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Beyond Habitat

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There is no mystery about “the crisis in the cities” in North America today. No miracle is going to solve it, except a hell of a lot more money. Our most prominent economists, such as John Kenneth Galbraith, have pointed out that the city today is a provider of services to a much greater extent than in the past. A much greater portion of the gross national product, raised from a broader tax base, will have to be diverted to the city.

Paradoxically, people have been spending progressively less of their income on housing in this century, though the cost of housing is now increasing even faster than real income, partly because of the inefficiency of the housing industry, and partly because interest rates have constantly increased, and every quarter one per cent increase means another sixteen dollars in monthly payment for middle-income housing.

People talk about low-cost housing and middle-income housing and luxury housing and the suggestion is that they are different things. I am often asked, “Is Habitat low-cost housing or middle-income housing?” and I say, “I don’t know, it’s just housing.” The term “low-cost housing” is a fabrication intended to camouflage the fact that in the past thirty years it has been public policy to provide middle-income housing to low-income families at subsidized rent. Low-income housing has never cost less to build than middle-income housing and in some cases it has cost more. In fact, luxury housing is not more expensive today per square foot than middle-income housing. There may be a difference of five or ten per cent. The major difference is in land costs because of location, and the kind of services that are provided. You pay for the address and you pay for the doorman. Their rooms may be bigger but the cost of construction per square foot is not appreciably greater. You could say that the housing market is a single market, and tackling the housing problem technically is tackling the whole range of incomes. If you can build cheaper housing which is good for the low-income family, it’s going to be used by the middle-income and high-income families too. The standards of Habitat in terms of room size

and arrangements and the organization of the house were very conventional Canadian housing. There is nothing revolutionary about the inside of the houses in Habitat.

To be able to Plan with a capital P, one has to have – the public has to have – a measure of concentrated power. The individual in North America feels very much threatened by centralized power. The whole political tradition of North America is that centralized power, bureaucracy, is eventually a threat to individual freedom of action and choice.

To me the Number One political issue of our time is that on one hand we must have planning, which I believe to be essential to the functioning of the city complex, and on the other hand we must liberate the individual from the bureaucratic oppression that commonly results from central planning.

Consider the ghetto slum; we are all impressed, depressed, and concerned about it. The ghetto is not an isolated problem, its roots are in basic social and political structure. Obviously, the ghetto slum relates to the distribution of income, to patterns of migration, to problems of race. Each of these problems must be confronted if the ghetto is to cease to be. But, in terms of the immediate action, the common attitude is that ghetto slum housing is bad, it must therefore be replaced; if we have large-scale renewal we will correct the ill. To put it in other words, we need “more funding”; more funding will solve the problem; more funding is a kind of charity; if we will be charitable enough we will take care of the ghetto.

But, even if we do, for a moment, divorce ourselves from the more fundamental questions of income distribution and limit ourselves to the problems directly related to urban planning, more funding for reconstruction of the ghetto is not sufficient. It is in a sense a diversionary tactic that camouflages the fundamental city characteristics that create ghettos. The ghetto and the slum are symptoms of a deep structural malady. They are impressive because they are the extreme symptom of a much broader problem. Our energy at this point should be directed to questioning what has gone wrong in our urban legislative and urban economic systems.

If the ghetto is a symptom of a malady and the malady has to do with our urban structure, then it stands to reason that the disease is affecting the total city. If the ghetto has a housing problem, it is also true that we have a total housing problem. The ghetto is the most dramatic and obvious expression of it. If the ghetto is immobile and has a transportation problem, it is also true that we have a total transportation problem. We have a total conservation problem. We have a total pollution problem. The ghetto is an eruption of boils, only indicating a spread of disease throughout the body.

Five years ago twenty per cent of all Americans couldn't afford to buy houses unless they were assisted by subsidy. With the costs of construction and the

interest rate going up it will soon be fifty or sixty per cent, and maybe in twenty years, if we go on in the way we are going, nobody will be able to afford a house.

The causes range from the general to the specific. North American legislation concerning the environment was evolved in a rural society in which the dependency of the individual on the community was minimal. You could build your barn of any material because if it burned down it wouldn't affect the neighbors. You could toot your car horn or play the violin all day and nobody else would hear you, whereas in the city when you toot your horn it bothers other people, so there is a law against horn tooting. You're told what construction materials to use in the city because if your house burns down it may burn down your neighbor's house too. You can do whatever you wish with the outhouse when you have a hundred acres, but you can't ignore the smell from somebody's sewage system when he's living two feet away from you.

