

Why City Planning Fails

By Jessie Tredway Matteson

The acquisition of land reserves by municipalities for low rent housing, recreational areas, parking spaces, etc., is the solution of these major municipal problems offered by Mr. Harold S. Bутtenheim and Philip H. Cornick, in an article entitled "Land Reserves for American Cities."

Although our authors, whose intellectual integrity is unassailable, approve a progressive decreasing of the tax rate on all improvements and an increasing of the rate on land values, they fail to see that this very proposal would make unnecessary their cumbersome and impractical scheme of acquiring land.

As far back as Queen Elizabeth, "greenbelts" surrounding cities were encouraged. And like our modern zoning boards, even the willful Virgin Queen was unable to make the plan effective, despite numerous attempts. Land speculation could not then, as it cannot today, be controlled by legislation. "The folly of allowing further unrestricted expansion and disorderly sprawling of cities into rural areas," say our authors, "turning green fields and forests into dreary city streets and making the countryside inaccessible to the poorer inhabitants of the interior districts is gaining increasing recognition. . . ." That it is folly, we agree; but that it can be stopped by establishing greenbelts around cities and prohibiting building within a certain radius permanently is an utter impossibility. There is no such thing as permanent legislation.

Difficulties stand in the way of the four methods suggested for acquiring municipal land reserves. The first, that of Federal subsidies, carries the warning that the Government "should be careful not to subsidize the development of neighborhoods of jerry-built houses, nor of surplus residential sections, nor of poorly planned communities. It should offer financial assistance only when municipalities follow a proper and well-considered housing and

land-use policy.'*" The interpretation of such vague adjectives as "poorly-planned" and "proper" cannot wisely be left to the distributors of patronage.

A second proposal, loans by state governments, is open to rejection on several scores. The present constitutional restrictions on the powers of states to incur debts grew out of the abuse of their previously unlimited powers to borrow and expend money. With the burden of debt already onerous in most states, it hardly seems practical to relax those restrictions today. The state government, too, like its Federal sister, could use this increased power to serve a most corrupt political purpose.

The third proposal, which understandably enough, has "ardent advocates" is to exempt loans for housing purposes from municipal debt limits. Surely, this is not a wise course for municipalities already weighed down with debt. Such exemption would increase the tax burdens on the very houses built as a result of this encouragement.

The most practical proposal, say the authors, is the setting up of a land acquisition fund by resort to recurrent annual tax levies. This method has not been widely used because of constitutional tax limits, restrictions on the purposes for which tax levies may be imposed or opposition to the expansion of municipal budgets.

Even were there ways to acquire such land reserves on a large scale, it is open to question as to whether the community would really gain by such acquisition. Zoning boards in the past have been guilty of great waste of public funds. In their zeal, the boards have often allowed serious over-zoning for business and multi-family uses, as well as in the highly restricted one-family residence areas. However, Mr. Bутtenheim and Mr. Cornick are confident that the repetition of such mistakes could be avoided by the application of intelligence (sic) to planning.

The only sure way of putting land

to its best use is by allowing the laws of supply and demand to operate freely—which they cannot do under our present system. The authors' suggestion to increase taxes on land value and decrease them on improvements would tend to free these natural laws. They cannot operate effectively, however, until all taxes are removed from improvements and the community is allowed to collect all ground rent. The end of speculation in land would throw all land open to use and obviate the necessity for over-crowded areas or the "sprawling of cities into rural areas." Zoning boards would not have to plan the destiny of various parcels of land, as land would tend to be put to its most suitable use.

The acquisition of land for public purposes would be simple if the municipality could satisfy the community that it could put the land to better use than any other user. Public housing projects would not be necessary when production, freed of strangling taxes, offered opportunity to all men for the satisfaction of their primary physical needs—food, clothing and shelter—and room to aspire to the satisfaction of higher intellectual and spiritual desires.

The most damaging criticism of all planning or zoning systems is that they tend to increase opportunity for land speculation. That speculators invariably influence or control the legislation authorizing the boards, or the personnel of these boards, is a notorious fact. Even if this were not so, the very operation of these systems tends to create new speculative site values, and the anticipation of these has a tendency to raise the price of all adjacent land. Civic improvements are discounted by real estate operators long in advance of their realization.

The stimulation of this speculative tendency destroys the purpose of all city planning—for it discourages the very building operations the planners intended to encourage.

* From "The Journal of Land and Public Utility Economics," August, 1938. XX "The American City," January, 1937.