URBAN RENEWAL IN CANADA - A POSTMORTEM

by

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ABSTRACT

Major amendments were made to the National Housing Act (1954) Section 23 in 1964. These altered the scope of urban renewal which had been utilized for the ten previous years. The major features of the revised legislation included cost-sharing by Central Mortgage and Housing Corporation, as one member of a tripartite partnership, in the following undertakings:

a) the preparation of urban renewal studies,
b) the preparation of urban renewal schemes,
c) the implementation of the resulting projects including -
   i. the cost of acquiring and clearing property,
   ii. the upgrading of public services such as roads, sewers and watermains.

The reuse of the cleared land was at the discretion of the municipality and could be retained by the latter or sold to private interests.

This program operated until October 1968, when it was halted upon the request of the Federal Minister responsible for Central Mortgage and Housing Corporation. To that date $168 million had been spent by the Federal Government on the above mentioned aspects of the program and there existed a
potential commitment of nearly $300 million.

The hypothesis underlying the examination of the material was that the amendments were overambitious, in that the objectives were not clearly specified and the scale of the public commitment was open ended. The result was a range of potential projects which could not be adequately administered through the operating policies of Central Mortgage and Housing Corporation.

By way of a sub-hypothesis, it has been contended that a major factor in the urban renewal process was the discord between the expansive but ill-defined objectives and the detailed administrative policies to carry out the program. In particular, the following elements were noted:

a) Urban renewal, for all communities and all land uses, was carried out within a single, universally applied set of administrative policies,

b) The economic terms of reference lacked sophistication. This prejudiced the viability of the proposed projects, especially in terms of fostering private development in renewal areas.

c) The bureaucratization of the program produced an administration which was more involved in the process than the product of urban renewal. Concomitant factors were excessive time lags and an inefficient use of staff.
These inadequacies, contributing factors to the low achievement level of the program, led to its evaluation for the first time in 1968 by CMHC. The result was the aforementioned discontinuation of the program. To the extent that CMHC has been considering a reversion to the pre 1964 position in urban renewal, that is, a residentially oriented program, it was felt that the changes were overambitious.

This presentation has attempted to examine the Canadian urban renewal program between 1964 and 1968 and, within the confines of the material documented, the hypothesis is submitted as valid.
LIMITATIONS TO THE THESIS

Portions of the material utilized in this presentation were gathered in confidence. Hence certain references are deliberately imprecise.
ACKNOWLEDGEMENTS

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A. THE DEVELOPMENT OF URBAN RENEWAL UNDER THE NATIONAL HOUSING ACT

Federal sponsorship of urban renewal in Canada commenced with the 1949 amendments to the National Housing Act.* Under these provisions, the program was directed at slum clearance and the redevelopment of the land as jointly financed public housing projects. Two prominent examples of this early phase of the program were Les Habitations Jeanne Mance in Montreal and Regent Park South in Toronto.

The Act underwent major amendment in 1954. Included among these was the provision for the use of lands, cleared under urban renewal, for public buildings. Further amendments in 1956 produced two major shifts in the program. Urban renewal areas had to exhibit a preponderance of residential land either before or after the project had been undertaken. Also, Central Mortgage and Housing Corporation** was authorized to financially support Urban Renewal Studies by making

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* Hereafter referred to as the NHA.

** Hereafter referred to as CMHC.
arrangements with a province or municipality
to conduct special studies relating to the
condition of urban areas, to means of improving housing,
to the need for additional housing or for urban re-
development. 1

Until the amendments of 1964, the program operated on
this basis. Central Mortgage and Housing contributed 75% 
(community wide) or 50% (limited area) of the cost of pre-
paring studies primarily directed at assessing the housing 
stock of a community and identifying areas requiring redevelop-
ment. Further to this investigation or any other supporting 
examination by a municipality, CMHC contributed 50% of the 
costs of acquiring and clearing land for residential purposes 
or of a residential nature. Under a separate section of the 
Act, CMHC contributed 75% of the cost of constructing and 
operating public housing projects. All these undertakings 
were contingent upon provincial approval, in as much as 
these activities fell within the "Property and Civil Rights 
Clause" of Section 92 of the British North America Act.

B. THE 1964 AMENDMENTS TO PART III, SECTION 23 OF THE N.H.A.

The symptom of "blight" was considered to be bad 
housing, but its causes lay beyond the site involved. With-
out detailing the exact nature of these causes, the Federal

1NHA, 1954, Part V, Section 33 (1) h.
Government decided in 1964 to expand the terms of reference for joint urban undertakings to deal with "blight" on a wider spectrum. The resulting amendments to the NHA were as follows:

The Corporation * may, with the approval of the Governor in Council, enter into an agreement with any province or municipality whereby the Corporation will contribute one-half of the cost of the preparation of an urban renewal scheme, including the cost of all economic, social and engineering research and planning necessary therefor.

Where an urban renewal scheme has been approved by the province in which the scheme is to be carried out and is acceptable to the Corporation, the Corporation may, with the approval of the Governor in Council, enter into an agreement with that province or with the municipality in which the scheme is to be carried out providing for the payment of contributions equal to one-half of the actual cost, as determined by the Corporation, of

a) acquiring and clearing lands and buildings in the urban renewal area, including costs of condemnation proceedings and the costs of disposing of lands so acquired and cleared;

b) installing municipal services and works, other than public buildings, in the urban renewal area, and;

c) employing persons
   i. in connection with the acquisition and clearance of land in the urban renewal area,
   ii. to assist owners of property affected by the urban renewal scheme to adjust to the implementation of the scheme, and
   iii. to assist the relocation of persons dispossessed of housing accommodation by the implementation of the urban renewal scheme .... 2

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2NHA, 1954, Part III, Sections 23 A and B.

*Central Mortgage and Housing Corporation.
As a result of these amendments and the concomitant CMHC administrative regulations, the urban renewal program in Canada adhered to the following generalized format. A municipality passed a resolution in Council applying for assistance to undertake an urban renewal study. Upon ratification by the province involved, the resolution was submitted to CMHC accompanied by a justification in support if a need for the study and a cost estimate breakdown.

With the 1964 amendments, the emphasis of these urban renewal studies shifted from the housing inventory aspect to the delineation of any form of urban blight, reflecting the new spectrum of shared-cost programs available under the NHA. This delineation took the form of identifying areas within specified boundaries and a process of determining priority levels for potential projects. Upon completion of this document and its submission to both the province and CMHC, a second application had to be submitted to carry the program forward. Again, provincial approval had to be gained and a cost estimate and justification accompanied the municipal resolution. The justification amounted to citing the findings of the completed study.

A possible alternative method existed, where the municipality involved had an on going planning procedure or where the obvious choice of a delineated area could be supported. In these latter cases, a much more thorough
documentation and substantiation of the choice of areas were required. On occasion this submission was rejected by CMHC and the municipality was asked to re-apply for a grant to carry out the initial urban renewal study.

Assuming the application was found acceptable by both CMHC and the province, an agreement was drawn up to undertake the "preparation of an urban renewal scheme." A copy of the generalized form of this agreement is included as Appendix One of this presentation. In comparison to the agreement to undertake a study, this document was procedurally specific as to content and approach. Guidelines for the procedure of drawing-up a scheme were generally publicized in the form of a booklet produced by CMHC in 1967, entitled "Urban Renewal Handbook." According to the accompanying covering letter by the Director of the Urban Renewal and Public Housing Division, it was "... intended for the use of Provinces, Municipalities, consultants, universities and agencies who have an interest in urban affairs, and in particular for those who are contemplating or participating in, the preparation of urban renewal schemes."4

The mechanical objectives of the scheme were

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3 NHA, 1954, Part III, Section 23 A.

4 Urban Renewal Handbook, CMHC, NHA 2032.
... to establish: 1) A program of the renewal action relating to redevelopment and rehabilitation, phasing and timing proposed for the area related to other public programs and likely private development.

2) An estimate of all the costs and recoveries to the municipality and other agencies in implementing the scheme.

3) A program of municipal action to conserve elements in the scheme area which are not blighted or substandard. These 3 objectives should be based on an assessment of the nature and extent of blight and the municipality's ability to undertake remedial action. Such an assessment should take into account:

- The changing physical, economic and social characteristics of the area with particular attention to blight and blighting influences.
- An analysis of alternative public and private renewal actions to determine those which will benefit most of the area and its people. This determination should be related to the overall development and financial ability of the community. 5

Both the Handbook and the Agreement specifically outlined the forms of data required to reach the decisions covered in the mechanical objectives. The completed document then had to be formally accepted and approved by CMHC, the provincial government and the municipal council. Although never officially declared as a necessary element, interim reports were submitted to all three levels of government for ongoing approval of the scheme as it was being prepared. Assuming the acceptability of the final scheme report, negotiations were re-opened with the senior governments in the form of a 3rd municipal resolution and application. This culminated in a 3rd tripartite agreement to implement specified elements of the renewal scheme.

5Ibid., p. 4.
A co-ordinating committee representing the public parties involved was established to oversee the ongoing redevelopment and submit progress reports to each government.

The above is a condensed and superficial recounting of the urban renewal procedure resulting from the 1964 amendments to Section 23 of the NHA. Detailed appraisal of specific facets of the operation are to be found in Chapter Three in conjunction with an examination of some of the difficulties encountered.

C. THE MEANING OF URBAN RENEWAL IN THE FEDERAL CONTEXT

The meaning of urban renewal was as varied as the number of projects involved. Perhaps, for this reason, CMHC avoided establishing a hard and fast definition of this aspect of its undertakings. The circular definition accorded it in the NHA was a good example.

In this part, 'urban renewal area' means a blighted or substandard area of a municipality for which the government of the province in which the area is located has approved the implementation of an urban renewal scheme; and

'urban renewal scheme' means a scheme for the renewal of a blighted or substandard area of a municipality.

One of the more open definitions of the program in Canada was provided by Mr. H. Borland, the Director of the

\[\text{NHA, 1954, Part III, Section 23.}\]
Urban renewal is the process, by which, through the co-operation and co-ordination of public and private actions, the quality of the total Canadian urban environment may be improved."

The resolution introducing the 1964 amendments to the NHA, delivered by the Hon. J.R. Nicholson before the House of Commons, did not cast any further light upon an official definition.

Our cities need the means to face up to blight with a proper and more comprehensive set of techniques than merely clearance . . . . What is needed is a municipal program which in the early stages would stop the spread of structural and environmental decay and could generate the physical, economic and, more important, the social renewal of declining areas or areas about to decline . . . . This then is the comprehensive program of renewal which I see as the means of helping municipalities to overcome the spread of urban blight . . . . The program involves the redevelopment of areas which have depreciated beyond repair, the rehabilitation of areas which can be given extended useful life by positive action, if taken soon enough, and the conservation of all that which is good in the urban fabric.

Only at the operational level within CMHC was urban renewal articulated in more definite terms. Urban Renewal was an inclusive term which described the orderly process of rebuilding the city to improve working and living conditions. It involved redevelopment, rehabilitation and conservation used separately or in combination in designated areas. The process

7Covering letter accompanying the Urban Renewal Handbook, op. cit.
required both private and public investment.

Redevelopment was a program of acquisition and clearance of slums and blighted areas and the rebuilding of those areas for appropriate uses, in accordance with an official plan. This process frequently required municipal powers of expropriation. Rehabilitation was a programme applicable to deteriorating areas not yet in need of complete redevelopment. It combined action through public investment and by individual owners to improve and repair properties together with municipal action to improve community facilities. Conservation was a program of action by a municipality to prevent deterioration of sound neighbourhoods by the enforcement of occupancy, maintenance and zoning bylaws.\(^8\)

In almost all definitions of urban renewal by the Federal government the term "blight" was the keystone. What did this element comprise in the view of CMHC? A staff paper, "Notes on an Urban Renewal Policy," related blight to the changing concept of renewal. Initially 'blight' was reasonably definable, having the connotations of a residential slum. The 1964 amendments put an end to this tidy definition and by a planning concept, made 'urban renewal' virtually synonymous with municipal planning and development.

The Urban Renewal Handbook stated,

Many complex factors contribute to blight; sometimes they are separate, often they are interrelated. Blight not only infects a single area but also spreads to adjoining ones. Comprehen-\(^8\)CMHC staff directive.
sive action is therefore essential to counteract these influences. At the same time, to be realistic, the scope and depth of any renewal action must be within the resources of the municipality. 9

The most definitive statement on blight, like the term urban renewal, existed in a CMHC staff directive as opposed to a publicly disseminated document.

A blighted area included areas which reached such a degree of deterioration or incompatible uses that total clearance was the only appropriate remedy. It also included declining areas which would continue to deteriorate unless action was taken by the municipality through the process of area rehabilitation to remove the blighting influences and to return the area to a sound condition.10

The following paragraph of the directive outlined one of the critical aspects of the terms of reference for urban renewal. Reduced to its most pragmatic terms, blight became whatever the municipality designated as blight.

The National Housing Act did not define the meaning of the word "blighted" and it has been recognized that it was the responsibility of the municipality operating under provincial guidance to establish its criteria of blight and to apply these to its total environment so that blighted areas could be identified.11

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9UR Handbook, op. cit., p. 5.
10CMHC staff directives.
11Ibid.
The product of this open ended policy was the declaration for the need for renewal on grounds of social blight, economic blight, and functional blight. On this basis, the adoption of the following American definition would not have seemed improbable.

Blight is said to exist whenever 1) strictly individual action does not result in redevelopment 2) the co-ordination of decision making via some means would result in redevelopment and 3) the sum of the benefits from renewal could exceed the sum of the costs. 12

D. THE OBJECTIVES OF THE PROGRAM

Having examined the nature of the legislation and administrative policies, the objectives of its utilization were reviewed from the CMHC viewpoint. The operational directives accompanying the 1964 amendments emphasized the comprehensiveness of the new program, both in terms of all aspects of land use and in the area-wide approach to renewal. Overcoming the restrictions of the pre-1964 legislation became the initial practical objective.

Experience pointed to 3 deficiencies. First, the legislation restricted assistance to renewal areas that were predominantly residential before or after redevelopment. Second, the emphasis on clearance and residential use produced housing projects rather than renewal programs in a comprehensive sense. Third, the legislation did not provide for assistance towards the improvement of municipal works and services. 13

Corresponding views were expressed by Mr. J. Fowlie, a member of the advisory Group of CMHC in a staff paper, 'Urban Renewal'.

Why did the original limited concept of slum clearance change and expand to become urban renewal involving many aspects of the urban condition in addition to housing? In Canada as in other western countries, it became apparent in the 1950's that the key to alleviating urban blight was to be found in a wide assault on the causes of blight and not merely the elimination of slum housing which is a consequence of blight.

Within the spectrum of the social, economic and physical aspects of blight, the first two, while more significant, are more difficult to measure and combat. For this reason, the extended Federal aids in urban renewal introduced in 1964 were aimed at assisting in the alleviation of such urban physical defects as inadequate municipal services and facilities in addition to physical and functional building obsolescence.

The elimination of residential slums alone could be tackled on a piecemeal or spot clearance basis. The broader approaches to urban renewal introduced . . . in 1964 necessitated that renewal action be considered on an area-wide basis. By requiring the definition of such areas it was also possible, as a result of the 1964 changes, to contribute to the necessary social, economic and physical investigations and the planning and programming preceding renewal action.

The above quotations represented the most definitive treatment of the objectives of the program prepared by CMHC. However, they were not publically distributed. The National Housing Act itself did not specify the objectives of the amendments. As more views were presented, their decreasing specificity and increasing open-endedness became apparent. The major staff directive from CMHC regarding urban renewal envisaged these objectives for the post 1964 program.

Many cities in Canada were in need of revitalization and substantial numbers of Canadians continued to live in desperately inadequate and overcrowded housing. Extensive non-residential areas were outdated and unsightly and were no longer capable of efficient use. For several years, urban renewal was a widely accepted means of tackling the problems posed by functional obsolescence and blight. The objectives of an urban renewal program, within the framework of an overall development plan, where the elimination and prevention of blight, the improvement and maintenance of environment for all aspects of urban life and consequently the creation of physical conditions in which the social and economic life of the city might thrive . . . . The urban renewal objectives just mentioned were only attainable if Federally aided redevelopment was extended in scope and supported by assisted rehabilitation programs and municipal action to conserve sound areas and structures. Current legislation encouraged
comprehensive urban renewal and provided unprecedented opportunity to rebuild the major parts of our cities, both functionally and aesthetically. If, however, urban renewal results in unimaginative and uninteresting cities a basic justification for the expenditure of public funds and public effort will be lost. The Corporation should therefore use its influence to secure a high standard of planning and architectural design throughout an urban renewal scheme. 14

Four years later, in reviewing the program, the following objectives were employed by CMHC

The general objectives of the legislation are the removal of blight in all its forms and the improvement of housing and living conditions. In the furtherance of these objectives, moribund areas are revitalized and the city's character and quality improved. Renewal has primarily been concerned with physical rather than social objectives. However, social objectives are implicit in the process, and social benefits accrue as a result of renewal action taken . . . . Equally so, renewal has no explicit economic objectives but is expected to increase assessment, and stimulate private investment in the scheme area. 15

The final statement of objectives, which has probably had the widest public dissemination via the Urban Renewal Handbook, was that urban renewal aimed for " . . . the successful implementation of civic programs to eradicate blight and improve the environment of our municipalities."16 This lack

14 CMHC staff directive.
of precision in defining the objectives of the program has made evaluation of the program extremely difficult in all but a superficial manner. It has also incurred criticism from various agencies involved in the renewal program.

E. APPRAISAL OF THE OBJECTIVES

The progression of urban renewal could be categorized in a very rudimentary flow pattern. objectives → policies → program → implementation. The provincial governments did not play a very active role in this progression, relying on the terms of reference of CMHC for this joint cost-sharing program and having fairly little involvement in the municipal formulation of the urban renewal program. An examination of this role of the provinces was conducted and published by Dr. R. Collier of U.B.C. which supported this view. A breakdown of each province's monetary contribution policy is included as Appendix Two. Thus, there were primarily two different levels of government operating in different sectors of the flow pattern. The Federal government was responsible for formulating the objectives and policies while the municipal government handled the program creation and implementation. These two controlling agencies tended in general to have different sets of priorities within the urban renewal

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process. This will be dealt with in more detail when the difficulties of urban renewal are examined. The division of interests and a generally low level of communication [as discussed by John Bunge] made the ongoing evaluation of individual projects and a national assessment of the program extremely difficult. Indicative of this fact was the operation of the program for four years before a published evaluation was made by CMHC.

