

*National Housing Act*

I need hardly add that, since we are dealing here with housing legislation, this federal aid to municipalities would be available only for urban redevelopment projects which would have the primary objective of improving housing conditions, either through the elimination of poor housing or the provision of new housing. As part of the agreement between the government and a municipality, arrangements would be made for the adequate re-housing of all families living on a redevelopment site, so that no hardship could occur. In fact there would probably be few cases in which the clearance of blighted areas would not be accompanied by the building of some low rental public housing, either on the same site or elsewhere.

There can be no simple formula for redevelopment that can be applied to all the variety of circumstances in our cities,—each unique in its history, topography and local character. Each city must make its own plans in the light of its own special problems and ambitions. The federal government's aid must be flexible in its application to a variety of situations. There are, however, two principles that may well have universal application.

First is the principle that land should generally be redeveloped for its highest and best use. If the value of blighted land can be realized through sales for commercial or industrial use, in conformity with the city's official plan and with satisfactory arrangements for rehousing the present residents, then the local and federal taxpayers should not be expected to subsidize land costs for a lesser economic use.

It may sometimes be appropriate to use blighted land near the centre of a city for private residential construction to house those who work in the city's business centre; this might well be regarded as a higher and better use than public low rental housing. Redevelopment should have the effect of converting land to its most effective function within the changing organic plan of the city.

The second principle is that redevelopment is not likely to be effective unless areas of substantial size are acquired and replanned, so as to establish a new neighbourhood character. The original lot subdivision in a blighted area is unlikely to be suitable for new residential or commercial building. Traffic considerations are likely to demand changes in the street plan. It should be the purpose of redevelopment to revitalize the city by converting interior parts to a form as up to date as the new suburbs. A municipality will usually have to exercise its powers of expropriation to acquire sufficiently large tracts of land and to round out workable sites.

The federal government would not enter into agreements with municipalities for redevelopment aids unless it was clear that the redevelopment proposal was in harmony with an official community plan. The government would be particularly encouraged to give aid to municipalities which had instituted a far-sighted and systematic process for conserving the condition of residential areas and preventing the spread of blight.

The amendments to the act introduce a new form of financial aid to municipalities to assist in carrying out this more dynamic policy of urban redevelopment. At present the federal redevelopment grant is a fixed sum, calculated on the final cost of acquiring, clearing and disposing of the land. The grant represents half the expenditure that would otherwise be borne by the municipality. It is now proposed that the federal government would make contributions towards a municipality's costs of acquiring blighted areas, at the time of acquisition, on a dollar for dollar basis. Agreements with municipalities would provide that all or part of the cleared land would be sold, leased or otherwise disposed of. The federal government would share proportionately with the municipality in the proceeds of the ultimate disposition of the land. In this way the bill provides for the return of public funds where redeveloped land is turned over to private ownership. It cannot be assumed, of course, that there will be an immediate market for the sale of cleared land. In an interim period arrangements might be made for leasing, with the municipality and federal government sharing the revenue. The legislation would entitle the federal government to enter into the arrangement that would be most beneficial to itself and to the municipality.

I need hardly point out that the federal legislation can only remove some of the road blocks in the path of redevelopment. It is not in our power to take direct action. The initiative must remain with municipalities. Furthermore we would not enter into agreements with municipalities except with the approval of provincial governments. No doubt it will be necessary for provinces to grant to municipalities further discretion in the use of redeveloped land in order that they may enjoy the benefits of the proposed legislation. There is, of course, full opportunity for provinces to share with the federal and municipal governments in the costs of redevelopment.

Redevelopment is never likely to be an easy process. Local governments cannot disturb the owners of private property without careful preparations and sincere examination of the benefits which would accrue to the community. A period of intensive study is