

Position Paper: Solutions

by Lloyd Axworthy
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THE UNIVERSITY OF
WINNIPEG

FOR INFORMATION:

The Institute of Urban Studies

The University of Winnipeg
599 Portage Avenue, Winnipeg
phone: 204.982.1140
fax: 204.943.4695
general email: ius@uwinnipeg.ca

Mailing Address:

The Institute of Urban Studies

The University of Winnipeg
515 Portage Avenue
Winnipeg, Manitoba, R3B 2E9

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Lloyd Axworthy
Institute of Urban Studies
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INTRODUCTION

Canadian cities are struggling to find answers to the problem of decline in their older neighbourhoods. The difficulty arises because of the combination of two sets of forces. The first is that critical thresholds of age, population change, community erosion, and development pressures are being passed, making older areas of cities vulnerable to physical and social breakdown. The second is that many of the policies and programs that are presumably designed to meet the problem are proving inadequate and in many instances counter-productive. The result is a situation of uneasy uncertainty about what to do.

Consider the first set of factors as exemplified in the city of Winnipeg. A substantial proportion of the housing stock is now over fifty years old, much of it frame construction. The basic services of sewer, roads, and the amenities of parks and open spaces are wearing out, and are in need of refurbishing.

The population of many of the older areas is increasingly made up of older people on limited incomes, many of them single and alone. There is an in-migration of large numbers of Indians and Metis who arrive in the city with severe educational and economic handicaps. There is increasing transiency and mobility. Many of the older resident who had stable living patterns are leaving or have left. Going with them are many of the basic institutions that gave older areas a network of informal association and solidity - the churches, schools, community groups.

There are, of course, many signs of vitality. Older neighbourhoods still contain many streets where the charm and variety of the buildings, streets, and trees make for an attractive environment. The areas are being settled by newer immigrant groups, Italian, Portuguese, and Filipino, who quickly initiate their own form of renewal and foster the emergence of interesting new stores and shops. There is, as well, signs of the reclaiming of older commercial areas for chic new boutiques and restaurants.

But even the remaining strengths of older areas are threatened by the inexorable push of both public and private forces. To begin with, older neighbourhoods are the primary victims of urban growth. As the suburbs spread and the Central Business District expands, the resulting pressures disintegrate the communities that stand between. Transit for those moving to and from the periphery of the city must pass through the middle zones causing heavier flows of traffic, noise, and too frequently demands for new channels of movement. The outward push of the Central Business District sets in motion an upward spiral in land values, creating serious distortions between market values and actual uses. The maxim of highest and best use means that valuable old structures, and the people in them can no longer reside in the older areas. And after all, conventional wisdom has it that more taxes derive from a highrise.

Contributing to this pressure is the impact of a number of public policies, many of them ostensibly designed to help older areas. For example, the economics of trying to operate older apartment buildings in the face of new municipal safety by-laws, rent control measures, and cost hikes for utilities and services forces many smaller landlords out

of business and pushes the properties into the hands of the speculative owner or results in serious decline in upkeep and management. The coarse-grained control of zoning laws induces wholesale changes of neighbourhoods to one form of housing or another and does not allow for more finely tuned mixtures. The federal and provincial bias towards new housing construction, whether it be through AHOP or ARP, or the public housing program diverts capital from the older areas. Where public authorities do build in the older areas, they are often guilty of destroying older buildings to do so. Private housing finance, needless to say, is even worse in its discrimination.

Against such a weight of adverse forces, and by no means all were mentioned, the limited number of remedial measures appear paltry indeed. Municipal code enforcement maintains some standard, but does nothing to induce a renewal process. The neighbourhood improvement programs can work major changes in a few selected areas, though it is still a little early to so conclude. But, it is a site intensive program with very little impact beyond the project boundaries, unless it is simply to force a transfer of those original residents of a NIP area who can no longer stay when the property values begin to rise. The RRAP program which could have a significant effect is thus far limited to use in a NIP area other than when a non-profit housing corporation is involved. But, the barriers to successful utilization by non-profits of RRAP money are so many, that so far this avenue of approach has been little used, other than where a city gets involved in its own agency. What is even more serious is that these few remedial programs are not aimed at the right target, or at least not all of the right targets. Such programs are still basically designed at physical reconstruction - the bricks and mortar approach.