Continuous urbanization, however, has not been accompanied by reform of the law. The degree of the individual's dependency on the community increases directly with urbanization, but our legal system has not changed. In a general way, this is reflected in the electoral system. The political voice of the urban inhabitant of Canada and the United States is not equal to the rural citizen's. Redistribution is slow and never reflects the rate of urbanization, so that the urban citizen is always unequally represented in his government.

This legislative backlog obviously helped to create the ghetto. In a typical U.S. city, numerous jurisdictions of governments exist, unrelated to the reality of the total region. The metropolitan city is broken up into many municipal jurisdictions, each an entity in itself which has no relationship whatsoever to how the region really functions as a city. Each municipality is selfishly concerned with its own interests, that's only natural, so that it is impossible to consider some aspects of the total regional city.

What we must have is a planning authority that expresses what the regional city is. If "Toronto" really stretches from Hamilton to Oshawa and functions as a single city then there must be one governmental authority that's responsible for dealing with it. The same for the Atlantic seaboard agglomeration, Boston-Washington, or the other megalopolises that are evolving in various places. The immediate reaction is: "Well, people don't want a government that's dealing with twenty million people, they want to be part of a nice little community of twenty or thirty thousand people where they can take part in community life and feel they have some influence on it." I believe this desire to be a genuine one that we have to respect. It suggests to me that what we must develop is a new federal structure for urban government, so that there are various small municipal authorities each dealing with things that are purely local, such as community facilities and education, and a federated authority that deals with those things that affect the total region, such as transportation, land use, and conservation.

Now the ghetto arises, among other things, from the fact that very little tax money is available in a particular area and therefore very few and poor services are provided. Under a federal city structure of local government a more even distribution of services would be possible. I believe that the tax base in the cities is inadequate when compared with the tax base of the federal and provincial governments. The services that cities are called upon to provide are constantly increasing with urbanization. Increasingly the problems of the cities are the major problems of the country.

At three hundred million dollars, the annual budget of the City of Montreal is larger than the budgets of six provinces – the four Atlantic provinces, Manitoba, and Saskatchewan. And at six billion dollars, New York City's budget is larger than the budget of any state in the union, and larger than the budgets of all the Canadian provinces together.

But legislative reform must go further. Our legislative tradition is that you do what you want with land that you own, and as we have urbanized we have stubbornly continued to pay lip service to that concept. Yet, we have progressively restricted the freedom of the individual to use the urban land he owns – we have had to – to the point now where the individual owning land in an urban area is extremely limited in his use of it, he's restricted by zoning and planning authority and so forth. So, on one hand, we do restrict individuals, on the other hand we want to stick to private ownership of land. In the frontier tradition factories spouted out smoke into the air and acids into the river, and no one told them not to do so. Today we're reaching the point where our very survival as a species is threatened by pollution.

We must face the fact that the concept of private ownership of land in the urban context is obsolete. As we move into more concentrated developments, the use of land itself becomes secondary to the use of space. Air rights may be more significant than surface rights. Furthermore, it is not possible to plan a city or to guide growth by planning without prescribing land use, and if we are to prescribe land use I think the public should own the land. That does not mean that public authorities should build everything or that they should hold onto all land, but it may mean that land is leased on a fifty or hundred year basis to be used in conformity with the overall plan. This gives the public the chance to re-assess the situation every fifty or a hundred years without going through the impossible process of re-purchasing land from individuals in order to exercise a decision. Yet, we do this in urban renewal: we buy land, we demolish, we write its cost down, but then, instead of leasing it after prescribing the kind of development that should take place on it, we sell it back to developers who put up some miserable building on it – and we will have the same problem twenty years later. We will have to buy it back, demolish, and go through the whole process again. Public land ownership is thought of as a threat, Big Brother up there making all the decisions. Yet, in our society central planning is done by the elected representatives of the people. If we have any faith in the democratic process we should not worry about it.

One of the best examples we have of centralized planning is the telephone system. A group of companies, mostly private, have on their own initiative used central planning to make the whole telephone network on this continent – and now spreading over the whole world – into a single integrated system. It would not have been possible any other way. Does this limit us or restrict our freedom in any way? It's a fantastic thing. Every time I dial direct I get impressed by it all over again. Just imagine if the same was true of our transportation system! Yet, if we put our minds to it, we could deal with transportation as a single integrated system. If we did that, no one would feel deprived by it – and yet it is essential to such a system that someone have authority on a national scale to draw up a national transportation plan and bring together those involved with every form of transportation and in a sense subjugate them to a central plan. If one telephone company decided to opt out it would immediately put itself out of the total national network. It would be committing suicide. The same ought to be true of the transportation network.

