and consequently, there is sometimes a decline in living standards during times of increasing social wealth. Although the starvation which was normal throughout past history, was by the second half of the 20th century comparatively rare, it was estimated that a half of the human race still subsisted mainly on coarse grains, and that about seven-tenths did not have a nutritionally adequate diet.

255. Collective poverty may occur either as a result of a scarcity of resources or by the maldistribution of resources. The first condition depends upon the level of technical development and the density of population, and the level of poverty at a particular time accords with the interaction of these two factors. A primitive economic system may be able to provide a fairly high level of living if the population density is low and there is abundant arable land and other natural resources. With a moderately advanced technology, differences of population density become critical, as in India, where steady industrial and agricultural advances have been more than offset

by population increases. In advanced economies, the relationship between population density and level of living disappears, because the availability of land no longer sets the limits for total production. But even in the most prosperous countries there are parts which do not share in the general prosperity. The available evidence indicates that economic progress is normally accompanied by equalisation of income, so that the most unequal distributions are found in the poorest countries and the least unequal in the richest countries regardless of their differing social and fiscal arrangements. Because of the close and probably inherent relationship between economic progress and equalisation of income, the remedy for collective poverty is always essentially that some way must be found of raising the total income of the poverty-stricken group, i.e. per capita consumption of goods and services must be increased. This in turn can only be accomplished by an increase of output per man hour worked, since in the long run a population cannot consume more than it produces. The consequences of collective poverty are illustrated by life expectancy statistics - these for birth around 1950 were over 65 for the most prosperous group of countries (e.g. U.S.A., New Zealand); between 50 and 60 for countries of intermediate prosperity (e.g. France, Austria); between 40 and 50 for moderately poor countries (e.g. Greece, Japan); and was estimated to be about 30 for India and China.

256. Generally, before the industrial era, cyclical economic crises were accompanied by high prices arising from food scarcities and causing widespread misery. Since the industrial revolution, generally the typical crisis has been caused by over-production and accompanied by low prices, and is characterised in economically advanced countries by mass unemployment. The business cycle in the modern sense developed gradually in the 19th century and while the severity of successive crises varied, their coverage widened consistently as national economies became more interdependent. There was also an irregular tendency for crises to last longer and longer - the great depression from about 1930 lasted almost a decade. The resultant unemployment and accompanying public relief decreased gradually, but it was not until after the outbreak of World War II that the surplus manpower was absorbed. The



remedies applied to cyclical crises are of two kinds. Firstly the state may intervene to interrupt the deflationary spiral of falling prices and increasing unemployment before it acquires momentum, through the control of production or the manipulation of market mechanisms. And secondly, the victims of unemployment may be protected by governmental subsidies in cash or kind or by employment on public works. Usually some combination of these methods is adopted, and it is not yet certain whether or not these devices have effectively terminated the business cycle. Local unemployment problems, of course, continue to arise in parts of the world, and their alleviation by some form of relief has become standard practice. This however, cannot prevent other kinds of family hardship, such as loss of savings, or the experience of insecurity.

257. Individual poverty, as indicated earlier, is the inability or failure of a family to obtain the income needed to maintain the minimum customary level of living at a given time and place. There is correlation in some degree between individual and collective or cyclical poverty. In a poor country or in a bad year, the risks of indigence for marginal wage earners will be greater than in prosperous countries and good years. Nevertheless, individual poverty occurs whenever regular earnings are interrupted so that food, clothing, housing and fuel can no longer be purchased, or when the earnings of a handicapped or underprivileged worker are so low in proportion to his obligations that he cannot sustain himself without outside-aid. In earlier times, conscience was salved by blaming the undeserving poor for their own plight, and later their division into groups responsible for their own misfortunes and innocent victims was attempted. Subsequently the attempt to find a single cause of poverty had to be abandoned. Among low-paid factory workers, illness or temporary unemployment were likely to bring great hardship for large families, while similar events threatened only moderate hardship for small families and single wage earners. The death of the principal wage earner usually meant the impoverishment of the family with small children, and poverty was also related to the varying number of dependents and the varying earning power of a worker during his lifetime. Investigations have revealed that the career pattern of an industrial worker is characterised by two periods of sufficiency above the poverty line, in

youth and in middle age when he enjoys full earnings but has no dependent children, and three periods of poverty, as a dependant child, as an overburdened young father and as a dependant old man. This pattern is probably largely applicable in every social stratum, but cannot be exactly determined. In the case of families living at a level below their previous minimum, available cash tends to be used for the purchase of food, and there is a continuous depletion of savings, family capital and credit.

258. The care of paupers in the pre-industrial era was a local responsibility reluctantly discharged. Less extreme cases were generally dealt with by private action and some part of aid to the poor was traditionally dispensed by the church. With large scale urbanisation however, of the industrial era, local responsibility collapsed, and was replaced eventually by welfare measures in every industrialised country designed to provide minimum subsistence to the victims of each category of poverty, in such forms as unemployment insurance, pensions for the aged, aid to widows and dependent children and special provisions for the blind and the handicapped.

259. A very recently approved modern example of this type of assistance is a controversial scheme by which the U.S. Government will pay a subsidy to poor families so that they can live in decent housing. Tenants will have to pay 25% of their income as rent and the balance between their contribution and the economic rent will be met by the Government. Payments will be made to sponsor-owners of housing projects - which are strictly limited to one of three schemes; a non-profit organisation, a co-operative or a limited dividend corporation where return on capital is limited by law to not more than 6%. Only families whose income is low enough to make them eligible for public housing may participate. "Pittsburgh (U.S.A.) has a public housing scheme on one of the areas that was cleared under the urban renewal programme. .... They seem to spare no expense to provide their citizens of the lower income group with decent housing. The rentals are dependant on the income of the occupant - between \$35 and \$99 per month". (1)

260. While individual poverty may be said to be on the way out in prosperous countries, many residual problems remain. Pension and welfare

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(1) Report on Johannesburg Municipality Overseas Tour - Cr. J.F. Oberholzer, M.P.C.



payments tend to be meagre when first established and become more so with time as changes in the price level occur, while the prevailing prejudice that public welfare benefits should be kept at a low level means that though starvation is avoided, misery remains.

261. Modern theorists, however, are investigating a new line of attack on poverty. Psychologists and social scientists believe that the poor are afflicted by a cluster of psychological deficiencies, known as the "poverty syndrome".

262. As already indicated poverty is relative and what is classified in one country as poverty conditions may be regarded in a different light in another. But poor people everywhere seem to suffer from the same psychological deficiencies which tend to perpetuate their poverty. When compared with what are regarded as middle-class psychologically normal people, the poor appear distinctly abnormal. For example, they are unable to handle abstract symbolic logic, are unable to delay gratification, are unable to perceive the larger social system and their place in it, are fatalistically convinced that they have no control over their own destiny and they have virtually no orientation to the future. Repairing these psychologically "stunted" mentalities, thereby equipping such persons for a normal place in society, is being attempted by techniques of psychiatry, psychology and the social sciences. "The Pittsburgh (U.S.A.) authority feels it must stagger public houses in areas that are already built up..... It is argued that if an individual in the low income group occupies a public house in a better class area there is bound to be a rub-off, - a psychological impact, resulting perhaps because of their new environment, in trying to improve their own social position". (1)

263. This approach can have a considerable impact in community development projects and urban renewal schemes, by attempting to show the poor how to help themselves, how short-term sacrifices can lead to the achievement of long-term goals. Success in these spheres has already been attained in some overseas projects.

264. The close association of poverty and slum areas with the blighted areas urban renewal is intended to obliterate is noteworthy. It is said that -

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(1) Report on Johannesburg Municipality Overseas Tour - Cr. J.F. Oberholzer, M.P.C.

"Physical decay has eaten deeply into the urban community.

Unchecked obsolescence stretches its withering fingers over the environment and brings degeneration to the city. Irresponsible civic management invites it, and negligent urban housekeeping permits it to spread. It menaces health, it breeds crime and delinquency, and it brings traffic death and injury. It undermines civic pride, it threatens municipal bankruptcy, and it gnaws at the human mind and nerves.

Blight casts its sinister shadow across the face of the city. It decays the core of the business and industrial districts, and it disintegrates the outskirts. It is not confined to the slums, but it is there most apparent". (1)

265. This reference to the American scene is, no doubt, applicable in part at least to the local one, and it rightly points out the presence of these physical and social conditions predominantly in slum areas, occupied usually by the lesser privileged sections of the community. And it is apparent that these conditions occur most notably in large areas of the big cities, and that it is in these areas that the "poverty syndrome" is most prevalent.