Physical reconstruction is undoubtedly important, and there is no one that would suggest that it not be done. But it should not necessarily be the exclusive or primary strategy for renewal.

The fact is, as many studies show that neighbourhoods decline when the elements of social, political and economic strength of a community begin to wane. Neighbourhoods deteriorate when people can no longer afford to pay enough to justify upkeep on the housing, when the informal network of friends, family and community groups are no longer there to afford protection, or security; when there is little ability to effect or influence decisions that influence that community; when there is no longer individual motivation when the community leaders leave; when the residents become dependent on others for the upkeep and maintenance.

Different investigators of the older neighbourhood scene have seen it different ways...

To evaluate the viability and vigor of a neighbourhood, then it is not enough to find out the proportion of all residents who are appreciably involved in "neighbouring" or local voluntary organizations. A far more pressing problem is the extent to which certain select groups, no matter how few in number, are able to keep intact neighbourhood boundaries, to provide a general knowledge of its internal structure, and to keep alive their myth of unity and cohesion.

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1. G. D. Suttles, The Social Construction of Communities, (Chicago and London: The University of Chicago Press, 1972), p.p. 40-41.

The loss of meaningful participation in the mainstream economy has resulted in neighbourhood decay, social disorganization, crime, vandalism, blights and housing abandonment - all the phenomena of crisis associated with the ghetto. A seemingly cancerous process leads to the rapid destruction of sound housing and stores in neighbourhoods populated by those trapped on welfare or in the secondary labor market.²

If residents feel their neighbourhoods are improving, this may indicate that renewal efforts are either effective or need not be applied. If, on the other hand, pessimism is prevalent, further decay and abandonment can be expected.³

Feelings of insecurity about one's residential environment often lead to the adoption of a negative and defeatist view of oneself, to ambivalence about job finding, and to expressions of general impotence in the capacity to cope with the outside world. The secure residential environment ... may be one of the most meaningful forms of social rehabilitation available.⁴

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2. N. E. Long, "A Marshall Plan for Cities?" The Public Interest (46, Winter 1977), 53.
 3. W. G. Grigsby and L. Rosenberg, Urban Housing Policy (New York: APS Publications Inc., 1975), p. 96.
 4. O. Newman, Defensible Space (New York: MacMillan Co., 1972), p. 13.

Whatever the definition of the problem, it does come down to a growing awareness that the strategy of community renewal must rest on a different set of assumptions than those we presently have.

The need is obvious - the development of a community renewal strategy that takes into account the rebuilding of social, economic and political strengths of a community.

There is also another major flaw in present approaches to community renewal, especially in federal programs such as NIP. Basically, they are designed to provide inducements to other levels of government, namely municipal, to undertake programs. This is based on good sound principles of a proper division of constitutional responsibility. Unfortunately, it is extremely difficult for one level of government to change or modify the behaviour of another, or for one agency of government to influence another. Noble objectives set in Ottawa to undertake comprehensive neighbourhood intervention end up in a local public works program because that is the real goal of the municipality.

The more successful programs of senior levels of government are those aimed at affecting a behaviour change directly on the user of a program - the resident in the area. Helping the community resident to fix up a property, buy a house, start a business, find a job, organize a community club is a more effective means of effecting neighbourhood change than setting up a multitude of tri-level committees or inter-departmental task forces, hiring more public servants to police how another group of civil servants are spending your money.

To quote from Wilson and Rachal, "In general it is easier for a public agency to change the behaviour of a private organization than of another public agency."⁵

A third problem is that public programs are based on the thesis that the problems are exclusively in the affected neighbourhoods. There is not the proper appreciation that sometimes the best way of influencing what happens to older communities is re-direct policy changes to the external forces affecting neighbourhoods. Significant renewal of neighbourhoods by changing the mortgage lending practices of banks, or to set up an alternative network of localized financial institutions such as a savings and loan type system.