On his (the Hon. Paul Hellyer, former Minister responsible for CMHC) request the Corporation prepared, in November 1968, the paper, 'The Federal Urban Renewal Program - An Evaluation'. Although the Corporation had been working previously on setting up an evaluative system, the above paper was the first statement of evaluation of the renewal program, its objectives and achievements. 19

Moreover, the lack of precision in setting out the objectives themselves, as illustrated above, did not provide articulate direction to those utilizing the program. As a result, they tended to get lost in their concentration upon the nitty-gritty of the operating policy. The shortcomings of the urban renewal objectives were referred to on three occasions by the Hon. R. Andras, the Minister responsible for CMHC, in announcing the cessation of the present program.


19 Minutes of the Architect/Planners Conference, CMHC, Ottawa, November 1969.
The evidence is considerable that some of our city oriented programs, like urban renewal, may be accomplishing just the opposite of their nominal objectives. Or perhaps it is just that we are fuzzy about the objectives and have asked the urban renewal program to solve by physical means problems that are mainly social. 20

Until a more well defined and logical long-term Canadian urban renewal policy can be formulated and enunciated, municipalities with urban renewal schemes presently in preparation will have to elect either to suspend further study or, alternatively to complete their work in the knowledge that additional Federal funds for implementation of the schemes may not be forthcoming . . . (There are) . . . arguments for a coherent policy framework in which the process of urban renewal can be undertaken. There appears to be, for example, little evidence either to support or refute the value of our very substantial expenditures over the years in terms of meeting basic objectives . . . . 21

A more direct criticism of the 'fuzzy objectives' came from the Social Planning Council of Metro Toronto. "There seems, in fact, to be no one comprehensive statement of public policy as to what urban renewal is for, except that it is to eliminate conditions which are for one reason or another regarded as undesirable. There seems to be an underlying implicit assumption that every one concerned will


benefit thereby." Perhaps the most unkind assessment of the objectives and process of urban renewal, came from within CMHC itself. The questions posed were, "What were the objectives of the Program? Did the basic assumption of the program conform to reality—to wit that something called 'blight' does exist in a definable form, permitting the drawing of a line around it to enclose an 'urban renewal area', and that this blight can be removed?" After outlining some of the operational problems, the evaluation segment closed with the following remarks.

Yet, lacking a clear objective, it (urban renewal) could hardly be 1) a program or 2) be evaluated in itself. In reality, the federal government was involved as a funding partner in a complex urban process, an involvement that was more of an administrative emmeshment than a true participation, since it was really the municipality that decided the actions taken. Also, the lack of definition of 'blight' and the lack of clear distinction between 'urban renewal' and normal municipal housekeeping and planning, led to a loss of administrative precision in administrating the program. 23

Several recent examinations of the Canadian urban renewal scene 24 have referred to the lack of comprehensive objectives of the renewal programs which have been examined. This is not a contrary position to this chapter but a re-

23 Notes on an Urban Renewal Policy, CMHC, 1968, p. 5.
inforcement. The criticisms applied to the scope of the proposed projects themselves. As previously stated, the objectives of the program were so wide, yet lacked precision in articulation, that they were overshadowed by a concentration upon CMHC administrative policy. This latter sector of the flow pattern, to compensate for the generalness of the objectives, tended to be overly definitive and narrow in its outlook. In those cases where municipal efforts were made to go beyond administrative policy, in the sense of acting in accordance with the objectives of the program, the procedural clarifications produced extensive delays.

In conclusion, the lack of clearly articulated objectives for the urban renewal program seriously hampered its evaluation and placed an overly heavy emphasis on the administrative policy. This detracted from the opportunity to formulate a strong community of interest or intent among the governmental partners involved. The increasing difficulties of operating a program at once too broad and too narrow in scope culminated in a Federal attempt to evaluate the program which it had initiated. As a result, the program was halted pending the resolution of this problem. The remainder of this presentation will examine the difficulties of administrating the CMHC policies and their divergences from the objectives as they have been related.
CHAPTER TWO

A. THE NATIONAL SCOPE OF THE PROGRAM

At the time of the Hellyer Task Force on Housing and Urban Development, the urban renewal program, on a Canada-wide basis, represented a per capita public investment of $16.80. The Federal Government, through CMHC, had contributed 168.343 million dollars\(^2\) which comprised roughly 50% of the total public effort. The remainder came from the provincial government and the municipalities themselves in varying proportions, relative to Appendix Two and the following breakdown of the CMHC involvement.

There were no CMHC urban renewal commitments in Prince Edward Island, the Yukon and the North West Territories. On a per capita basis of public investment, the relative position of the provinces differed as per Figure II.

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I. Money Disbursed Under NHA Sections 23A, 23B and 33(1)h Between 1954 and 1968
In Millions of Dollars

Geographically, 73.8% of the program, in terms of federal funding, was devoted to two provinces. Quebec and Ontario, constituted 63.6% of the Canadian population. The relative difference in the program funding among the remaining provinces was small, but the unequal involvement, relative to population size, was evident in the case of Nova Scotia and New Brunswick. However, Quebec and Ontario were also above the average per capita expenditure for Canada as a whole.
II. Per Capita Public Spending in Urban Renewal by Province

Thus, in both respects the program was weighted in favour of these two provinces, as well as in terms of the absolute number of projects undertaken.

Urban renewal public spending could be broken down on the basis of the stages of the program as outlined in Chapter One. The vast preponderance of the $168 million of federal money was tied to the implementation of the projects. This constituted $162.2 million, which was 96.3% of the total. The overall municipal studies represented 2% of the CMHC expenditure, or $3.4 million, while the preparation of the scheme reports utilized $2.8 million, or 1.7% of the total allotment. In terms of absolute numbers, 210 studies were undertaken, 166 of these since the 1964 amendments. Of this number 133 were completed at the time of the Task Force investigation.
III. Federal Urban Renewal Commitment By Sections of the NHA

One hundred and twenty scheme reports were authorized and 35 were completed by the same date.

Forty nine projects had received Order in Council approval of which 15 had been completed for a total of $48 million of federal funds.

The average cost of an urban renewal study was $20,161.

The average cost of a scheme report was $46,136. These two figures, in themselves, are not very meaningful due to the differences of each renewal situation. However, they can represent a crude measuring stick in projecting the cost of future applications and examining specific cases.

A third form of breakdown which could be applied to the data incorporated the size of the city in which the urban
renewal program was operated. CMHC adopted a dividing point of 30,000 inhabitants. This figure was felt to represent the minimum size of community which would support its own full time planning department. The relative significance of this factor is open to question. In dealing specifically with the British Columbia situation, it was illustrated that the alternative between resident planning staffs and private consultants had not produced major discrepancies in preparation time or cost per acre. In any case, the figure has been decided upon and might be, at worst, considered arbitrary. When the data illustrated in the above graphs was expressed over a common denominator, it showed that 97.6% of the federal funding for urban renewal had gone to cities of greater than 30,000. The figures also illustrated a backlog of potential projects in small communities which had not reached the implementation stage in August 1968. Were these to move forward, the vast discrepancy in Figure VI would be considerably reduced. This form of extrapolation will be considered in the next section of this chapter. The higher per unit cost of studies and schemes in larger cities, which showed up in Figures IV and V will be discussed in conjunction with the British Columbia data.

B. THE EXTRAPOLATION OF THE PRESENT FEDERAL COMMITMENT

The data presented in the opening section of this chapter covered the extent of the commitment as per Order in
IV. NUMBER AND TOTAL COST OF STUDIES BY CITY SIZE

- number of studies
- number of dollars of federal commitment in millions

vertical scale 6:1 dollars/no. projects

V. NUMBER AND TOTAL COST OF SCHEMES BY CITY SIZE

- number of schemes
- number of dollars of federal commitment in millions

vertical scale 4:1 dollars/no. projects
VI. NUMBER AND TOTAL COST OF PROJECTS BY CITY SIZE

- □ number of projects
- ▌ number of dollars of federal commitment in millions

vertical scale 4:1 dollars/no. projects
Council approvals, up to the moratorium on urban renewal declared by Mr. Paul Hellyer, the Minister responsible for CMHC in 1968. However, a more comprehensive grasp of what the program was doing could be obtained by examining the portion of the iceberg that was not apparent. That is, the program contained many undertakings which had not advanced to the point of action on the ground. These were in the form of

(a) scheme reports which were still being created,
(b) completed scheme reports which had not been used to apply for an implementation project,
(c) project applications which had not received Federal government approval by August 1968.

The consideration of these elements of the program which were still 'in the mill' would double the scale of NHA urban renewal. Therefore, an effort has been made to assess the impact of this increased commitment by hypothesizing that all these undertakings reached the implementation stage. The resulting figures included part of the $168 million discussed above, plus the estimated project costs of all the schemes which had not been approved or completed. The cost estimates were derived from those made by the Urban Renewal Public Housing Division of CMHC in February 1967 and August 1968, as part of an ongoing tabulation of the program. The 18 month gap between tabulation times resulted in the omission of a small
number of projects when the two sets of data were combined. However, this shortcoming was not of great magnitude when the resulting figures were compared against other sources of information. The data was based solely on those projects which occurred subsequent to the 1964 amendments to the NHA. In the extrapolated set of data, 142 projects have been itemized. The total of schemes and projects to August 1968 was 169. However, 20 of these were undertaken under the NHA prior to the 1964 amendments and therefore have been excluded for the purposes of this examination. There were thus 7 projects unaccounted for, which represented 4.7% of the total. Another assessment of the completeness of the data was the comparison of the extrapolated total federal commitment of $285.39 million with the minutes of the CMHC Architect/Planners' Conference of November 1969 which outlined CMHC urban renewal activity in the following terms. The CMHC expenditures in 1967 were $7 million, $15 million in 1968, $21 million in 1969 and an estimated commitment of $25 million in 1970 with roughly $200 million "in the pipeline." This figure of $268 million compared reasonably well with the figure used in this examination. This was also weighed against the 1965 Treasury Board allotment of $300 million to the urban renewal program. Therefore the data has been submitted with recognition of the above mentioned limitations to its accuracy.

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27 Ibid.
## TABLE I

**EXTRAPOLATED FEDERAL COMMITMENT TO SECTION 23B PROJECTS**

**IN MILLIONS OF DOLLARS**

<table>
<thead>
<tr>
<th>Province</th>
<th>City Size</th>
<th>Predom. Land Use and Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland</td>
<td>30,000+</td>
<td>8.18 4</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>2.20 1</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>30,000+</td>
<td>5.08 3</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>0.75 1 0.75 2</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>30,000+</td>
<td>5.00 1</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>0.50 1 2.70 3</td>
</tr>
<tr>
<td>Quebec</td>
<td>30,000+</td>
<td>3.00 2 18.80 8</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>21.90 14 10.15 7</td>
</tr>
<tr>
<td>Ontario</td>
<td>30,000+</td>
<td>43.30 10 28.75 8</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>5.00 4 3.10 5</td>
</tr>
<tr>
<td>Manitoba</td>
<td>30,000+</td>
<td>5.00 1 0.50 1</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>0.50 1</td>
</tr>
<tr>
<td>Saskatchewan</td>
<td>30,000+</td>
<td>0.17 1</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>0.50 1 1.00 2</td>
</tr>
<tr>
<td>Alberta</td>
<td>30,000+</td>
<td>19.70 2</td>
</tr>
<tr>
<td></td>
<td>30,000-</td>
<td>0.40 1 1.25 2</td>
</tr>
<tr>
<td>British</td>
<td>30,000+</td>
<td>3.11 2 9.45 3</td>
</tr>
<tr>
<td>Columbia</td>
<td>30,000-</td>
<td>2.81 7</td>
</tr>
<tr>
<td>Totals</td>
<td></td>
<td>116.55 51 87.00 47 81.84 44</td>
</tr>
</tbody>
</table>

30,000+ - cities with greater than 30,000 inhabitants.
30,000- - towns with less than 30,000 inhabitants.
CBD - central business area of municipality.
Res. - predominantly residential area.
Mixed - area of mixed (commercial/industrial/residential) land uses outside the CBD.
VII. NUMBER AND TOTAL COST OF PROJECTS BY CITY SIZE

- number of projects
- federal contribution in millions of dollars

Vertical scale 2:1 dollars/no. projects
VIII. NUMBER AND TOTAL COST OF PROJECTS BY LAND USE CLASSIFICATION

- number of projects
- federal contribution in millions of dollars

vertical scale 2:1 dollars/no. projects
The breakdowns employed in analysing the material included itemizations by a) province b) number of projects c) cost of projects d) size of city and e) predominant land use classifications. In as much as the federal contribution under Sections 23A and 33(1)h constituted only 3.7% of the total expenditure on urban renewal, and due to the difficulty of amassing data beyond the province of British Columbia, this factor was omitted in the above tables and graphs.

By comparing Figures VI and VII, it was apparent that a more evenly distributed program (with regard to city size) would have occurred if urban renewal commitments had been completed. However, the average cost of major city projects was roughly 3 times greater than those in smaller communities. Federal urban renewal spending in cities was $200.41 million on 61 projects which represented 70.23% of the total budget and 42.9% of the total number of projects. Conversely, the total Federal urban renewal funding for small towns was $84.98 million over 81 projects representing 29.77% of the total budget and 57.1% of the total number of projects. The major contributing factor in this modifying trend away from larger city predominance was the creation of the Quebec Housing Corporation in 1967. In accordance with Quebec nationalistic sentiment, the control by CMHC over the urban renewal programs undertaken by this new department was greatly limited. In essence, CMHC made annual grants to the Quebec Housing Corporation, which set its own priorities and projects and
IX. NUMBER AND TOTAL COST OF PROJECTS BY CITY SIZE AND LAND USE

- number of projects
- federal contribution in millions of dollars

vertical scale 2:1
dollars/no. projects
X. NUMBER AND TOTAL COST OF PROJECTS BY PROVINCE

- number of projects
- federal contribution in millions of dollars

vertical scale 2:1 dollars/no. projects
provided a year end accounting. The result was an upsurge of urban renewal activity in Quebec, particularly in the smaller communities of the province. This shift was evident in comparing Figures I and X.

Another feature illustrated in the figures was that since 1964, the land use which was most frequently subject to urban renewal, both in terms of dollars spent and the number of projects, was the Central Business District. 40.84% of the federal budget, representing $116.55 million was earmarked for 51 central business district projects. This was 35.9% of the total number. Of the remainder, $87 million, or 30.48% was to be spent on 47 residential projects (33.1%) and $81.84 million, or 28.67%, was to assist 44 projects in areas of mixed land uses. (30.1%) The average federal share of a central business district scheme was $2.29 million, which was almost 25% greater than the average for either residential or mixed land use projects.

The following table illustrates the national breakdown of the federal commitment in numbers, dollars and percentages.

The two sizes of urban areas (used for comparative purposes in this presentation) allocated the federal funds in the following manner. Cities devoted 42.2% of the money available to their central business districts, 32.8% to residential areas and 25.1% of the money to areas of mixed land use. These constituted 34.4%, 41.0% and 24.6% respec-
TABLE II
THE NATIONAL BREAKDOWN OF THE FEDERAL COMMITMENT

<table>
<thead>
<tr>
<th></th>
<th>Number</th>
<th>Percent</th>
<th>Cost*</th>
<th>Percent</th>
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<tbody>
<tr>
<td>City CBD</td>
<td>21</td>
<td>14.8</td>
<td>84.19</td>
<td>29.5</td>
</tr>
<tr>
<td>Town CBD</td>
<td>30</td>
<td>21.1</td>
<td>32.36</td>
<td>11.3</td>
</tr>
<tr>
<td>City res.</td>
<td>25</td>
<td>17.6</td>
<td>65.85</td>
<td>23.1</td>
</tr>
<tr>
<td>Town res.</td>
<td>22</td>
<td>15.5</td>
<td>21.15</td>
<td>7.4</td>
</tr>
<tr>
<td>City mixed</td>
<td>15</td>
<td>10.6</td>
<td>50.37</td>
<td>17.7</td>
</tr>
<tr>
<td>Town mixed</td>
<td>29</td>
<td>20.4</td>
<td>31.47</td>
<td>11.0</td>
</tr>
</tbody>
</table>

*Millions of dollars of federal investment.

tively of the number of projects undertaken. Towns devoted 38.1% of the CMHC allocation to their central business districts, 24.9% to residential areas and 37.0% of the money towards urban renewal in mixed use areas. These constituted 37.0%, 27.2% and 35.8% respectively of the total number of projects.

On the basis of this data, a few generalizations, concerning the urban renewal program in Canada since 1964, have been attempted. Geographically, the program remained largely centred in Ontario and Quebec, with a relatively even spread among the remainder of the provinces. This might in part be a product of the joint nature of the undertaking. That is, 50% of the funding had to be supplied by the provincial and
municipal treasuries. Thus, to some extent, it was a program which could be best afforded by a wealthy province. In terms of ordinal rank, figure eleven is roughly comparable with the relative economic ranking of the provinces.

Another feature of the program was the concentration of expenditure in cities of greater than 30,000. Although numerically in the minority, the average cost of the undertakings, as mentioned, was considerably greater. Apart from the greater physical size of the city projects, the cost of the land itself has no doubt been a major factor in the higher overall costs.