266. "We can, perhaps, accept without proof the generalisation that the smaller the slum or redevelopment area, the more that area and its people are woven into the fabric of the town's life, and the less difficult are the sociological problems involved. In a huge city, it is a fairly common observation that the dwellers in a slum area are almost a separate race of people, with different values, aspirations and ways of living." (2)

267. Major progress in housing and rehousing has been made in many of our cities, but much remains to be done. Faced with a continuing insufficiency of standard housing, shack accommodation is common and existing housing is being subjected to overcrowding and decay, accompanied by the unchecked growth in some areas of slum and blight conditions. The determination of housing requirements arising from urban renewal measures applied to blighted areas calls for detailed social surveys in advance and these are at the same

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(1) The Urban Pattern-Gallion and Eisner

(2) New Towns for Old - W. Burns.



time a study of poverty conditions in such areas. While such surveys remain to be carried out in particular areas, reliable information of this kind cannot be submitted.

SECTION VII - SUMMARY OF SECTIONS I TO VI

SECTION 1 - INTRODUCTION

268. The appointment of a Government Commission of Enquiry into the physical deterioration of urban areas provides an opportunity, firstly, to survey this long-standing problem and the remedial action taken in older countries, and, secondly, to endeavour to assess the extent of the problem in South Africa and to suggest practical lines of approach to its reduction and elimination, having regard to the history of the problem, the lessons learned, and the remedies applied, elsewhere.

269. The physical deterioration of urban areas, or urban renewal, as it is commonly known, covers the conservation, rehabilitation and redevelopment of deteriorated, depressed or blighted areas of cities and towns, and includes the removal and rehousing of the inhabitants of such areas into adequate accommodation, the clearance of the affected area by the acquisition and demolition and/or restoration of existing structures, the complete re-planning and re-development of the demolished area, together with the social rehabilitation of the less privileged sections of the community.

SECTION II - URBAN RENEWAL IN VARIOUS COUNTRIES. MAINLY IN EUROPE

A. GENERAL

270. The Housing Committee of the United Nations Economic Commission for Europe in 1959 arranged for an enquiry into and national reports by 9 countries on the clearance of dwellings unfit for human habitation and on urban redevelopment schemes, whereafter the first inter-governmental symposium on urban renewal was held in 1961. Taking into account information from various countries and published sources, a report was issued, dealing mainly with those countries, and public aspects of large scale renewal at Governmental level.

271. Wide differences of approach to urban renewal exist between countries with centrally planned and private enterprise economies - in the former being part of a national program carried out by public authorities, and in the latter, a combination of the efforts of various public and private bodies usually under special legislation.

B. THE SCOPE AND NATURE OF URBAN RENEWAL.

272. Urban renewal is an old phenomenon, but the process from World War II had been arrested, due to acute housing shortages plus large-scale rural-urban migration, until recent years, when improved quantitative housing



accommodation allowed systematic clearance of inadequate areas to commence. Technical and socio-economic developments have brought a new approach of increased importance.

(i) From Slum Clearance to Urban Renewal

273. An increased awareness of the many factors that can lead to the need to renew areas, and their inter-relationship with other urban problems dictates consideration in a wider context than slum clearance or individual projects.

274. The need for renewal may arise from obsolescence of the whole or part of an urban area that no longer provides opportunity for sound economic activity or satisfactory living conditions, or because of physical deterioration due to the age or obsolescence of buildings and amenities, or to poor construction or maintenance, inadequate or unenforced standards, economic or social circumstances. In advanced countries, obsolescence mainly arises from a change in demand due to technical, economic or social development, such as a rising standard of living, the changing labour structure, automation in industry, improvements in building technique and transport systems. Urban growth makes central areas inadequate, which then encroach upon originally residential areas, causing in turn functional obsolescence in these areas. Renewal must recognise the changing function of an area.

(ii) A New Concept of Urban Renewal

275. Urban renewal has come to be viewed in a broad social and economic context, and as a continual process, comprising the combined measures of conservation, rehabilitation and redevelopment, undertaken simultaneously as appropriate, and in co-ordination with other public works etc., developments. Conservation is applied to areas of sound quality suited to their function and to areas of great historical, cultural or architectural value, while rehabilitation is undertaken where some loss of the original function is felt, or conforming buildings are partially deteriorated, both measures being applied by administrative measures. Redevelopment comprises the clearance and re-use of areas wholly obsolescent or seriously deteriorated.

276. Eastern Europe regards renewal as a planned modernisation of the entire urban organism as a whole, while, in western Europe renewal is usually conceived as a separate process, slum clearance often being dealt with separately.

While the relative importance and roles of conservation and redevelopment are generally agreed upon, some views hold rehabilitation to be a hindrance to the real requirement, redevelopment. But the extent of redevelopment needs in some cases may confine possible immediate improvement to temporary measures.

(iii) The Magnitude and Variety of Requirements

277. Renewal problems vary in nature and magnitude between countries, regionally within countries, and between cities within regions. There are historic cities and core areas mainly of old buildings and layout, deficient in all respects, but whose retention is desirable. There are "modern" cities of the 19th Century, developed under low standards, with large sub-standard areas. In eastern and southern Europe the qualitative shortcomings of former times need to be made good, as well as areas of "mushroom" development, and war-time "temporary" buildings.

(iv) Implementation Of Urban Renewal

278. This complex task consists basically on the determination of requirements, the drawing up of the program, and its execution, and involves the appraisal of urban areas, physical planning, and questions of organisation, financing and legislation. In eastern Europe, public authorities are wholly responsible, in western countries where most land is privately owned, only partly so.

C. PLANNING FRAMEWORK AND POLICY ISSUES

(i) At a Project Level

279. At this level conservation and rehabilitation involve only the removal of individual structures, the maintenance and modernisation of buildings and the correction of unsatisfactory conditions, whereas redevelopment includes city-planning and organisational, financial and legal problems.

280. Comprehensive redevelopment covers an entire urban area, of numerous landowners, requiring complete re-layout etc. This approach is important in eastern Europe because of social aims, and is basically similar to the neighbourhood-unit one evolved in the U.S.A. and U.K. In the U.K. redevelopment of existing urban areas where the neighbourhood structure and community spirit is strong, with as little alteration as possible, has been tried on this basis, which some countries urge-by the creation of sub-centres, ("towns within towns") - for the largest agglomerations.



281. Land values influence redevelopment and new land use density of building is decided on technical, economic and social considerations.

(ii) At a City Level

282. The general city plan, covering land use, density etc., is a major tool for guiding the continual process of change in urban areas, and should be constantly reviewed. New development must conform to this plan. Peripheral expansion should also be considered, as reduced density in redeveloped areas may cause "overspill" in peripheral areas, or peripheral expansion may stimulate redevelopment in older areas.

283. Many external influences can lead to the need for rehabilitation within an area, and this and conservation should be conducted within the framework of the city plan, which co-ordinates all works programs. In some countries legislation requires the making of city plans, upon which central government assistance is sometimes conditional.

(iii) At a Regional and National Level

284. Many urban renewal problems can be tackled satisfactorily only on a basis wider than the city plan, e.g., overspill from redevelopment areas, new land use and traffic facilities within a redevelopment area, conservation in the rural-urban fringe. The city plan, therefore, should be an integral part of a wider regional plan.

D. CRITERIA AND METHODS FOR APPRAISING URBAN AREAS AND ASSESSING TOTAL URBAN RENEWAL REQUIREMENTS

285. Renewal areas, measures and programs are based upon appraisals and physical development plans.

(i) Methods of Appraising Urban Areas

286. Appraisal methods have evolved in close association with public health and slum clearance activities, and cover aspects such as age, state of repair, stability, freedom from damp, natural lighting, ventilation, water supply etc. Standards and criteria, mainly set by local authorities but influenced by central government standards, vary between and within countries.

287. Some countries have methods based on uniform criteria generally relating, firstly, to the structural and physical characteristics, and secondly, to suitability as a dwelling; others have individually developed ones. These treat obsolescence and deterioration as physical or technical

conditions of buildings, but regard must be given to when a building ceases to have a certain value in the economic and social sense, to which other factors contribute, e.g. land value.

288. An appraisal system should take into account the location, age, and condition of other structures and area conditions e.g. street widths, open space, etc., such as does the U.S.A. "Appraisal of Neighbourhood Environment."

289. Appraisal of physical conditions is followed in most cases by an investigation into social conditions in a project area, i.e. number of inhabitants, age, occupation, etc., and into economic ones, i.e. property enterprises and economic activity. This provides basic information for the selection and carrying out of the entire renewal operation of whatever kind.

(ii) Estimating Total Urban Renewal Requirements

290. In some countries, survey information may be obtained partially from local authority real-property inventories, but greatest general source is the decennial population and housing censuses, although these sources, except in U.S.S.R. and U.S.A. are inadequate.

