

The Problem of Decaying Cities

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THE QUALITY of urban living is deteriorating throughout the world. This is the topical message of politicians, urban planners, sociologists and chambers of commerce, whether they are discussing Paris, Rome, New York, Tokyo or Calcutta. Living conditions in cities, it is claimed, worsen by the hour. The causes are stated to be multiple. They include the growth of slums, increase in traffic, middle class exodus, rising crime rates, crippling taxes, poor amenities, and declining businesses. Reading the technical press it seems that these problems are now recognised as being the accumulative results of years of error, political ineptitude and economic mismanagement. It is worth reflecting, however, that they are far from novel.

In London, for example, the middle class has been fleeing the city since before Elizabethan times. Each time they have fled, the city has eventually caught up with them, prompting them to be footloose yet again. As cities have grown larger they have taken up more and more space relative to their populations. In many places central area densities are falling steadily as the process of building satellite towns and communities progresses undaunted on the periphery. No country offers better examples of this than the United States.

In post-war America, the middle class exodus to the suburbs was followed by the out-of-town shopping centre panic and more recently by the re-locating of large-scale manufacturing and industrial concerns. Those who moved could afford to do so. They could afford the land, the longer journeys to work, the better housing, and the pleasant amenities. But what of those left behind?

The ordinary American inner city is rapidly becoming a coloured ghetto through which many office commuters must pass at least twice a day. For although the pattern of urban life has changed, the phenomenal growth in office employment in prime central city locations continues unabated. What action has been attempted to bring about a better balance in the use of land in United States' cities?

Since 1949, city, state and federal governments have not been idle. With the aid of federal loans acres of inner city land have been cleared and re-developed. Initially the effort was concentrated on wooing back some of the middle class. By "writing down" the value of land following acquisition and clearance, the federal government made it possible for limited profit companies and trusts to provide reasonable apart-

ments for middle-income groups. In addition, in places such as Hartford, New Haven, New York, Boston, Baltimore, and Cincinnati, federal money and powers of compulsory purchase enabled the reconstructing of down-town areas by development on a large scale to provide new offices, conference halls, modern shops, car parks, civic centres and cultural amenities. The aim was to breathe new life into decaying cities.

These vast programmes, costly as they were, enjoyed some measure of success. In many cases they were enthusiastically greeted by land owners and slum lords on the one hand, and by developers and insurance companies on the other. The former received handsome compensation and the latter obtained sites ready to be exploited. Some impressive architecture resulted and the appearance of the cities has been improved in isolated pockets, but the problems still remain and the outward migration continues.

A great political re-think is now taking place. In a new bid to save the American city from self destruction, emphasis is directed towards poverty and the lower income groups. Cheaper, subsidised, housing seems to be the watch-word, and this was recently emphasised by the National Commission on Urban Problems. The Commission made many recommendations and three stand out particularly:

- * Cities should be given powers to lease housing to low-income families throughout the metropolitan area, especially in suburbs where there are job opportunities for blue collar workers.
- * Public housing and urban renewal should be subject to state or local referenda.
- * An increase in the number of housing units for low and moderate income families to 500,000, and an increase in new housing from 1.68 million units to 2 or 2.5 million annually.

It can be seen that if the Commission's recommendations are accepted, another wave of subsidies will be welling up. But there are signs that the new methods of helping the cities might not be so politically acceptable. Writing in *The Valuer*, May, 1969, Sanders A. Kahn, supervisor of Real Estates Education at New York University, pointed out that cities are not only made for sleeping. "Surely we need new housing," he wrote, "but if we allow central business districts to deteriorate, job opportunities will decline. More families will require subsidised housing and other types of government assistance. The higher the government housing costs, the greater the incentive for businesses and full rent- and tax-paying families to leave the community."

This veiled plea for more subsidised commercial urban renewal contains more than a seed of truth. When subsidies are handed out, everyone wants to be on the receiving end and no one wants to pay. In

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the meantime, no doubt, billions of dollars of taxpayers' money will be poured into city subsidies of many kinds.

Fortunately, the National Commission on Urban Problems, recognised many of the factors that hinder communities from becoming self-sufficient. They recognised the importance of the land-price spiral and the limitations of historically-fixed taxing jurisdictions which out-date modern city growth. Accordingly, they recommended that authorities be coaxed into amalgamating to form more efficient units. This could be done by with-holding grants. More important, however, they stressed the need for a full inquiry into the property tax system. The Commission's chairman, ex-Senator Paul Douglas, expressed a personal regret that the Commission did not endorse the Pittsburgh policy of taxing land more heavily than buildings.

The most efficient way to start a thorough-going rejuvenation of the cities is to tax land values and remove taxes from buildings. Incentive taxation would be a far better tonic than any kind of subsidy. By subsidising the under-use of land through faulty tax procedures, cities can have little hope of finding the path to self-sufficiency.