A third pattern evident in the data was the importance of the central business district, in the eyes of the municipality, as the area most deserving of renewal. A concomitant feature was the relative de-emphasis on areas which were predominantly residential. This was particularly evident in the case of smaller communities. Only 7.3% of CMHC renewal funds were devoted to this end. In as much as the municipalities themselves set the priorities for renewal, it could be tenuously argued that the residential situation in small communities was not a serious problem in terms of urban renewal. The higher municipal tax returns on commercial and industrial land uses, as opposed to residential, were an incentive for town councils to concentrate redevelopment activities in these areas. The tax recovery, in terms of both assessment rate and absolute value, was greater for assembled and cleared
land which was consolidated for commercial development, as opposed to low to medium density housing. Also, the likelihood of attracting private-development interests was greater for commercial/industrial uses than for residential. This was due in part to two factors. The fact that a predominantly residential area in a city deteriorated was often indicative that the area was not a relatively desirable location to live. This, reinforced by the stigma of an urban renewal designation, tended to frighten away potential middle class residents. However, it was this group to which the private development interests exclusively catered. Builders would not go into an area to create the type of development for which market demand was not evident. The fact that the area was blighted enough to require renewal indicated the absence of this market demand. Also CMHC policy shifted from remarketing assembled and cleared land at a write down to selling it at cost. This meant that the relative cost of this land for residential purposes was usually higher than that of suburban areas where an established market existed. From the city's viewpoint, the likelihood of both the successful sale of cleared areas and the higher tax returns were greater in dealing with areas which either before and/or after renewal were predominantly non-residential. A comparison of the programs for Urban Renewal Areas D-4 and A-6 in Vancouver illustrated these points. The Call for Proposals for the residential redevelopment of Area A-6 solicited one bid, which was withdrawn. In
In this case, the sale price of the site ($100,000) constituted a write-down but this proved to be an insufficient attraction. The market viability for the form of development requested had not been substantiated and the bidder considered the risk element too great. Urban Renewal Area D-4 involved the removal of delapidated housing in a mixed area with the resulting consolidated sites being marketed for light industrial uses. All parcels of land were sold and utilized. The project has been considered a success. 28

The de-emphasis of residential concerns in urban renewal has been apparent in the United States as well.

The case for disproportionate public attention to the general housing field is not now easy to make, except for the problem of slums. The story was quite different in the early post World War Two years, when there was a substantial housing shortage. But this has now been essentially made up . . . . Consequently, it will be assumed that general investments in housing that are either directly public or induced by public subsidies do not bring about net benefits. The opportunity costs are at least as great as the gross benefits. This constitutes the value judgement that general subsidization of housing is a public purpose of low priority under present circumstances. Admittedly this position is open to debate.

There are signs that this view may be held by Public decision makers as well. In recent years, local planners have been shifting the emphasis in urban renewal away from housing needs towards commercial, industrial, institutional, or an overall mix of needs. This suggests, among other things, that no top-priority urgency is felt for purely housing goals. 29

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28 Interview with the Deputy Minister of Municipal Affairs, J.E. Brown, February, 1969.
C. EXAMINATION OF THE BRITISH COLUMBIA URBAN RENEWAL PROGRAM

The individuality of both the urban renewal projects and the communities involved was an important factor in the program. Assumptions derived from national aggregates of costs, numbers and types were felt to be insufficient to fully support a critique of the program. Therefore, an attempt has been made to put together an assortment of data concerning the 21 urban renewal programs which have been attempted in British Columbia. This constituted roughly a 15% sample of the national total. The choice was arbitrary, having been based primarily upon the availability of data. As was apparent in the examination of national program, the number of completed projects was small in comparison to the number of schemes undertaken. The examination of the completed projects exclusively had two drawbacks. First, the number was too small for valid comparison, and as illustrated in Section B, it gave a different picture of the program. Therefore, where data was available, an attempt was made to hypothesize projects on the assumption that schemes were approved for implementation. The assumed project costs were again taken from estimates from Central Mortgage and Housing Corporation. The project areas were taken from the recommendations of the scheme reports.

### TABLE III
BRITISH COLUMBIA PROJECT BREAKDOWN

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
<th>23B Cost</th>
<th>Area</th>
<th>Cost/Acre</th>
<th>Cost/Pop.</th>
<th>Land Use</th>
<th>Objective</th>
</tr>
</thead>
<tbody>
<tr>
<td>Vancouver S.3</td>
<td>410,375</td>
<td>*11,880,000</td>
<td>-</td>
<td>-</td>
<td>28.95</td>
<td>Res/Mix</td>
<td>1A,5A.C,1.D</td>
</tr>
<tr>
<td>Vancouver S.3A</td>
<td>410,375</td>
<td>266,881</td>
<td>2.5A</td>
<td>106,752</td>
<td>.55</td>
<td>Res</td>
<td>1.D</td>
</tr>
<tr>
<td>Vancouver 4/4A</td>
<td>410,375</td>
<td>*9,000,000</td>
<td>-</td>
<td>-</td>
<td>21.93</td>
<td>CBD</td>
<td>1.B,1.D</td>
</tr>
<tr>
<td>Vancouver S.5</td>
<td>410,375</td>
<td>*5,000,000</td>
<td>25A</td>
<td>200,000</td>
<td>12.18</td>
<td>Res</td>
<td>4</td>
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<tr>
<td>Vancouver S.6</td>
<td>410,375</td>
<td>476,000</td>
<td>12A</td>
<td>39,667</td>
<td>1.16</td>
<td>Mixed</td>
<td>3.C</td>
</tr>
<tr>
<td>Burnaby</td>
<td>112,036</td>
<td>883,000</td>
<td>5A</td>
<td>176,600</td>
<td>7.88</td>
<td>Res/Mix</td>
<td>4</td>
</tr>
<tr>
<td>Victoria B/S</td>
<td>57,453</td>
<td>224,000</td>
<td>1A</td>
<td>224,000</td>
<td>3.90</td>
<td>CBD</td>
<td>2.D</td>
</tr>
<tr>
<td>Victoria S.3</td>
<td>57,453</td>
<td>*6,000,000</td>
<td>-</td>
<td>-</td>
<td>104.43</td>
<td>CBD</td>
<td>1.B,2.B</td>
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<tr>
<td>Victoria R/B</td>
<td>57,453</td>
<td>*2,003,680</td>
<td>30A</td>
<td>66,789</td>
<td>34.88</td>
<td>Res</td>
<td>4,1.D,P.H</td>
</tr>
<tr>
<td>New</td>
<td>38,013</td>
<td>*9,140,000</td>
<td>64A</td>
<td>142,813</td>
<td>240.44</td>
<td>Res/Ind</td>
<td>4,5.A.C</td>
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<tr>
<td>Westminster</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Port Coquitlam</td>
<td>11,121</td>
<td>278,746</td>
<td>7A</td>
<td>39,821</td>
<td>25.06</td>
<td>CBD</td>
<td>1.B,1.D</td>
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<tr>
<td>Ladnner</td>
<td>5,000</td>
<td>219,130</td>
<td>6A</td>
<td>36,522</td>
<td>43.83</td>
<td>CBD</td>
<td>1.A,1.B</td>
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<tr>
<td>Cloverdale</td>
<td>2,800</td>
<td>668,450</td>
<td>42A</td>
<td>15,915</td>
<td>238.72</td>
<td>CBD</td>
<td>4.2.B</td>
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<tr>
<td>Kelowna</td>
<td>17,006</td>
<td>*1,200,000</td>
<td>-</td>
<td>-</td>
<td>70.56</td>
<td>Res/Ind</td>
<td>5.A.C,1.D</td>
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<tr>
<td>Dawson Creek</td>
<td>12,392</td>
<td></td>
<td></td>
<td></td>
<td>-</td>
<td>Res</td>
<td>1.A</td>
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<tr>
<td>Trail</td>
<td>11,600</td>
<td>257,150</td>
<td>3A</td>
<td>85,717</td>
<td>22.17</td>
<td>CBD</td>
<td>1.D</td>
</tr>
<tr>
<td>Vernon</td>
<td>11,423</td>
<td>*2,000,000</td>
<td>25A</td>
<td>80,000</td>
<td>175.09</td>
<td>CBD</td>
<td>4,1.B,2.B</td>
</tr>
<tr>
<td>Revelstoke</td>
<td>4,791</td>
<td>*600,000</td>
<td>-</td>
<td>-</td>
<td>125.23</td>
<td>Res/Ind</td>
<td>5.A.C</td>
</tr>
<tr>
<td>Duncan</td>
<td>4,300</td>
<td>*800,000</td>
<td>18A</td>
<td>44,444</td>
<td>186.05</td>
<td>CBD</td>
<td>1.B,1.D</td>
</tr>
<tr>
<td>Nakusp</td>
<td>1,282</td>
<td>*384,000</td>
<td>7A</td>
<td>54,857</td>
<td>299.53</td>
<td>Cdb</td>
<td>1.B,1.D,4</td>
</tr>
<tr>
<td>Natal/Michel</td>
<td>1,260</td>
<td>2,092,209</td>
<td>75A</td>
<td>27,896</td>
<td>660.48</td>
<td>Whole Town</td>
<td>1.A,1.B</td>
</tr>
</tbody>
</table>

**CODE:**
1. redevelop
2. rehabilitate
3. expand
4. new road
5. separate

A. residential
B. commercial
C. industrial
D. civic parking
P.H. public housing

* CMHC estimates.
Urban renewal in British Columbia since 1964 was roughly a $53.5 million undertaking. Almost $45 million of this amount was to be devoted to cities of greater than 30,000 people, with more than half of the latter amount earmarked for the city of Vancouver. There were 21 programs which reached the scheme report stage. Only 7 or 33% were actively undertaken as projects. This represented a total spending of $6,138,789 or roughly 11.5% of the potential budget. Another $1,000,000 has been authorized for the projects in the 3 small communities on the southern periphery of Vancouver.

The urban renewal program in Canada did not lend itself to cost benefit analysis. This point was made by Mr. A. Barua and Central Mortgage and Housing. First, the objectives themselves, as pointed out in Chapter One, were not defined concisely enough to be measured. Also, to delineate and quantify the scope of the impact and spinoffs of an individual project is a mammoth undertaking, let alone assessing a national program.

It is becoming commonplace . . . to call for detailed cost benefit analysis of public programs of all kinds . . . . Whatever limited success may have been achieved with this kind of analysis in areas of public policy where goals are more or less straight-forward we are far short of being able to deliver simple judgements in the field of urban renewal . . . . The purpose of renewal is to make


31 Notes on an Urban Renewal Policy, op. cit., p. 2.
our cities better by eliminating blight.

The objective is simple enough to state but at this stage it is not possible to assign objective values to achieving it. This is a fundamental dilemma and is not subject to resolution by computer programs and complicated arithmetic. 32

However, one tenuous assessment was possible; the comparison of the per capita cost for individual city's renewal undertakings. In applying this procedure to the B.C. data, it was found that the per capita cost for small communities' projects was roughly six times greater than the cost for major cities.

A similar comparison of tenuous applicability was made for central business district renewal. For British Columbia, on a per capita basis of the communities involved, central business district renewal projects cost almost 50% more per person than residential and mixed land use projects. These are at best a very crude yardstick for assessing the relative impact of the program on the provincial population, but no other method of evaluation of user cost appeared to cover more than individual projects.

The central business district was the predominant priority for renewal activity in the smaller communities, involving 7 of the 12 projects. This pattern did not recur in the major cities were only 3 of the 9 projects where slated for the downtown areas. This represented about 33% of

the funds for major city renewal.

A crude summation of the prominent objectives of the projects revealed 3 interesting patterns. Thirty three percent of these undertakings involved substantial street alterations as major components of the programs, 43% of the projects incorporated substantial civic undertakings, in the form of buildings, servicing and parking, in the urban renewal program. Only 9.5% of the projects contained residential rehabilitation as a consequential aspect of the project.

The preparation of the urban renewal program in British Columbia represented roughly one million dollars in report preparation. This excluded the staff time of the two senior levels of government. This figure was roughly two percent of the total cost of implementing the resulting projects. Eighteen scheme reports were undertaken for a total of $826,165. Of this number, five remained uncompleted. Major municipality schemes cost an average of roughly $424 per acre more than those of smaller communities. The dividing figure of a 30,000 population, previously mentioned, appeared to support the rationale of the city size/permanent planning department relationship in the case of the British Columbia data. All towns with less than this population hired private planning consultants to carry out the report preparation, while all municipalities above this figure had planning staffs to fulfill this function. It was not felt that this factor contributed to the higher per acre cost, but
that it was a reflection of the greater complexity of urban renewal planning in major urban areas. However, it had been assumed that because of the nature of a permanent city planning department, that is, ongoing programming and data collection, that the preparation time for scheme reports would have been less. The private consultant called into a community for urban renewal work usually had to devote considerable time to initial data collection. British Columbia statistics did not provide strong support for this assumption. The average time to initiate and prepare an urban renewal scheme in British Columbia was 28.4 months, 12.7 from initiation until the signing of the tripartite agreement and 15.7 months to prepare the report. The average elapsed time in major communities was 24.8 months compared to 28.9 months in minor municipalities. No co-relation appeared between the type of area under renewal consideration and the time involved. As was the case with the project costs, the per acre expenditure of central business district reports was considerably higher than either residential or mixed use areas.

Some of the implications of these findings will be discussed in the following chapter in the examination of the shortcomings of the program. Also, a more detailed examination of specific projects will be included as illustrations of the views expressed.
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**CODE:**  P.C. - private consultant  I.T. - initiation time  P.T. - preparation time

*Incomplete at time of urban renewal moratorium.*
A. THE SINGLE, UNIVERSALLY APPLIED SET OF POLICIES

As previously outlined, the objectives of the program were very broadly defined in terms of improving the urban environment. The administrative policies, however, were tightly defined and specified the format which the individual programs were to follow. These were contained in three main sources. The tripartite agreements for each of the three aspects of the program listed the elements to be included in the reports. Public dissemination of the policies came in 1967 in the Urban Renewal Handbook. Similar in most respects to the contents of the agreements for scheme preparation, it gave a more detailed analysis of the required elements. A third source of policy, which was superimposed upon the above, were the CMHC staff directives. A source of annoyance, due to lost time and effort by consultants and city staffs, was the fact that CMHC did not release the aspects of administrative policy covered in the staff directives which were not specified in the agreements or the Handbook.

Apart from the implications of this administrative policy, which will be subsequently discussed, the main
feature of this approach was that it represented a single, universal set of policies to be applied to all forms of renewal in all sizes of cities. In terms of the stated objectives, a large spectrum of possible programs could have been undertaken, but they all had to be adapted, in one manner or another, to fit the terms of reference of the single set of policies.

1. The Interpretation of Blight

The main requirement was that the program be defined in terms of blight, as interpreted by the municipality. Many forms of justification were utilized to remain within this first administrative requirement. These were prevalent in those projects which were heavily concerned with altering the existing street patterns. Thus, in the Rose/Blanchard scheme in Victoria, a case was made for the demolition of housing which, by national standards, was better quality than units which were being provided for residents in other renewal areas. The main objective was to realign Blanchard Street to facilitate traffic flows into the central area from the north and in the process, obtain unexpensive land for a public housing project and a school site. It was related that when a senior CMHC official was first shown the area he enquired, after driving around the site, when he would reach the urban renewal area.
Vancouver Scheme 5 was a similar case. The Kitsilano area had been undergoing rapid private redevelopment. It was well known by the City Planning Department that no public encouragement was required to insure the physical upgrading of the properties. However, the city declared the sector to be a renewal area to cash in on senior government subsidies to build a connecting road between the Arbutus/Broadway intersection and the Burrard Street Bridge.

Cloverdale undertook the same approach to assist in the financing of a bypass road around the retail core.

This was not to say that these projects were unnecessary within their own right. The shortcoming was that $94,500 was expended to create reports to administratively justify the undertakings.

2. The Geographically Defined Area

The second major requirement of the program was the geographic delineation of the area within which senior government assistance would be available. This line usually bore a greater co-relation to the pattern of defective public services than with the areas of physically deteriorated properties. Cloverdale was a good example of a road/service oriented boundary. The Nakusp scheme also reflected the public

33Memo from M. Cross to CMHC, June 1969.
service boundary approach. The area delineation aspect was also quite irrelevant in the Burnaby road widening project and the creation of the sea wall in Alert Bay. Again, in themselves these projects may have been required, but $42,490 was spent to justify them.

3. The Three Step Procedure

Urban renewal studies were a required first step in the program for communities which had not undertaken an official plan. This affected primarily the smaller municipalities and was reflected in the vast preponderance of studies being undertaken in towns under 30,000 population. This in itself was beneficial, in that it at least introduced planning into these areas. However, due to the financial restraints upon small town councils, it was unlikely that many of these would reach fruition as projects. "Renewal tended to raise community hopes and aspirations beyond feasible attainment levels."

The 210 studies undertaken produced only six projects for $1.7 million of the $162 million spent by CMHC. With this low achievement level it might have been more useful to have abandoned the requirement of an urban renewal format and accepted the studies for what they were

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worth. That is, they should have been undertaken as purely planning exercises without the administrative requirements which tended to distort small community civic priorities.

Beyond the renewal studies, a prerequisite for a project was the creation of the urban renewal scheme report. The following details of this document were drawn from the Urban Renewal Handbook.

... The blighting and improving aspects of the the following social, economic and physical factors should be considered for the scheme area:
- economic viability
- employment opportunities
- family income
- welfare considerations
- ethnic considerations
- levels of education
- age groups
- physical condition of buildings
- adequacy of services and utilities
- adequacy of traffic patterns
- overcrowding in terms of available accommodation
- conflicting uses
- adequacy of community facilities
- functional obsolescence
- environmental deficiencies
- adequacy of municipal planning and other controls.  

The Handbook continued with an additional ten pages of refinement on the above survey requirements, methods of analysis and cost breakdowns. This was a commendable presentation of the range of concerns which a planner should consider, but its relationship to the creation of two parking lots in Trail, or a street widening in Burnaby was difficult to justify.

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Municipalities had a preconceived idea of what form of projects they wished to undertake when applications were made for urban renewal assistance. The scheme report preparation in some cases was an extremely time consuming and costly procedure of going through the administrative format to gain the financial assistance of CMHC. Professional opinions of planners and administrators in British Columbia to support this viewpoint are presented in Chapter Four.

This was not to say that the requirements in general were excessive. Indeed, in numerous cases they did not call for sufficient research, particularly with respect to economic analysis of development proposals. However, it did illustrate that the single, nation wide policy produced excessive spending of time and money, particularly in smaller communities.

4. Urban Renewal in Small Communities

The inapplicability of the urban renewal format to small towns went beyond the points mentioned. The physical deterioration of buildings, especially housing, tended to occur as a random scattering throughout the town, as opposed to definable clusters, as was considered to be the case in large cities. The combating of this problem defied area delineation. In a number of cases, consultants attempted to have the whole community declared an urban renewal area for this reason.
The CMHC reaction to this was covered in the following assessment.