Equally so, changes in the property tax system, putting more value on the land component or developing alternative transportation modes servicing localized community needs, would have a major impact. Perhaps most critical is the need for growth policies that take into account the unintended consequences that continued suburban expansion or unrestrained C.B.D. development has on an inner city area. In other words, the state of health of older neighbourhoods is as much or more conditioned by policy decisions in areas of finance, taxation, transit and development as they are by policies directly related to neighbourhood renewal. Thus, this is where changes should also occur.

Based on this assessment, then, the following considerations about

5. J. Q. Wilson and P. Rachal, "Can the Government Regulate Itself?", The Public Interest, Volume 46, Winter, 1977, p. 4.

an older neighbourhood strategy should be recognized.

1. Development policies for a city should be built upon the notion of a series of related, interdependent neighbourhoods and communities each with different needs and characteristics, instead of emphasizing a macro-aggregate approach which is generally prevalent. In particular, there should be a recognition of the impact that expansionary growth on the fringe has on older inner city areas, and these impacts should be calculated in this choice of options for new transit and travel systems service areas, etc. Furthermore, each specific community throughout the city should have targets developed, based on sound data, e.g. assessment of housing need involving identification of numbers, type and desirable mix of housing units; evaluation from population data and projection of necessary support services such as schools, health clinics, etc. From their definition of community needs will flow the appropriate planning approach, capital investment plans, etc.

2. Following from this is an obvious need to re-organize the administrative, delivery system in the public sector towards supplying resources to fit the community targets. Rather than having separate departments, working in isolation, providing fire, police, health, inspections, housing, planning in a fragmented way. These services should be organized in community teams, complementing activity. This requires a higher degree of central planning at the policy-making, executive level, and a much higher degree of decentralization at the community level. The neighbourhood team police approach, now being implemented in Winnipeg, is a working example.⁶

6. See Winnipeg's Core Area: An Assessment of Conditions Affecting Law Enforcement, IUS, Winnipeg, 1975.

3. Once the planning and organizational structure is reoriented, the next issue is that of strategy. Strategy should aim at objectives of long term economic development and the build-up of community strength through fostering of new, long term local community organizations, particularly those that can generate financial and economic strength. Governments are presently engaged in a number of short term, make work employment projects which have little long term sustenance. Small business loan programs and private capital are generally not available for high risk gray entrepreneurship or community, commercial or housing development. Yet, the successful examples of community rebuilding are those that implant new institutions and economic activities back into worn out areas. Older neighbourhoods need their own financial institutions geared to needs,⁷ their locally owned store, service centres, housing companies, as opposed to being "colonized" from the outside.
 4. Public programs should be aimed directly at affecting behaviour and condition of area residents, and not at influencing changes in other governmental organizations or simply doing budget replacement. Individual motivation is a critical ingredient in community rebuilding. Therefore programs should be aimed at altering expectations and demonstrating some fulfillment of goals. In the early post-war period, the federal government in the war-time/peace-time housing program, directly provided housing funds for rent, and then for purchase at very little cost. This involved a major transfer of ownership and virtually overnight, created a new middle class who acquired equity and a stake in the community. It may be time for similar bold strokes.
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7. For example, local credit unions and other access to loan capital.

5. Those programs that are aimed at consumers should be more universally based with cost control maintained through criteria on income and need not through boundary designation. Programs such as NIP are limited in scope, primarily as a means of keeping budgets in line. Yet, in the NIP program, wasteful expenditures on non-essential items can be made simply because the money is there, i.e. homes are repaired that don't need it, recreation centres are built to service those who may not need such a structure. A different form of allocating funds, based on successive dimension of need in older areas should be developed.⁸ Therefore, where there is capital assistance or grant incentives from senior governments to municipalities, it should be assessed on a formula fitting financial criteria based on a definition of objectives as supplied by the municipality.
6. A renewal strategy must also rely on much finer tuned planning and regulatory approaches than is presently available under existing zoning laws. Site by site definition of property use, selective code enforcement, block type plans, etc. can be done in a variety of neighbourhood circumstances. The value of present zoning laws as they apply in older areas is doubtful, and should be replaced by a development plan system to which zoning is directly related. Also, a wider range of tools such as anti-demolition laws, and flexibly applied minimum standard requirements are necessary.
7. Strategy should be based on basic concepts of shared responsibility