E. ORGANISATION AND FINANCING OF URBAN RENEWAL OPERATIONS

291. The implementation of renewal operations are costly, as redevelopment includes demolition and clearance expenses, land values are higher in developed areas, replacement structures are usually better, while high land values make difficult the financing of certain socially desirable forms of development; and complicated, as so many public, semi-public and private interests may be involved. Conservation and rehabilitation are also costly, thus urban renewal seldom results in financial profit, and methods of organisation and financing vary widely.

(i) Redevelopment in Countries with Centrally Planned Economies.

292. The planning, financing and organisation is controlled by the State and implemented by public authorities at various levels. Any costs are carried in the budgets of local authorities, but construction of public and social buildings and services and most urban housing is financed by the State, which also makes loans to housing societies and individuals, and with co-operative enterprises, finances industrial and commercial redevelopment.



(ii) Redevelopment In Countries with Private Enterprise Economies

293. Public authorities are generally large-scale property owners, but most urban property is privately owned, with redevelopment rights, and redevelopment is thus more complex with the community itself playing a greater role in most countries. In advanced countries public action to encourage, assist or undertake redevelopment, and some public expenditure have been found necessary, as when powers available only to local authorities, e.g., compulsory property acquisition, are needed. Varying degrees of state financial assistance, often substantial, are available in most countries.

(iii) Reasons For Public Action In Organising And Financing Redevelopment

294. In private enterprise economy countries, the cause of public action is frequently the need to use public compulsory property acquisition powers, in view of varied land ownership and need to rearrange land divisions, or opposition from some individual owners to whom project may not appear beneficial or who are disinterested at that time. Reduction of this need and consequent local authority costs has been tried in several ways, such as limited profit and mixed public/private bodies.

295. Financing of central area redevelopment causes little difficulty in view of position and high rents, but use of public funds arises where land re-organisation or some public purpose is involved. In "twilight" areas, private developers engage when change of land use to a more profitable one is proposed, but otherwise public authorities invariably are called upon.

(iv) Scope of Public Action

296. In redevelopment, public slum clearance is the major public engagement, but redevelopment of other types of property is also entered into by public authorities.

(v) The Public Authorities Concerned

297. At a local level, these are generally the local authority, in whom the powers and responsibilities required are usually vested, although not always. In some countries semi-public housing societies carry out rehousing, in others mixed bodies act as consultative bodies to local authorities or carry out projects. In U.S.A. either a housing authority, a special redevelopment authority, a city department, or a county or state government

may be responsible. In U.K. special authorities have been mooted, with the advantage of stable long-term policy and the use of profits in areas where losses occur, but difficulties of co-operation and co-ordination with local authorities, and the continual nature of renewal, favour local government responsibility.

298. Central authorities are directly involved, in the provision of funds for slum clearance and renewal, in approval of local renewal plans and programs building-codes, etc.

(vi) The Function of the Local Authority.

299. The same approach is adopted in most countries, in that the public authority does the research and preparatory work, acquires and demolishes property, clears and prepares the land, provides for the rehousing of occupants, provides public utilities and services and leases or sells the land to developers, only engaging in new building construction when private enterprise is disinterested. This has problems of procedure, the extent and recovery of capital outlay, and possible losses.

(vii) Financial Assistance To Local Authorities.

300. Central government aid in low-interest loans for capital outlay and subsidies towards financial losses is by far the most common practice. In some countries such aid applies to general renewal, in others not to non-residential areas. The extent of aid varies in different countries, e.g., in U.S.A. grants meet 2/3rd or 3/4th of the difference between acquisition, clearance and preparation costs, and resale value. Aid is also available in some countries to assist the rehousing of displaced families, and in a few countries, for preliminary survey and appraisal work. In a few countries, aid is available to private developers to reduce the need for public authority action.

(viii) Rehabilitation And Conservation

301. Individual buildings, except dwellings and public buildings, are not normally the concern of local authorities, but unsatisfactory individual buildings tending to cause area deterioration are dealt with under normal municipal administration. In several western countries rehabilitation of existing dwellings is encouraged by varying policies of grants and loans for improvement and repair, and by liberalisation changes in national rent policies. In U.S.A. rehabilitation and conservation, including spot removal of completely



unfit buildings, are undertaken on an area basis as part of renewal programs, with state financial aid, while in Eastern European countries, systematic conservation and rehabilitation is administered and financed primarily by the state.

(ix) Relocation Problems

302. In all countries, a legal or social obligation to relocate displaced persons or businesses, or to pay compensation exists. In Western and Southern Europe the main financial problem is relocation at prices or rents that can be met, mostly below-average income families being required to pay usually higher rents for new accommodation. Thus many countries subsidise rents for such families from clearance areas. In some, rent pooling exists, whereby tenants pay what they can afford, any overall loss being met by the state. Loans for housing displaced persons are available in many countries, or, as in U.S.A., priority in new or existing low-rent public housing. In eastern Europe displaced families are entitled to new standard housing at rentals assessed for family and dwelling, the availability of housing being the main problem. Moving expenses are paid in several countries, and also to displaced commercial and industrial interests, the relocation of which has many problems.

F. LEGAL POWERS AND LEGISLATION FOR URBAN RENEWAL

(i) Legal Powers

303. Conservation and rehabilitation require greatest use of public legal powers, e.g., legal prescription, use of land etc. Planning legislation controls the use of land and buildings, while housing and slums legislation assists local authority maintenance codes. The purposes for which renewal authorities may acquire land are important legal aspects of redevelopment. Acquisition is usually first attempted by agreement, but backed by the threat of compulsory acquisition, which, in most private enterprise countries, can be applied under housing, planning, slum clearance or redevelopment legislation. In nearly all countries compensation is paid on "market value", having regard to authorised land use or change of use, with limitations in some countries. In state planned economy countries, as land is state owned, compensation relates only to buildings.

(ii) Legislation For General Urban Renewal

304. In U.S.A. this appears in the National Housing Act, while in European countries, renewal is carried out under specific purpose legislation.

SECTION III - URBAN RENEWAL IN THE U.S.A.

A. GENERAL

305. Urban renewal includes housing provision and its upkeep. In its early history, housing in U.S.A. was not a public function. As housing needs grew with immigration, population growth and urbanisation, so did uncontrolled city growth and slums, assisted by lax municipal government. In 1937 slum clearance legislation appeared, followed in 1949 by the Housing Act, intended to combat the spread of slums and the lack of standard housing, and under which federal aid for blighted area clearance became available, as the state accepted this as a national objective beyond the ability of private enterprise or unaided local government. Difficulties were met in early renewal projects, but legislative amendments over the years broadened the methods and objectives, introduced the conservation and rehabilitation concepts, and allotted funds for non-residential projects. In 1956 relocation payments began plus advances for the preparation of plans, and later, grants to enable community renewal programs to be prepared. In 1961 demonstration schemes by public authorities were allowed, relocation payments liberalised, and funds for non-residential projects increased to 30% to assist the creation of better job opportunities.

306. Urban renewal is envisaged as a locally planned and executed community wide improvement program, using public and private resources. The suggested procedure is the formulation of a local program by a local public agency, which must adopt a Workable Program (framework for individual projects). Federal aid is then applied for and a public hearing held, when the local authority must adopt a plan conforming to the overall plan, covering relocation of affected people, and arrange for the local share of funds. Federal grant and/or loan funds become available for the execution of the project, followed by redevelopment by private enterprise.



### B. FEDERAL AID

307. Federal aid is available in the following forms when local resources alone are inadequate, provided requirements of local, state and federal laws (overcrowding, etc.) are met :-

- (a) Grant for preparation of full-range renewal programs.
- (b) Loan and grant for planning and execution of projects  
(based on portion of net project cost)
- (c) Grant for comprehensive planning in metropolitan, other urban, or smaller community areas
- (d) Grant for demonstration projects and open space land acquisition.
- (e) Special mortgage financing aids for housing in project areas, and for displaced families.

308. 30% of available funds may be used on non-residential projects, and exceptions are made for colleges, universities, hospitals and disaster areas.

### C. FEDERAL AID FOR OPEN SPACE LAND ACQUISITION

309. Open-space land is undeveloped or mainly undeveloped land in an urban or urbanising area having use for park, recreation, conservation, historic or scenic purposes. Grants not exceeding 20 of title acquisition costs, and up to 30% in certain circumstances, are available.

### D. ROLE OF LOCAL GOVERNMENT AND PUBLIC OPINION

310. Although planned and executed by a local public agency, urban renewal activities at all stages are controlled by the city council, except that federal law requires a public hearing regarding every project, to be held.