The small community . . . is too small to permit definition of an urban renewal area. On the other hand, if the whole municipality is defined as a renewal area, then renewal becomes the planning and housekeeping of the total community. (CMHC would contribute towards renewal costs but not planning costs). In the case of the declining community, renewal is questionable as a tool for coping with severe problems. For example, can Wabana be renewed? Renewal, after all, assumes existing vitality.

This last problem was reiterated by the Hon. R. Andras

"Then, too, it seems that on occasion programs of renewal which may be appropriate for cities experiencing rapid decay are applied to urban centres undergoing rapid growth; and the reverse is true."37

The importance of the defined renewal area was reinforced by the CMHC policy of only making rehabilitation loans available within designated renewal areas. These shortcomings in dealing with small communities were finally recognized by CMHC and were presented at the Architect/Planners' Conference in 1969. "It is clear that the Area Renewal approach is not relevant and should be replaced by a Community Improvement Program."38

38 V. Virak, op. cit.
Another problem with the boundary approach, which applied to both major and minor municipalities, was the lack of assistance for the relocation of functions outside the designated area.

For example, in the case of Sault Ste Marie, an effort was made to relocate a school, which was within the renewal area, to a site outside the boundary. The acquisition of the new site could not be included as part of the sharable renewal program.

In summary, the CMHC views were expressed as follows:

The Act (NHA) we believe, was not designed to cope with the development or survival problems of the country's . . . (small communities) and it is not good practice to make an Act do something it was not meant to do. To force the Act to cover all community problems will lead to over-extension and, in practice, more and more inconsistencies, and finally, collapse. 39

5. The Political Basis for Assistance

The single policy of operating solely from the municipal level of government was also a drawback with regard to CMHC spending in small towns. Economic considerations, growth projections and market demand, for example, lacked meaning when viewed only in the context of a single small community. Urban renewal should have been considered only on the basis

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of a regional economic examination of areas beyond the metropolitan shadow. On this basis, overall regional projections of economic activity could have been made with the concomitant delineation of a growth centre hierarchy and the division of the market potential among these centres. As previously shown, the majority of small town renewal concerns were the business districts. Particularly in the prairie provinces, urban renewal was seen as a means of improving the competitive position of small communities in the regional market. However, they were undertaken without the benefit of any substantial regional economic information. In terms of administrative time and cost, there was also an argument for this approach. Often, proximate municipalities individually embarked upon renewal under separate agreements and with different consultants. Each, in effect, was starting from ground zero and duplicating the background work involved. Rossland and Trail were undertaken as separate and distinct programs. The same circumstances occurred with Mount Joy, Timmins and Tisdale in northern Ontario. Similarly, the Cloverdale, Ladner and Port Coquitlam reports were all produced by different consultants. This appeared to be a mis-allocation of CMHC resources. An interesting inconsistency in the British Columbia data in Chapter Two was the cost of the Port Coquitlam scheme report. It was one third the cost of those for Ladner or Cloverdale and the lowest recorded in the province. A major reason was its creation by the Lower Mainland
Regional Planning Board, a body which had a large amount of regional data at its disposal. This situation also occurred in Alberta, were the Regional Planning Districts offered a planning service to member municipalities.

The single format of dealing only with individual municipal governments was also questioned with regard to major cities, as illustrated in the following extract.

But it is important to note that it is the metropolitan population which is involved, not simply the city or neighbourhood. Housing units, commercial and cultural facilities, and industrial sites in the central city have close substitutes in the suburbs. Indeed, the central city government takes explicit account of this substitutability in fashioning its renewal projects. It tries to attract middle income and upper income families back from the suburbs into central city housing. It tries to improve the competitive position of downtown commerce relative to outlying shopping centres. It tries to attract desirable industries either from outlying areas, or to the central city instead of to outlying areas from other metropolitan clusters.

This approach raises some fundamental problems. With metropolitan areas most, but not all, renewal projects generally, and redevelopment projects especially, have been the creatures of the central city governments. With the general absence of metropolitan government, there have been no projects planned or executed by decision makers responsible to the metropolitan area as a whole. These projects have been shaped by the central city planners, with only minimal direction from the federal government. . . . The central city decision makers are responsible to the city population alone. The outlying metro population, while affected in varying degrees depending on the particular project, has no political representation in these projects. Methodologically, this introduces an important slippage in the whole procedure. It is tacit in the use of benefit-cost analysis that policy makers will be attracted to benefits and repelled by costs. But
if the policy makers take no legal responsibility for a significant part of the affected population --that is, they are not responsive to their well being--then the costs to the outlying metro population will not necessarily be repelling nor benefits attractive. A metro benefit-cost comparison for different alternatives will be irrelevant to the decision makers insofar as costs and benefits to that population have been included. Yet the attempt to solve this by computing benefits and costs only for the politically represented population leads to the dilemma that the analysis must, nonetheless, be inclusive enough to answer to the national interest . . . . There are grounds for believing that central city and metro evaluations may diverge markedly. All types of renewal projects affect the attractiveness of central city sites relative to suburban sites as locations for various activities--residential, commercial, industrial, and cultural. They typically involve subsidizing the enhancement of the former relative to--and often at the expense of--the latter. Thus, at the core of these projects is an important element of competition between the city and the suburbs. 40

This view was reiterated by CMHC, "Many municipalities do not have official plans and regional planning is almost non-existant. Renewal is not always being practiced in the necessary planning context." 41

The subject of the context within which urban renewal was practiced was also examined by Mr. J. Fowlie, whose views supported Mr. Rothenberg.


The federal government should reactivate the urban region planning and development dialogue with the provinces. Federal strategy should be to introduce major incentives to provinces and local governments to encourage their involvement in urban development on a more comprehensive basis both in extent and content. This would provide a framework of urban development objectives against which benefits of several forms of Federal urban aid could be comparatively assessed and adapted on a continuing basis.  

6. The Different Areas of Renewal

Another form of difficulty which arose was the use of the same policy for all forms of land use. This was particularly evident in renewal projects for the central business district. As an integral feature of the boundary approach, civic facilities located therein were only considered as cost-sharable undertakings to the extent that they served only the residents of the defined area.

The present legislative/administrative format of CMHC involvement in central business district renewal is not conducive to the maximization of the resources involved. The definitions of Corporation involvement are not well suited to the special characteristics of a major city central business district.

The core of the city affects and is affected by a myriad of factors which seldom have congruent parameters, particularly in terms of a closed physical boundary. Many of these factors—e.g. access, servicing, economic relationships—which will have implications for the CBD, lie beyond the shadow of the office buildings. Also, the user benefits of a CBD cannot

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be measured in terms of the downtown resident population. In this respect, two aspects of our present urban renewal policy stand out as stumbling blocks in the comprehensive replanning and partial redevelopment of the CBD. The first is that whereas CMHC offers financial support for renewal investigation, it does not contribute towards municipal planning . . . . Second, the costs of trunk services and express ways are shared-cost items only to the extent that they are ' . . . specifically intended to serve the requirements of the urban renewal area, but not those services and works which predominantly serve the community as a whole.' Similarly, with regard to parks, malls and plazas, ' . . . such parks (malls and plazas) must be specifically intended to serve the amenity requirements of the urban renewal area and not those of the community as a whole.' The mental acrobatics which accompanied the CBD scheme for Calgary with regard to the above, is a good illustration of the inadequacy of the present terms of reference. 43

These forms of restrictions were perhaps meaningful and relatively determinable in dealing with predominantly residential areas, as was the case prior to 1964. However, where the majority of the user-population of an area was non-resident, the regulations were difficult to apply. 44 The result was a considerable time lag in the report preparation, with the planner caught between attempting to provide the features which the municipal government requested while approaching them in a manner which would derive financial


44 Ibid.
support from CMHC. Again, a contributing factor was the fact that this regulation was not published information. The problem arose upon the submission of the first draft of the report to the senior governments. Vancouver Scheme 4/4A encountered this administrative delay in attempting to include the new Georgia Viaduct in the urban renewal program. Similarly, the Harbor Drive interchange in Halifax produced bureaucratic pains in the development of the Scotia Square renewal project. Perhaps the most complex case to arise with regard to these regulations was the proposed development of the 'plus 15' network of plazas and malls in the Calgary Scheme 1B. The difficulty was to resolve the degree of commitment by CMHC to the pedestrian services as well as the decision on who would pay for the supporting structures. Parking lots and parking structures were also a contentious factor in renewal proposals in terms of deciding whether they constituted municipal buildings and whether they would be revenue producing properties. Apart from the difficulties incurred at the municipal level, due to this single policy, a great deal of time, hence cost, was devoted to these decisions by the CMHC staff at both the branch and head office level.

45 Urban Renewal - British Columbia - Assessment and Recommendations, CMHC Staff Paper, June 1969.
7. Summary

In summation, the single set of policies, coupled with the generalized definition of objectives, was unsuitable. It led to the excessive expenditure of time and money in preparing justifications for preconceived municipal programs. This was prevalent in the smaller communities. The terms of reference were designed for dealing with individual municipal entities. This inhibited the possibility of a regional economic perspective of small town development. Similarly, it worked against the conception of an overall metropolitan program for renewal and development. In the former case, it produced excessive spending on report preparation due to the duplication of efforts by individual consultants. Finally, the single policy was not adaptable to the different forms of land use involved in renewal, particularly the central business district. The CMHC regulations, both because they were unpublished and because they were conceived in a residential context, created bureaucratic bottlenecks, frustrating municipal planners and creating considerable delays. The single policy was recognized as a major problem by the City of Vancouver Planning Department. "National . . . policies of the CMHC should be abolished since the renewal require­ments in the principal cities in Canada are so vastly different."\(^{46}\)

\(^{46}\)Submission by the Van.Pl. Dept. to the 5 Year Plan Committee, August 1969, p. 4.
B. ECONOMIC CONSIDERATIONS IN URBAN RENEWAL AND THEIR RELATIONSHIP TO PRIVATE ENTERPRISE

1. The Lack of Economic Sophistication

A shortcoming in the application of the program, which affected the achievement level in terms of projects fulfilled, was the economic terms of reference for urban renewal. Although, as discussed, the program changed considerably in scope after 1964, those administering it retained the economic outlook which had accompanied slum clearance. That is, they failed to clearly differentiate between social value and economic value in terms of community benefits and market benefits. This was coupled with a generally low level of economic sophistication in the preparation of the reports. An examination of the contents of urban renewal studies by Dr. K. Cross revealed that in the "... approach to problem identification, the analytical methods used (did) not appear to be sophisticated." Perhaps because of the negative orientation of the terms of reference, that is, the deleniation of blight, the majority of considerations were at the physical level, as opposed to the economic level.

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The types of surveys conducted directed the greatest effort towards the physical aspects of urban blight. This reflects the attitude of the policy-makers and their advisors that the solution to the problems of our cities lies in physical remedies. Little attention was given to the social and economic aspects of blight. . . . Although urban renewal reports in Canada do examine socio-economic conditions of sub-standard areas, in practice it is the physical aspects that dominate the urban renewal concept . . . . Also, since socio-economic problems are only academically studied rather than pragmatically dealt with, redevelopment fails to solve the total problems of slums, a failure resulting also from the greater emphasis given to the goal form (re-shaping of physical plant) than to the general goal, viz. socio-economic and physical goals of urban renewal. 48

Beyond the renewal study phase of the program, the relatively low priority for economic concerns was continued in the scheme report. As seen in Appendix One, of the 13 requirements in clause one of the typical agreement, only the following bore a relationship to the overall economic picture:

(5) a description of the probable effects of the implementation of the scheme on home owners, tenants and businesses in the area . . . .

and

(13) evidence that the scheme will be in accordance or in harmony with the official community plan . . . .49

In the case of small communities, very few official plans had been created and reliance was placed instead upon the

48 Ibid., pp. 35 and 37.
49 CMHC, 23A NHA, General Agreement Format.
renewal study. However, as pointed out above, these were equally lacking in economic sophistication and also, in terms of community objectives, the frequency rating of these objectives in terms of public and private investment incentives for development was only 3%, according to Dr. Cross' investigation.  

CMHC stated that "... renewal has no explicit economic objectives but is expected to increase assessment, and stimulate private investment in the scheme area." None the less, increased assessment and investment were a product of development and development could only be fostered on the basis of an understanding of the specific real estate market in the city involved. In only one of the 21 programs in British Columbia was this requirement met. A market potential survey was conducted by a private consulting firm, Acres Western, to establish the viability of urban renewal proposals for downtown Victoria. Urban renewal had a strong architectural bent; perhaps a product of the earlier programs of public housing on slum clearance sites. Often, design considerations came first, with economic considerations being tacked on afterwards. This was the case in the Calgary 1B scheme, Nakusp and Vernon. The approach was fostered by CMHC. "The environment created by redevelopment will last for many years. It is essential therefore, that for the

benefit of the community, the highest standards of urban design be achieved. Efforts should continue to be made to obtain this legitimate goal of urban renewal."\(^{52}\) Further emphasis was included in the operating policy.

If, however, urban renewal results in unimaginative and uninteresting cities a basic justification for the expenditure of public funds and public effort will be lost. The Corporation should therefore use its influence to secure a high standard of planning and architectural design throughout an urban renewal scheme. \(^{53}\)

With the changes in 1964, CMHC moved from the position of the funding partner in what was primarily a public housing field, into a funding partnership in the commercial real estate market. This was due to the terms of reference, which limited its involvement in the development of non-residential buildings. Prior to 1964, the concern with the land market was small, in as much as the public agencies were utilizing the great majority of acquired and cleared sites for an activity outside the private spectrum of urban economics. However, when the individual programs began calling for the assembly, clearance and resale of renewal sites for private commercial undertakings, it became essential to understand the nature of the real estate market. According to Mr. L. Hamilton, "... it is fundamental that a municipality realize that participation in an urban renewal program

\(^{52}\)Ibid., p. 11.

\(^{53}\)CMHC Staff Directive.
inevitably involves participation in the real estate business.\(^{54}\)

In this respect, two elements should have been highly emphasized in the terms of reference for urban renewal. First, a market study should have been included to assess the demand for the type of real estate which the renewal partnership intended to market to private concerns. Second, a detailed assessment should have been included on the municipal budget, relative to funding available for the public aspects of renewal. In this respect, it appeared that the Economics Division of CMHC played too moderate a role in encouraging these features in the scheme reports. The approach taken by the private consultants, perhaps as a result of the ordering of the terms of reference, appeared to have been reversed. An examination of physical blight was undertaken, a redevelopment proposal conceived and then the economic viability of the market and the municipality were given cursory attention. Particularly in the small communities, had the state of the municipal budget been examined first, the redevelopment proposals would have been more moderate, instead of the scale of action contemplated for Duncan and Nakusp (which would have disrupted roughly 50% of the commercial area). It might have meant a saving in the cost of the report preparations.

and the creation of plans which would not have ended up on
the shelf. " . . . The renewal program must be built into
a total planning, programming and budgeting process, and
specifically it should be related to a total capital works
program for the municipality." 55

The Hon. Mr. R. Andras spoke of renewal in terms of
" . . . increasing the economic viability of urban areas". 56

The Vancouver Planning Department said that

. . . urban renewal measures in the future should
seek to accelerate and strengthen natural forces
for area improvement rather than taking over
the full responsibility within the designated
areas. 57

This view was also held by Mr. J. Rothenberg 58 when he dis-
cussed the threshold changes contributed by urban renewal
to the development process. Concepts such as these, involv-
ing investment catalysts and investment thresholds entailed
a level of economic sophistication which was not apparent
in all but one of the 18 scheme reports examined.

55 Urban Renewal Policies and Procedures, op. cit.,
p. 22.


58 J. Rothenberg, op. cit., p. 72.
2. Divergent Priorities

Another aspect of the economic inadequacies of the program was the divergence in objective priorities between the federal government and the municipalities. The CMHC approach was biased towards physical upgrading, with little consideration given to economic upgrading other than a general assumption about increased assessment. The municipalities, on the other hand, tended to see the program as primarily an economic instrument in terms of intensifying land uses to produce increased tax returns as well as a subsidy program for civic projects and municipal housekeeping. Mr. J. Rothenberg\(^59\) saw the American program as revitalizing the central city by improving its financial situation in terms of the increased tax revenue after renewal replacing the social capital costs of supporting land uses which were economic liabilities. CMHC recognized the divergence of priorities with the municipalities as illustrated in the following extracts. However, there was no serious consideration given to altering the program at the legislative level.

Municipal resources are inadequate to meet commitments. Hence there is a municipal tendency to distort the programme in these ways—
- renewal used as a source of funds for something
- a city hall site, sewers, a widened artery
- CBD schemes given top priority in the expectation of increased taxes, business stimulation, and a better competitive position . . . . \(^60\)

\(^{59}\)Ibid., p. 29.

\(^{60}\)Notes on a UR Policy, op. cit., p. 3
Municipal priorities have tended to give emphasis to those renewal activities which would bring the largest economic return to the city and the business community. In addition the cities have been influenced by the difficulty they have experienced in promoting private residential renewal (specifically rehabilitation). These two factors have resulted in the past year or two in municipalities placing the major emphasis on central business district renewal. A result of this new direction in urban renewal has been toward high federal costs with little federal financial recovery. In addition the housing lost to commercial renewal plus the failure to promote private residential rehabilitation, from the federal standpoint, has tended to result in a contradiction between the consequences of federal intervention in the renewal process and its declared objective of improving the housing stock. 61

3. The Private Investment Sector

This divergence of interests in undertaking renewal was apparent in the relationship of the public renewal agencies with the private development interests. This latter group brought to renewal another set of interests and priorities.