There is a good deal of resistance to any kind of legislation that gives the public the authority to prescribe land use, but is that so very different from transportation planning – or telephone planning? Maybe a good way of putting it in perspective is to recall other legislative programs that have been introduced in the last twenty years where the public good has transcended the right of the individual to free action in the business world. For example, the food and drug act prescribes what the individual may sell as food and what is manufactured and sold as drugs because it's considered essential that the public be protected. We've come to accept such legislation. The idea that anybody should be able to sell food that could damage people would terrify us. It seems to me that the use of land is very similar. As people are living in a more concentrated way, land use becomes a matter of survival.

Even minor legislation, such as the income tax structure, can affect the environment. The city is made up primarily of two types of buildings, commercial-institutional and residential. Commercial buildings are put up by corporations for whom the cost of construction is a business expense. That means that if a company has a gross profit of one million dollars and has spent two hundred thousand dollars on construction, it will pay tax on only eight hundred thousand dollars. If the corporation is in the fifty per cent tax bracket, the public has indirectly contributed fifty per cent of the cost of the building – or it might be better to say, had the expense not been a tax deductible item that much more tax would have been paid. By contrast all residential construction is paid for out of income after taxes. As a result those involved in the construction of commercial building can spend more money per square foot than those in housing. The average cost of commercial building is thirty dollars a square foot and the average cost of residential is fifteen dollars, so the ratio of two to one, I think, is expressive of the tax structure.

Realizing that tax structure and other economic aspects of legislation have such a fantastic impact on the environment, we could reverse the process. We

could see what kind of tax structure could be introduced to improve the environment. One might reach the conclusion, for example, that individuals ought to be able to build their houses from income before tax, thus giving them an incentive to put more into their environment. If people knew that when they filled out their income tax forms they could put the construction of their house or rent as an expense before paying taxes, it would immediately affect the way they spend money; just as businessmen spend all kinds of money on entertainment and promotion. The whole price structure of the more expensive restaurants is based on the fact that their charges are handled as a business expense before tax.

There is no single structure for financing construction. Instead we have several separate and independent structures. Insurance companies and banks make money available for construction at market rates of interest, the government guarantees mortgages under the National Housing Act, money is made available below market rates – three per cent in such programs as 221(d) (3) in the United States – and there is public housing which is not financed at all but paid for in cash by the government, the rents then being subsidized directly. The fact that we have all these independent systems makes it inevitable that we have segregation of income groups. It also means that each project utilizing a particular financing system must be separate from the others. We have developed no formulas for using all these financing systems within one project. It has automatically meant that people with incomes between four and five thousand dollars live in one place, those who are below four thousand live in another place, those earning above five and up to seven thousand live in another.

The Fort Lincoln project in Washington called for one hundred and twenty housing units, half of which were to be public housing with subsidized rents, the other half 221 (d) (3) housing at subsidized interest rates. There was no difference whatsoever between the specifications for the two groups and no difference in their costs yet the authorities insisted that the two parts be separated by a property line. Thus, on a project established to explore new approaches to housing, we were told to separate the low income from the moderate income families. HUD insisted on having the project split in two, because “It’s too complicated to administer it any other way.”

Our financing patterns have created segregation, and public housing makes it worse, because its inhabitants are subsidized and therefore not consumers in the usual sense. The problem is to find a way of giving a subsidy that still allows the recipient to be a selective consumer in the open market. One solution is for each family to get a coupon equal in value to the subsidy public-housing families get anyhow. They could then spend this coupon on housing anywhere they chose; but they would have to add to the coupon at least the amount of money they would have paid out in rent in the public housing project. This method would avoid the institutionalization of low income housing. In such a system we would also have to remove from the market whatever we considered

to be uninhabitable or sub-standard. Then we could leave people to make their own choice.

I'm sure there are many other formulas, but the basic aim is to finance housing in such a way that we do not, by the necessity of the financing pattern, create segregated ghettos and that we do create the opportunity for different types of housing and people of different income levels to mix within a single community.

What I'm basically saying is that a particular economic or tax structure can have more impact on the environment than ten master plans and all the ideology in the world.

Just as there are big legislative reforms that can help the city, there are also small legislative tricks that could help. For example, the minimum parcel of land that could be developed in built-up areas of the city should be fifteen or twenty acres, and the minimum parcel in undeveloped parts of the city should be a hundred or two hundred acres. This would automatically eliminate the haphazard disintegration of urban areas. It would create the circumstances where comprehensive planning could take place. Not that size guarantees results. Stuyvesant Town in New York and other similar projects show how tragic large developments can be. But at least such a law would make a good development possible. Today it is totally impossible for developers, architects, and planners to solve the basic problems as long as they have to work on an area that is owned by hundreds of people and slowly disintegrating and being rebuilt in fragments.

