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THE OLD AGE AND SENILITY OF THE CITY

GEORGE D. SIMOS*

An analysis of the evolution of Federal programs as geriatric tools to prevent the obsolescence of American cities.

I. INTRODUCTION

Cities everywhere are dynamically changing organisms, responding to stimuli, adapting to changes in circumstances, and increasingly subject to urban illness and disease as they grow older. On a massive, impersonal scale, the life-cycle of the city may roughly be compared to that of a man—formative growth and development; maturity and strength, and the peak of physical capability; age and decay; and, finally, senility or death.

In the great cities of history, this life-cycle spanned centuries or even millenia. The major European cities have existed in relatively stable cultures and have proved slow to respond to change.

In the United States, however, the life-span of cities as healthy, efficient organisms is being foreshortened at an accelerating pace, even as science and technology almost daily devise new ways to lengthen the life of man.

The processes of change hit hardest at American cities, hastening a decay leading to functional obsolescence.

Unlike historical or foreign cities, American cities, almost from their founding, have been confronted with tremendous pressures requiring constant adaptation for continued health.

They have sheltered massive, periodic waves of immigrants, and have had to assimilate the foreign born into the fabric of the urban culture.

They have undergone drastic alterations in the composition of their populations, as great numbers of the rural poor became urban poor, replacing the wealthy and middle classes who no longer needed immediate proximity to the city's facilities.

The coming of the automobile has made their populations mobile. Where a man works no longer determines where he must live. Where

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a man lives no longer necessarily determines who he associates with socially.

The Age of the Automobile has forced cities to spend ever greater percentages of their revenues to servicing the machine—providing highways, streets and parking to meet the unceasing demand of their mobile citizenries.

And the freedom of movement basic to the automotive era has contributed to an acceleration of blight in older urban areas. Neighborhoods in transition are unstable. When ease of transportation allows people to move out almost by whimsey, these neighborhoods are almost totally unresistant to change.

Concomitant with the development of the automobile, the cities have witnessed an amazing growth in the communications and transportation technologies.

Location is no longer an overwhelming determinant of where particular businesses and industries must operate.

No longer can the cities take for granted the continued presence of major industries, or assume a constant source of employment for their people, or rely for their municipal budgets on the substantial taxes paid by industry.

Instead, as their industrial plants have become obsolete, one industry after another has abandoned the high-tax, high-wage Northern urban areas to go where land is cheap and plentiful, and where a plentiful labor supply will not be as demanding of wage increases and fringe benefits as in heavily unionized cities.

Cities are finding themselves in a seller’s market in dealing with industry, and are being forced to aggressively compete with other areas, to the point of offering subsidies, cheap land and other financial inducements, to prevent industries from relocating.

While business and industry is becoming increasingly decentralized, no longer bound to urban areas, the population as a whole is increasingly urban.

While our historical ethos continues to be the ideal of individual freedom and independence of action as exemplified by the sturdy pioneer with all the rural virtues, we are fast becoming a nation of city dwellers.¹ We are tied to and dependent on other city dwellers in a complex system of economic and social relationships. We trust, for almost all that is essential to life, to the vitality and health of the city as an operating, functional organism.

¹ Each Federal Census since that of 1790 has shown a smaller percentage of the total population to be rural and a larger percentage to be urban. In 1790, 5.3% of Americans lived in urban areas, while 94.7% were rural dwellers. In 1890, the percentages were 35.1% urban and 64.9% rural. In 1920, for the first time, the urban population exceeded the rural, and the gap has widened since that time until more than two-thirds of Americans now live in urban areas. See R. Martin, THE CITIES AND THE FEDERAL SYSTEM 2 (1965).
Most Americans who live and work in urban areas, however, can no longer take the continued health of their cities for granted.

It has been apparent for decades that the vast, disruptive pressures of the American experience has overwhelmed the cities.

They have been unable to adapt to change because the tempo of change in America, spurred by the technological revolution, has far exceeded the reaction time of municipal governments.

Confronted by urgent new demands unparalleled in urban experience, the cities have continued to function with traditional governmental forms. They have operated under legal limits of authority irrelevant to the new problems. And they have largely been tied for their revenues to a property tax system incapable of supporting the new functions needed to adapt to change and to maintain the urban viability.

As a result, major American cities from coast to coast are sick. Many are in the age and decay stage of the life cycle. They suffer from the cancer of urban blight. Like cancer, blight is a cannibal, infecting and devouring healthy cells until it permeates the whole organism.

The most effective cure for blight and slums, just as for cancer, is immediate excision through surgery, followed by preventive measures to prevent a recurrence.

Unfortunately, however, like many human victims of cancer, the cities most afflicted with the cancer of blight and decay cannot afford the cost of the cure.

To provide both the money and the mechanism of the cure itself, the federal government through the years has appropriated funds and enacted a series of programs aimed basically at restoring the health of cities by treating physical blight and attendant human problems. These programs are remedial, treating the overt symptoms of age and decay. Their basis and approach are analogous to geriatric medicine, specializing in the injuries and diseases of the aging and the aged. These programs of "Urban Geriatrics" are necessary, because American cities are sick and old. They require the "medicare" of the federal programs and money to combat their ailments.

The basic concept has been embodied in the Urban Renewal program, rooted in the Housing Act of 1949. The program, now almost eighteen years old, grew slowly in its early years.

Its recent growth, however, has been phenomenal. New programs have rolled through the Congress with increasing rapidity, until major new urban legislation is a yearly occurrence.

The boom started with the administration of President John F. Kennedy. His "New Frontier" approach encompassed all aspects of

American Presidential power over national and international affairs, with subject matter covering the spectrum from culture to economics.

There were those, however, even in the Kennedy Administration, who insisted that the "New Frontier" really was focused on the cities of America.

By 1960, about seventy per cent of Americans were urban dwellers.\(^3\) No matter where they lived, they shared, in varying degrees, similar problems.

Their downtowns were obsolescent, unable to meet the competition of new suburban shopping centers, and no longer capable of meeting the municipal demands for funds.

They were channeling huge portions of their resources into vast expressway complexes merely to permit the survival of the city, and yet demands engendered by the automobile made the expressways inadequate almost as soon as they were completed.

Their central city residential neighborhoods were sliding into decay, becoming slums, while private capital looked elsewhere for investment in residential construction.

Unchecked and uncontrolled urban sprawl was producing whole sequential tract developments containing the built-in inevitability of becoming the slums of tomorrow, as if some grand design dictated the creation of a never-ending supply of blight.

Acknowledging these problems, the Kennedy Administration embarked on an urban program which accelerated sharply under the administration of President Lyndon B. Johnson, aided by his extraordinary rapport with the 89th Congress.

Some exciting, bold and dynamic programs have been proposed, enacted and launched in recent years. Built upon the basis of the Housing Act of 1949, they have been part of an evolutionary process which shows no sign of abating.

This article does not propose to re-examine the legal and constitutional basis for urban renewal. That municipalities possess the power to undertake renewal projects, acquiring private property through eminent domain and reselling the land for private development, is so well-settled as almost to require no citation.\(^4\)

Instead, the purpose of this article is to examine the evolution of federal programs covering generally the redevelopment of physical resources and rehabilitation of human resources in the nation's cities.\(^5\) In the course of the analysis, comment will be made on the practical effect of these programs in meeting the problems they were purportedly

\(^3\) R. Martin, op. cit. supra note 1, at 3.
\(^5\) In developing the article, examples from Wisconsin law and the writer's own experience in urban development will be used as illustrations.
enacted to deal with. The new programs will be discussed in terms of their potential impact on the cities and as to what they might forecast for the future.

As indicated, the basic constitutionality of urban renewal is rather clearly settled. The growth of federal urban programs, however, has raised a number of deeper, more subtle legal and constitutional questions. These questions affect the validity and integrity of traditional governmental forms and spheres of responsibility. Because the federal government has both developed the programs and made funds available, a new federal-local relationship has emerged.

The role of state government in urban affairs has proportionally diminished as Washington has bypassed the State House to deal directly with City Hall. Unquestionably, the power of the federal government over local activities has grown enormously as the cities have committed themselves to programs and made themselves dependent on federal money. The exercise of this power will contain major implications for the survival of traditional forms of local government as we know them. Recent legislation indicates what some of these implications will be.

6 These questions, in the main, have not arisen as issues for judicial determination. They deal basically with the federal-local relationship, the disappearance of local autonomy over local matters as an outgrowth of federal imposition of national policy as interpreted by administrators onto local government as a condition of financial aid, and the trend to minimizing the authority of state governments over municipal affairs through use of contracts running directly between federal agencies and city governments. Congress has not attempted to force local governments to conform to national policy by legislative means. Instead, a system has developed whereby the cities, once committed to the federal aid programs, are in practicality constrained to accept contractual conditions to the rendering of such assistance, which force the municipal government to accept federal administrative policy determinations. The alternative facing municipal officials is economic disruption and political catastrophe.