. . . . Taking urban renewal and redevelopment as a whole, we have private enterprise doing what is profitable, supplemented by limited though growing publically initiated renewal under the legislation. Hitherto most of this legislative renewal has also been publically rather than privately implemented. A further key difference between the two lies in the reasons for which they are undertaken. In the case of private enterprise, it is because re-

61 J. Fowlie, op. cit., p. 2.
development will yield a higher profit than a continuation of the existing use; interest is focussed on the re-use, while the existing use becomes economically obsolete by the mere fact of a new one which is more profitable. Many existing uses of course become not only economically but physically and socially obsolete and even perhaps sub-marginal; they are nevertheless (or perhaps consequently) not renewed; instead they may deteriorate further. Legislative renewal is thus undertaken because the existing use is found to be blighted or substandard or otherwise unsuitable; interest is focussed on the unsatisfactory condition of the existing use which it is considered ought to be eliminated, even though there may be no apparent economic demand for the new use by which it may be replaced. The primary concern of government sponsored renewal is thus with below average aspects of the present; the primary concern of renewal by private enterprise is with the above average prospects of the future. 62

Each municipality had its particular priorities, but a common premise underlay their approach to renewal. Due to the slender portion or the tax pie available to city governments, and this being largely tied to land, councils embarked upon renewal as a break-even-or-better venture, seen in terms of

a) a projected increase in the tax base,

b) a capital gain from the resale of acquired property,

c) subsidization of municipal housekeeping chores.

Federal concern, although initially grounded in the provision of the Rooseveltian 'decent, safe and sanitary housing' for Canadians, concentrated upon the examination of municipal proposals to insure that they fell within the strictures of the legislative terms of reference and the particulars of the CMHC regulations. This involved participation only within the delineated geographic boundaries of an urban renewal project and only for items which assisted primarily the residents within this area.

The Provincial objectives, in the case of British Columbia, involved the Department of Municipal Affairs contributing a retroactive 25% of the net costs upon the completion of a project.

With the 1964 amendments to the NHA, municipalities were able to utilize the legislation to refurbish their central business districts. Through the combination of, a) the public powers of expropriation, b) the limited municipal resources which could be devoted to building construction and c) the reluctance of the senior governments to retain interests in this form of commercial concern, new opportunities were opened up for private interests in real estate development. The private developer brought to the renewal undertaking another set of objectives and criteria for involvement. To adequately meet these criteria would have entailed alteration of the format which the public
agencies used in renewal and a re-examination of the legal and monetary tools which prejudiced private investment decisions. Urban renewal ground to a halt in Canada and the tenor of CMHC renewal evaluation papers indicated that a revival of involvement would be relimited to residential undertakings. This may have been interpreted as a failure to accommodate the needs of the private developer or a recognition that large, commercial redevelopments should have been more or less the exclusive domain of private investment. In any case, the trade-off between the site centered benefits (highest site productivity) and the community benefits (highest social and economic return to the community as a whole) was not clearly defined or understood by the public renewal agencies. A few of the shortcomings of the public sector in this regard, that is, the terms of reference in dealing with the private sector, were examined.

The current market value of a property potentially subject to renewal consisted of one or more of the following elements:

a) Its value based on its present use, which was the capitalized value of the net revenue derived from the present use, including the net revenue from the buildings for the remainder of their useful life.
b) Its value for redevelopment, which was the capitalized value of the net revenue attributable to the land alone from the highest possible reuse, plus the value of the land, discounted to the present, for its eventual re-reuse.

c) A speculative element based on the expectation that prices would continue to rise. The rational basis for this expectation was that, with continued urban growth, future redevelopment would yield a higher net revenue than present redevelopment.\(^63\)

Renewal by private enterprise would occur only if value (b) as estimated by the developer, exceeded the sum of the values of (a) and (c) as estimated by the existing owners. Thus the capitalized value of the net revenue attributable to the land alone in its reuse must have exceeded the capitalized value of the land and buildings in their present use, plus the speculative element. Where it did, the developer would reap a benefit. Where it did not, redevelopment would not occur, unless assisted by public money in some manner. Alternately, non-monetary public measures could sometimes be taken to increase the development value. Demand for the reuses was however a prerequisite.

Public measures or incentives, which could have been introduced to augment the redevelopment potential of an area, included the following:\(^64\)

\(^63\) Ibid., p. 227. \(^64\) Ibid., p. 67.
Non monetary measures such as:

a) a revision of zoning,

b) an enforcement of minimum standards to force
   the position of an owner of delapidated
   property,

c) an alteration of development standards for reuse,

d) an extension or alteration of mortgage rates or
   mortgage standards utilized under specific pro-
   visions of the NHA,

e) expropriation in favour of a private party when
   in the public interest, as almost occurred in
   Edmonton for the AGT Tower Oxford Leaseholds develop-
   ment, and

f) simplification and speeding the processing of
   private proposals to reduce the amount of risk
   coverage for which a developer must account.

Public monetary measures could produce the following incentives:

a) the provision of assembled and cleared redevelopment
   sites with a cost write down sufficient to attract
   private investment.

b) the provision of mortgage or improvement money at
   rates attractive to development interests.

c) the provision, at public expense, of some of the
   required open space amenities--parking and parks
   --which the developer would otherwise have to meet
   to build at a density which offered an attractive
   return.
d) the improvement of municipal services and facilities in areas requiring renewal at city expense rather than as local improvements.

e) The granting of tax exemptions to renewal undertakings such as the municipal property tax, the local improvement tax or even consider removing the federal and provincial sales tax on building materials for approved projects. Tax rebates might be given for vacant dwelling units in a project.

f) a minimum return from rentals could be guaranteed for renewal projects.

As indicated above, the majority of these latter incentive measures ran contrary to the objectives of the municipality in urban renewal, with regard to depleting the city's capital budget. However, historically the non-monetary incentive programs were not highly successful in attracting private investment. The measure which solicited the vast majority of private interest was the write down in cleared land costs. In making a trade-off between present municipal revenue and future returns—both economic and social—from redevelopment, the cities, to the greatest extent, opted for the NHA Section 23 arrangements, through which they could limit their equity to 50% with an automatic recovery of half of this from the provincial government at the termination of the agreement (when the land was sold). Moreover, the write down in the land cost when resold was shared on the same basis.
However, even this program had its drawbacks in terms of private development objectives, which will be discussed in conjunction with the shortcomings of the other potential incentives.

One of the major hurdles to be overcome in developing renewal land was the highly fragmented land ownership which generally prevailed in renewal areas. A zoning change in itself would not alter this situation. Timing was also a critical element. In as much as a developer could not solicit a tacit pre-arrangement from the public partnership to rezone the area immediately after he assembled the necessary land parcel, he was faced with a risk element that the desired zoning amendment might be turned down by the municipality. On the other hand, if the zoning change preceded the purchase and assembly of the land, the developer would probably be faced with higher acquisition costs, in that the present owners would incorporate the higher potential value of the land into the selling price. Perhaps a more vital, though less obvious, problem inherent in urban renewal rezoning was that it often occurred in the municipal planning vacuum which solely examined hypothetical benefits to the community, were development to actually happen in the presupposed manner. This lack of study of the returns to the potential developer—the investment potential resultant from the change—was pointed out in the Metropolitan Toronto Planning Board Urban Renewal Study.
Zoning restrictions are imposed on private activity with the implicit or explicit aim of achieving a better environment than would otherwise result. What is almost always lacking however, is any real consideration of, or indeed concern for, the costs involved and how they weigh alongside the benefits actually achieved. This is not meant to imply that the benefits of zoning control can be measured in dollars and a cost-benefit ratio established, for this is evidently not so . . . . Nevertheless, any rational appraisal of zoning must be based on actual rather than intended benefits, coupled with the knowledge of their costs, both in dollars and in any alternative improvements that are not made. 65

An example was extensive rezoning where the intensity was too high in relation to development prospects. It was said to raise the price of land and prevent development except at the maximum density permitted. Only a few sites would be redeveloped while the rest of the overzoned area remained in its initial state.

Because of the usually heterogenous quality of improvements on land in an urban renewal area, minimum standards bylaw enforcement would have only forced the position of some property owners, while others on the borderline would have met the upgrading requirements, thereby increasing the acquisition cost of the properties and probably instilling a greater reluctance to sell. Also, the social inequities

65 Ibid., p. 52.
of limited area enforcement of these bylaws was difficult for the municipality to support.

Reducing development standards, e.g. set-back regulations site coverage and parking requirements would have had the effect of reducing the amount of land a developer needed to acquire to implement a predetermined proposal. This was particularly true of parking, which often involved both a high initial capital outlay as well as an operating loss which would be reflected in rents; hence a less competitive position. However, this opened the door to strong pressures upon council by other private undertakings for similar concessions and might have, in the long run, been creating a bigger ghetto condition.

Limited dividend housing under Section 16 of the NHA was a source of direct financial assistance by a public renewal agency to private developers. Fifty year maximum, ninety percent loans at very modest interest rates were available from CMHC for the construction of low income housing. The program suffered from a limited annual allotment at the disposal of CMHC and the strictures placed upon the return which could accrue to the investment e.g. rental ceilings. As a result, the primary use of this instrument was by service and church groups in the provision of senior citizen apartments. A more interesting case was the False Creek proposal by Marathon Realty. By using Section 16 money to build two large apartment towers on less than twenty percent of their
development site (the remainder to be leased for private apartment development to the highest bidder), they created an investment catalyst with little equity and still affording a passable rate of return.

The provision of open space by the municipality in the form of public parking or parks was not a popular method in city councils in that it reduced the land tax base and particularly in the case of downtown renewal areas, these features were not eligible for the maximum cost sharing by the senior governments. The installation of improved services as part of a renewal program (especially where major repair needs were imminent) under the shared cost agreement was more attractive to the municipality, but historically it was not proven to be an effective drawing card for private development. This measure alone would appear to have been an insufficient incentive.

It must be borne in mind with regard to the public provision of money and/or mortgages that this instrument, in the case of CMHC, was limited to residential development as part of the legislated federal objectives in urban development. Downtown urban renewal (as an attractive area for private investment) usually involved the progression of land use towards higher forms of development; often represented by a zoning change from residential to commercial. Apart from land acquisition, this change placed potential development beyond the scope of senior government legislated involvement.
Thus, preferential mortgage treatment could only have affected a portion of the potential investment spectrum. The complexity of dividing responsibility among the three public agencies for the assessed present value of the mortgage write-down (assuming the necessity of utilizing the conventional mortgage market due to the limited supply of CMHC direct loans) along with the senior governments' desire for only short term renewal partnerships mitigated against this instrument.

Tax reductions, rebates or moratoriums were not favoured by the municipality, in that this was one form of renewal incentive which the senior governments refused to assist, thereby placing one hundred percent of the cost upon the city. It could justifiably have been argued that this type of measure was not a loss in tax revenue, but a postponement of increased gains. However, the psychological attractiveness of alternatives which only involved the commitment of twenty-five-cent-dollars historically outweighed this argument. Also, municipal budgeting could have been tight enough that even temporary tax losses would have to be made up elsewhere to meet annual commitments. This might have been discriminatory in favour of those who were in a better position to support the municipality.

Similar to other municipal development concessions, it would have produced pressure for equal treatment for other private interests not falling within the present terms of reference.
Exemptions from corporation income tax on the profits derived from new buildings in renewal areas was not a very useful incentive to development for the following reasons. Depreciation allowances for tax purposes on new buildings for the first five to ten years were such that the taxable income declared was relatively small. Thus, this form of incentive was of little advantage in the early years of development and it was unlikely that this form of benefit postponed five to ten years (assuming a long term exemption) would have imparted much stimulus for present construction. The removal by senior governments of the sales tax on building materials for projects in a designated renewal area could have been subject to considerable abuse. Finally, with tax concessions on land, present or potential revenue accruing from the property would have been subject to the timing problem which could have resulted in the gain being capitalized by the present owner and being reflected in a higher price for redevelopment property.

A write-down in the cost of acquiring and clearing the redevelopment site was the most effective incentive conceived by the public agencies, for attracting private investment into urban renewal. The loss incurred was shared in the normal \(\frac{1}{2}/\frac{1}{4}/\frac{1}{4}\) manner among CMHC, the province and the municipality. By the same token it required agreement on the three levels as to the amount of the write-down and this was not always a smooth process. Another contingency
in British Columbia was that the Department of Municipal Affairs had refused to become involved in these matters in cases which did not accord with its undefined yardstick for cost of land per dwelling unit. The procedural format under which this incentive operated had some drawbacks, including the geographic delineation of a 'blighted' urban renewal area. There were few easily delineated, concentrated pockets of blight in a city. The more common case was to find large grey or deteriorating areas with a scattering of very poor conditions throughout. To declare the whole area as blighted and hence a potential renewal project might have proven to be an unsuccessful measure in that neither the city nor the private sector was capable of or willing to invest at the scale necessary to cover any large percentage of the area. In drawing these boundaries, unfortunately the city seldom took into account the size of the local investment market or the comparative investment potential of the particular site. The area remained with the stigma of the urban renewal designation and little happened, leaving an overall neighbourhood condition which had depressing effects on rents, hence returns on investment and thereby deterred redevelopment. Vancouver's U.R. Scheme 3 was an example of this situation. The other option, to define an area within the sector which was small enough to be immediately acted upon by the private market or the city itself, suffered the same drawback with regard to the detrimental effect of overall
neighbourhood conditions.

Finally, the method of land disposal to private developers contained features which were disincentives to private development. Redevelopment sites were sold by public auction with no consideration given to particular development interests in terms of parcel size or shape. There could be no contractual arrangements between private interests and the Partnership at the acquisition and clearance stage of renewal to accommodate particular spacial or locational needs. This even applied to the entrepreneur whose store or apartment was demolished by the renewal agencies. Larger, more important parcels of redevelopment land were subject to a 'call for proposals' instrument of disposal. A general outline of the form and content of this document can only be vague in that it was a recent method adopted by CMHC, who had not resolved exactly how it should operate. Thus, each 'call' which was issued varied from the last, both due to the variance of the subject properties and the changing attitude of CMHC on how to make this tool more effective. It generally outlined, in varying degrees of specificity, the form of use, the intensity of use and the land parcel arrangement which the Partnership desired to see developed. The private market was asked to make detailed submissions on individual proposals for the site or sites and enter an accompanying bid for the land involved. These development bids were costly items to prepare and there was
no compensation to the unsuccessful applicants to cover this expense. Also, because the agreement of all three levels of public interest was necessary for the choice of the best bid, the resolution of a call for proposals tended to be an extremely time consuming exercise. The uncertainty and the time lag placed a burden upon the prospective developer in terms of trying to hold down any precommitments for money or major tenants. The result was every hopeful appearing at the door of potential major tenants and financiers attempting to solicit some form of commitment to participate. This was not the form of development procedure which private interests wanted to follow in constructing an investment.

The investment horizons of the private developer and city council may have differed. With its political future riding on two year elections, as in the case of Vancouver, council may have shown greater interest in immediate (even if only short term) tangible results of redevelopment decisions. The lack of continuity in civic government over time made long term redevelopment programs a little more tenuous and hence a greater risk for private investment.

In conclusion, the public-private interaction in urban redevelopment suffered from the following shortcomings in the public outlook. Public agencies still did not fully appreciate the cost of time. Capital commitments by a developer which had to be held over time were operating costs which would be weighed against returns to determine
profitability. This increased premium which private develop­
ers had come to consider inherent in joint public ventures,
meant that their investment threshold was higher for these
public undertakings than for private market investments.

... Within the scope of the new Federal re­
newal policy, and within the scope of present
private developers' investment policy, there is
a definite lack of program co-ordination and
agreement on priorities. 66

The decision criteria for redevelopment use and
intensity employed by the city seldom included an investiga­
tion of the investment potential of the reuse and this was
neither expected nor demanded by the senior governments, as
seen in the requirements outlined in the CMHC Urban Renewal
Handbook. In defining development proposals at the public
level there existed an unfortunate confusion between social
need and market demand. With the exception of the Victoria
CBD Scheme and the High River Urban Renewal Scheme, plans
were drawn up to create a better city without having
seriously tested the position of the market. Calgary has
on display a magnificent model of its new CBD. However, the
Paliser Square development has covered enough of the present
market demand to leave Calgary with little more than new
school board buildings in the renewal area.

66 R. Mann, The Role of the Time Element in the Urban
Renewal Process, UBC, 1968, pp. 4-16.
4. Rehabilitation Assistance

Another economic shortcoming of the program was the assumed adequacy of the public provisions for rehabilitation. CMHC, in defining urban renewal, included rehabilitation as one of the three integral aspects of the program, along with redevelopment and conservation. However, direct public assistance was available only for redevelopment. There were no provisions for assisting in conservation and rehabilitation was aided only on the following terms. According to Section 23D of the National Housing Act, and the concomitant regulations, CMHC would support approved lender loans for housing to the extent that,

a) the loan was secured as a first mortgage,

b) the resulting improvements would bring the house up to CMHC Minimum Property Standards,

c) the maximum loan was 85% of the lending value of the property at a rate set by CMHC,

d) loans would be made in accordance with the program staging set forth in the scheme report,

e) only housing which conformed to the plan would be eligible,

f) loans were not available for purely commercial or industrial buildings.

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67CMHC staff directive.
It was assumed that a program of upgrading local public works coupled with the availability of this rehabilitation loan would constitute adequate incentive to the property owners to embark upon the upgrading of the buildings. However, the assumption proved incorrect. Residents generally were unwilling or financially unable to refinance their homes for the purpose of upgrading them, knowing that they would face the repayment of the loan, interest and increased property taxes. Another aspect of this program was the necessity for the municipality to apply maintenance and occupancy standards to the area.

However most municipalities fail to enforce these minimum requirements. Although they represent the very least that needs to be done, the municipalities believe that their application under the present conditions brings hardship to those least able to afford it. The degree to which owners are able and willing to undertake rehabilitation is directly related to their ability to finance the necessary improvements. Although Section 23D NHA loans for rehabilitation allow for consolidation of mortgage debt, this has not proved to be a satisfactory inducement. Many residents have low incomes or are on pensions or other forms of fixed income. There is a reluctance to increase mortgage debt and embark on a repayment scheme that may extend beyond the life expectancy of the person involved. In addition, the prevailing high interest rates and the prospect of increased assessment, discourage owners still further.