### E. WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

311. This is the community's own local plan using public and private resources, and covers codes and ordinances, comprehensive community plan, neighbourhood analyses, administrative organisation, financing, housing for displaced families and citizen participation.

### F. FINANCING OF PROJECT

312. Federal advances may be made to finance preliminary surveys and plans, and, after project approval, a loan for its execution. Any deficit after the completion of land sales or rehabilitation is eligible for

federal refund of 2/3rds, or 3/4ths in certain circumstances, while the local share may be met in cash, through local project improvements or public facilities.

G. DEVELOPMENT OF PROJECT AREA

313. This is done by private enterprise, except where part or all of the land is used for a public purpose, and land is disposed of by negotiation or competition at not less than it's fair value for the new uses.

H. RELOCATION

314. Before project funds become available, displaced families must be given conveniently located, decent, safe and sanitary housing at prices or rents within their means, and, as well as displaced businesses, are eligible for moving costs and property loss. Low-interest business re-establishment loans are obtainable.

I. ACQUISITION OF PROPERTY AND COMPENSATION

315. Property is acquired by direct purchase or the "eminent domain" process (government right to acquire private property for the public good at just compensation). Compensation is based upon fair market value established by independent appraisal.

J. BENEFITS OF URBAN RENEWAL

316. Benefits include better housing and living conditions, improved local revenues, improved adjacent property values and maintenance, decreased costs of some municipal services, generation of economic activity.

K. URBAN RENEWAL PROJECTS IN THE U.S.A.

317. Some details of actual projects are given in paragraphs 145 to 155.

SECTION IV - URBAN RENEWAL IN GREAT BRITAIN

A. GENERAL

318. Population increase and its concentration in large centres as a result of the industrial revolution created a sudden enormous demand for convenient accommodation at low rents. Low standards at the time led to inadequate buildings and frequent overcrowding. Housing reform commenced with legislation in 1851, and in 1879 local authorities were empowered to build houses with state loans to replace those closed or demolished. Little was achieved, however. Later acts eased some of the difficulties, but private enterprise was still regarded as the main supplier of housing. By World War I wages and standards had improved, public health legislation was



more effective, and a great improvement in the condition of towns had taken place. Planned communities and the garden city idea had developed and led to the first Housing and Town Planning Act in 1909. Post-war housing shortages brought a Government subsidy to local authorities to provide low-rent housing, which was only withdrawn when costs fell in 1933, and housing improved. The 1930 Housing Act provided a new subsidy to encourage slum clearance and rehousing, and steady progress was made up to World War II, although unplanned development continued to accentuate problems. In 1945, post-war demand and war damage caused a need for 3/4 to 1 million dwellings. Revised subsidies, discontinued in 1956, assisted housing provision, and by 1951 overcrowding had decreased, slum clearance being resumed in 1954.

319. In Britain a landlord is responsible for ensuring that any dwelling let is fit for habitation, and, if acquired compulsorily for redevelopment, compensation is payable only for the value of the site, plus an allowance for repairs executed recently. The local authority must rehouse displaced tenants, for which a state subsidy is available, as well as for essential repairs to houses that should but cannot be closed immediately.

320. The 1949 Housing Act provided grants for improving houses to modern standards, or subdividing large houses. From 1930 the pooling of subsidies and rent fixing according to tenant's means became permissible, differential and rationalised rent schemes being encouraged.

321. Post-war national planning was based on three reports, the Barlow (1940) report, recommending dispersal of industry and population from congested areas into garden cities etc., the Uthwatt Committee, dealing with compensation and betterment and the Scott Committee on land utilisation in rural areas. A Planning Act in 1947 brought control of all development. The New Towns Act 1946 dealt with new self-contained communities and by 1957 subsidies related mainly to slum clearance.

#### B. THE RENEWAL OF TOWN CENTRES

322. It was felt that in town centres the problems of renewal are found in their most intensive form, and that the best results would flow from co-operation between local government and private enterprise, with the support of local public opinion. Careful and objective appraisal,

followed by careful planning is essential for financial and physical success.

C. URBAN RENEWAL PROJECTS IN GREAT BRITAIN

323. Some details of actual projects are given in paragraphs 179 to 182.

SECTION V - THE POSITION IN SOUTH AFRICA

A. PUBLIC HOUSING DEVELOPMENT

324. The 1920 Housing Act first indicated local government responsibility for housing of the lesser-privileged community groups, and provided for government funds for housing loans. These funds initially were confined to economic housing, but the need for subsidised housing for low income groups, and local authority losses on such schemes, led to availability of sub-economic funds at an interest rate finally reduced to 3/4%, with the local authority bearing a fixed loss of 1 1/4%. As local authority losses exceeded this, however, a sharing of losses basis was substituted. Slow housing progress led to the 1945 Act, providing for various new aspects, e.g., training of building artisans, and local authorities were allowed to make sub-economic schemes economic to themselves by rent fixing. Differential rentals also appeared, and, alternatively, eligibility limitations according to tenant's income, and maximum loans, these limits being revised periodically. The latest amendment introduced graduated rentals, based on interest rates, in economic schemes.

325. The Bantu Building Workers Act, 1951, provided for the use of bantu building workers within bantu areas, and effected considerable cost reductions. The Bantu Services Levy Act, 1952, enforced periodical contributions from all employers not providing accommodation for their adult male bantu employees, excluding domestic servants, thereby assembling funds to be used in the provision of access and internal services in bantu areas, and assisting greatly in reducing housing shortages. These two measures helped to bring rentals, calculated so as to be economic to local authorities, within the means of the bantu. Similar legislation has not been introduced for the Coloured and Indian Groups, whose housing progress has not been as rapid.

B. PUBLIC HEALTH AND SLUM LEGISLATION

(i) Public Health Act, No. 36 of 1919.

326. This act provides for every local authority to take all lawful, necessary and reasonably practicable steps to promote and safeguard public



public health, including housing aspects, but as the procedure to correct housing nuisances and demolish a dwelling is laborious, it is seldom employed by local authorities.

(ii) Public Health By-Laws

27. Most local authorities use regulations/by-laws to lay down minimum standards etc., for dwellings but these are not uniform in their provisions.

(iii) Slums Act, No. 53 of 1934.

28. The Slums Act was introduced to make better provision for the elimination of slums, defines a slum and lays down the procedure to be followed by local authorities and slum clearance courts in dealing with or demolishing slums. The central government is empowered to take over from a local authority where progress is considered to be insufficient.

(iv) Directives from Department of Community Development

29. These include a 1963 intimation of the powers of the State in assuming normally local authority functions in the prevention and remedying of nuisances, and a 1965 circular, advising that alternative accommodation must be provided, either in council or other schemes, that slum clearance should not be regarded as urban renewal, and entreating co-operation and liaison in furthering the objects of the act.

(v) Slum Clearance.

30. Modest slum clearance achievements hitherto effected are illustrated by Durban's experience. Slum clearance, at state request, was suspended during and after world war II in view of the housing shortage, and its resumption was hindered by staff limitations. To October, 1966, 225 premises have been considered, of which 28 were not proceeded with for various reasons, while of the remaining 197, 28 were demolished prior to consideration by the Slum Clearance Court, and 64 await consideration. Of 111 premises dealt with, 95 slum declarations were made and the remainder temporarily adjourned. Of these 95, which comprised 22 European, 12 Coloured, 60 Indian and 1 Bantu premises, containing 227 families of 791 adults and 370 children, 23 have been demolished and 10 granted rescissions.

(vi) Public Health Nuisances

31. The Slums Act lays down criteria of what constitutes a nuisance ranging from absence of certain basic amenities and structural deficiencies to overcrowding, but satisfactory action is often possible under other

by-laws, codes, etc., Local authorities bear in mind rehousing requirements, the total number of affected properties, the inspectorate personnel available, and usually proceed with individual unsatisfactory premises, deferring repairable premises or those sub-standard non-structurally only.

(vii) Difficulties in Applying the Slums Act.

332. Difficulties include the extent of field and administrative work involved, the insufficiency of rehousing accommodation available, and its absence for some racial groups, the sub-economic and lower sub-economic groups, for whom the means of providing alternative accommodation are lacking and responsibility therefore in doubt, the lack of means for undertaking socio-economic surveys in blighted areas, and the unavailability of machinery to carry out the full range of investigation and assistance necessary for the rehabilitation of slum dwellers, who comprise three sections, those who need only a little assistance to rehabilitate themselves, those who require education and a greater degree of aid including possibly financial, and those who are likely to need treatment and training plus lower sub-economic housing. Trained social workers are necessary to deal with the various problems involved.