7 Further, conditions for participation in new federal programs require cities to promise services and guarantee the performance of functions which are frequently, by local law and political organization, under the jurisdiction of autonomous public and private agencies. For example, Milwaukee County contains forty-six separate taxing units, many of them holding sway over functions which must be incorporated into new federal programs. The question is whether a city like Milwaukee, increasingly dependent on federal assistance as problems grow more severe, can effectively guarantee the performance of these functions while these agencies remain autonomous. In addition, municipal government is bound and limited by state statutes and federal requirements are changing faster than the statutes can possibly be amended. A host of American cities share the problems exemplified by Milwaukee. And these problems will intensify as cities begin to merge and cross state lines. The problems of functional fragmentation and conflicts of state and local law are not likely to be resolved; unless the basic existing governmental organization is reappraised and a determination made as to whether traditional concepts of intergovernmental relationships and powers are adequate in these days of urban crisis and a decision reached as to whether artificial local political boundaries, established hither-skelter as metropolitan areas grew historically, ought to remain inviolate as central city problems increasingly become the concern of entire regions.
The federal laws pertaining to urban problems and particularly to the renewal of our central cities have represented a significant evolution, a broadening of vision, which nevertheless has not quite kept pace with the acceleration of the problems they were designed to meet. There are two distinct groups of congressional enactments—those prior to and those coming after 1960.

II. THE EARLY FEDERAL PROGRAMS

An ancestor of urban renewal legislation was the United States Housing Act of 1937.\(^8\) That act was a depression measure—its basic purpose was the provision of low-rent public housing. The 1937 Act, however, went beyond the provision of subsidies for the construction and maintenance of public housing—its full title was: "An Act to provide financial assistance to the States and Political Subdivisions thereof for the elimination of unsafe and insanitary housing conditions, for the eradication of slums, for the provision of decent, safe and sanitary dwellings for families of low income, and for the reduction of unemployment and the stimulation of business activity, to create a United States Housing Authority, and for other purposes."\(^9\) The Act authorized the taking of private lands for the then-questionable public purposes of eliminating slums and constructing publicly-operated low-income housing on the lands thus obtained. Interestingly, litigation on the validity of the public purposes involved resulted in precedents which, in some states, were later heavily relied on by courts in upholding the still more questionable public purpose in renewal legislation—the taking of private lands for clearance and resale to a private developer.\(^10\)

As early as 1941, the need for a form of federal assistance to cities for urban renewal and blight elimination was recognized. Legislative proposals continued through the War years, despite the nation's total commitment to military operations. In 1945, partly inspired by the acute post-war housing shortage, a series of proposals was introduced into the Congress. Interestingly, the Bills which finally resulted in the Housing Act of 1949, the foundation of the present Urban Renewal program, were the work principally of Senators Wagner, Ellender and Taft, who have come to represent widely divergent political and governmental philosophies.\(^11\)

The 1949 Act authorized Urban Redevelopment Projects,\(^12\) and many of its essential provisions remain in effect as part of the law today. The Act permitted payment, by the Housing and Home Finance Administrator, of two-thirds of the cost of Redevelopment Projects

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\(^8\) Ch. 896, 50 Stat. 888 (1937) (Codified in scattered sections of 42 U.S.C.).
\(^9\) 50 Stat. 888 (1937).
\(^12\) 63 Stat. 416 (1949).
undertaken by local public agencies. The projects involved acquisition of private lands and their assembly into marketable parcels, clearance of these parcels, and resale of the cleared lands to private developers, at fair market values, for a re-use consistent with the "Redevelopment Plan" for the areas.

The program also provided for the advance of funds to cities for survey and planning of projects. Capital grants were conditioned upon preparation of a Redevelopment Plan and approval of that plan by the city's local governing body, Milwaukee's Common Council, for example. A finding by that governing body that the Redevelopment Plan was in conformity with the general plan for community development (which general plan in most instances did not exist or was hopelessly outdated) was required. Any redeveloper was to be bound by applicable provisions and restrictions in the plan. Those displaced by the project had to be relocated in decent, safe, and sanitary housing at prices they could afford. The local agency could proceed to acquire land and exercise the power of eminent domain only after a public hearing.

Despite frequent amendments to the federal housing legislation in recent years, these requirements remain as part of the present Urban Renewal program. They have become, however, as have amendments added to the program over the years—increasingly shrouded with an overlay of administrative and procedural requirements. Applying for Federal Urban Renewal assistance has become an exceedingly complex process. The application itself is a two-part submission containing greatly detailed technical and statistical data, as well as evidence of compliance with legal and administrative requirements. Such applications take months to develop, process and submit. Once submitted, federal technicians minutely review each part of the application for compliance with procedural requirements, accuracy of representation, legality of local actions, and discrepancies in statements of fact between those contained in the application and any which might have been made previously or collaterally.

The amount of correspondence and phone calls between a city agency and the federal regional office concerning even purely mechanical ques-

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17 Ibid.
20 See Pt. 4, Ch. 2, Urban Renewal Manual, Dept. of Housing and Urban Development.
tions in an application is almost beyond comprehension. The reviews, the misunderstandings, the discrepancies are universally frustrating to renewal administrators. They consume priceless time; they tie up a city's resources in a particular project; they force the administrators frequently to stand by helplessly, awaiting the federal go-ahead, while the project area steadily deteriorates and the property owners' investments are jeopardized.

The programs and procedures emanating from the 1949 Act have become increasingly bureaucratized. Federal administrators seem to delight in forcing compliance with the letter of the minutely detailed regulations within their particular jurisdiction. Many of these requirements, viewed from the local end of the federal-local relationship, have little bearing on the objectives of the project in question. Nevertheless, producing a project meeting all requirements involves a period of years in an area of activity aimed essentially at meeting the problems of a given point in time. As a rule, these problems change markedly in both degree and kind before the local community can get approval and funds to proceed with the project. As an analogy, the situation is somewhat like that of a physician who discovers a localized cancer in a patient and begins treatment three years later. He knows the condition cannot be any better, and he's reasonably confident that the cancer may have spread, negating the effectiveness of a localized treatment.

21 For example, Milwaukee's Kilbourntown No. 3 Urban Renewal Project (Project No. Wis. R-11) was first officially declared a project by the Milwaukee Redevelopment Authority by its approval of the submission of an application for Survey and Planning funds on December 14, 1960. Between that date and May, 1967, approximately fifty official communications have passed between the local agency and the federal government, plus uncounted unofficial letters, phone calls and staff conferences. Almost seven years from the announcement of the project, Milwaukee has not yet received Federal approval to begin the actual purchase of property and clearance contemplated for the area.

22 To illustrate the plight of property owners in project areas, Milwaukee has undertaken a program of early purchase of some properties within the Kilbourntown No. 3 Project, using city funds, to alleviate individual hardships in specific instances. The experience has been that many of the properties purchased have been bought for substantially less than the assessed value of the property as reflected in the records of the City Tax Commissioner. Since properties in Milwaukee are assessed at approximately 53% of their supposed actual value, these property owners are receiving well under half the value of their homes as determined by city assessments. Such is the condition of the area that, for the most part, they are happy to settle for half.

23 For example, in the project described in notes 21 and 22, supra, the Government imposed a condition of project approval which, in effect, required the Redevelopment Authority to employ Negroes in responsible positions on the agency's staff. The condition ignored the fact that the staff of the Redevelopment Authority is provided under contract with a city agency; that city employees are almost invariably recruited and employed under the "merit" or Civil Service system; and that the City of Milwaukee is an equal opportunity employer with a general policy of encouraging the employment of Negroes. As a result of the Federal condition, a vast amount of time was expanded in developing a procedure which would satisfy the federal officials and in bending local laws and regulations to permit putting this procedure in use.
1954—The Addition of "Rehabilitation"

"Urban Redevelopment," with its sole reliance on slum elimination through clearance of blighted areas and resale to private developers, remained the only available federal tool until the passage of the Housing Act of 1954. The major impact of the 1954 legislation was to add a new approach to the problem of combating blight—federal assistance for the conservation of existing neighborhoods through the rehabilitation of existing buildings. The concept was to treat an area before deterioration proceeded to the point where wholesale clearance became necessary. The new approach was underscored by a change in terminology. "Urban Redevelopment" was out, not only as too restrictive but because it had developed some undesirable connotations from a public relations standpoint. "Urban Renewal" was the new descriptive term for the program, to illustrate the broadening of the program from slum clearance to neighborhood conservation, to show the program's new emphasis on areas which would not be acquired by government. Instead, property owners would be assisted to improve their buildings and hopefully enhance the value and stability of their neighborhoods. The procedural requirements of the 1949 Act, with some minor amendments, were grafted whole onto the new conservation portion of the Renewal program.