In the case of the tenant, a further problem arises in that it is most likely that his landlord will pass on the cost of improvements and of increased taxes in the form of a rent increase. If the tenant cannot afford the increase and in the absence of rent subsidies, he must move out. Should this happen, the important objective of minimizing the dislocation
of families has been lost, and the supply of adequate housing for low income families decreased rather than increased. 68

The provision of a loan instead of a grant represented an economic misjudgment of the capacity of renewal area residents to undertake rehabilitation with solely their own means. "... It (was) expected that private rehabilitation (could) be generated spontaneously." 69

C. THE BUREAUCRATIZATION OF THE PROGRAM

A weakness of the administrative policy of the urban renewal program was that it fostered a preoccupation with the procedure as opposed to the product of the process. This was coupled with an inability of CMHC to conceive of urban aid outside the established terms of reference, that is, to recognize the opportunity cost of capital tied to urban renewal. The phenomenon was discussed by Mr. J. Rothenberg in assessing the American program.

Administrators may believe that there are alternative ways of bringing about some of the achievements of the present program . . . but they are likely to depreciate the possibility of obtaining such alternatives as deliberate substitutes for the present program.

69 Ibid., p. 17.
Thus, they feel bound by the present program, not only in terms of its limitation of scope in labeling relevant beneficiaries and types of benefits (and costs), but also in terms of the existance of feasible alternative ways of achieving these particular types of benefits for these particular beneficiaries. These benefits will be obtained from the present policy, or they will not be obtained at all. 70

Admittedly, in Canada, the problems of constitutionality and provincial relations came to bear on the matter, but little effort appears to have been expended by the senior governments in exploring a different legislative approach. Also, the assumption of the necessity of being able to accurately account for the expenditure of public funds bred a reluctance to transform the program into a more simplified grant-in-aid arrangement with either the municipal or provincial governments.

1. Initiation of Urban Renewal

Because the initiation of the individual projects and the formulation of specific renewal programs rested with the municipal governments, the role of the senior government funding partners was that of a reviewing agency. The broad objectives were outlined, albeit not suscinctly by CMHC, but the interpretation of the program, particularly the definition of what constituted blight, was left to the

70 J. Rothenberg, op. cit., p. 30.
municipality. Therefore, CMHC was in the position of insuring that procedure was correctly followed, as opposed to direct involvement in the product of the individual programs. It appeared that the rationalization for this form of operation paralleled the thinking which underlies our system of justice. That is, if the procedures were correctly carried out, the product of the undertaking would be in accordance with the objectives. However, this approach assumed a common set of priorities among the agencies involved. As discussed previously, this was not necessarily the general case. Therefore, because

a) the overall objectives were not explicitly defined and,

b) the initiation and aims of the specific projects lay with the municipal government,

CMHC staff devoted itself to reviewing the program in terms of whether all the aspects of individual proposals fitted the administrative policy. To a large extent, the provincial government role (except in Quebec) was similar to that of CMHC.

2. The Tripartite Partnership

The large amount of administrative detail existed on two main levels. The first was the tripartite partnership itself. The initial authorization to undertake a renewal program (for example the commencing of a renewal
study) required a formal resolution of the municipal council, the written approval by the appropriate provincial department, followed by the approval by both the head office and branch levels of CMHC. An agreement among all three parties was then signed. The recommended procedure called for the creation of a tripartite co-ordinating committee to oversee the creation of the report. According to Dr. K. Cross' examination "... in three fifths of the total number of studies the involvement of the co-ordinating committee representing federal, provincial and local government (was) categorically stated." 71 Although not a stipulated regulation, the draft final report was usually submitted to all three levels of government for comment prior to the finalization of recommendations. The completed document was then sent to the three agencies for review. Assuming that the municipality wished to act upon the recommendations of the renewal study, a second round of applications was required. These included, as in the former case, a justification for the proposed report, a cost estimate and a municipal resolution. The application was then reviewed and approved by the provincial agency and the two levels of CMHC. A second set of agreements was then drawn up. A typical agreement is included as Appendix One.

71 K. Cross, op. cit., p. 17.
A stipulated requirement in creating a scheme report was the establishment of two tripartite bodies to oversee the preparation of renewal proposals.

It is required that a Co-ordinating Committee, consisting of a municipal representative (appointed by Council), a provincial representative (appointed by the appropriate Provincial Department) and the manager of the appropriate CHMC office be established. The municipal representative will be chairman. The role of the Co-ordinating Committee is to:

- seek from their principals answers to policy questions that may arise,
- ensure that the terms of the agreement are being followed,
- review the progress of the scheme preparation as reported by the Technical Sub-committee,
- assist in formulating policy and publicity and public relations,
- advise on progress payments and claims under the Agreement,
- hold regular meetings not less frequently than monthly and report to their principals through minutes of the meetings,
- undertake such other functions as are deemed necessary to help the scheme achieve its objectives,
- receive and review the prepared scheme. 72

As was the case with the general CHMC approach to renewal, the emphasis in establishing this body was the adherence to procedure, not the examination of objects or the product of the proposal.

Further, a Technical Sub-committee was required.

The Technical Sub-committee should consist of one standing member from each of the three levels of government—Municipal, Provincial and Federal. Its purpose should be to advise the Co-ordinating Committee on all technical problems arising out of the scheme preparation. The advisory technical service should be available to any consultants involved in the scheme preparation. Similarly, the consultants should respond to any questions this sub-committee may have. The standing members of this sub-committee should be the municipal planner (chairman), provincial planner and CMHC Branch Planner or their representatives. These members should be responsible for ensuring that other personnel representing such disciplines as architecture, engineering, economics, property appraisals, sociology, etc. are available as advisors whenever necessary. The chairman should be responsible for calling meetings, recording sub-committee deliberations and reporting recommendations to the co-ordinating committee.

Meetings should be convened as necessary in the municipality during the preparation of the scheme. A minimum of three meetings should be held:

1. at the outset of scheme preparation
   - to review the intended procedure, techniques, work program and initial technical problems,
2. at the completion of the Overall Scheme (but before presentation to municipal council) . . . .
3. at the completion (but before final presentation) of the First Phase Detailed Proposals . . . .

On completion it is recommended that the Co-ordinating Committee, prior to presentation to Council and the senior governments, review the scheme. 73

Having undergone ongoing and final reviews by these tripartite bodies, the scheme report was then reviewed and approved by the municipal council, the provincial department and both levels of CMHC. Assuming approvals were gained in all cases, the municipality could assemble a third set of applications for the implementation of the project.

73 Ibid., pp. 19-21.
The municipal application for implementation assistance under Section 23B NHA will include in appropriate written and plan form the general renewal proposals for the overall scheme and the detailed and specific proposals for the areas selected for the First Phase of implementation. 74

The applications again had to be approved by the province and CMHC and this would be followed by the signing of another set of agreements. Similar to the report preparation requirements, a co-ordinating committee and a technical sub-committee were created to assist the implementation of the project.

The examination of the British Columbia data revealed that it required an average of 28.4 months to complete the scheme report stage. The renewal study preparation, according to Dr. K. Cross' data, required an average of 38 months. 75 The combination of these figures indicated that on the average, for the cases examined, it would have taken about 5 1/2 years for a municipality to work its way through the renewal program before physical implementation of the project could have occurred. The Vancouver Planning Department incurred this difficulty.

74 Ibid., p. 22.
75 K. Cross, op. cit., p. 30.
A lead time of at least three years is required to get these kinds of programs moving when they involve multi-departments and multi-levels of government. Where senior governments are prepared to pay most of the costs for these programs, it is difficult, however, for the City to differ over the administrative procedures established. Critical path diagrams indicate that a forty month period is required for the approval of a medium size scheme from initiation to final approval prior to implementation.

... 76

On this basis it was possible to assume that a number of initial conditions examined in the study could have changed over this period of time. "The time lag caused by the extensive number of steps required to carry out a program often (resulted) in a change of the actual needs of the program from those originally proposed." 77 Among these changes could have been the municipal council itself. A new council could decide on different priorities to those of its predecessors, resulting in only partial fulfillment of the renewal program, as was the case in Trail.

Another problem was the stigma created by a renewal designation on an area where no public action was taken, due to this extensive time lag. 78 "Such designations create a semi-freeze of real estate transactions and tend to discourage maintenance and repairs." 79

76 City of Vancouver Planning Department, op. cit., p. 3.
77 R. Mann, op. cit., pp. 4-16.
79 City of Vancouver Planning Dept., op. cit., p. 4.
3. The CMHC Hierarchy

The second major level of administrative detail existed within CMHC itself. The Corporation operated on a centralized format, with the majority of branch decisions on urban renewal requiring ratification from the head office in Ottawa. Within this basic hierarchy were five divisions on each of the two main levels, which were involved in the urban renewal program. The administrative procedure was illustrated in a hypothetical case of a completed scheme report. At the branch level, the four technical advisory divisions each examined the document in conjunction with the minutes of the co-ordinating committee and technical sub-committee; bodies on which they had been represented during the preparation of the report. Copies of their reviews and recommendations went to the other technical divisions at the branch level, their own division in Ottawa and the branch manager. The manager reviewed these submissions and sent his own views to the Urban Renewal and Public Housing Division of Head Office along with copies of the report. The latter would then have requested reviews from the four technical divisions at head office. These divisions received the copies of the views of their branch representatives and any clarifications or disagreements would have been carried out by correspondence between them at this point. Upon the resolution of any
difficulties within the divisions, each head office technical division wrote a review and recommendations and submitted it to Urban Renewal and Public Housing Division. The latter synthesized these reviews and submitted its own review to the executive level. Copies of head office reviews went to the respective branch divisions with the Urban Renewal and Public Housing Division review copy having gone to the branch manager. The latter informed the municipality of the fate of its scheme report; that is, whether it was accepted or whether revisions were required. The municipality, assuming an approved report, would then have put together an application for implementation which would have gone through the same administrative process. In this case the executive level would review the application and if accepted would convey it to the Minister's department for Order in Council Approval of funding.

The obvious feature of this administrative format was the duplication of effort within divisions created by the centralized hierarchy. As previously mentioned, the majority of these review efforts were devoted to insuring that the report proposals fell within the terms of reference of the agreement and that all elements covered by the agreement were included.

The procedures of Sections 23A and 23B NHA involve planners checking on planners checking on planners. In the Vancouver case, we have had planners attempting to make judgements 3,000 miles distant, in some
cases without having ever seen the city, let alone the site in question. Also, there is nothing with regard to their academic qualifications which should make them a better judge than the planners on the site. If this position is primarily to ensure the coherence of a single national set of criteria, this clerical work would appear to be an ineffective use of professional talent. Major cities have permanent planning staffs and an administrative machine which can provide the back up data upon which planning decisions are made. The major city planning staff, being closer to the financial/political/administrative municipal organization, is in the best position and perhaps thus more competent to make decisions concerning renewal. 80

The lack of autonomy of the branch level staff produced a duplication of review and approvals with the second screening of reports handled by a group whose knowledge of the local situation was usually less adequate than the first. Also, the fairly low level of communication between the divisions, particularly at the head office level, produced another form of duplicated effort.

4. Summary

The questionnaire utilized by Dr. K Cross, to assess the attitudes of those involved in the urban renewal program, illustrated the dissatisfaction with the extent of administrative procedure. "The point which was brought up most often in this regard was that procedural bottlenecks and

80Urban Renewal - British Columbia, op. cit., p. 2.
'red tape' were reducing the efficiency of urban renewal.

This view was elaborated by the Social Planning Council of Metropolitan Toronto.

While urban renewal is nominally a municipal responsibility, in fact the federal and provincial governments have a major interest due to their financial contributions. In practice this extends to minute scrutiny of municipal plans, and may involve an enormous amount of administrative complexity. This contributes to delay and to defusion of responsibility, and there is little to suggest that the added difficulties are justified by the results. The senior governments should set certain minimum standards and obtain a satisfactory accounting for funds. They should not be involved in every step of the planning and implementation of a renewal scheme. The present approach embodied in both the Federal and Provincial Acts, involving a series of schemes each of which has to be approved, planned and carried out as a separate project, is clumsy, unnecessary and should be abandoned. Additional difficulties are caused by the requirement of specific item-by-item budgeting, which is very difficult to adapt to the realities of continuing and not entirely predictable renewal programs.

5. Social Considerations

Another difficulty with the CMHC procedural approach taken to urban renewal involved the inadequate resolution of the social aspects of the program.

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81 K. Cross, op. cit., p. 9.
82 Social Planning Council of Metro Toronto, op. cit., p. 22.
A further question arises as to who is the prime beneficiary of urban renewal programs, the renewal area resident or the public at large. A recent publication sets this in clearer context.

'This does not mean that the two are necessarily in conflict. It does mean that we must be quite clear about our basic objectives and face the implications of attaining them. In other words, if the purpose of urban renewal is basically to improve the efficiency of the urban fabric as a whole—which is a perfectly legitimate aim—then we must accept the obligation to ensure that the people whose neighbourhoods are going to be renewed are not made to suffer on behalf of the rest of the community. If, on the other hand, the basic objective is to improve the lot of those who live, work and do business in a bad physical environment, then the renewal program has to be based on a proper evaluation of what they need and want. To repeat, the two aims are not necessarily irreconcilable, but it is superficial and dangerous to assume that they will coincide.' ... 83

Further to this, the expectation horizons of the local residents affected by renewal and the planning agency administering renewal were different. At the operational level, CMHC appeared to inadequately come to grips with this possible dicotomy of objectives. In its conceived format, the program was specific about the responsibilities of the renewal agency to the area residents. This included detailed written material on the following:

... a rehousing program for the families and persons displaced. ... (including) data on the number and sizes of such families, incomes and circumstances which are likely to be a problem. Means of rehousing should also be given in terms of public housing, housing by non-profit corporation, private ownership rental, hostel etc. ...
- a detailed description of the types and method of co-ordination of the social and welfare assistance to be given in the area by both public and private agencies.

- a description of the methods planned for a public information service to assist area occupants to adjust to the implementation of the First Phase. Also included will be plans to assist in the relocation of persons dispossessed of accommodation. 84

In the administration of the urban renewal procedures, the senior governments did not devote a large degree of scrutiny to these social concerns. In fact, a statement that the municipality was looking after these matters was considered to meet the terms of reference. With regard to the co-ordination of social services, CMHC in 1968 made the following evaluation.

An evaluation of this aspect of renewal suggests that some municipalities have made sincere efforts to co-ordinate services and undertake a measure of social renewal; others have not. Physical renewal and its cost sharing provisions are the major objectives of municipal renewal programs; social renewal does not receive the same priority in either time or money. . . . The variations of municipal priority to such co-ordination of programs have made their evaluation difficult. We have accepted the municipality's statements of good intention, without holding them accountable for the result. 85

84 Urban Renewal Handbook, op. cit., p. 15.

The same statement could have been made of the rehousing program. CMHC felt that, "... criticism that (rehousing) needs have not been met should not be attributed to urban renewal but the lack of an adequate housing policy for the municipality."^ However, the senior governments did not demand this in reviewing the renewal reports.

6. Conclusion

In summary, three major aspects of the administrative policy conflicted with the rather expansive objectives of the program. The single, universally applied set of regulations was not well suited to the variety of projects which were attempted. The economic terms of reference lacked sophistication, did not fully account for the divergence of agency priorities and were not well suited for undertakings with the private development market. Thirdly, the administration of the program became preoccupied with the procedure rather than the objectives of renewal, thereby failing to clarify the objectives and encouraging duplication of effort.

^Ibid., p. 13.
CHAPTER FOUR
ANALYSIS OF THE INTERVIEWS

In an effort to compare the views expressed on urban renewal in this presentation with the opinions of the planners and administrators who were closely tied to the program in British Columbia, eight interviews were undertaken. The four major planning groups were canvassed for opinions. These included:

a) Central Mortgage and Housing Corporation
   1. the Regional Supervisor for British Columbia.
   2. the Branch Architect/Planner.

b) the Provincial Department of Municipal Affairs
   1. the Deputy Minister of Municipal Affairs.
   2. a member of the Housing and Renewal division.

c) the City of Vancouver Planning Department
   1. the Deputy Director of Planning
   2. a staff member responsible for the 1969 Vancouver renewal study.

d) Private Planning Consultants
   1. the principal of R. Williams and Associates.
   2. the principal of Rawson and Wiles.

It was recognized that only eight sets of opinions were small in comparison to the total number of persons working
within the renewal program. However, 3 of those interviewed were senior personnel at the policy making level of the three levels of government involved. It was therefore assumed that their views were representative of the agencies for which they worked. The private consultants had worked on 6 of the renewal projects cited in the British Columbia data. Along with the four Vancouver projects, this covered almost half of the total number of renewal schemes in the province. The format of the interviews was seven prepared questions which were asked to each individual. A copy of the questions is included as an appendix to this chapter.

1. The Objectives

There was a division of opinion as to the objectives of the renewal program. Three of the respondants; including the senior members in CMHC and the Department of Municipal Affairs, viewed the objectives in economic terms. Renewal was seen as a catalyst to assist change in those areas of the city where private market forces were not acting to create productive transformation. It was also interpreted as a program for the economic revitalization of major cities.

The Deputy Director of the Vancouver Planning Department envisaged renewal as a funding program for area improvements which were beyond the financial capacity of the city. The remainder of the responses were expressed in
terms of the physical removal of deteriorated properties in the city. Seven respondents considered the program to be city wide, that is, not specifically a housing mechanism. One couched his opinions in terms of the social elements of renewal.

This division of views appeared to support the contention of Chapter One, that the objectives of the program were not explicitly defined, thereby producing varied approaches to the use of the legislation. An interesting viewpoint expressed in 3 of the interviews was that CMHC had, in effect, imported an American program without attempting to clearly define the scope of its goals and without assessing all of the ramifications of its implementation.

2. **The Administrative Policy**

Seven of those interviewed felt that the boundary concept of renewal assistance had been unsatisfactory. Two specifically stated that area renewal should have been replaced by functional renewal—that is, the city wide renewal of specific urban elements. The single supporter of the boundary criterion felt that the concept was an inate pattern of thought which could not have been avoided. The idea of pockets of blight, upon which the boundary rationale was based, was in itself a misconception according to two of the views expressed. Another view was that although the physical manifestations of blight might have been amenable to the creation
of a boundary, the underlying causes of the condition might not have been reflected in the delineation of the renewal area. Two of the respondents, including the Deputy Minister said that the concept was an arbitrary administrative device. Municipalities created renewal boundaries in this spirit of according with bureaucratic format to gain the senior government funding.