(viii) Urban Renewal in Relation to Public Health

333. The Slums Act is a satisfactory means of achieving a measure of conservation and renewal of individual properties, but marked progress demands removal of aforementioned hindrances. Any larger clearance would depend on a very high percentage of grossly defective premises in any given area and adequate prior alternative housing.

334. Urban renewal covers a wider concept that could not be justified on purely health grounds, and includes premises of various usage categories.

C. COMMUNITY DEVELOPMENT LEGISLATION.

335. In 1955 the Group Areas Development Act appeared, and in 1965 the Community Development Act, which made provision for the control of the disposal and for the acquisition of immovable property in group areas and for the promotion of community development of such areas. Powers under the latter act may be delegated to local authorities.



336. The implementation of this legislation involves a vast problem, as yet only partially met, leaving many areas untouched, and progress depends on adequate new standard housing for all groups at a cost within their means and employment. In Natal, Durban is particularly affected by the needs of the Indian community, whose economic position compares unfavourably with other racial groups.

337. This legislation, although a form of urban renewal and slum clearance, is confined to group areas, and should be pursued only in concert with balanced, harmonised city and state economic development, allowing all interests to fuse in the creation of desirable living and working conditions for all community groups. The "New Towns" of Great Britain are examples of these endeavours overseas. Of great importance in any renewal schemes is the creation of employment opportunities, involving the siting of industry and balanced development. In re-settlement activities, local authorities are involved in a wider problem than group areas, and available new housing should be available to all activities sharing in resettlement, such as clearing land for industrial development, alleviating overcrowding in existing housing, etc.

338. Delegation of powers under the act, although favoured by the State, has not been accepted by local authorities to any marked degree, as the latter are not prepared to meet the likely financial losses arising from rehousing besides loss of rates in acquired areas, etc. The State Board set up under the act, however, has itself proceeded with the acquisition and control of property in areas ripe for renewal, together with the freezing of development in adjacent areas. Urban renewal may well be expedited in group areas in this manner, provided rehousing losses to local authorities are subsidised or are not unduly burdensome.

#### D. LEGISLATION RE ACQUISITION OF LAND ETC.. BY LOCAL GOVERNMENT

##### (i) The Housing Act.

339. This act permits the acquisition of immovable property for housing purposes using housing funds, including finally expropriation, provided other suitable land is unavailable but may be inoperative where redevelopment of other kinds is intended.

(ii) The Slums Act

340. Section 17 permits the acquisition by agreement or expropriation of any land comprised in a slum and adjoining or near land, from housing funds, and may be adequate in some urban renewal activities, provided the local authority can finance the transaction.

(iii) The Natives (Urban Areas) Consolidation Act

341. Local authorities have land acquisition powers in terms of Section 16(1)(a) of this Act (including expropriation) for Bantu accommodation purposes.

(iv) The Expropriation Act

342. This Act provides for expropriation of land and other property for public purposes and for compensation assessment.

(v) Town Planning Ordinances

343. Section 57 of the Natal Ordinance (No. 27 of 1949) permits land to be purchased for town planning schemes by agreement or expropriation, but the procedure is extremely cumbersome in operation and the local authority is required to finance the transaction. A suitable amendment to the Ordinance would seem to be necessary.

(vi) Local Government Ordinances

344. In terms of ordinances of all provinces, a local authority may acquire land/immovable property within or without a municipality, except that in the O.F.S. the Administrator's consent is unnecessary where the purchase price does not exceed the municipal valuation, and a ratepayer's meeting may be involved. Expropriation may be resorted to, in the Cape for all municipal purposes and outside the municipality for certain purposes, in Natal for the public benefit within or without the borough, and in the O.F.S. within or without the municipality including the possibility of a ratepayers' meeting. In all provinces local authorities may alienate immovable property.

345. In the Natal and O.F.S. ordinances provision appears for the restoration or removal of dilapidated buildings at municipal instigation, while in the Transvaal, this requires an order from a Magistrate's Court.

SECTION VI - URBAN RENEWAL AND POVERTY

346. Poverty may be defined as an insufficiency of the material necessities of life, but this is not an exact definition, as standards differ between different societies. Three types may be noted - collective poverty, a more or less permanent insufficiency for an entire population, cyclical poverty, the widespread but temporary deprivation arising from e.g. a crop failure, and individual poverty, a condition of want resulting from individual misfortune or incapacity. The latter often applies to widows and orphans, criminals, the mentally deficient, the sick and aged, etc., and although degrees of relief are



are usually provided, these are often insufficient to support a normal style of life.

347. Poverty was common in earlier times, but occurs in modern times, frequently in underdeveloped regions, and is bounded by extremes of starvation and inability to maintain the average level of living of a particular society at a particular time. At any time differences in the level of living exist between societies, regions and countries, but its penalties are always severe and usually affect the poor both physically and mentally.

348. Economic progress has tended to mitigate poverty conditions, but changing standards introduce changing wants. A secure food supply brings population increase and possibly a declining living standard in generally improving times. Starvation has declined, but large numbers do not have an adequate diet.

349. Collective poverty may arise from a scarcity of resources or a maldistribution of resources. The level of poverty arising from the first condition depends upon the interaction of the level of technical development and the density of population, in moderately advanced countries population increases may offset industrial and agricultural advances. Economic progress is normally accompanied by equalisation of income, the most unequal distribution being found in the poorest countries, and collective poverty can be remedied by raising income levels of poverty-stricken groups, which entails an increase of output per man hour worked.

350. Cyclical economic crises before the industrial era were accompanied by high prices arising from food scarcities, but since, have been characterised by over-production, low prices and mass unemployment. Remedies include state action through the control of production or the manipulation of market mechanisms, and assistance to those affected by employment on public works or subsidies in cash or kind. Such relief, however, does not obviate other kinds of family hardship, such as loss of savings.

351. Individual poverty occurs whenever regular earnings are interrupted, or when the earnings of a handicapped or underprivileged

worker are so low in proportion to his needs that unassisted, he cannot sustain himself.

Interruption of employment affects lowly-paid large families more than small families and single wage earners, and poverty is related to family size and a workers varying earning power during his lifetime.

352. The care of paupers was left largely to private action, but after industrialisation welfare measures provided various forms of aid, and, although individual poverty is decreasing, the low level approved for such aid often means the avoidance of starvation but the retention of misery. Modern investigation includes the psychological deficiencies ("poverty syndrome") believed to be common amongst the poor, their inability to delay gratification, their fatalistic conviction that they have no control over their own destiny, etc. Attempts are being made to correct these deficiencies, and this approach could have a considerable impact in urban renewal schemes as these physical and social conditions are most commonly found in the slum areas of the big cities.



SECTION VIII - CONCLUSION

353. In South Africa, too, the conditions described in previous pages and prevalent in various parts of the world, are found. In this connection South Africa is perhaps fortunate in that the growth of her cities has generally been of later date and her cities are not as large as the great cities of Europe and America, but, although building deterioration and area blight is therefore probably not as extensive or serious as in those countries, it is present to a degree probably as great in proportion to the population and financial resources of this country. In many of our cities, and especially the larger ones, similar depressed areas exist, and are ripe for renewal measures, whether in the form of conservation, rehabilitation or redevelopment. These areas have become so in the same way - lesser standards in earlier days leading, with growth and expansion, to overcrowding, depreciation and slums.

354. "In both Europe and the U.S., the surge of industry during the 19th Century was accompanied by rapid population growth, unfettered individual enterprise, great speculative profits and remarkable lapses of community responsibility. During this era sprawling metropolitan giant cities developed offering wealth and adventure, variety and change. Their slums, congestion, disorder and ugliness provoked the beginnings of the modern housing and city planning movements." (1)

355. This stultification of growth and enterprise, this deterioration and decay into depressed slum areas with their concomitant social evils and other disadvantages, not the least of which amongst the latter is the slowing down in the rate of growth of rate income based on property valuations, requires preventive and remedial measures, commencing with city planning both before and after the event.