An important provision of the 1954 Act imposed a major new requirement on cities hoping to receive assistance under the Housing Act. It established that no city could obtain a loan and grant contract for a renewal project, until that city submitted to the federal government a "Workable Program for Community Improvement." This program presently requires cities to submit annually a report of its activities in the following areas: 1) Codes and ordinances; 2) comprehensive community plan; 3) neighborhood analysis; 4) administrative organization; 5) financing; 6) relocation; and 7) citizen participation. The Workable Program not only establishes minimum standards in each of these subject areas, it allows federal administrators to compare progress from one annual submission to the next, and to enforce improvements in local procedures by establishing conditions for succeeding submissions. A condition precedent for obtaining federal funds for development now is a certification, or re-certification, of the city's Workable Program as meeting the standards of the federal government.

Through the device of the Workable Program, the federal government has forced its local governments to act in these enumerated areas.

27 Ibid.
Further, the requirements have periodically been strengthened. The result is that local politicians are sometimes required to take actions which might be politically damaging as an alternative to losing eligibility for federal aid. Milwaukee has not as yet had a major problem with compliance. Though the requirements have been aimed at establishing a local capability for effective utilization of federal aids and generally have been successful, their presence has kept some cities from urban renewal activity for some time.\footnote{For example, the booming City of Houston, Texas, is one of the few major cities not involved in programs administered by the Department of Housing and Urban Development. The reason is that Houston has consistently conformed to a policy of free use and development of land as determined by the market and has never adopted a zoning ordinance, which, of course, is a Workable Program requirement.}

The basic Act of 1949 was amended from time to time prior to the great upsurge in Housing legislation in the 1960's. For example, the Housing Act of 1956\footnote{70 Stat. 1091 (codified in scattered sections of Titles 12, 38, 40 and 42 U.S.C.).} authorized compensation, wholly federally financed, for certain property losses and for moving expenses of persons and businesses displaced as a result of an urban renewal project.\footnote{70 Stat. 1100 (1956).} The 1956 Act also authorized federal funding of the preparation of General Neighborhood Renewal Plans, dealing with areas larger than specific projects and requiring treatment over a period of years, but not more than ten years (now eight years).\footnote{70 Stat. 1099, 42 U.S.C. §1452(d) (1964), as amended; 42 U.S.C. §1452(d) (Supp. I., 1965).} The GNRP was the first legislative recognition of the need for long-range—as opposed to specific project—planning. It was followed in the Housing Act of 1959\footnote{73 Stat. 654, (codified in scattered sections of Titles 12, 40 and 42 U.S.C.).} by authorization for funding, on a two-thirds Federal share basis, the preparation of Community Renewal Programs (CRP's).\footnote{73 Stat. 672 (1959).}

The impact of the CRP provision has perhaps been greater in Milwaukee than in most other cities. Federal funds were used to survey the entire community and to define a series of projects established on a priority basis. Priorities were established, in large part, on a need for the project as reflected in the degree of blight in the area; the City's long-term financial capability to carry out a comprehensive renewal program; and whether or not a strong market existed for resultant cleared land, so that the City would benefit through replacing slums with a higher land use, thus broadening the property tax base.\footnote{See Projects and Objectives, Milwaukee Community Renewal Program, booklet of the Department of City Development, City of Milwaukee, 1964, as revised in 1965 and 1966 annual legislative reviews.}
reposes with the Common Council, with individual aldermen possessing virtual autonomy over what transpires in the wards which they represent, this is a major accomplishment. Without a Community Renewal Program, a mayor at most possesses the veto power and his own talents at persuasion and thus would be unable to develop a rational, long-range developmental program in a city like Milwaukee.

The first decade of American urban renewal, therefore, provided the basic tools and resources still most heavily relied upon by cities in their attempts to attack blight. The experiences of cities in using these tools, however, contrasted markedly with the lofty statements of Congressional intent found in legislative preambles.

Some cities concentrated their resources in uprooting slums on a wholesale basis. Many found that the displaced slum-dwellers automatically moved to the cheapest housing, taking with them the living habits common to a slum existence, and participating in the gestation of a new hard-core slum area which would, in turn, require the mini-

strations of the bulldozer crews.\(^{35}\)

Others found that, having cleared the slums, they were left with vast urban wastelands which they were unable to put to an acceptable, beneficial re-use. In their zeal to eliminate blight, they had neglected one of the pre-eminent considerations in building a viable renewal program —whether or not the cleared land could be sold to a private developer for the re-use contemplated by the plan.\(^{36}\) Mayors, among themselves, relate with distaste tales of political retribution wreaked at the polls upon former contemporaries for creating these scenes of devastation sometimes known as "The Hiroshima Effect."

Other cities, wary of the pitfalls in indiscriminate clearance, concentrated on selective clearance based primarily on whether a market existed for a high-income, high-density re-use. These cities attacked blight, provided it existed in or near the city's cultural, commercial and economic center. They aimed at commercial renewal spurred by relatively low land costs, or at middle to high-income residential developments, primarily luxury apartments. Their intent was to lure back to the central city those people of "substance" who had long ago fled to the suburbs. Their inducement was gracious, maintenance-free living easily accessible to the center of vocational, cultural and social activities. In many instances they succeeded, even though a curious situation existed in which the government was attempting to bring middle-class residents back into the central city by financing this sort of develop-

\(^{35}\) An example might be New York City. See "Let There Be Commitment", Report of a Study Group of the Institute of Public Administration to Mayor John V. Lindsay (Sept. 1966).

\(^{36}\) Cleveland, Ohio, long ago embarked on a highly ambitious Urban Renewal Program. Because that city has been unable to bring its projects to completion, HUD recently withdrew fund reservations for Cleveland projects until improvement is demonstrated.
ment through its Urban Renewal Program, while, at the same time, the Federal Housing Administration in its mortgage insurance program policies was making it easy for others of the middle-class to join the suburban ranks.\(^{37}\)

In concentrating on marketable, high-return renewal, however, many of these cities neglected the more difficult and less lucrative problem of preventing an acceleration of blight attributable in part to renewal activities. Low-income housing razed to make way for a higher use was not replaced with an equivalent number of standard housing units for low-income families and individuals.

The cry began to be heard in the land with increasing loudness, as militant minority groups increased in influence, that "Urban Renewal is Negro Removal." It was charged that Urban Renewal, instead of bettering living conditions for slum-dwellers, was reducing the supply of housing available for low-income persons, creating ever-denser, ever-more-compacted ghettos of the under-privileged. No city with a renewal program is totally free of this charge. New Haven, Connecticut, for example, is generally considered to possess the most imaginative and effective program for development in the country. Several of the innovative approaches worked out in New Haven have been incorporated into the federal programs. Nevertheless, at a recent conference in New Haven, the writer was greeted at the conference headquarters by a group of pickets. They were bitterly protesting a proposed renewal project because, they said, they had been uprooted, because of various projects, as often as six or seven times in a short period of years. They claimed that the area under consideration was the last bastion of housing for the poor. They rejected housing alternatives worked out by the city, stating they wanted to retain the power to choose their own housing free from governmental supervision; to live in a manner they alone controlled. This occurred in the city which has, over the years, received substantially greater federal monies, *per capita*, than any other community,\(^{38}\) a city whose programs for housing and social services

\(^{37}\) Until very recently, FHA regulations did not contemplate mortgage financing for the renovation of existing homes in older areas of the central city. Instead, FHA mortgage insurance was basically available for new construction and favored single-family residences rather than low-cost multifamily housing available to the poor. Because land for residential development is available in quantity only outside the central city, FHA programs of mortgage insurance in effect encouraged those seeking new housing, and needing the backing of FHA for financing, to go to the suburbs. Recent legislation, however, indicates that the FHA will henceforth be a stronger force in the rehabilitation and conservation of existing housing.

\(^{38}\) The Urban Renewal Directory of March 31, 1965, Bulletin of the Housing and Home Finance Agency (Now HUD), Urban Renewal Administration, indicates that New Haven, about the size of Madison, Wis., had committed a total of about $55,850,000 in Federal Title I funds alone. In contrast, as of that time, Milwaukee had committed approximately $36,908,000—and Milwaukee is about seven times the size of New Haven. Since that time, however, the discrepancy has been reduced as Milwaukee's program accelerated.
for displacees are held up as a national model of excellence. Ironically, the residents' council behind the protest was organized and nurtured by an agency of the city itself, in an effort to involve the area's people in planning the proposed project.

Still other cities produced great tracts of low-income public housing sprawling in great clusters like monstrous military barracks. While this approach provided decent, inexpensive housing for great numbers of slum dwellers, it, too, has been heavily criticized. Social scientists have found that the slums, reprehensible as they are, maintain a strong vitality as communities in which residents feel a sense of belonging. The public developments, it is claimed, destroy this spirit of belonging, leaving tenants even more alienated from community life than slum-dwellers.39 An apparent high incidence of unchecked criminality and vandalism in the large public housing projects is cited as illustrative of this alienation, and critics warn that a class of hereditary welfare clients and public housing tenants will be created unless the residents can be brought to participation in the mainstream of community life.