The views expressed on the criterion of blight varied. It was identified in one case as a middle class concept which was not relevant to the residents of a renewal area. Accompanying this was a penchant for orderliness in terms of land use patterns and defined areas for renewal action. The provincial view of blight paralleled the definition by Davis in Chapter One. Blight existed in deteriorating areas where the market processes were not ingendering redevelopment. Four replies described blight as a physical delapidation and worn out structures. The CMHC planner regretted the use of the term, in that it had a strong physical connotation. Inhibiting factors was felt to be a better choice of terms, because it conveyed a wider spectrum of indicators and was more closely allied with the causes as opposed to the effects of the problem.

General opinions on the administrative policy included the following. The Vancouver Planning Department pointed to the lack of definition of the specific aspects of renewal which were considered cost sharable by CMHC. Also, the
absence of a statement of renewal priorities by the senior governments was considered a drawback to the program. Two respondents regretted that renewal had been negatively oriented, that is, the removal of present conditions, instead of a positive approach to future changes which might have produced innovations in the program. In summary, 87% of the opinions indicated dissatisfaction with the boundary concept of renewal. Views on blight were mixed, with roughly half the respondents interpreting the term as a purely physical phenomenon. Three views of blight recognized the important distinction between the causes of blight and its physical manifestations.

3. Downtown Renewal

The central business district renewal question elicited fairly clear views for and against. Both members of CMHC felt that not enough thought had been given to the consequences of such undertakings, particularly the very high costs that this aspect of the program would have incurred. CMHC lacked the economic sophistication to judge and hence direct these projects. The CBD undertakings exemplified the problems of an area versus a functional approach. The Department of Municipal Affairs representatives supported the CMHC view that the program had not been thought through in terms of what renewal was to do in the central business areas. However,
they felt that this form of renewal was legitimate with regard to the goal of assisting the economic health of the whole city. Two other respondents held similar views on the validity of downtown renewal. One opinion was that whereas the need was justifiable, it was not the underlying intention of the legislation, but the natural human propensity to get the most for one's money led to its establishment as the municipal renewal priority. A strong detractor from this viewpoint considered the shift in emphasis to have been a mistake. Social concerns, hence housing, should have remained the first priority of the program with commercial development a secondary concern. These latter two respondents also agreed that CBD renewal encouraged monument building or the grand plan, which tended to put physical design before economic considerations.

None of those interviewed felt that the administrative policy as applied to the CBD was adequate. CMHC respondents mentioned the centralized bureaucratic structure of their own organization as an impediment to reaching concise and rapid policy decisions. Both members of the Vancouver Planning Department cited the lack of a specific set of ground rules for renewal projects. Five respondents felt that the inadequate foresight into the ramifications of CBD renewal led to an ad hoc administrative approach to the projects by the senior governments. In general, aside from whether central business district renewal was appropriate, the views were that the public agencies were not administratively or financially
equipped to handle the resulting projects.

4. Renewal in Small Communities

Renewal investment in small communities produced a division of opinions with five respondents agreeing that it was a misallocation of funds and three supporting the program. The five, including the CMHC and provincial representatives, all saw the small town problem as not that of renewal but a general inadequacy of municipal finances. In seeking additional funding, the municipalities jumped through the renewal administrative hoops and emerged with a warped set of civic priorities. Three of the replies (not adhering to the above mentioned 5/3 split) stressed the need to view the problem in an overall regional perspective, coupled with some form of general urban policy from the senior governments. In as much as towns could have been considered as potential growth poles in a region, public investment in renewal would not have been a misallocation of funds. One of the supporting views simply felt that the planning which accompanied renewal in small towns was, in itself, enough to justify the public expenditure.

Only one respondent accepted the program as it presently operated. The majority felt it was the wrong economic tool for the problem and that a regional economic overview was a prerequisite to making any judgements on the individual community level.
5. The Economic Terms of Reference

Views on the economic terms of reference were equally divided, but the individual opinions varied from the anticipated pattern. The provincial members stated that the economic premise for development, held by the senior governments, had proven to be fallacious. The assumption that a write-down in the price of assembled and cleared sites would in itself have been an adequate development incentive was not borne out in practice. The physical externalities of the overall area and the real estate market externalities, which had caused the area to become non-competitive, were the features which determined the attractiveness of the individual site. The Vancouver areas A-6 and D-4, as previously related, were given as examples to substantiate this view. The Regional Supervisor of CMHC supported these opinions in saying that major business interests reacted to economic incentives on the macro-scale of the real estate market and that the minor economic offerings of renewal sites had little bearing on their decisions. However, his conclusions as to the need for the economic terms of reference differed. CMHC expected too much economic detail in light of the above belief. The limiting feature was the municipal budget and economic details should have been limited to this criterion in determining the size, hence viability of the project.

Three replies, including those from the CMHC planner, the Vancouver planning staff member and one of the consultants,
indicated that the economic perspective of the program was highly inadequate. CMHC was felt to have no understanding of the urban land market, with the result that the economic terms of reference were of little use to the consultants. A lack of economic sophistication in all the public agencies was cited as a major problem. Another statement of the same belief attributed the problem to the continuation of the slum clearance mentality, that is, operating a social program without an adequate conception of costs. The Vancouver Deputy Planning Director's view of renewal reflected this last criticism. The underlying objectives of the program were seen as socially oriented. Public participation was in those areas where the private market was not producing these objectives; hence, as long as the proposals were within the realms of reasonability, the economic considerations were not of paramount importance.

A final viewpoint, held by one of the consultants, pertained to renewal in the downtown areas of small communities. Detailed economic investigation was considered unnecessary, in that, in the last analysis, the judgement would be rendered by the local merchants. They were considered to be in a better position to judge the economic viability of the consultant's proposal than the planning staffs of the senior governments.

The opinions of the CMHC and the Department of Municipal Affairs representatives, on the relationship of renewal and private investment, were intrically related to
their assessments of the shortcomings of the general economic terms of reference, as outlined above. The excessive consumption of time in organizing a public venture like renewal was cited in two interviews as a detrimental feature affecting private development, both in terms of the opportunity cost of capital and lost real estate opportunities over the period of scheme preparation. One consultant felt that 50% of the value of renewal schemes was destroyed by the time lags in terms of lost real estate opportunities and waining local public support. Another view of the time lag, expressed in the Vancouver Planning Department, was that removal of existing site users and demolition should not be undertaken until a private interest had agreed to redevelop the site. The vacant lots standing idle in the Strathcona renewal area were felt to be a greater social liability than the previous blighted housing. Renewal suffered from the placing of architectural concerns ahead of economic considerations, according to this source and one of the consultants. The CMHC planner felt that the public renewal program, because of its lack of economic sophistication and procedural delays, created a sterilizing effect upon the areas it touched, in that private developers tended to shy away from participation in publically sponsored projects. He cited the lack of market considerations in deliniating the size of parcels offered for sale by the renewal agency as one of the elements involved.
6. **Social Considerations**

The rehousing question produced a sharp division of opinion. At one extreme, two respondents including the Regional Supervisor in CMHC, felt that the public renewal agency should not be responsible for those people displaced by renewal, other than to offer them slightly more than market value for their property. The private market, in redeveloping areas, operated on this basis without creating mass hardship or concomitant social concern. To expect a public agency to do a great deal more than offer a fair cash settlement and an opportunity to move to public housing would only be detrimental to the program. At the other end of the opinion spectrum the Deputy Director of Planning for Vancouver felt strongly that the program should operate on a house for a house basis for relocation. This view was supported by one consultant who added that the objectives of the program, in terms of its area resident orientation or city wide benefit orientation, had to be clearly resolved. Between these extremes were views that renewal area residents had to be offered more rehousing options than public housing. The problem was also seen as not so much one of relocation as a general housing shortage at the present time. Further to this, the provincial Deputy Minister pointed to the nature of the renewal program itself as a major factor in the relocation issue. The massive disruption of residential
neighbourhoods created by the general acquisition and clearance policies of renewal produced sociological mayhem. Areas should have been renewed in small portions over a longer time period to permit residents to be more easily absorbed into the housing market. Renewal should have attempted to minimize social dislocation but the cities, who directed the projects, were primarily motivated by the economic returns of land redevelopment. In terms of financial compensation for expropriated property, one respondent cited the difficulty in determining a proper expropriation settlement, in that the renewal designation on an area artificially depressed the real estate values.

Apart from the divergent views on the scope of relocation, six respondents felt that the program had exhibited a very low achievement level in coping with relocation problems.

Concerning the general sociological implications of renewal, particularly the role of the citizen in the process, three respondents expressed the belief that hostility and fear on the part of residents could have been overcome if an adequate information program accompanied renewal. It was necessary to alter the psychological connection of renewal with the bulldozer. One consultant, speaking solely in terms of small communities, indicated that town councils in these instances adequately represented the views of the citizenery and there was no need for the planner to go beyond them with
his proposals. The remainder of those interviewed did not express concise opinions on citizen participation. They appeared to have not formalized views on where citizen opinion fitted into the renewal program.

7. The Renewal Program Inadequacies

An effort was made to tabulate and rank the three most important elements, in the views of the respondents, which were unsatisfactory in the renewal program. The value of this exercise was restricted by the inability to assess the relative weights placed on each of the three indicated shortcomings as described in the interviews. The significance was therefore limited to the number of times a problem was mentioned by the total number of respondents:

(3) The lack of economic sophistication of the program - Respondants mentioned the inadequacy of the relationship with private enterprise and that the projects were conceived by architects and economically ratified by accountants.

(3) The administrative bureaucracy, with its pedantic methods and excessive time lags was overbearing. The centralized hierarchy within CMHC was specifically cited in two of the answers.

(3) The lack of an ongoing evaluation of the objectives - The low achievement level of the program was blamed on the fact that the initial premises were not assessed against the reality of the projects.
(2) The lack of assessment of the consequences of the program in terms of its total cost to the public agencies—The financial open-endedness of the program mitigated against public agency control.

(2) The inadequacy of the legislative terms of reference, which were negatively couched and administered by an agency whose prime concern was mortgage lending.

(2) The lack of communication among the public agencies involved in renewal. There was an inadequate exchange of ideas and information on past experiences and hence a general lack of mutual understanding.

(2) The massive social dislocation created by the bulldozer approach to the acquisition, and clearance of large tracts in the renewal area.

(1) The program was poorly administered due to a lack of clarity as to the objectives of urban renewal.

(1) The program lacked guidance in the absence of a comprehensive national urban policy in Canada.

(1) The senior government renewal agencies showed a lack of understanding of the individual municipalities and their specific problems.

(1) The lack of a positive urban program on the part of the provincial government.

(1) The inadequacy of assistance provided for the rehabilitation and conservation aspects of renewal.

(1) The use of the program by municipalities as a cheap source of civic financing.
(1) The projects envisaged were too large and hence too long term to be adequately controlled by the public agencies.

In a more generalized consolidation of opinions, the following pattern emerged.

- 25% economic inadequacies
- 25% administrative inadequacies
- 21% inadequacy of objectives/legislation
- 13% inadequacy of evaluation
- 16% other.

8. Summary

In summarizing the interviews, it appeared that they constituted support for the overall presentation in the following manner. No question elicited a plurality of opinions which were contrary to the assumptions made in Chapters One and Three. The three most recurrent opinions on the shortcomings of the program were given substantial consideration in the presentation and produced similar conclusions.

The interviews also illustrated the divergent views on some of the facets of the renewal program. This range of opinion differences within and between the four principle groups involved in renewal, coupled with the lack of communication among renewal agencies (cited twice in question seven) added to the administrative difficulties of a tripartite
partnership as discussed in Chapter Three. To some measure, this was a product of the lack of precision in setting forth the objectives of the program as discussed in Chapter One. In conclusion, the exercise was considered useful as a reference against which the major contentions of the presentation could be compared.
1. What did you consider to be the objectives of the 1964 urban renewal program?

2. Regarding the policies used to realize these objectives, what are your views on the concept of blight? Further, what are your views on the strict geographical delineation of areas eligible for assistance?

3. With the 1964 amendments, there was a marked shift in renewal activity to the central commercial areas of cities. Do you consider this form of renewal consistent with a) your view of the objectives of U.R. b) the administrative policies of CMHC? Do you feel that the administrative policies were inadequate for the task?

4. Jane Jacobs, in the Economy of Cities, implies that American federal investment in urban programs in small towns is a misallocation of resources. Does this point of view apply in Canada? Has the program warped civic priorities in small communities?

5. Urban renewal is basically a real estate and development economics game. Was adequate recognition given to this in the formulation of urban renewal programs? How did you view the economic terms of reference for U.R. programs? What are your views on the relationship between public renewal programs and the private development interests which become involved?

6. How successful do you consider the relocation of U.R. area residents and citizen participation to have been under the Canadian program since 1964?

7. Can you list, in order of importance, those elements which were unsatisfactory in the NHA urban renewal program?
A. OVERALL VIEWS OF THE PROGRAM

With the evaluation of the program undertaken by CMHC in 1968, certain reservations grew with regard to the control which the Federal government could exercise to direct it. These feelings were expressed by the Hon. R. Andras, the Minister responsible for the program as mentioned in Chapter One. A major feature of this was the open-ended-ness of the Federal commitment to the program. "The need for a more definitive policy, a new and refined approach, arises out of many considerations, not the least of which are the rigid financial restraints presently imposed upon the Federal treasury. It is just not possible to meet all the demands made upon us . . . ."  

The Minister went on to say, that a new program " . . . must be developed and certainly, as far as the Federal Government is concerned clear financial ceilings determined."  

This view was reiterated at the CMHC Architect/Planners Conference. The reasoning for this need was rein-

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88 Ibid., p. 2.
forced in the interview with the CMHC Regional Supervisor, who commented that, through his own computation, he envisaged renewal becoming a billion dollar Federal undertaking if the trends evident in 1967 and 1968 continued for only a few years longer. In particular, he referred to the large central business district schemes in the major cities. Since the initiation and aims of the specific project were municipally determined, the CMHC role "... was more of an administrative entanglement than a true participation ...". A final misgiving about the financial open endedness of the CMHC involvement was expressed by John Fowlie, a member of the Advisory Group at CMHC.

"... Federal Government has no choice but to amend the urban renewal program, or modify its application in some way. In the absence of any such change the projected expenditures under the program, including those involved in implied though not formalized commitments, will increase rapidly over the next few years to the extent that much of the potential flexibility in the Government's policy concerning housing and urban affairs, will have been pre-empted."

The impact of the Federal Governments' general budgetary constraints upon the renewal program fostered what appeared to have been another dominant pattern of thought. Views were expressed that the program must be seen in terms of

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89 Notes on an Urban Renewal Policy, op. cit., p. 4.

90 J. Fowlie, Urban Renewal, op. cit., p. 3.
some overall governmental policy an urban development. The 'co-ordination of federal interests in land' had been the only aspect of this program in which CMHC was involved. It was designed simply to elicit federal agencies' views on the fate of lands which federal departments intended to dispose of. However, no evidence was found of any ongoing organization which assessed the impact on urban development of all the federal agencies which acted in this sphere, as for example, CMHC, Department of Public Works, Department of Transport, National Harbours Board. Thus, in 'Notes on an Urban Renewal Policy', one of the four questions posed was, "How does (renewal) . . . relate to the other concerns of the federal government in planning and urban affairs?" 91 In discussing the format of renewal at the Architect/Planners Conference, it was stated that

... the program was not instituted with the benefit of a comprehensive overview of the total role of the Federal Government in the urban environment. A new policy will require this as a precondition. 92

The recognition of the fragmentation of the federal approach to urban affairs was paralleled by the growing awareness of the inadequacy of traditional municipal boundaries for an urban terms of reference. This opinion had been expressed by J.

92 Minutes of the Architect/Planners Conference, op. cit.
Rothenberg, as quoted in Chapter Three, and Hans Blumenfeld advocated that the federal government co-ordinate its urban activities on a regional basis. A strong advocate of this view within CMHC was John Fowlie.

The concept and the basic framework of municipal government has remained unchanged from the early part of this century. At that time the process of urban growth could be readily comprehended and social aspirations made only modest demands upon local administrations. Today's rate of technological change linked with accelerating aspirations have made the physical, financial and administrative municipal structures obsolete. Urban growth and problems have out-stripped municipal boundaries. The solution would appear to be to create a new urban jurisdiction involving in some cases many municipalities. This new expanded authority must have the will, the authority and the resources, not only to determine overall urban development policies but to ensure their implementation. Such an authority born out of the response to urban change must in itself be capable of responding to future change--its authority must include an adaptive mechanism. Recognition of this new urban dimension--the urban region and the establishment of the appropriate development authority is essential to the rationalization of both public and private investment in future urban development.

In 1967 the Federal Government had developed, in draft form, major changes to the National Housing Act with the primary objective of offering incentive aids to provinces and municipalities to undertake urban region planning and establish the appropriate development authorities. These incentives included matching grants for the preparation of initial urban region plans and 90% loans for the acquisition of lands for new communities, transportation corridors and major open space. The proposals were discussed and broadly agreed at a series of ministerial and staff conferences in 1967-68. The process of discussion leading to acceptable Federal legislation was terminated with the establishment of the Task Force on Housing and Urban Development. The Task Force Report,

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while admitting the need for urban region planning, was silent on the question of Federal participation and on the areas of agreement reached at the Federal-Provincial conferences of a year earlier. 94

The report of the Task Force on Housing and Urban Development strongly criticized the multiplicity of municipal entities within the metropolitan areas but offered no detailed suggestions, calling instead for provincial initiative.95 In its consideration of the urban renewal program itself, the Task Force offered the following opinions. The scale of demolition of housing units within renewal areas was decried. The suggested solution was a greater emphasis on rehabilitation in urban renewal. However, a conspicuous omission was a recommendation for rehabilitation grants to property owners. The Task Force called for the creation and strict enforcement of minimum standards bylaws by the municipalities to force property owners to upgrade their buildings primarily at their own expense. This was in complete contradiction to the views of CMHC on this matter.96 For its part, however, CMHC failed to clearly resolve the dicotomy between housing objectives and renewal objectives.