356. "Buildings are built to provide space in which to live or conduct business. Taxes are collected to support the public services that make their building ventures possible and profitable. Today taxes are measured by the assessed value of land and buildings. The value of land may increase. The value of physical improvements, on the other hand, depreciates

with age and use. At the same time the cost of public services increases as physical deterioration continues. Yet the present assessment of taxation actually works in reverse of this: tax revenue goes down as the cost of urban maintenance goes up". (1)

357: "City planning is the guidance of the growth and change of urban areas. As such it is aimed at fulfilling social and economic objectives which go beyond the physical form and arrangement of buildings, streets, parks, utilities, and other parts of the urban environment. City planning takes effect largely through the operations of government and requires the application of specialised techniques of survey, analyses, forecasting, and design. Thus city planning may be described as a social movement, or as a government function, or as a technical profession. Each has its own concepts, history and theories. Together they fuse into the effort of modern society to shape and improve the environment within which increasing proportions of humanity spend their lives: the city". (2)

358. For city planning to be effective, its objects must be clearly defined and appreciated. "The ultimate goals are social, although the plans themselves relate to physical things. They are deeply involved with intermediate economic objectives. The expression of the goals is, of course, coloured by the culture of the society seeking them. In the U.S. and countries following western European traditions, the ideal urban environment would reconcile the maximum opportunity for individual choice with protection for the individual from the adverse effects of the actions of others. Within this philosophy city planning would probably seek

- (a) the orderly arrangement of parts of the city-residential, business, etc., so that each part could perform its functions with minimum cost and conflict;
- (b) an efficient system of circulation within the city and to the outside world, using to the maximum advantage all modes of transportation;
- (c) the development of each part of the city to optimum standards, as of lot size, sunlight and green space in

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- (1) The Urban Pattern - Gallion and Eisner.
- (2) City Planning - Encyclopaedia Britannica.



residential areas, and parking and building spacing in business areas;

- (d) the provision of safe, comfortable and sanitary housing in a variety of dwelling types to meet the needs of all families;
- (e) the provision of recreation, schools and other community services, of a high standard of size, location and quality;
- (f) the provision of adequate and economical water supply, sewerage, utilities and public services." (1)

359. "In any community these goals might be supplemented by special goals, such as the preservation of an historical site, or the protection of property values, or the efficient conduct of government." (1)

360. "Cities are for people - the main objective is building a decent city for people." (2)

361. Previous sections of this memorandum have described how publicly owned and subsidised housing was developed in order to clear slums and to provide decent housing for slum dwellers unable to afford private accommodation of the required standard. This method was first used in Europe, especially in the 1920's, and was supplemented by co-operatives and other forms of ~~limited~~ profit or publicly aided housing, particularly in Scandinavia. Public housing with federal aid became government policy in the U.S. in the 1930s. In Great Britain and Europe in the 1920s and 1930s public housing was also built in suburban vacant areas, in some cases on such a scale as to almost constitute new towns. This was the result of the recognition that all slum dwellers could not be rehoused in the same areas without repeating slum congestion. These new towns were largely the product of England's garden-city movement, which proposed preplanned new cities, on land held by the community, limited to 30,000 population, complete with business services and employment centres and surrounded by permanent green belts of rural land. The initial experimental cities were undertaken in England by private enterprise. Developments in the U.S.A. and European countries followed, and following World War II the impetus quickened.

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(1) City Planning - Encyclopaedia Britannica

(2) The Urban Pattern - Gallion & Eisner.

362. In Great Britain a new program was commenced. It reorganised the planning districts of the country, established sweeping new powers over private land use, almost nationalised the right to develop undeveloped land, and undertook to build new towns to receive population and industry from congested great cities. By the middle 1950s, 14 new towns were under way.

363. In the U.S. the 1940s saw increasing concern with planned rebuilding of obsolete areas. Many states granted redevelopment powers to their cities, which began to clear slums, not only for public housing, but also for any other public or private re-use that fitted a comprehensive plan. New private uses were made possible by selling or renting the cleared sites at much less than it cost to buy and demolish the slums, the difference being partly paid for with federal aid. In the 1950s urban redevelopment (large scale clearance of obsolete areas) was supplemented with federal aid for urban renewal of obsolescent but not yet obsolete areas.

364. There is little doubt that the crux of the problem of the practical implementation of urban renewal measures lies in the degree of financial aid available to the renewal authority. "Blighted areas in cities affect the country as a whole and for that reason the Federal Government considers it its duty to provide financial aid for slum clearance purposes and in addition, such action creates an economic upsurge thereby assisting in combating unemployment amongst other things" (2). The role of the renewal authority itself can, as has been found overseas, very adequately be filled by local authorities, perhaps in conjunction with private enterprise. The endeavours of the Community Development Board in regard to the delegation of powers under its parent act to local authorities would seem to indicate the presence of similar views in government circles. That local authorities are willing to accept this responsibility subject to satisfactory financial assistance, has already been indicated, and their insistence on adequacy in this respect arises directly from their own financial inability to shoulder, unaided, the costs likely to be involved. Municipal

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income, especially rate income, as has so frequently been pointed out, has not kept pace with expenditure, especially as a result of the ever increasing responsibilities local authorities have been called upon to meet without adequate contributory financial aid.

This experience would appear to have been common to other countries "Four decades ago as much as three-quarters of the total tax revenue (U.S.A.) went to the states and 25% went to the federal government. The situation is now reversed. 75% goes to the federal government and only 25% is retained by the states. Local government must look to the federal government for financial assistance".(1)

365. The principle of assistance to low income groups by way of public housing is not in dispute. Discussion on this issue revolves, not around public housing as an integral part of our economic and social system, but on the extent to which such assistance should be available.

366. "The central problem of urban rebuilding is the cost of the land. Measured by any standard of appropriate use the land will cost too much; it will be out of all proportion to the economic value of redevelopment on acceptable terms, and any other terms will make the venture worthless. If we are to restore decency to the urban scene, the excess cost of land must be liquidated - written off the books as a loss". (1)

367. "The key to the reconstruction program was recognition of the difference between the cost of the land assembly and preparation of sites for rebuilding, and the economic value of the land for redevelopment consistent with standards of planning and design to be maintained in the future. This difference represents the cost of slum clearance." (1)

This crucial aspect of renewal measures soon made itself felt so forcibly in overseas experience that generous financial aid - a major share - was made available to renewal authorities by the central government to bridge the gap between acquisition and clearance costs and the proceeds from the disposal of the land, in the U.S.A., two-thirds rising to three-fourths in certain instances."The Federal Government is keenly interested

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(1) The Urban Pattern - Gallion and Eisner.

in the welfare of local authorities for the reason that city taxpayers are also federal taxpayers and any economic setbacks on the city level naturally affects the Federal Government, and the well-being of the people as a whole"(1).

368. That these views are widely held and generally accepted is unquestioned. In the report of the International Union of Local Authorities published in 1965, for example, it is stated :-

"Well selected town renewal should have a larger claim on the resources of a country. Also the relocation and provision of special services for families and businesses in the path of renewal are inseparable aspects of economic growth, and these services, too, should have a larger claim on resources."

369. And nearer home - the following statement by Mr. W.J.B. Slater former Provincial Secretary, Cape, in a paper in May, 1965, to the Cape Municipal Association -

"It is clear too that our cities under the existing financial system cannot undertake comprehensive renewals without generous financial support."

370. In summing up, therefore, it can be said that urban renewal arises from two basic causes. Firstly, obsolescence of the existing building stock, either through deterioration and changing standards, or through city growth in respect of which replanning and rezoning has become necessary; and secondly, the impoverished condition of a section of the community.

371. It is essential to recognise that urban renewal is an important integral aspect of the economic well-being of a City or a State, and is a continual process, part of a continuous operation covering also rehabilitation and conservation. While renewal needs arising from obsolescence, particularly that arising from city growth where replanning is called for, can be left to the responsible joint efforts of enlightened Civic Government and benefit conscious private enterprise, the problems of the poverty-stricken occupants of depressed areas - an important stimulant in themselves to the spread of such areas - seem to require the attentions of the public authority. The continuous aspect of urban renewal and its local impact automatically



allot a major role in its implementation to local authorities.

372. It is almost self-evident that any urban renewal program or project must be founded on comprehensive accurate basic information. This can be obtained most fully by the carrying out of an overall socio-economic survey in any affected area, with a view to :-

- (a) determining the extent and magnitude of obsolescence;
- (b) determining the extent of poverty conditions;
- (c) drawing up a comprehensive overall city plan;
- (d) making an analysis of areas requiring renewal;
- (e) making an analysis of properties where slum conditions obtain but which may not be in designated renewal areas, and therefore requiring individual treatment;
- (f) making an analysis of racial group areas not affected either by city planning or renewal requirements.

373. The ultimate object, the attainment of rehabilitated areas or areas completely redeveloped in accordance with the accepted city plan, together with the satisfactory resettlement of the families and businesses displaced by the scheme or project, is dependent, however, upon certain prime necessities. In so far as displaced persons are concerned, there must be prior removal to at least standard accommodation at rentals or prices that can be met - for any alternative, in the case of the poorer classes, leads only to a repetition of the conditions from which they had just been rescued. This demands an adequate supply of new housing correlated to the fluctuating need arising from urban renewal and all other causes.

374. Secondly, suitable legislation must be enacted, within the framework of which urban renewal can proceed efficiently and expeditiously.

375. Thirdly, the responsibility for the implementation of legislation should devolve upon local authorities, who should be enabled to deal with all aspects of renewal, including slum clearance and, should individual local authorities so desire, group areas.