Some cities, of course, built strong and effective programs using federal assistance, making inroads on slums, improving the economic health of the city while doing much to solve the housing problems of slum dwellers. These effective cities, as a rule, were notable for dynamic mayors with a solid political base within the city. They enjoyed the support and participation of all segments of the city's power structure and a close rapport with the federal government, facilitating the flow of funds.40

In general, however, the record of Urban Renewal was considered unsatisfactory in 1960. This attitude of dissatisfaction provided the backdrop for the spurt of renewal and development legislation and administrative changes which began with the Kennedy administration and has continued to accelerate through the Johnson administration.

To 1960, the Federal programs were almost totally remedial in concept. They aimed at defining blighted areas, documenting the degree of blight within these areas, making application for federal assistance primarily for clearance, and making an ultimate re-use of the land consistent with a plan prepared by the community. Other than a required commitment from the community that decent, safe and sanitary housing would be provided for relocatees, little attention was given to

39 See generally Jacobs, The Death and Life of Great American Cities (1961), particularly, Introduction and Ch. 15.
40 Examples are, notably, New Haven, Conn., where Mayor Richard Lee has had the strong support of the electorate, the local legislative body, and Yale University, and has been able to exercise strong personal direction of the renewal program; and cities such as Philadelphia and Chicago, where elections are partisan and the mayors head the local party apparatus and generally can count on the strong backing of majorities of the local legislative bodies belonging to their political parties.
problems of those displaced by the project. The process was (and remains) time-consuming; the approach was static, dealing with blight as if it were a constant.

In fact, blight is a dynamic, fluctuating phenomenon. Its spread or containment is dependent on a number of variables, only one of which is project activity designed to arrest it. The passage of years between a project's inception and completion may see a change in circumstances negating the intended effect of the project as slums develop in unforeseen directions and with unanticipated speed. 1960 witnessed the beginning of a change in emphasis toward blight prevention based on analysis of all possible variables. This has been a continuing evolutionary change which is not only still in progress, but which is literally almost daily taking on new dimensions.

III. THE FEDERAL PROGRAMS — 1960 TO PRESENT

Urban Renewal took hold in the first six years of the 1960's. It became a commonplace instead of a rarity in municipal government, and spread from the established major metropolises with established major problems to small cities and even villages throughout the country. While federal approvals and funds were relatively easy to obtain in the early years of the program when participating cities were few and the Federal Renewal agency was faced with the necessity of exhausting its yearly budgets in order to justify continued Congressional appropriations, the process became immeasurably more difficult as more cities joined the program. Federal officials have become progressively more selective in preliminary project approvals and more critical in their scrutiny of technical and procedural requirements, from the inception of planning through execution. They can now pick and choose from a surplus of competing cities and competitive applications, and can make a judgmental decision in approving fund commitments from their relatively scarcer monetary resource. At the end of November, 1966, the Department of Housing and Urban Development had available for the remainder of the 1967 fiscal year, ending June 30, 1967, a total of approximately $254 million available for Urban Renewal Capital Grants. Applications pending before HUD totalled $1 billion 455 million.42

No one has expressed any hope, either, that the flood of applications will diminish or that Congress will augment appropriations to a degree necessary to reduce the backlog. The federal administrators are therefore utilizing to the fullest the intricate and convoluted provisions of their three-volume Urban Renewal Manual to screen their selections.

41 The Urban Renewal Directory of March 31, 1965, Bulletin of the Housing and Home Finance Agency (Now HUD), Urban Renewal Administration, lists 716 cities as participants in Title I projects.

They are demanding of applicant cities compliance with these regulations, and are imposing additional administrative requirements on the cities in order to bring about closer conformity with their conception of the legislative intent. Thus, cities must now provide detailed, documented, uncontrovertible proof that all families and individuals displaced will be relocated in decent, safe and sanitary housing within the limits of what they can afford to spend on housing. Families who refuse relocation assistance must be tracked down with the dogged persistence of a detective, their new homes inspected and, if they fail to meet minimum standards, brought up to these standards by compulsory legal process. In the flux of a clearance project, where it is not uncommon for residents to make Midnight exits from rented premises to avoid back rent, it is often difficult to meet this requirement. The Midnight movers seldom leave forwarding addresses.

As another example of the new selectivity, HUD recently, as a condition of a project approval, required the Redevelopment Authority of the City of Milwaukee to take steps to hire Negroes in responsible positions on the developmental staff. The intent of the requirement is reasonable and praiseworthy. Four or five years ago, however, such a question would probably not even have been raised and certainly not made an absolute requirement for approval.

It is possible that the new selectivity and the closer scrutiny being brought to bear on applications for federal assistance may result in better individual projects. It is also possible that the federal officials, never known in their best days for the speed with which they processed applications, will minimize the final impact of the project through lengthening the period between project inception and execution.

Once a project is announced, a peculiar debilitating effect sets in throughout the publicly-defined area. Despite strenuous efforts to convince residents that the project is years in the future, tenants begin moving out and owners are unable to find new occupants. Owners begin neglecting the maintenance of their properties, on the assumption that expenditures won't be recouped by a sale to the Renewal agency. Vandalism begins in vacant buildings and, once started, accelerates quickly. This "dead hand of urban renewal" falls heavily on property owners in project areas. Their buildings steadily decrease in value as the project area deteriorates. In many cases, the owners of habitable

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43 The new administrative requirements are communicated to the cities in the form of Local Public Agency letters, which are presently numbered in the low 400's. These LPA letters explain new programs, but also clarify and, generally, tighten up the requirements relating to existing programs.

44 For example, Milwaukee was recently compelled to re-submit an entire major section on Relocation Resources for the project described in notes 21-23, supra. In substance, the federal agency had rejected a source for estimates which it had, quite recently, accepted virtually without question in applications concerning two other projects.
homes, after making mortgage payments for a number of years, have received less for their properties from the Renewal agency than the outstanding mortgage balances. A shortening of the tedious processes involved in obtaining federal funds would do much to alleviate this type of hardship. The federal government is moving toward eliminating red tape in order to bring resources to bear on a particular area while the project still bears some similarity to that described in the application. The creation of the Department of Housing and Urban Development by the Congress, at President Johnson's request, promises to be an effective step in improving the procedures involved in Urban Renewal and making it more effective. Further, since the creation in late 1965 of HUD as a cabinet department under a Secretary appointed by the President, there has already been evident an emphasis on correlation of hitherto independent programs to increase project effect. The Milwaukee local agency is attempting to improve its internal procedures and the statutes and ordinances governing its operations in an effort to cut down local processing time.

Surprisingly, shortage of funds and proliferation of regulations is, to a certain extent, a peculiarity of the so-called "Title I" program—clearance, conservation, or a combination of the two. These programs, as indicated, date from the 1949 Act and its significant early amendments. Most of the national experience has involved these programs. Their approaches and procedures are tested and thus easy to adopt by cities starting development programs. They therefore remain the standard definition of Urban Renewal and are the mainstay of the federal program.

In the 1960's, however, and particularly in the enactments of housing legislation in 1964, 1965 and 1966, the President and Congress have provided a multitude of new tools providing new approaches in the prevention of blight as well as additional muscle for the traditional programs.

Among these new approaches are:

1. Federal participation, on a two-thirds basis, for concentrated code enforcement in selected project areas. The local community commits itself to bringing all buildings within the project area up to the


46 See report, Administrative Streamlining of the Department of City Development, prepared by the writer and introduced as Milwaukee Common Council File No. 66-1814 on Sept. 20, 1966. Many of its recommendations have already been adopted; others are pending.

standard established by the community's minimum codes, as well as completing necessary public improvements and community facilities, within a three-year period. This appears to be an extremely effective preventive measure, operative in aging areas threatened by blight which have not yet been seriously affected by decay and obsolescence. Milwaukee applied for and received federal approval for a large project costing nearly $6 million, of which the government will provide nearly $4 million. The total process involved a matter of months, as contrasted with the years involved in a Title I project.\textsuperscript{48}

2. Demolition of structures which, under state or local law, have been determined to be structurally unsound or unfit for human habitation. The federal government pays two-thirds of the cost of razing such structures, and Milwaukee, with little difficulty, has received several such demolition grants.\textsuperscript{49}

3. Open space land and urban beautification and improvement authorizing the Secretary of Housing and Urban Development to make grants of fifty per cent of the cost of acquiring land for parks or open space and fifty per cent of the cost of a total beautification program for the community.\textsuperscript{50}

4. Direct grants, one hundred per cent payable with federal funds, to qualifying property owners in conservation or code enforcement project areas to be used to cover the cost of repairs and improvements required by applicable local codes or project standards. Such grants are available to owner-occupants whose income does not exceed $3,000 per year, and may not exceed the lesser of the actual cost of the repairs or $1,500. It is anticipated that this grant provision will be particularly useful in alleviating hardships imposed on elderly project residents who may subsist on a fixed income which would not permit the making of necessary repairs.\textsuperscript{51}

5. Rehabilitation loans, at an interest rate of three per cent and covering a long term, for property owners in conservation and code enforcement project areas. Loans are made directly to eligible property owners by an agency of the federal government. It is expected that the rehabilitation loans will be particularly useful in instances in which owners do not qualify for or cannot obtain conventional financing to undertake necessary repairs or improvements.\textsuperscript{52}

\textsuperscript{48}See Milwaukee Common Council File No. 66-332, which contains local legislative approval for submission of application and execution of grant contract for Milwaukee Code Enforcement Project 1-a (Federal number Wis. E-1).