To the extent that clearance and demolition is involved, urban renewal accentuates the housing problem because it destroys dwellings. When considered then, in relation to housing objectives,

94 J. Fowlie, op. cit., pp. 5-6.
urban renewal has a kind of ambivalence . . . . This is not to say that demolition should be avoided at all costs, because demolition is required to some degree even in areas where prime emphasis is placed on rehabilitation and property improvement. It is only to say that there is some conflict between housing goals and some aspects of the urban renewal process. 97

In terms of general figures, the relative amount of demolition in renewal schemes had lessened since the 1964 Amendments. The 49 schemes implemented had encompassed 2830 acres, of which 1780 acres or 63% had been cleared. Prior to 1964, of the 780 acres involved in renewal, 660 acres or 86% underwent clearance. After 1964, 2050 acres came under urban renewal and 1120 acres or 54% were cleared. These figures fail to point out an important difference. Prior to 1964, the great majority of the acreage cleared was reused as public housing sites, thereby minimizing the depletion of the housing stock. This was not the case after the 1964 amendments. The Task Force went on to disapprove of the concept of designating urban renewal areas. They felt that this action deterred property owners from maintaining their buildings and contributed to the further deterioration of the area. The final issue raised regarding urban renewal was the efficiency of the centralized administration of CMHC and the resulting time spans involved in undertaking a renewal project. This constituted the extent of the Task Force examination and recommendations on urban renewal.


97 Ibid., p. 17.
B. SUMMARY AND CONCLUSIONS

Neither Mr. Hellyer, nor his successor, the Hon. R. Andras presented a clear cause-effect statement concerning the precise reasons for halting the urban renewal program. In general, it appeared that renewal had been accorded a lower priority relative to general housing issues. This was not to say that solely because renewal was creating reductions in the housing stock, it was scrapped in the name of higher priority. Had the program been operating smoothly in all other respects, it is doubtful that it would have been abruptly curtailed. However, it has been the contention of this presentation that the program was not operating in the manner in which the federal government felt it had been conceived. Specifically, the following aspects of the urban renewal program, as established by the 1964 amendments to the National Housing Act, were found to have been unsatisfactory.

The scale of the national program was difficult for CMHC to control. The decision to embark upon renewal lay with the municipalities and not the federal government. Also, CMHC was not in a position to render judgements on the individual objectives of each project. Since the establishment of the criteria for blight lay with the municipalities; this being the prime justification for renewal; as long as the proposed project met the terms of reference of administrative policy, CMHC was not able to argue strongly over the
aims of the undertaking. This shortcoming was fortified by the constitutional diplomacy required by the federal agency in administering a nation-wide program in a field primarily reserved for provincial jurisdiction. Thus in four years, the program grew into a $300 million federal commitment which CMHC was finding increasingly difficult to direct towards federal objectives.

The fact that the objectives themselves lacked clear definition aggravated the situation by focusing attention on the administrative policies as an end in themselves and made the evaluation of the program difficult.

Urban Renewal, as introduced in 1964, appeared to have been viewed as the urban panacea in the sense that it could be applied to a broad spectrum of problems in many municipalities. Although this attitude was conveyed by the federal government in terms of the broad objectives, the program was operationalized under a single set of administrative policies to be applied in all cases. However, the range of urban problems incurred was not amenable to a single solution format. The result was inefficiencies in the program in terms of expenditures on unnecessary reports, excessive time lags and the distortion of both the project itself and municipal priorities to adhere to the terms of reference of the cost sharing agreement.

The economic terms of reference for the program contained important deficiencies. There appeared to have been
an inability to clearly distinguish between social value and economic value in urban renewal. The projects were often architecturally conceived and afterwards an attempt was made to graft cost factors onto the plan. The type of economic data requested in the agreements was insufficient to assess the economic viability of the projects and in the case of small communities the data was presented in the wrong perspective. In a sense, the federal government misjudged the economic needs of the municipalities. In some cases, the program was embarked upon not because of a need for renewal but because of the general financial need of the municipality to carry out its civic housekeeping functions or to create cheap land for civic projects. The general lack of economic sophistication was also reflected in the inadequate understanding of the real estate market, particularly the incentive or disincentive factors in private development. A final economic miscalculation involved the inability of the program to catalyse any substantial degree of private rehabilitation in the absence of public grants for this undertaking.

Finally, there were problems inherent in the administration itself. An overall shortcoming was the concentration upon the process of renewal to the exclusion of the product of renewal. The triparitite partnership arrangement tripled the number of reviews and approvals required to make a decision. The three separate phases of program preparation, involving
the three separate creations of applications and approvals, added to the administrative complexity in each project. The bureaucratic hierarchy in Central Mortgage and Housing Corporation created a duplication of reviews and approvals within each division. Also, this procedure was repeated separately in five different divisions within the Corporation. The result of these three major bureaucratic features was an average time span of four to five years to move a project to the point where physical action could be commenced. Also, a great amount of time and hence cost was devoted by public agency employees to the administrative requirements. In terms of its impact upon the municipally preconceived projects, the administrative accomplishments were difficult to justify.

As a result of all these shortcomings within the urban renewal program, a decision was reached by the federal government to halt the program and assess its achievement. In this process, which started in mid 1968 and has continued to the present time, the opinion emerged that a return to the residential aspect of renewal might be the direction to follow. This feeling of the overriding priority of housing was evident, as mentioned, in the Task Force Report. Attitudes within CMHC paralleled this position.

The real job, of course, is to increase and refurbish the housing available to those now quartered in blighted areas; to provide for the maintenance of the quality of these accommodations either by restoring the private incentive to maintain quality, or by taking on the job publically . . . .
Suggestions for a future policy, formulated within CMHC included the following statements.

The extreme diffusion of current 'renewal' must be removed, and the programme given a more definable purpose. This will permit measurable evaluation and restore administrative precision . . . . Hence, urban renewal (should be) for areas that are predominantly residential, the aims being the preservation and improvement of, and addition to the housing shock. (There should be) no more acceptance of central business district schemes . . . . (What is required is the) direction of the programme to the concern that is most urgent and to which it most lends itself—housing. 99

In suggestions for the criteria of acceptance of renewal proposals by CMHC, it was stated that "the greater the emphasis on the improvement of housing conditions, the more acceptable would be the scheme."100 A further proposal was "that there be no Federal urban renewal aid in the installation of municipal services at all, or alternatively that such cost-sharing relate only to residential rehabilitation undertakings."101 There was a recognition within CMHC that the program had been over ambitious in the scope and scale of the undertaking.

98 The Federal Urban Renewal Program; An Evaluation, op. cit., p. 18.
99 Notes on an Urban Renewal Policy, op. cit., p. 5.
100 J. Fowlie, Urban Renewal, op. cit., p. 3.
101 Ibid., p. 4.
The examination of the material and opinions available on urban renewal in Canada, as cited in this presentation, appears to have supported the hypothesis. The hypothesis is therefore presented as valid, within the spectrum of the information available.

C. SUGGESTIONS FOR A FUTURE POLICY

The federal government would appear to have two major options available: reduce the scope of the program or expand it. In either case, a prerequisite should be the creation of some form of overall national urban policy. This would entail the clear definition of national urban development objectives in terms of the concentration or dispersion of urban economic activity in the country. An assessment of the financial and constitutional capabilities of the federal government would follow. Having established priorities and funding available, an examination of the potential implementation instruments and agencies would be required. That is, the role of all federal agencies which affect urban development should be reviewed in the light of an overall set of objectives and their individual programs would be evaluated in terms of approximating these objectives. On this basis, the agencies' terms of reference should be expanded, reduced, deleted or new agencies created. For example, inherent in
the terms of reference for the recently created Department of Regional Economic Expansion is the overall objective of economic dispersion. One of the programs will involve 50% federal funding for the creation of municipal development plans in the smaller urban centers. Thus, the CMHC funding of renewal studies (whose value was primarily limited to the general planning involved) would be a duplication of efforts in this field and this aspect of the program should be discontinued.

Upon the completion of the overall evaluation and national policy formulation, regional programs should be created in conjunction with the provinces to co-ordinate all the aspects of public involvement in that region. Urban renewal as an instrument and CMHC as an agency should be viewed as a constituent part of this national format. Only when this is done, can useful policy suggestions be made. It might be determined, for example, that CMHC is the inappropriate agency to administer urban renewal or that federally sponsored urban renewal itself is an inappropriate program within the national development objectives and should be replaced with some form of general municipal funding. On this basis, it is felt that specific proposals to alter the existing renewal program would be out of context.
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Andras, R. Remarks by the Hon. R. Andras (Federal Minister responsible for Housing) at Property Forum 69, King Edward Hotel, Toronto, September 25, 1969.

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Vancouver, Planning Department. A submission to the Five Year Plan Committee, July, 1969.


APPENDIX ONE

THIS AGREEMENT, made this day of , 1967

BETWEEN:

CENTRAL MORTGAGE AND HOUSING CORPORATION
(hereinafter called "the corporation")

OF THE FIRST PART:

- and -

(hereinafter called "the Municipality")

OF THE SECOND PART:

WHEREAS the Municipality has carried out studies relating to the need for urban renewal in the Municipality, has identified an area requiring urban renewal and intends to undertake the necessary planning, economic, social and engineering studies to prepare an urban renewal scheme within the area, containing some acres in the Municipality bounded generally by

(hereinafter referred to as "the area");

AND WHEREAS the Province of

has approved the preparation of the urban renewal scheme by the Municipality:

AND WHEREAS the Governor in Council has approved by Order-in-Council P.C. dated the day of , 1967
entry into an agreement between the Corporation and the Municipality pursuant to Section 23A of the National Housing Act, 1954, (hereinafter referred to as "the Act") providing for contributions by the Corporation of one-half the cost of the preparation of the urban renewal scheme;

NOW THEREFORE THIS AGREEMENT WITNESSETH that the parties hereto mutually agree as follows:

1. The Municipality shall cause to be prepared for the area in accordance with its application to the Corporation dated the

for contributions under the Act, an urban renewal scheme in the form of plans supported by a written report (hereinafter referred to as the "scheme"; and shall include, as applicable:

(1) the precise boundary of the area and the reason for its selection;

(2) the proposed land uses and street patterns for the area;

(3) the details of lands and buildings, to be acquired, cleared and/or disposed of, for public or private re-use;

(4) the details of works, services and utilities to be abandoned, improved or constructed;

(5) a description of the probable effects of the implementation of the scheme on home-owners, tenants and businesses in the area, including specific proposals for re-housing and relocation;

(6) proposals for co-ordinating public and private social and welfare assistance during the implementation of the scheme;
(7) proposals for the construction or improvement of community facilities such as schools, parks, playgrounds, community buildings and other public facilities;

(8) a description of the methods proposed to be used for the improvement, rehabilitation or redevelopment of privately-owned residential commercial, industrial and institutional development in the area;

(9) proposals for the organization and staff, including public information and counselling services, necessary for the implementation of the scheme;

(10) municipal proposal for zoning, building controls and standards of occupancy and maintenance;

(11) the proposed phasing and timing of renewal action;

(12) the estimated costs and recoveries in implementing the scheme;

(13) evidence that the scheme will be in accordance or in harmony with the official community plan, including the comprehensive development and renewal objectives and priorities for the community.

2. The preparation of the scheme shall be carried out in two steps as follows:

(1) the preparation of general proposals arising from a general survey and analysis of the overall, followed by

(2) the preparation of detailed proposals arising from a detailed survey and a refinement of the analysis for
those parts of the overall area capable of implementation within approximately five years from the date of acceptance of the scheme by the Corporation.

3. The Municipality shall in a manner satisfactory to the Corporation conform generally, where applicable, with the requirements of the scheme set forth in clause 1, provided, however that with respect to those parts of the overall area capable of implementation within approximately five years from the date of acceptance of the scheme by the Corporation, the Municipality shall conform with the said requirement in such detail as may be satisfactory to the Corporation.

4. The boundaries of the area shall not be considered to be rigid and may, with the approval of the Corporation, be revised if after a more careful analysis a revision of the boundaries is considered to be necessary or desirable.

5. The preparation of the scheme shall be under the direction of the municipal planner or the municipal technical officer responsible for the work in connection with the scheme, augmented where necessary by the advice of consultants engaged by the Municipality.

6. The Corporation shall pay to the Municipality one-half of the actual total cost of carrying out the work described in clause 2, provided that any expenditure which would have the effect of making the total contribution by the Corporation exceed
shall be submitted to and approved by the Corporation prior to being incurred. The Corporation shall pay its share of the actual total cost as aforesaid by making periodic contributions to the Municipality upon receipt of statements of accounts in accordance with clause 8.

7. The Municipality shall submit to the Corporation, immediately upon completion of the general proposals referred to in paragraph (1) of clause 2, an estimate of the cost of preparation of the detailed proposals referred to in paragraph (2) of clause 2.

8. The Municipality shall in the first instance pay all items forming part of the total cost of carrying out the work described herein and shall, at intervals of not more than three months from the date hereof, prepare and submit to the Corporation a statement of account in a form satisfactory to the Corporation and supported by such books, records or other data as the Corporation may require, showing all amounts so expended by the Municipality.

9. The Municipality shall keep proper and detailed accounts of all costs incurred and shall retain and preserve all receipts, vouchers, accounts, records and other documents for a period of 7 years following completion of all reports referred to in this agreement and shall at all reasonable times permit inspection
and audit of all such records and documents by the Corporation.

10. The Municipality shall submit periodically to the Corporation at the Corporation's request, the Municipality's written report of the progress made in the preparation of the scheme.

11. There shall be constituted a Co-ordination Committee made up of three persons representing respectively the Corporation, the Municipality and the Province, which shall meet at regular intervals and at least monthly to review the progress made in the preparation of the scheme.

12. The Co-ordinating Committee may appoint one or more technical sub-committees to assist it in an advisory capacity.

13. Except for such specific information as the parties hereto agree is of a confidential nature, the Corporation may, in its absolute discretion, print, publish, or otherwise reproduce in whole or in part, any report prepared pursuant to this agreement, or distribute any said report to any person, persons, corporation, firm or association, or otherwise use any said report in any manner in which the Corporation may in its absolute discretion determine. The Municipality shall retain ownership and possession of all supporting data including, without limitation, surveys and analysis used in the preparation of any said report provided that the Municipality shall at all reasonable times permit perusal of said data by the Corporation and permit any reproduction or other use thereof by the Corporation as the Corporation may in its absolute discretion determine.
14. The Municipality undertakes to complete the preparation of the work referred to in clause 2 hereof by

15. It is expressly understood and agreed between the Corporation and the Municipality that any contribution by the Corporation for the implementation of the scheme shall be conditional upon

(1) approval of the scheme by the Province and acceptance thereof by the Corporation;

(2) entry into an agreement with the Corporation pursuant to section 23B of the Act containing such terms and conditions as may be satisfactory to the Corporation and the Municipality and

(3) with respect to those parts of the overall area not capable of implementation within approximately five years as aforesaid, the submission to the Corporation from time to time of detailed proposals arising from a detailed survey and analysis for those parts of the overall area for which further renewal action is proposed and, following approval of the detailed proposals by the Province and acceptance thereof by the Corporation, entry into an agreement with the Corporation as referred to in paragraph (2) of this clause.

IN WITNESS WHEREOF the parties hereto have hereunto affixed their corporate seals as witness the hands of their proper officers in that behalf.
CENTRAL MORTGAGE AND HOUSING CORPORATION

For President

For Executive Director
APPENDIX TWO
### Provincial Financial Assistance to Section 33(1)(h) Urban Renewal Studies, Section 23A Urban Renewal Scheme Preparation and Section 23B Urban Renewal Implementation

<table>
<thead>
<tr>
<th>Province</th>
<th>Urban Renewal Studies Section 33(1)(h)</th>
<th>Preparation of Urban Renewal Schemes - Section 23A</th>
<th>Implementation of Urban Renewal Schemes Section 23B</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newfoundland</td>
<td>Province may provide all or part of municipal share</td>
<td>Province has provided municipal 50% share in unincorporated areas or where Province has assumed financial controls of municipality</td>
<td>Not established</td>
</tr>
<tr>
<td>Prince Edward Island</td>
<td>Not established</td>
<td>Not established</td>
<td>Not established</td>
</tr>
<tr>
<td>Nova Scotia</td>
<td>Province has provided 12 1/2%</td>
<td>Province has provided 25%</td>
<td>15% for Dartmouth (likely will be policy for future projects)</td>
</tr>
<tr>
<td>New Brunswick</td>
<td>Province has provided 12 1/2%</td>
<td>Province provides 12 1/2%</td>
<td>Province provides 12 1/2%</td>
</tr>
<tr>
<td>Quebec</td>
<td>No provincial assistance</td>
<td>Not established</td>
<td>Not established</td>
</tr>
<tr>
<td>Ontario (firm policy)</td>
<td>No provincial assistance</td>
<td>Province provides 25%</td>
<td>Province provides 25%</td>
</tr>
<tr>
<td>Province</td>
<td>URBAN RENEWAL STUDIES Section 33(1)(h)</td>
<td>PREPARATION OF URBAN RENEWAL SCHEMES - Section 23A</td>
<td>IMPLEMENTATION OF URBAN RENEWAL SCHEMES Section 23B</td>
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</tr>
<tr>
<td>MANITOBA</td>
<td>Province may provide all or part of municipal share (Up to 25% or set amount, e.g. Brandon)</td>
<td>Province may provide not more than 25%</td>
<td>Province may provide not more than 25%</td>
</tr>
<tr>
<td>SASKATCHEWAN</td>
<td>Province may provide all or part of municipal share. Generally Province has provided full 25%</td>
<td>Contributed 25% for North Battleford</td>
<td>In approving the first project recently the Province has indicated it would provide 25% of costs subject to a ceiling based on estimated cost</td>
</tr>
<tr>
<td>ALBERTA</td>
<td>No Provincial assistance</td>
<td>Province may provide up to 30% of costs</td>
<td>Province may provide up to 30% of costs</td>
</tr>
<tr>
<td>Established by Legislation</td>
<td></td>
<td>Province may provide up to 25% retroactively if scheme is implemented</td>
<td>Province provides 25%</td>
</tr>
<tr>
<td>BRITISH COLUMBIA</td>
<td>No Provincial assistance</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