8. For a discussion of this see Don Epstein, ed., Housing Innovation and Neighbourhood Improvement, IUS, Winnipeg, 1974, pp. 380-386.

of the private and community sector, not solely on a public intervention approach. Public intervention can be thwarted if faced with opposing private forces. Private resources themselves are not used. Canadian cities have been reluctant to experiment with joint enterprise undertakings, or public development type corporations. These should now be employed.⁹

8. The whole issue of community involvement and community access to information must be seen as integral to any redevelopment of older neighbourhoods. Too often, participation and residents is seen as a handicap, a nuisance or an exercise in public relations. This runs counter to the thesis that neighbourhoods revive if and when residents begin believing that they have some control over the destiny of that neighbourhood. Yet, this factor is too often ignored.¹⁰

Taking these assumptions as guidelines, what specific policy or program recommendations might follow? A few are now suggested:

I. EXPANSION OF DIRECT USER PROGRAMS

A. Transfer of Ownership

One of the primary means of bolstering community stability is to initiate a transfer of ownership of accommodation into resident hands, and reduce high incidence of absentee ownership. The recipients of this could either be individuals who would take on private ownership, or community housing corporations that would maintain rental properties and/or act as transmission agents. Steps to initiate this would be to apply AHOP

9. This method is widely used in the United States, e.g. see Massachusetts Finance Agency Annual Report, 1974.

10. See Toro Orvin, John Orbell, Al Actus, "A Theory of Neighbourhood Problem Solving: Political Action vs. Residential Mobility," American Political Science Review, Volume LXVI, June, 1972.

to existing housing; developing means of using rental payments to begin capital formation for down payments; providing insurance system for payment defaults and interruptions.

Further steps in this process would be to assist present private owners who have rental properties that cannot be easily dispersed to have a secondary market with a city housing agency - that could set up tenant management boards, or have joint public/private ownership through development corporation instrumentalities. Some further ideas would be to look at the Land Installment Contract used in the USA, where a lower income buyer takes immediate possession of a property, for which he pays a sum each month, but the title stays in the hands of the seller. This is particularly useful if a community corporation has a property and wants to transfer to a tenant.

The use of the Homestead concept of offering run-down properties for a nominal price is also worthy of investigation.¹¹

B. Extension of Repair, Rehabilitation, Safety Improvement Loans

What is seriously lacking in older areas where there is not a NIP designation is the availability of loans for repair, remodelling and introduction of fire safety equipment. Obviously there is bias against older housing loans, because cash flows are small and the administration of loans difficult. This is where the need for local

11. See William Grigsby, Urban Housing Policy, 1975, Chapter 9.

financial institutions is most apparent and where governmental stimulus to private lenders is important. In some American cities, city and state governments use the leverage of their own deposits to bring private capital into the area, with government picking up any subsidy on the interest rate.¹²

In other cases, financial institutions have come together to form a loan pool, or have set up tax-exempt interest programs on bonds floated to supply capital for rehab purposes.

C. Housing Management Service

A third concept, one that is being in part implemented by CMHC now, is supplying better management to older area properties by offering training programs for social housing managers. Many owners of smaller properties also need help in this day of burgeoning complexity in the rental area. A pooling of rental management services or training would be of value.

II. NEW INSTITUTIONS

One of the deficiencies in older area renewal is the existence of institutions geared to their needs. Most private and public housing institutions focus on supplying new residential units. Furthermore, the renewal agencies operating through NIP are oriented toward physical reconstruction. They also provide little in the way of continuing institutional commitment to an area. Once the planning and development

12. For an interesting example, see

See Neighbourhood Preservation, U.S. Department of Housing and Urban Development, February, 1975, p. 150.

is completed, they leave. Therefore, new institutions designed for continuing community development are needed. Here are a few examples:

A. Neighbourhood Development Corporation

A further means of enabling resident ownership and extending a higher degree of community responsibility for neighbourhoods is through community development corporations. They would act as the first time purchaser for older buildings and then work out transfers to residents on installment basis or by providing some capital formation through the rents. Such corporations might also be the sponsors of new economic enterprise in the communities by acting on behalf of groups of merchants or by undertaking community-aimed businesses. The establishment of such corporations should become a specific aim of public policy. They would require means of raising capital and of being supported operationally for a transition period. The Co-munity Development Act in the United States might be seen as a model.¹³

B. Local Financial Institutions

Creation of some capital formation for lending purposes and repair purposes in older neighbourhoods is critical. Present financial institutions are highly centralized under bank legislation. What is needed is a type of secondary reserve system to promote local housing/finance institutions. Differential interest rates on housing loans would enable credit unions or new localized financial institutions to enter into community related lending for purchase and improvement.

13. Harvey Garn, "Program Evaluation and Policy Analysis of Community Development Corporations", in Gappert & Rose, The Social Economy of Cities, Sage Publications, New York, 1975.

C. Urban Development Bank

This would be a federal institution, perhaps jointly funded with the provinces and the private sector, that would provide basic loans and assistance for the above type activities. It would provide soft to hard loans, work on the basis of specific economic development projects, put forward by municipalities or neighbourhood development corporations.

One parallel as to how this would work is the international lending institution such as the World Bank. Another is the Community Development Legislation in the United States that provides block grants for social and economic projects.

Under such an Urban Development Bank, either a community development corporation or a municipality would establish a set of development priorities - hard services, facilities, new neighbourhood facilities such as day care, educational or recreational centers, upgrade of commercial areas, and then work out the specific financial package with the U.D.B. This would lessen the rigidities of categorical grants and leave initiation to local responsibility, although assistance could be handled by U.D.B. staff in developing the proposal.

Capital for such a bank could be raised by allowing it to sell public bonds with government guarantees and by supplying certain funds for subsidy purposes. As well, many programs, such as those that come under DREE, small business loans, NIP, sewage treatment could be assumed, and then pooled.

D. Neighbourhood Service Delivery

Delivery of services and health and social programs can be integrated at the community level, with a higher degree of local involvement in planning and implementation. There is now a move back to neighbourhood delivery of police services, emergence of community schools, efforts to develop locally based centers of health and social delivery - neighbourhood city halls.

Such steps, if they become stated goals and objectives, can reinsert back into declining areas many of the institutional building blocks they are now losing. Furthermore, such service can be finely tuned to service specific needs. If there is a large proportion of senior citizens, then the component of delivery can take that into account. The same is true if there are other particular needs.

It also means that developing new centers of public service delivery in the local area will provide a new political and administrative focus for the community. It must convince residents that government is accessible and at hand, and government itself, by becoming a new, visible, community institution, can promote a sense of community.

III. NEW PLANNING, POLITICAL AND ADMINISTRATIVE APPROACHES

A. Conservation Strategy

The elaboration of a neighbourhood conservation program* can be an alternative approach to larger, more expensive programs such as NIP. This means that in older areas this can be a careful assessment of balanced physical development in certain key areas. Using new planning techniques such as planned unit development that fits development to

environmental criteria (i.e. open space, sunshine, etc.) doing selective acquisition, adjusting code enforcement to fit certain circumstances, a selective, non capital intensive approach can be used to arrest decline. Targets would be set for each area in terms of population densities, kind of housing, mix of services, growth capacity, etc. Planning and development decisions would then follow from those targets. Different public agencies would have a clearer definition of their role, the resources required, and where there is an overlap in responsibilities. Obviously, different techniques will be required in terms of code enforcement, anti-demolition, compensation for down-zoning, changes in tax laws, etc. The importance is to establish a new planning approach.

What the above demonstrates is that there are a number of steps that could be taken to provide for a strategy of renewal in older neighbourhoods.

What is not available is any sign that there are basic commitments to develop an effective strategy. Policy-makers, community people, and private businesses ignore the present state of our older areas at their peril. Until there is a willingness to create a strategy that expresses itself politically, all the ideas and suggestions are of little use. Like so much else that happens in our world, older neighbourhood renewal can only proceed when there is a will and a desire to make it proceed.