All of these represent a departure in basic conception from the traditional renewal programs exemplified by the Title I clearance project. They enable cities to focus resources in areas threatened by blight, but not yet qualifying for the surgery of Title I action. They represent an attempt to anticipate and prevent the spread of blight. A concerted use of these programs would enable a community to remove isolated buildings constituting a blighting influence in a neighborhood; bring the remaining structures up to minimum code standards and maintain them as decent, safe and sanitary housing; assist property owners in paying for necessary improvements to alleviate possible financial hardship; provide open space and park lands where needed to adequately serve the neighborhood; and install necessary public improvements and neighborhood facilities to bring the aging neighborhood to an approximate equality with newer areas.

Most importantly, federal money is available with encouraging promptness and a minimum of red tape, enabling project execution with a reasonable expectation of achieving the effect contemplated when the application was submitted. Cities have not yet responded to these programs with the enthusiasm with which they are embracing Title I approaches, and HUD has not yet shrouded the new programs with a protective wrapping of regulations.

These programs offer evidence that the federal government is shifting from a static, remedial approach to a dynamic, anticipatory preventive attack on urban problems.

Additional evidence, however, is provided by recent shifts in emphasis in federal programs for low-income housing. Institutional public housing erected and managed under the jurisdiction of a local housing agency is being de-emphasized. Instead, recent enactments offer strong inducements for private developers to participate in providing necessary housing for low-income families and individuals.

The controversial “rent subsidy” provisions of the 1965 Housing Act, for example, authorizes the Secretary of HUD to make supplemental rental payments to non-profit or limited dividend housing owners who develop housing available, at low cost, to disadvantaged persons. The amount of the supplemental payments may not exceed the difference between one-fourth of the tenant’s income and the fair market rental for the dwelling unit. In effect, this program offers the disadvantaged family or individual, who would previously have been forced to rely on public housing for decent housing, to choose privately-sponsored housing. It is thus possible to avoid any stigma which may attach to public housing. In fact, the tenant’s neighbors, who may be paying full rental, need not even know that a federal supplement is

involved, since, in theory, the program is designed to bring the disadvantaged back into contact with other elements of a city's society. After a struggle in Congress over whether funds would be provided for the program, it is now underway on a pilot basis in many cities.

Other provisions authorize local housing agencies to contract with owners of existing housing developments for use as public housing and for the use of existing structures, including one- and two-family residential buildings, as individual public housing units. Local agencies may acquire or lease these existing buildings and may rehabilitate them. The effect of this program, if emphasized at the local level, is to disperse public housing tenants throughout the community in residential areas and to expose them to the influence and opportunities available to them as part of a healthy neighborhood.

It should be noted that housing philosophy is not the only reason for these departures from practices established by the venerable 1937 Act. The federal government has learned, as have the local housing agencies, that private developers or owners of existing housing can provide comparable housing units at far less cost per unit than those built under the aegis of the local authority. Because private contractors need not follow the cumbersome bidding, bonding and contracting requirements legally imposed on the public agencies, privately-developed public housing costs less per unit and goes up faster than housing built by a governmental agency.

The composite effect of the new renewal and housing techniques is, however, philosophical—to focus more attention and resources on preventing the spread of blight and on solving housing problems of disadvantaged and minority groups.

Model Cities

If any doubt remained as to the direction of development programs under the Johnson Administration, it should have been thoroughly dispelled by the Demonstration Cities and Metropolitan Development Act of 1966. The new legislation not only represents a departure from the traditional Title I programs, but departs substantially from the existing concept of Urban Renewal as concerned exclusively with the physical regeneration of American cities. The 1966 Act holds out the inducement of substantially augmented federal funds plus substantially increased local discretion in the use of the additional funds. On the other hand, participation in the program would exact from the local communities a commitment to provide facilities and services which are commonly dispersed among several distinct and autonomous agencies.

56 80 Stat. 1255, (Codified in scattered sections of Titles 11, 12, 15, 16, 40, 42, U.S.C.A.)
of government. To effectively meet this commitment could conceivably necessitate a basic reappraisal of the structure of local government itself, and the relations between various governmental bodies.\textsuperscript{57}

The effect of the new legislation is to shift emphasis from individual projects to vast sections of cities. Within these "model neighborhood areas," participating cities must focus all available federal, state and local programs on all the problems of the entire area.

No longer will the planners concern themselves only with structures while agencies concerned with other aspects of a community's problems works each in his own sphere of action, antiseptically isolated from the operations of the others.

Instead, the "Model Cities" program requires that unified programs be developed for attack on all the disparate conditions which contribute to building slums.

The requirement sounds simple, but the implications are staggering both in terms of impact on the organizational structure of local communities and in the extent of the departure from the traditional approach.

These implications can best be illustrated through a description of the Department of Housing and Urban Development's standards for participation in the program.\textsuperscript{58} The program should be \textit{comprehensive}. By "comprehensive" HUD means that the program content should be aimed at: a) rebuilding or revitalizing large slum and blighted areas; b) expanding housing; c) expanding job and income opportunities; d) to reduce dependence on welfare; e) improving educational facilities and \textit{programs} (emphasis added); f) combating disease; g) reducing crime and delinquency; h) to enhance recreational and cultural opportunities; i) establishing better access between homes and jobs; and j) improving living conditions for people who live in the Model City area.

HUD states that an illustrative program designed to meet this "comprehensive" standard might contain these elements:\textsuperscript{59}

A physical improvement component ranging from new streets, sidewalks and the like, through new parks and recreational centers, to new and better facilities and commercial establishments.

A housing component to meet all housing needs, but emphasizing low and moderate-income housing.

A transportation component encompassing not only traffic patterns and arteries within the area, but designed to also provide area residents

\textsuperscript{57} See notes 6-7, \textit{supra}.


\textsuperscript{59} \textit{Id.} at 8-11.
access to community-wide employment, shopping and community facilities.

An educational component, aimed particularly at the educational needs of the poor and disadvantaged.

A manpower and economic development component, to develop commerce and industry within the area and to create job opportunities for residents, particularly the poor and underprivileged.

A recreational and cultural component, to provide a broad range of opportunities designed specifically for the interests, taste and abilities of area residents.

A crime reduction component, which should prevent and control crime, but should also rehabilitate criminals and delinquents and minister to employment, educational and recreational needs.

A health component to make a comprehensive health service easily accessible and available to all project residents.

A social service and public assistance component, encompassing such inclusions as legal aid, consumer counseling, planned parenthood, credit assistance and the like.

It is an impressive list of activities to be focused and coordinated in one area to meet all aspects of blight, in its human, physical and economic manifestations.

It should be noted that, in most cities and certainly in Milwaukee, as many independent agencies as there are components exert jurisdiction over the various program elements. These agencies act autonomously within their individual areas of operation. Since an effective marshalling of all of these programs would require at least an unprecedented degree of cooperation and probably the creation of some central authority with jurisdiction over all these agencies, the difficulty of creating a "comprehensive" program is apparent. Agencies and bureaucracies reserve their greatest zeal for defending their prerogatives and jurisdictions.

HUD, however, further emphasizes that this is merely an illustrative list, and warns that a city demonstration program should not be a "mere packaging together of existing plans and programs . . . ."60

Participating cities must thus not only invade the established domains of existing agencies, but must also seek basic changes in the nature of the programs administered by these agencies.

HUD stresses variety and innovation in demonstration programs, going beyond existing programs and policies, and tailored to the specific needs, problems and resources of individual cities.

In marked contrast of the leisurely approach which has been characteristic of preceding programs, the Government is now stressing speed.

60 Id. at 10-11.
In an obvious attempt to complete the treatment before the disease spreads, HUD is allowing only one year for planning and five years for execution of this massive, many-faceted new program.\textsuperscript{61} Putting a program together which meets the standards of comprehensiveness and offers some possibility of accomplishment in the given time period is a staggering task.