376. And lastly, but certainly not least, for this aspect can be accepted as the "lifeblood" of any renewal scheme, the provision of adequate financial aid. Reference has already been made to the inability of local authorities to meet the costs of such schemes unaided and to their

expressed willingness to assist in furthering the aims of community development legislation on satisfactory financial terms. This inability has been recognised generally overseas, and substantial grants and loans are made available. In the U.S.A., local authorities receive a grant of at least  $\frac{2}{3}$  of "net project costs" plus financing loans on low interest terms. Despite this, progress is regarded as insufficient in relation to the magnitude of needs, due mainly to the shortage of funds at local level, and there is pressure for larger grants. As local authorities in that country have available for local purposes the proceeds (or a share thereof) of other taxes besides property taxes (e.g. sales taxes), it is obvious that local authorities in South Africa suffer by comparison, and would find difficulty in meeting even the remaining  $\frac{1}{3}$  of such costs. Grants of part of cost are necessary, too, to enable land for open space and other purposes to be acquired and of full costs to enable socio-economic surveys and social welfare work to be carried out, the latter being essential both before and after removal in the case of displaced persons, especially poverty-affected people.

377. In planning matters, consideration must be given to the economic interests of the whole city rather than those of isolated areas, or particular bodies, and development should be co-ordinated in both local and national interests. Comprehensive renewal plans must provide for the needs of all the various elements of a community, so that "balanced" development can take place. Activities that foster the creation of work opportunities must be catered for in sufficient ratio to provide adequate employment in reasonable proximity for the occupants of renewed areas. In any city in which a shortage of industrial land obtains, a degree of priority for its provision would seem to be indicated. Not only must renewal plans be co-ordinated with overall community economic interests, but the timing of industrial developments must be in accord with those interests and the comprehensive city plan. For example, the premature reduction of the housing stock would amount to "financial suicide", and consideration must be given to the retention of existing residential accommodation for as long as overall city and national economies demand. Accordingly, in areas that



are deteriorating but cannot be said to have reached obsolescence, rehabilitation and conservation must be pursued. To encourage such action, it will be helpful to stimulate the interest and enlist the aid of private enterprise, and this can be achieved by some relaxation of rent control, with suitable safeguards. This rehabilitation and conservation of properties in deteriorating areas, however, must be regarded only as a temporary postponement of complete future redevelopment of the affected area.

SECTION IX - COMMENTS ON TERMS OF REFERENCE

37a. The appointment of a state Committee of Investigation, whose terms of reference cover a comprehensive field, at such a relatively early stage in the development of this comparatively young country, and the anticipated later introduction of machinery to arrest, control and eliminate the causes and effects of urban deterioration, is a praiseworthy reflection of the foresight of the government in taking advantage of the experience of older countries over a much longer period of existence, and of the remedies they have applied in attempting to overcome this problem. This endeavour is deserving of the greatest possible measure of support by local authorities.

379. In respect, therefore, of the terms of reference of the Committee of Investigation into the physical deterioration of urban residential areas, insofar as the Institute of Municipal Treasurers and Accountants is considered to be concerned, the following submissions are made :-

(a) The causes of physical deterioration in our cities and towns :-

The causes of physical decay of urban areas are described in Sections II, III and IV of this memorandum and may be summarised finally as :-

- (i) obsolescence of the existing building stock, either through physical deterioration or changing standards,
  - (ii) city growth resulting in transfer of some portions of the city population further afield and the need for consequential replanning and rezoning of the areas so vacated,
  - (iii) the lapse of time between evacuation in (ii) and the replanning and redevelopment of the area,
  - (iv) the impoverished condition of a section of the community which permits deteriorated areas to provide cheap accommodation for a period of time,
  - (v) the lack of an overall plan and financial inducement to deal with the problems set out in (iii) and (iv).
- (b) "The existing legislative measures that can be applied in preventing urban deterioration and to what extent these are in fact being applied. Should



existing measures prove to be inadequate, how best it could be amplified or substituted."

Existing legislation in South Africa has been briefly sketched in Section V of this memorandum in which it has been pointed out that in respect of the field under investigation, relevant legislation is confined to housing, slum clearance and group areas legislation. None of this legislation adequately covers the entire urban renewal concept or the many social problems involved. While housing legislation caters for the provision of standard housing for middle and lower-income population groups and subsidises sub-economic families, both important contributions to the furtherance of urban renewal aims, the implementation of the Slums Act assists mainly in the removal or improvement of individual inadequate buildings, and has been ineffective in any larger area clearance proposals. Group areas legislation, also, although the possible instrument of greater impact upon blighted areas, is limited to areas affected by racial grouping requirements and does not extend to urban renewal needs in areas in which racial grouping remains undisturbed. In the absence of state financial aid in respect of probable financial losses in local urban renewal schemes, the latter legislation so far has not succeeded in enlisting the active support of local authorities. It is evident that there is a need for comprehensive urban renewal legislation dealing with this matter in all its aspects and applications.

The memorandum has shown in some detail the steps taken by other countries to prevent and arrest the development of physically deteriorated areas and to redevelop them at a later stage. Despite initial difficulties and disappointments, workable formulae have been evolved, of which that of the U.S.A. is especially noteworthy. This covers a survey of all aspects, a comprehensive plan for the city within regional and country-wide planning, a detailed plan for the project area, a workable plan for the project, suitable publicity and encouragement of co-operation, the acquisition of property and compensation to owners, the rehousing of displaced persons accompanied by the advice and assistance of social

workers, and the clearance and redevelopment of the project area.

Adequate state financial aid is a prime necessity. This should also follow the successful pattern laid down by the Federal Government in the U.S.A., and should include capital grants to local authorities for, as a minimum, a 75% share of losses on urban renewal projects, with provision for a higher subsidy in special cases and the local contribution in the form of cash, public amenities or local project improvements, revenue grants for expenditure on surveys and the planning of redevelopment, loans to finance redevelopment, relocation grants to displaced persons and 100% grants for social welfare work arising from urban renewal. The extension of borrowing facilities to local authorities for urban renewal purposes should be based upon a state redevelopment fund specifically established for that purpose.

It is considered that a firm foundation for a satisfactory approach to the avoidance and control of such conditions in South Africa can be found in the pioneering efforts of the countries referred to in this memorandum.

- (c) "The standards township layout schemes should comply with, as regards land-use, density, open spaces and recreation grounds, in each specific area, taking cognisance of the purposes for which the respective areas are to be used".

This is a matter on which Planners and Engineers should comment.

- (d) Possible measures to prevent areas, not conforming to the required standards, from deteriorating.

A two-pronged attack is necessary under this heading :-

- (i) determined measures to overcome poverty and the resultant social problems;
- (ii) financial inducements to encourage the adequate maintenance of such properties.

- (1) The problems of poverty have been dealt with fully in Section VI. Material increases in assistance offered to the underprivileged groups is required to overcome this problem together with the provision of satisfactory alternative accommodation. The extent to which a country can deal with this problem is, however, limited by its technical and financial resources and even in the most highly developed economies will take generations to overcome.



(ii) Under this head adequate appraisal of the areas concerned in relation to determined standards are first necessary (paragraphs 048-054). Thereafter during the "holding period" i.e. between evacuation of an area by one section of the population and ultimate redevelopment and planning, two methods are available :-

- (a) financial assistance to the owner or tenant by means of grants or low cost short term loans to preserve the housing stock in a satisfactory condition pending redevelopment - the extent and timing of such assistance being dependent on likely demand for new uses in redevelopment and
- (b) liberalisation of rent control policies directly linking such increases to internal and external maintenance of properties in "holding areas". Considerable administrative staff arrangements would be necessary to secure the effective implementation of such a policy.

(e) "Criteria whereby areas or buildings could be judged and classified as an area or building in the process of deterioration".

These criteria should be dealt with by engineers, architects and medical officers of health.

(f) "The authorities which should be made responsible for the application of legislative measures, the implementing of policy and the expenditure of funds that might be made available".

It seems indisputable that urban renewal operations can best be controlled by a single authority responsible for the acquisition, clearance and disposal of the entire local area involved, and this is confirmed by policy adopted overseas, albeit should such authority represent various local interests. In view of their close relationship with population housing matters, their intimate knowledge of local conditions, their concern with the improvement of their own towns for their own citizens, as well as in the national interest, their need for an improvement in municipal revenues, and their existent organisation, urban renewal in South Africa can most adequately be implemented by local authorities

within their own areas, aided by substantial state financial assistance and the sponsorship of redevelopment by private enterprise wherever possible.

- (g) "Possible methods whereby financial and other assistance could possibly be rendered to local authorities and owners to improve and beautify township lay-outs, to provide public amenities and for the restoration of buildings, respectively".