Moral of this story: You can make all the plans you want but in the end it's legislation and tax structure and the subtleties of the law that shape the environment.

If I were to run for office in the Federal Parliament in Canada or for the U.S. Senate or for that matter President of the U.S., I would adopt the following environmental platform as a matter of top priority to be implemented in the first four years.

An *Environmental Bill of Rights* outlining the basic housing and community requirements of every citizen. This bill would be enacted into law and would be subject to review and revision every four years:

- 1 Subsidies for families and individuals who could not purchase such housing with twenty-five per cent of their income. These subsidies would continue until income, purchasing power, and housing costs converged.
- 2 A survey of the number of people in the country who live in housing below the standards set by the Bill of Rights.

3 Funds for a massive construction program to fill the gap. It would have top priority in the national budget.

4 An amendment to the income tax act to allow taxpayers to treat money spent for housing, up to a stated maximum, as a non-taxable expense, and to deduct it from income before the payment of taxes.

5 Construction of three metropolitan regions and ten prototype communities of twenty-five thousand people each, carried out under administrative procedures similar to those of the NASA space program, with research and development funds, a prototype stage, and full community construction. The inhabitants of the community would be encouraged to participate in the planning.

6 A national transportation master plan to include every means of transportation, personal and public, similar to the telecommunications and telephone system master plans. A Federal body for co-ordinating all systems would be established.

7 A five-year program to end all forms of pollution. During the transitional period, massive federal aid would cushion the impact on industry.

8 A massive land purchasing program to preserve a minimum of one half of all land in each defined metropolitan region (excluding roads and highways) as public open space and land reserves for future development. The Federal government would allocate funds to the states, and the states and municipalities would use the program as a tool for planning and guiding growth.

9 Integration of the various Federal housing programs to end the enforced economic segregation of housing. In all projects above a certain size aided by Federal financing, a mixture of housing intended for various income groups would be mandatory.

10 A master plan for urban dispersal, designating locations suitable for the development of new metropolitan regions. A sliding scale of concessions on individual and corporate income tax would apply in these new metropolises (full exemption in Year 1. . . no exemption in Year 20). Land in the new metropolitan cities would be publicly owned by the state and municipal governments and leased for development.

11 To cover the large cost of all these projects, the percentage of the Gross National Product devoted to the environment would be doubled.

If I were running for provincial or state office or as mayor of a major city, I would adopt this program:

a All metropolitan regions to be reorganized into city-states each having a

federal structure. Regional governments would be responsible for those aspects of the administration and planning of the region that could not be undertaken at the community level. Local sub-municipalities would be guaranteed certain rights and responsibilities within the federal city-state structure.

b Transportation system and land use planning, land banks, and the purchasing of public land for open space to be responsibilities of the city-states.

c A substantial portion of municipal taxes to be equalized on a per-capita basis throughout the region.

d The minimum level of services provided by each sub-municipality to be determined for the whole region. If any sub-municipality could not afford to provide services at that level, the city-state government would give assistance.

e All mass transportation in metropolitan region to be provided as a free service paid for through general taxation, as roads, street lighting, and garbage disposal are.

f Through negotiation with the Federal government, an agreement to increase the revenue of state and municipal governments for expenditure on physical plant. If necessary, regional and municipal income taxes would be introduced.

g In existing urbanized areas, a crash program to consolidate land use. Legislation and increased taxes would be used to discourage vacant land and open parking lots. Minimum sizes would be set for urban developments to provide sufficient magnitude for comprehensive development: in a central business district, fifteen acres would be the minimum development, in the less dense areas of the periphery one hundred acres would be the minimum. Municipal legislation to facilitate the assembling of land for development would be included in this program.

h Strict enforcement of the minimum standards of the Environmental Bill of Rights in new and existing construction. Special assistance would be given for renovating existing construction to conform to these standards. Where renovation could not meet such standards, existing construction would be replaced.

i A state or multi-state transport commission responsible for synchronizing all forms of transportation. Where necessary, existing systems would be purchased and integrated into the system.

j A public or semi-public corporation to provide self-driven taxis. These personal vehicles would be widely available and users would pay for them on a

time-and-distance basis. They would be low-cost, low-maintenance vehicles, and their use would greatly reduce the number of vehicles needed to provide the same service, and the number of parking spaces, without reducing personal mobility.

k Extension of the concept of public right-of-way to multi-storey developments where feasible. As it does on public streets, this public right would also include public responsibility for policing, service, and maintenance.

The question is, with such a platform, would I be elected?