In Milwaukee, for example, a Model Cities program could encompass up to 80,000 people—meaning a commitment to rebuild an area containing more people than any Wisconsin city other than Milwaukee and Madison while at the same time solving all the human problems of its inhabitants.

The "comprehensive" standard, moreover, is only one of many the Government expects participating cities to meet. For example:

1. Administrative machinery must be established which will guarantee the ability to carry out the program on a consolidated and coordinated basis. In Milwaukee—and in most cities governed by traditional rules of state and municipal law—this requirement means that a "City Demonstration Agency" must have some authority over those traditionally independent and autonomous agencies jealous of their jurisdiction. In Milwaukee, these agencies would basically include City government, the County Board of Supervisors, the Milwaukee Board of School Directors, the governing board of the Vocational and Adult Schools, the private health and welfare agencies who have a vested interest in the problems of the underprivileged, plus state agencies and civic associations.

2. The program must make a "substantial impact" on physical, economic and social problems in the area, establishing "lasting solutions" in the model area and, in addition, elsewhere in the city.

3. Blight should be arrested or removed in the area, and the program should be of sufficient magnitude to substantially benefit the city as a whole.

4. The program should make "marked progress" in reducing social and educational disadvantages, ill health and underemployment. It should provide social services needed by the poor and disadvantaged and should make possible widespread citizen participation in planning and carrying out program components.

Again, the Government is demonstrating its new awareness that slums are not defeated by tearing down buildings, because a "slum" is a composite of variable factors which include human and economic factors as well as structural conditions. It is becoming accepted that slums do not cease to exist, but merely move spatially, as displacees move, unless the slumdwellers are renewed along with the buildings.

5. The program should contribute to a well-balanced city with a substantial increase in the supply of standard housing of low and moderate cost.

The problem of housing displacees has long been a major area of delinquency in Urban Renewal. By generally tightening up relocation standards, and incorporating this program requirement into current Title I projects, the Government is attempting to guarantee an adequate supply of housing for displacees, particularly the poor, as an integral part of any physical renewal effort.62

6. The program should contribute to a well-balanced city with maximum opportunities in the choice of housing accommodations for all citizens of all income levels.

This requirement concerns itself with assurances of an adequate housing supply to meet all needs—the location of available housing within and outside (emphasis added) project areas, and the city’s approaches for making housing available to all citizens and all income levels (emphasis added).

The implications of this requirement have caused apprehension and consternation among development administrators, mayors and local officials.

Some have interpreted it to mean that participating cities must have in effect an “Open Housing Ordinance” guaranteeing freedom of housing opportunity throughout the city to minority groups. One Mid-South city recently has proposed such an ordinance specifically to qualify for consideration as a Model City.63

HUD officials have denied, in conversations with the writer, that an ordinance, per se, must be in effect if the city is to qualify. They stress, however, that a city’s record in the field of minority group housing is an important factor in meeting this standard, and that participating cities should be prepared to represent that all citizens, including Negroes and other minority groups, will have an opportunity of choice in housing consistent with their income levels.

When this requirement is considered together with the previous standard involving increased supplies of low and moderate-income housing, it is apparent that one of the intended objectives of the Model Cities program is to break down long-established racial barriers in housing. This interpretation is buttressed by the strong federal suggestion that families and individuals relocated as a result of the program, in particular, be given a choice of a variety of decent standard accommodations, at rents or prices they can reasonably afford, in an area free of blight.


63 That ordinance, introduced in Louisville, Ky., was subsequently rejected by that city’s legislative body. Louisville has recently undergone a series of racial incidents.
Slum or blighted areas requiring clearance are commonly occupied by large minority group populations. They have gravitated to these blighted areas, forced there by economic pressures and the unavailability of minority housing elsewhere. Because, almost as a matter of definition, areas already heavily occupied by minority groups do not meet the relocation standard of being blight-free, compliance with this requirement will necessitate a dispersal of non-whites through areas which have been traditionally white, wherever the available housing supply dictates. A city may not relocate displacees into a ghetto.

It is ironic that the same Congress which failed to enact a federal law on equal housing opportunity should have approved the Demonstration Cities and Metropolitan Development Act of 1966. The Act authorizes potentially greater federal control over the sale and rental of private housing than that contemplated in the general federal measure, at least as far as participating cities are concerned.

7. The program should contribute to a well-balanced city with adequate public facilities (including those needed for education, health and social services, transportation and recreation), commercial facilities adequate to service the residential areas, and ease of access between residential areas and centers of employment.

In amplification, HUD states that the quantity and quality of facilities serving the model neighborhood area should be comparable to those available in other parts of the city and metropolitan area (emphasis added). Adequacy of facilities should also be judged, it is stated, in terms of the expressed needs and desires of residents of the area.64

Having disposed of the problem of segregated housing in the previous section, the Government now turns to a consideration of inequalities in public facilities. It should be noticed that, buried in the list appears a requirement regarding educational facilities, and that area residents should be heeded as to their preferences and stated needs. Possibly, any practic bearing a resemblance to so-called "de facto segregation", including the maintenance of schools with predominantly Negro student bodies, and the bussing of intact classes from central city to outlying schools, could be interpreted by HUD as a failure to meet this condition, particularly when brought to the Government's attention by organizations of area residents. Of particular interest is the use of facilities throughout the metropolitan area, though beyond the municipal boundaries, as a standard of comparison by which to judge the adequacy of project facilities.

Schools in project areas will, in all likelihood, suffer by comparison with comparable suburban facilities. The suburban residents may be willing to spend perhaps twice as much for a high school plant and program, for example, than a city school board, with limited tax and

64 Note 58, supra, at Part III, Sec. K, p. 16.
bond revenues, can afford. In any event, it seems possible that those civil-rights oriented groups concerned with Negro-White educational disparities may gain increased stature and impact in communities participating in the Model Cities program.

8. The program should insure that substantive local laws, regulations and other requirements are or can be expected to be consistent with the objectives of the city demonstration program.

This requirement goes to the validity of established laws and procedures of local government. Participating cities must be prepared to alter these laws and procedures whenever it appears they might be inconsistent with program objectives. Building, housing and zoning regulations, tax assessment policies, and public housing and welfare regulations are open to close scrutiny under the requirement. In addition, cities must represent that they will attempt to remove state and local laws or charter provisions presenting legal obstacles to the achievement of program objectives, a task which involves merely the persuasion of legislatures frequently dominated by rural interests and relatively unconcerned with meeting federal requirements.

The standards go on to outline a number of specific additional criteria for participation, posing additional problems of varying degree for cities hoping to be selected for the program.

Common to all of the program standards, however, is a requirement that neighborhood area residents be brought into full participation in the decision-making process. It is safe to assume that area residents will exert more authority in city government than do city dwellers generally. Participating city officials must consider the possibility that area inhabitants, with federal encouragement and funds, may develop into strong political forces which could work against the established regime.

From the foregoing analysis of the impact of the program standards on community practices and institutions, however, two basic facts should be apparent:

1. The Demonstration Cities program is ambitious, almost grandiose in concept, going far beyond any previous federal programs in impact and providing a mechanism for focusing all existing aid programs in a unified, coordinated manner aimed at revitalizing whole great segments of American cities. In essence, the program is reminiscent of the "new towns" approach utilized in England, except that it aims at building basically new communities within the framework of existing cities and at renewing human as well as physical resources.

2. The Demonstration Cities program apparently intends to impose national goals upon participating local communities, in such areas as housing, education and intergovernmental cooperation as a condition of receiving federal assistance. It has perhaps been decided that the
method in which the cities have used existing programs has not been notably successful in coping with the problems of blight, growth and change which are a national urban condition.

The government, therefore, seems to have made a drastic reversal of position. In the old programs, objectives were a matter of local discretion, while procedures and technicalities were rigidly specified by the federal agencies. In the new program, HUD is listing stated objectives and is not only permitting but actually encouraging experimentation in developing new procedures to accomplish them. Local government, however, no longer has unlimited latitude in determining what those objectives should be—the objectives must reflect and include those elements the Government has built into the program if a city is going to participate.

Given the sweeping nature of the requirements for selection as a Model City, and the potentially explosive political consequences which could flow from an attempt at compliance, it would hardly appear likely that elected political leaders would view the new program with anything but suspicion and even reluctance.

Surprisingly, however, the major cities of America are vigorously competing to be selected as Model Cities. The reasons, the writer thinks, are at least two. First, elected officials in big cities these days are more competent and more concerned with solving the problems of their communities than in probably any other era with the possible exception of the Republic's infancy and the incumbencies of the Founding Fathers. A modern mayor (and Milwaukee's present mayor, Henry Maier, is regarded by analysts of government and by his peers as an outstanding example of the new breed) is not only aware of the problems, but is dedicated to solving them, disregarding day-to-day political consequences. The day of the machine-made mayor and the wardheeler has largely gone by the boards in the United States, rendered obsolete by the dissolution of the old, party faithful ethnic groups and by the increasing complexities of administering a municipal corporation.

Second, and most importantly, the Government is holding out as an inducement to participation an unprecedented amount of money, with an unprecedented freedom from attached strings, to communities which succeed in meeting the primary requirements of Model Cities programs.

The basic percentage of Government participation in federally-assisted programs is maintained. For example, the federal share of project costs in urban renewal, neighborhood conservation and concentrated code enforcement is two-thirds. In open-space land acquisition, it is fifty per cent. In Community Action programs under the Office of Economic Opportunity, the current percentage is ninety per
cent, to be reduced to eighty per cent for the new fiscal year commencing July 1, 1967.\(^6\)

If projects such as those listed above were components in a Model Cities program, the federal government will pay an additional amount of up to eighty per cent of the total non-federal share of the project cost.\(^6\) The eighty per cent ratio is not mandatory. Instead, building in another element of control to assure compliance with the national policies, the percentage of the supplemental federal grant is flexible, determined in part by the number and intensity of economic and social pressures in the Model neighborhood.

One of the most significant elements in the new supplemental grant, to the writer's mind, is the fact that supplemental funds are not earmarked for specific purposes. They are not dependent on the nature of the expenditures upon which the supplement is based as a determinant of how the additional money may be spent.

Thus, assuming that urban renewal provided the basis for ninety per cent of the supplement, and recreation only ten per cent, and the amount of the supplement was $1 million, it would be within the discretion of the program's local administrative agency to spend all or any part of the supplement for recreational facilities, without providing any additional local money, as long as the recreational facilities were part of the approved comprehensive program.

To provide some idea of the magnitude of the inducement to participate, consider the effect on Milwaukee: Five urban renewal projects, as currently outlined, will cost the City an estimated $19,998,000 as its local one-third share of project costs. Assuming that these same projects were Model Cities components, Milwaukee's administrative agency could receive a supplemental Federal grant of approximately $16 million to be used in any eligible area of activity, provided the maximum eighty per cent was used.

The program therefore contemplates significant sums which would not possibly be raised by tapping the already abused property tax which is the basic source of revenue of a city like Milwaukee. Further, this money can be spent in programs aimed at treating problems which might otherwise be ignored because of competing needs for city resources.

So the situation is this: aware that compliance with all the objectives of the new program will possibly involve a disruption of the operations and jurisdictional responsibility of local government and an upheaval of the established community social organization, the cities and their political leaders simply cannot afford to cut themselves off from a major no-strings source of funds. The power of the purse, therefore, is being

applied to impose federal standards and requirements on the local community and, like it or not, the cities must adopt these standards as a condition of sharing in the pie.

Communities deciding that more money does not justify the required sweeping commitments face these alternatives:

It is possible that funds authorized for existing programs will be siphoned off to finance projects submitted as Model Cities components, creating shortages for non-participating cities. HUD officials have denied that this will occur, but it seems unlikely that the Administration would allow a shortage of money to jeopardize success of a program to which it is as heavily committed as Model Cities.

Further, top federal administrators have made it clear that the 1966 legislation is their proposed model for all future programs. It is possible, then, that avoiding participation in the Model Cities program will merely postpone the time when similar requirements will be imposed as conditions of federal assistance.

On the other hand, it is within the realm of possibility that the recently elected Congress may refuse to fund the program, or that the 1968 elections may produce a change in administrations leading to modification or abandonment of the program. Should the latter occur, cities might find that they have spent a great deal of time and money toward an unproductive end. Further, commitments or controversial requirements, unless counterbalanced by substantial inflows of federal money, are fraught with political peril for the mayors and city councilmen who must make the final decision.67

Cities, therefore, are caught in a basic dilemma: In seeking the augmented resources which may make possible a real impact on major community problems, they risk a cataclysmic disruption of the local status quo. It has been said that:

Indeed, one suspects that the real meaning of the demonstration cities program is that, far from being 'coordinated' with other programs, it is to be a challenge to them—an effort to create a new slum policy that will... put social goals ahead of

67 The risk that adequate funds will not be provided to carry out the program is very real. The change in the complexion of Congress resulting from the 1966 elections reduces the Administration's chances of obtaining major appropriations on domestic programs, particularly while the Vietnam conflict continues to require massive financial support. Further, the cities have traditionally received short shrift from Congress on appropriations as compared to other programs. In 1965, for example, only $557 million went to all municipalities from the federal government—less than one-half of 1% of total federal spending. In contrast, in the same year, we spent more than $5 billion, or nine times as much, just on the space programs! Query: Does this represent a "massive assault" by the richest nation on earth against one of its most serious domestic problems? See "The Financial Plight of the American City," an address by Reuben A. Zubrow, professor of economics at the University of Colorado, presented at the Colorado College Symposium on "The City," Colorado Springs, January 10, 1967.
physical ones, and thus put a new urban political coalition (the poor, the intellectuals, and bureaucrats now struggling for power) into opposition with the old coalition (downtown businessmen, mayors, and bureaucrats already in power). 68

In pursuing the potential benefits of Model Cities participation, those who make decisions in cities are thus providing a basis of strength around which may jell an "opposition coalition" aimed at turning out the incumbents.

IV. CONCLUSION

The development of federal programs aimed at local urban problems has been an evolutionary process. To an increasing degree, the programs have created direct relationships between the cities and the federal government. The power of state governments in municipal affairs has diminished as federal influence has grown.

The basis for the rise of federal involvement in local government has been a recognition that the problems of cities are national problems, that cities throughout the nation share similar ailments. In developing programs to treat these ailments, the government has, in effect, superimposed national goals and objectives onto the structure of municipal government.

These goals and objectives have grown in scope as the programs have evolved; in their fullest expression to date, in the Demonstration Cities and Metropolitan Development Act of 1966, they have encompassed almost every significant area of local government.

Participation in the Model Cities program necessitates, willy-nilly, a surrender of local autonomy to the extent that federal requirements must be met in developing program components. It need hardly be mentioned that the list of components covers virtually every function of local government and disregards local political organization which spreads these functions over several autonomous agencies.

Of course, participating cities are required to meet the federal standards only in the Model City area. If programs are developed which meet the requirements, however, it is unreasonable to assume that they will not be applied throughout the community. Few cities will be able to maintain separate administrative mechanisms, with all the bureaucratic complexities involved, for Model City areas and the rest of the community.

While ostensibly a method of coordinating existing programs to maximize their effect, "Model Cities" is actually a totally new concept in the federal approach, breaking with the methodology developed over the years since the 1937 act establishing public housing and the 1949 legislation creating urban renewal.

Implicit in the new concept is the recognition that the cities have not, in utilizing the traditional programs, contributed to the solution of national urban problems.

Indeed, urban renewal has been a rare creature in the nature of its public acceptance: attacked by the political right as a federal "giveaway" creating further inroads by "Big Government" into local autonomy and private property rights, it has at the same time been attacked by the left as suppressive of minority rights and an instrumentality of exploitative use of local resources, with governmental sanction, by the "establishment."

The new program will certainly not allay the criticisms of the right. Instead, it seems to represent a federal alignment with the position of those critics who have held that renewal has ignored the drastic social effect on the community created by displacement of slumdwellers. It represents an agreement that urban renewal, even when it has created "civic centers," luxury apartments and municipal monuments to progress, has failed to do anything to prevent a recurrence of slums.

Accordingly, Model Cities forces participating cities to give at least equal emphasis to human renewal as to physical renewal. It compels the cities not only to analyze and describe human problems as they exist, but also to make some determination as to why they exist. Proposed solutions are thus supposed not only to alleviate the existing problem, but also to prevent its recurrence as well.

Meeting these requirements and objectives entails a massive commitment for most American cities, a commitment which, because it crosses jurisdictional and territorial boundaries, cannot be fulfilled by any one agency or unit of government working alone.

Balancing the commitment, however, is the promise of huge infusions of federal money to achieve the goals of the program.

Urban scientists have long advocated a system of "block grants," in which the federal government would forget the traditional project approach and let cities spend money where, in local judgment, it is most needed. For a variety of reasons, not least of which was political opposition to the creation of financial ties between incumbent federal administrations and metropolitan population centers governed by political machines, the idea has never received serious consideration.

The supplemental grant provisions of the Model Cities program are, however, a form of block grant. The monies can be spent as determined locally, providing the expenditures are consistent with program objectives. The cities have long maintained before Congress that their inability to provide solutions to urban problems is a result of lack of money. They have claimed that existing programs limit the manner in
which federal funds can be used, and have not contributed to easing local resource shortages.

Participants in Model Cities will have the opportunity to demonstrate the effectiveness of local control over expenditures in attempting to achieve stated goals.

