Urban renewal, while technically a term created by the Housing Act of 1954, actually finds its roots in older ideas of slum clearance and urban redevelopment. The most important federal, state, and local redevelopment programs began with the passage of Title I in the Housing Act of 1949. In this Act, Congress authorized the newly created Urban Renewal Authority (URA) to manage and disburse a budget of $1.5 billion in the first five years of the program ($1 billion in federal loans and $500 million in federal grants). Title I stipulated that two-thirds the net cost of a redevelopment project would be met by the federal government, while a local grant-in-aid should provide the remaining one-third; the URA would approve the redevelopment plan, monitor costs, and otherwise supervise and aid in the process. Congress hoped the new legislation would attract private investors and stop what Housing and Home Finance Agency administrator Robert Weaver called the “spiral of decay” in American cities.

In practice the law allowed federal monies to fund assembly, clearance, site preparation, and sale or lease of land, not new construction or rehabilitation. This sometimes created a disjunction between local planning and federal funding, as local investors did not match the government’s expectation of interest in cleared sites. Writer Peter Stein described the results as puzzling pockets of “vacant, bulldozed and bombed out” land in otherwise high-priced urban real estate. The Act required that redeveloped sites be primarily residential either before or after development, and Title I proved profitable for slum landlords, since evicted residents had to move into ever more congested surrounding neighborhoods, and for developers, who acquired cleared land at a discounted prices. Many of these investors converted former low-income residential areas into luxury housing, retail outlets, factories, schools, parks, or large office buildings. Conversely, low-income residents paid the heaviest price for redevelopment, as low-income neighborhoods were razed and not enough new affordable housing provided in their place. Between 1949 and 1968, only about one in eight preexisting low-income units was restored. Amongst low-income families, minorities suffered disproportionately, and urban renewal soon came under fire as being a form of “Negro removal.”

President Dwight Eisenhower responded to some of the concerns about housing and redevelopment by forming a President’s Advisory Committee on Government Housing Policies and Program in 1953. The Committee recommended a shift in policy, enacted into law with the Housing Act of 1954; priorities shifted from new construction and clearance to rehabilitation and slum prevention. This change in language indicated a new focus on the broader health of cities and not only the decay of slums, a concern which had dominated urban reform since at least the late nineteenth century. No longer did all Federal funds need to be directed to residential areas. The so-called “skid-row amendment” allowed ten percent to go to areas with blighted or deteriorated buildings. This non-residential renewal was expanded in 1959 to twenty percent, in 1961 to 30 percent, and in 1965 to 35 percent. The Housing Act of 1954 essentially recognized that wholesale clearance was too expensive and inefficient to solve the larger problem of blight. A landmark Supreme Court Case in 1954 (Berman v. Parker) upheld the constitutionality of urban renewal by redefining “public use” in the Fifth Amendment (“nor shall private property be taken for public use, without just compensation”) to “public purpose,” with the legislature defining exactly what that purpose would be. In addition, the Housing Act of 1959 allowed greater local discretion in utilizing federal grants.

By 1963, only three cities (Houston, Dallas, and San Diego) with populations over 500,000 did not participate in the federal program, and over 700 communities had started or were planning to start renewal plans nationwide. In tandem with this growth came increasingly voluble criticism. In New York, community activist Jane Jacobs published her seminal The Death and Life of Great American Cities (1961), extolling the hidden virtues of dense, mixed-use communities like Greenwich Village. Pedestrians, neighbors, and shoppers provided security (“eyes on the street”) and a vibrant sense of urban life utterly lacking in Le Corbusier-inspired towers in the park, according to Jacobs. Her writing inspired many other community activists and helped stop Commissioner of Slum Clearance Robert Moses’ attempts to build the Lower Manhattan Expressway through Greenwich Village. Sociologist Herbert Gans provided another important critique of wholesale clearance in...
Boston’s West End when he documented the effects of renewal on Italian-American families in The Urban Villagers (1962). Gans put debates about urban renewal and clearance into real human terms, revealing the homes and community bonds (or “village”) destroyed by the Boston Renewal Authority. The BRA conceived the project as a way of cleaning up the area surrounding the central business district and replacing the low-income housing with luxury apartments. Similar protests erupted around the country in Portland, Oregon’s Vaughan Street area, Philadelphia’s Society Hill, Chicago’s Near West Side, and San Francisco’s Western Addition neighborhoods. According to historian Jon Teaford, “[b]y the early 1960s, urban renewal was widely regarded as a program for tax-hungry city officials, downtown business interests and their hirelings in big planning and architectural firms, and institutional imperialists seeking to expand their campuses or hospital complexes.” Even conservatives turned against Title I by 1964, with Martin Anderson publishing his scathing critique of failed federal interference and big government spending in The Federal Bulldozer.