Local authorities have for many years made representations for the allocation of adequate sources of revenue to meet all their commitments. If adequate resources were made available, suitable beautification could be carried out without the need for assistance. Pending the allocation of such resources, however, it would seem that adequate grants must be made available by the State for grass planting to take place on all sidewalks and the planting of trees on road verges in all new areas more especially those in respect of high density housing. The provision of parks, open spaces and recreational areas should also be fully subsidised particularly in Non-White areas and representations in this matter have already been made by the United Municipal Executive. Assistance in these matters should rather be granted directly to the local authority than to the owners of any townships.

The provision of educational facilities, although not directly affecting local authorities, is an essential prerequisite to the establishment of new areas and State authorities should always ensure that development of these facilities is established simultaneously.

The restoration of buildings has been dealt with in (d) above.

- (h) "The basis for determining aid that should be rendered in the form of loans or otherwise; income-groups that ought to qualify for assistance and the conditions under which such assistance should be rendered".

In providing loans or loans combined with capital grants for the prevention of physical deterioration of properties, a suitable balance must be achieved between the value of works carried out and the period for which the "holding area" is to be retained. The longer it is estimated the "holding area" has to be retained, the greater is the financial assistance that may be justified. The amount of assistance should be related also to the degree of "blight" in a particular area and a distinction should be drawn between a landlord and an owner-occupier.



Where reasonably long term loans can be justified, the present basis of graded interest loans could be utilised e.g. aged up to R40 p.m.  $\frac{1}{2}\%$ ; R41 - 100 p.m.  $\frac{3}{4}\%$ ; R100 - 130 p.m.  $3\%$ . etc. Where shorter period assistance is required e.g. 20 years and under, additional assistance in the form of reduced redemption payments would be necessary i.e. limit the owner's liability to a redemption contribution based on 20 years, subject to variation prompted by the circumstances of each case.

While the present income groupings may be satisfactory, it is likely that with present inflationary conditions, frequent revision, (say annually), is necessary.

As, however, these arrangements might not be equitable in all instances, alternatively, a system of loans combined with capital grants in special circumstances could be instituted. When renovation is effected in the case of a landlord it is likely that an enhanced rental will accrue, and it would seem that an economic rate of interest could be charged in respect of any loans advanced. An owner-occupier, however, is in a different position, as he could be a person of relatively static income, e.g. a pensioner, and might not be in a position to meet additional loan commitments, irrespective of whether an economic or a lower rate of interest was applicable. In such an instance, a forced disposal by an unwilling owner-occupier might become unavoidable in the absence of a reasonable capital grant. Such a grant should be payable only if it is considered to be undesirable in the national or local interest for the owner to be forced to sell or perhaps more economical to assist him in this manner than to provide rehousing elsewhere at the local authority's expense.

This approach would permit all loans to be advanced at an economic rate of interest, provided that provision is made also for capital grants in special circumstances to owner-occupiers, and to landlords if justified by conditions existing in a particular area. In order to protect the authority making the grant, it should be a charge on the property and written down over a number of years, the remaining balance becoming repayable immediately should the property cease to be used for the purpose intended.

It would be desirable that the aggregate monthly commitments of individuals for housing purposes should not exceed 25% of total monthly income.

Subject to suitable government safeguards, relaxation of government control in the determination of rents in Municipal Housing Schemes and authority for the optional introduction of rent equalisation schemes which assist in reducing rent differentials between old and new schemes, and for which considerable scope in South Africa exists, would be of general assistance in combating deterioration and of particular assistance in the relocation of families displaced by urban renewal operations.

- (i) "The type of guidance, professional and technical aid required, and how best it could be made available to local authorities and private owners of sites".

The existing housing organisation of the Republic should be expanded to meet the needs of this problem, and should make available the necessary technical and professional guidance to local authorities as for existing housing development. Local authorities should handle the detailed planning in their own areas and provide advice and guidance to owners as at present. Comments of the Engineers and Planners should be sought in this regard.

- (j) "The measure and methods of control that will be necessary in respect of assistance that might be rendered by the authorities".

Existing controls as used for the control of housing should be expanded to meet the needs of the additional responsibilities. Local authorities would borrow requirements from the Government at the rates of interest concerned and guarantee repayment, registering the necessary securities to protect their interests. Prior rights of recovery in respect of foreclosures or forced sales should be given to local authorities against holders of prior securities e.g. first mortgage registered by private institution.

The expenditure of local authorities to be met by grants from the State can best be certified by the Provincial Auditors of the various Provinces and reimbursed quarterly.



DJP/MAS:  
Stencil No. 3141(a)

ANNEXURE I  
REF: No. 17/1/2

REPUBLIC OF SOUTH AFRICA

Department of Community Development,  
Private Bag 149,  
PRETORIA.

29th March, 1965.

CIRCULAR MINUTE:

TO ALL LOCAL AUTHORITIES, ALL OFFICES IN THE DEPARTMENT OF COMMUNITY DEVELOPMENT  
AND TO ALL CHAIRMEN OF SLUM CLEARANCE COURTS.

SLUM CLEARANCE COURTS

After Slum Clearance Courts have now been functioning for just over twelve months it has become evident that insufficient co-ordination exists between medical officers of health, their local authorities' housing committees, Regional Representatives of the Department of Community Development and the chairmen of these courts.

Unless the medical officer of health has grounds to believe that the declaration of a slum can be actively pursued with a view to the positive removal of the nuisance concerned, the declaration as such and the issue of an order for its removal cannot take the matter much further. He should also take heed of the fact that whereas section 3 of the Slums Act No. 53 of 1934, as amended, requires the local authority within reason to take measures for preventing or remedying nuisances, it must further ensure the provision of suitable housing, generally and as far as circumstances permit, for the inhabitants of its district. If, therefore, a medical officer of health should launch a vigorous campaign against nuisances under the Slums Act, he should make certain that the local authority by whom he is employed also moves into position to receive inhabitants, who will be rendered homeless, in housing schemes to be carried out for them should they not be in a position to fend for themselves.

The Department of Community Development with its two funds viz. the National Housing Fund and the Development Fund is itself however also carrying out large development schemes which include the provision of housing for the lower income categories and the medical officer of health can therefore also look to the Department, whenever it is carrying out housing schemes, to take up into its schemes, when practical, some of those to be rendered homeless on account of action in terms of the Slums Act.

The Slum Clearance Court, when issuing directions in terms of section 5 of the Act, must unavoidably be guided by the Department's Regional Representative and the local authority concerned as to possible dates when inhabitants to be rendered homeless by reason of these orders and who cannot provide in their own housing needs, could be taken up into housing to be provided principally by the local authority, or alternatively or in augmentation, where it carries out development itself, the Department of Community Development.

Chairmen of Slum Clearance Courts are in the circumstances kindly requested not to fix any dates to be stipulated in their directions without a definite indication by the medical officer of health, acting in collaboration with the housing committee of his own local authority and the relative Regional Representative of the Department of Community Development, of the expected time when alternative housing would become available for those who would not be able to fend for themselves.

This arrangement with Chairmen of Slum Clearance Courts is highly necessary because the dates to be fixed in directions cannot be extended in terms of the Act. On the other hand it is unthinkable that the Courts should be left to guess such dates because the whole process of slum declaration and clearance thereafter must be a carefully calculated action to be carried out orderly and with positive expectations. This implies that the medical officer of health cannot place reports before a court indiscriminately because it would serve no purpose to have a whole locality declared under the Act with no prospect at all of bringing about the removal of the nuisances therein within a foreseeable time.

I have noticed in submissions by officials of local authorities that slum clearance is now apparently being looked upon as urban renewal. Whilst not denying that action under the Slums Act can usefully assist in the bringing about of urban renewal it would be wrong to regard action in terms of the Act as the carrying out of urban renewal itself. The Slums Act is virtually a Health Act and provides machinery to the State and local authorities to combat nuisances injurious to health and dangerous to the safety of lives and should not therefore be looked upon as an instrument solely to be applied when urban renewal schemes are launched. Nuisances as contemplated by the Act occur daily also in localities other than predominantly depressed areas and the Act should therefore be utilised as often as becomes necessary in those areas to prevent or remedy nuisances and to provide suitable housing generally as required by section 3.

I have the greatest confidence that with the necessary co-operation and liaison on the lines set out herein, the Slums Act, which has for the greater part since its inception been almost a dead letter, will be instrumental in positive community development throughout the country and local authorities are called upon therefore kindly to act in the closest collaboration with the Department's regional offices when applying the Act.

J.H. NIEMAND.

SECRETARY FOR COMMUNITY DEVELOPMENT.



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