Further, the Government has committed itself to making available a formidable arsenal of federal aid programs to Model Cities programs. The Department of Housing and Urban Development, in its Program Guide, lists forty-three separate federal grant-in-aid programs with local matching fund requirements. All of these are eligible as elements in a local Model Cities program. In using these programs, cities are promised a diminution of the procedural red tape required for programs on a project-by-project basis, and are encouraged to develop combinations of programs to maximize impact on specific problems.

If the government follows through in obtaining appropriations for supplemental grants, and if the federal bureaucracy can work together to make the full range of programs available as Model Cities components, a possibility exists that visible results will be produced within the five-year execution period set up by the legislation.

The availability of these resources, however, must be an absolute fact before it can be established that the "rhetoric gap" has been overcome in this bold new approach. In recent years, one of the more tiresome of clichés has been the "gap" syndrome. We have had a "missile gap" and a "credibility gap," for example. Washington pronouncements and declarations of purpose are giving rise to yet another of the genre—the "rhetoric gap." It may be defined as the fluctuating but ever-present gulf between the rhetoric of urban problems and the resources available to meet those problems.

Even assuming major Congressional appropriations, administration of the program from the federal end poses organizational problems the equal of those facing the cities. The forty-three existing aid programs are dispersed among no less than seven cabinet departments plus certain executive agencies.

While a concentration and coordination of these programs is an integral element in the new approach, the administration of the new program must be grafted upon an assortment of entrenched bureaucracies. The working agencies are each directly responsible to a member of the Cabinet. They will predictably be reluctant to surrender any portion of

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69 Note 58, supra, at Appendix B, pp. 44-45.
70 In the report noted at note 35, supra, Edward J. Logue, perhaps the preeminent renewal administrator in the country, estimated that it would cost approximately $1.5 billion in federal funds to put a program together which might possibly handle New York City's problems. Such a sum is not likely to be available as long as the disparity between agriculture and space spending, and urban expenditures continues to exist. See also note 67, supra.
their authority to HUD, which will be generally responsible for Model Cities. In this situation, only the President himself has the power to resolve conflicts. It is questionable whether he can devote any considerable portion of his attention to resolving jurisdictional conflicts, while he is yet concerned with such unrelated matters as the Vietnam war and upcoming national elections.

Despite the tremendous obstacles to making Model Cities successful, however, the program stands as the first major attempt to work with basic causes, rather than outward effects, of urban problems. It is the first recognition of the desperate need, in cities throughout the nation, for vastly increased resources. It is the first federal attempt to provide more money without encumbering grants with stringent restrictions on how the money may be used.

As implied earlier, the administration means to make this program in fact what the name implied—a model which will determine what approach the federal government will take in future urban programs. HUD Secretary Robert C. Weaver and Assistant Secretary Robert C. Wood both indicated, at a conference with big-city mayors attended by the writer, that Model Cities was intended to set the pattern, in approximately fifty selected cities of varying sizes and characteristics, for future programs which would entail comprehensive attacks on urban problems as a condition of federal financial help.

It is a reasonably safe assumption that the 1966 legislation does not constitute a final stage in the evolution of federal programs. What comes next will, in large measure, be determined by the impact of the Model Cities program. Certain likely areas of activity, however, are already apparent. Among them are:

1. Substantial changes in the organization of local government and major realignments of traditional functions exercised by various agencies of local government, including suburbs, counties and school boards.

2. The extension of concepts and requirements developed in Model Cities beyond project boundaries and even beyond municipal boundaries to create programs metropolitan in scope.

As outlined, the Model Cities program primarily is confined to the model neighborhood, spills over in some respects to the city generally, but stops abruptly at municipal boundaries. It recognizes, for example, that the confinement of minorities and the poor in ghettos results in the creation of successive generations of the perpetually underprivileged users of community resources rather than contributors to urban health.

The program therefore attempts to break traditional housing patterns, certainly in the model neighborhood, and to a certain extent within the city generally. It makes no provision, however, for helping low-income members of minority groups achieve a choice of housing extend-
ing to suburban areas. In this respect, the program will not allow the cities to shift part of the burden of providing health, welfare and crime prevention costs to the entire metropolitan region which depends, for its existence, on the health of the central city.

A growing weight of opinion, however, holds that entire regions must be involved in minority housing problems.\(^{71}\)

Cities complain bitterly about suburbs which, through stringent zoning and building regulations, effectively establish an insurmountable price barrier to Negroes who might wish to move beyond the city limits. Mayors have pointed out that the middle-class exodus to the suburbs, coupled with in-migration of the rural poor, could create central city ghettos surrounded by islands of prosperity. When property tax revenues can no longer provide the municipal services required by the underprivileged, it is contended, the illness of the central cities will become terminal. And the suburbs, they state, cannot exist without a healthy central city.

Minority housing policies developed as part of the Model Cities program, therefore, may one day conceivably be extended to apply throughout metropolitan areas.

The 1966 legislation, in fact, takes the first steps toward metropolitan approaches to certain problems. The Act authorizes grants to agencies carrying out metropolitan development projects, primarily involving public facilities.\(^{72}\)

It would seem, however, that additional funds will not be sufficient to induce the suburbs to make any significant surrender of local municipal control over major programs.

It has been noted that:

One would guess that many suburban communities would willingly sacrifice grants for sewer, water, schools, parks, and other facilities to avoid pressures to accommodate low income families of any sort or Negroes of any income. They can afford, for the present, to provide their own good schools and otherwise mediocre services, and to defer for the next generation the problem of equity for others.\(^{73}\)

In any event, it is probable that new legislative programs based on Model Cities experience will be dynamic in nature. They will be aimed

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\(^{71}\) But it is universally recognized that massive action in central cities alone cannot solve the problems produced by urban decay, racial discrimination, overcrowding, and the decentralization of industrial jobs. Only metropolitan action can open up the housing market so that low income and minority workers can follow new industry to the suburbs, thus freeing central cities to engage in humane forms of needed reconstruction. William L. C. Wheaton, Director, Institute of Urban and Regional Development, University of California, Berkeley, in The Journal of the American Institute of Planners 368 (Nov. 1966).


\(^{73}\) Id. at 369.
at preventive action based on calculation of probabilities. Already, the sophisticated technology developed by the space program is being adapted to coping with urban problems. It is a virtual certainty that this will continue, and that, as cities become metropolitan and then develop as megalopolis, the approach foreshadowed in the Model Cities program will be utilized to resolve the problems inherent in population growth and continued urbanization.

The development of cities into metropolises is an established fact. The further evolution of the metropolis into the megalopolis is generally regarded as inevitable as population grows. Evidence exists that the age of megalopolis is already here, in the East Coast urban complex running from Boston to Washington; in the Midwest, where Detroit, Chicago, and Milwaukee are extending tentacles of growth toward each other; and in the chain of cities spanning the California coast.74

Urban communities are already superseding artificial political boundaries and will continue to do so as the urban centers become even greater.

Lines of traditional functional authority scattered among existing political institutions are becoming blurred and indistinct as federal programs impose new responsibilities on the cities. This breakdown of local governmental organization will continue as megalopolis develops.

Urban problems are being magnified by the development of megalopolis—they sprawl over political boundaries and are incapable of any real solution by any single municipal entity. Transportation, for example, must be dealt with on at least a regional basis to be at all effective. Even though the cities and countryside have been covered with layers of concrete and labyrinthine interchanges, freeways have not been able to loosen the traffic noose which chokes the great cities. Average freeway speed in some cities at rush hour is a bit slower than the pace of horse-and-buggy travellers of more than half-a-century ago.

The central city of today represents the functional heart of the developing pattern of megalopolis. That heart is presently demonstrably diseased. If the central city is to effectively support the complex urban network surrounding and dependent on it, the responsibility for keeping it healthy must be borne by the entire region. Unless programs are extended throughout the region, following the tendency implicit in recent federal legislation, it is doubtful that the great cities will survive as we have known them. They cannot continue to serve as the economic and cultural hub of a vast region while at the same time housing increasing percentages of the poor, the unemployed, the minority groups. They cannot continue to provide necessary regional services—hospitals, the-

atres, libraries, museums, etc.—from a dwindling property tax base, a tax base which becomes even smaller as the cities become ghettos of the poor surrounded by unconcerned and uninvolved suburbs.

Existing urban programs, up to the 1966 legislation, have not provided mechanisms for treating problems as regional concerns, rather than as the exclusive province of the cities, confined within municipal boundaries.

Further, they have operated after the fact, aimed at areas which were already slums. Until the Demonstration Cities act, little real emphasis was given to the basic causes of slums or to the identification of factors involved in their creation, in order to prevent the rapid growth of the cancer that is blight.

The Model Cities approach is the first major attempt to put together a program of preventive action aimed at reaching the basic causes of physical and human blight. It appears likely that the concept will be the pilot for future federal programs which will, in addition, treat the problems of cities as the problems of entire regions supported by the cities.