The government attempted to adapt the laws to make them a more effective instrument of urban change, allowing the federal contribution to expand to three-fourths the cost for cities with less than 50,000 residents or in economically distressed municipalities of 150,000 or less (1961), and authorizing local communities to take charge of blighted areas outside of urban renewal projects (1965). The federal government increasingly supported rehabilitation over renewal, as evidenced by the 1964 requirement that no area could be demolished until it had been established that the area could not be rehabilitated, or by subsequent laws which increased grants and loans for rehabilitation. The new Department of Housing and Urban Development (HUD) succeeded the Housing and Home Finance Agency as the new federal agency in 1965, and HUD soon passed the Demonstration Cities and Metropolitan Development Act (1966), which provided up to 80 percent of the funds needed for communities plan and develop program for revitalizing neighborhoods (or parts of neighborhoods) in blighted areas, with the goal of making urban renewal more effective. In addition, the Housing and Urban Development Act of 1968 created the Neighborhood Development Program, which gave funding on an annual basis rather than per urban renewal project. This allowed greater flexibility in use of funds (more than one site could be tackled) and more accountability (the annual basis created incentives for deeper, more visible changes that would hopefully attract private developers.) Finally, the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 provided for “uniform and equitable treatment of persons displaced from their homes… by Federal and federally assisted programs” and established “uniform and equitable land acquisition policies” for the same. All of these changes and adjustments acknowledged the need for a more refined system of rehabilitation and low-income housing provision, but urban renewal still retained its primary goal of clearing deteriorating slum areas and recruiting private investment.

In 1974, a major structural change occurred. Urban renewal joined with six other categorical grant programs (including Model Cities) to become the new Community Development Block Grant (CDBG), the federal program that to this day still provides annual grants for urban redevelopment projects. At the onset, the CDBG funneled most of its funds to large cities and counties with over 50,000 or 200,000 residents respectively, and monies were distributed on a formula including “the extent of poverty, population, housing overcrowding, age of housing and population growth lag in relationship to other metropolitan areas.” The CDBG set forth broad principles about the elimination of blight and the consideration of low- and moderate-income households, but the actual inclusion of community participation varied greatly with the national political party in power. By the end of Jimmy Carter’s administration, economic development projects were also permitted under the program. Another Carter program, the Urban Development Action Grant (1977) sharpened federal attention on revitalization in inner cities. While the CDBG is one of the oldest HUD programs still in existence, its funds consistently shrank through the administrations of Ronald Reagan and George Bush, and since the 1990s it has remained on the sidelines of most major revitalization schemes. President Reagan summarized, “We fought a war on poverty and poverty won.”

Local and state governments as well as communities have been largely left on their own to devise revitalization programs. In 1993, President Bill Clinton began the Empowerment Zone/Enterprise Community (EZ/EC) program, which provided federal grants and tax credits to urban and rural designated “zones” and “enterprise communities.” The goal was to lure businesses back to economically-challenged regions, especially the highly
visible inner cities. This program has generated considerable debate and it still remains to be seen what the long-term outcomes will be.

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Sources: