HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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January 1, 1970

MEMO TO EDITORS:

Fifty-eight of the 150 cities participating in the Model Cities program have completed the planning phase and have received supplemental grant contracts from the U.S. Department of Housing and Urban Development. Grant commitments to these cities total $310,086,000.

Attached for your information is a listing of the 58 cities with the amount of each contract and the date of announcement. These grants enable the cities to implement first-year plans developed under comprehensive five-year plans for a concentrated, coordinated attack on the serious social, economic, and physical problems within the Model Cities area. The first applications for planning grants were approved in November 1967.

Attached also is a list of the 150 Model Cities communities in 45 States, the District of Columbia and Puerto Rico.

George Creel
Director of Public Affairs

MODEL CITIES SUPPLEMENTAL GRANTS

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
ALABAMA		
Huntsville	$ 1,969,000	5/29/69
ARKANSAS		
Texarkana	1,899,000	6/30/69
CALIFORNIA		
Fresno	2,818,000	10/3/69
Richmond	1,820,000	6/19/69
COLORADO		
Denver	5,766,000	6/26/69
Trinidad	1,225,000	6/26/69
FLORIDA		
Dade County	9,616,000	9/29/69
Tampa	4,086,000	6/26/69
GEORGIA		
Atlanta	7,175,000	5/10/69
ainesville	1,330,000	10/15/69
HAWAII		
Honolulu	2,263,000	6/27/69
Honolulu(inc.)	4,378,000	12/18/69
ILLINOIS		
Chicago	38,159,000	6/26/69
East St. Louis	2,083,000	6/30/69
INDIANA		
Gary	2,669,000	10/3/69
IOWA		
Des Moines	2,065,000	10/13/69
KANSAS		
Wichita	3,955,000	9/24/69
KENTUCKY		
Pikeville	691,000	10/15/69
Bowling Green	551,000	12/31/69
INE		
ortland	1,826,000	6/11/69

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
MARYLAND		
Baltimore	$10,554,000	6/26/69
MASSACHUSETTS		
Boston	7,718,000	6/27/69
Cambridge	1,523,000	6/26/69
Lowell	1,750,000	12/19/69
New Bedford	2,109,000	11/14/69
Worcester	2,125,000	12/31/69
MICHIGAN		
Genessee County (Flint)	3,574,000	10/15/69
Highland Park	1,724,000	6/11/69
Detroit	20,545,000	5/28/69
MINNESOTA		
Duluth	1,680,000	10/16/69
MISSOURI		
Kansas City	8,706,000	9/11/69
St. Louis	5,183,000	6/30/69
MONTANA		
Butte	1,656,000	6/19/69
Helena	1,211,000	6/30/69
NEW HAMPSHIRE		
Manchester	1,645,000	12/18/69
NEW JERSEY		
Trenton	1,768,000	10/3/69
NEW MEXICO		
Albuquerque	2,826,000	8/13/69
NEW YORK		
New York City	65,000,000	6/11/69
NORTH CAROLINA		
Charlotte	3,168,000	5/29/69
Winston Salem	1,895,000	10/3/69

MODEL CITIES SUPPLEMENTAL GRANTS

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
OHIO		
Columbus	$ 5,906,000	10/3/69
Dayton	2,949,000	6/11/69
Toledo	4,410,000	6/26/69
OKLAHOMA		
Tulsa	3,553,000	6/27/69
McAlester	1,183,000	12/17/69
OREGON		
Portland	1,262,000	6/30/69
PENNSYLVANIA		
Philadelphia	3,296,000	6/30/69
Reading	1,383,000	6/11/69
Pittsburgh	6,108,000	12/31/69
PUERTO RICO		
San Juan	7,114,000	9/11/69
RHODE ISLAND		
Providence	2,205,000	6/11/69
TENNESSEE		
Smithville-DeKalb County	1,435,000	5/29/69
TEXAS		
Eagle Pass	1,776,000	6/18/69
San Antonio	9,590,000	6/18/69
Texarkana	1,558,000	6/30/69
Texarkana(inc.)	499,000	8/4/69
Waco	2,642,000	5/10/69
VERMONT		
Winooski	788,000	6/26/69
VIRGINIA		
Norfolk	4,524,000	8/13/69
WASHINGTON		
Seattle	5,200,000	5/10/69

150 CITIES
participating in the

MODEL CITIES PROGRAM

U. S. Department of Housing and Urban Development

First Round Planning Grants
Spring 1968

Alabama
Huntsville

Arkansas
Texarkana

California
Fresno
Oakland
Richmond

Colorado
Denver
Trinidad

Connecticut
Bridgeport
Hartford
New Haven

District of Columbia

Florida
Dade County
Tampa

Georgia
Athens
Atlanta
Gainesville

Hawaii
Honolulu

Illinois
Chicago
East St. Louis

Indiana
Gary

Iowa
Des Moines

Kansas
Wichita

Kentucky
Bowling Green
Pikeville

Maine
Portland

Maryland
Baltimore

Massachusetts
Boston
Cambridge
Lowell
New Bedford
Springfield
Worcester

Michigan
Genesee County (Flint)
Highland Park
Saginaw
Detroit

Minnesota
Duluth
Minneapolis

Missouri
Kansas City
St. Louis

Montana
Butte
Helena

New Hampshire
Manchester

New Jersey
Hoboken
Newark
Trenton

New Mexico
Albuquerque

New York
Buffalo
Cohoes
New York City
Central and East Harlem
South Bronx
Central Brooklyn
Poughkeepsie
Rochester

North Carolina
Charlotte
Winston-Salem

Ohio
Columbus
Dayton
Toledo

Oklahoma
McAlester
Tulsa

Oregon
Portland

Pennsylvania
Philadelphia
Pittsburgh
Reading
Wilkes Barre

Puerto Rico
San Juan

Rhode Island
Providence

Tennessee
Nashville-Davidson County
Smithville-DeKalb County

Texas
Eagle Pass
San Antonio
Texarkana
Waco

Vermont
Winooski

Virginia
Norfolk

Washington
Seattle

150 CITIES
participating in the

MODEL CITIES PROGRAM

Second Round Planning Grants
Fall 1968

Alabama
Tuskegee

Alaska
Juneau

Arizona
Gila River Indian Community
Tucson

Arkansas
Little Rock
North Little Rock

California
Berkeley
Compton
Los Angeles City
Los Angeles County
Pittsburg
San Diego
San Francisco
San Jose

Connecticut
New London
Waterbury

Delaware
Wilmington

Georgia
Alma
Savannah

Idaho
Boise

Illinois
Carbondale
Rock Island

Indiana
Indianapolis
South Bend

Kansas
Kansas City

Kentucky
Covington
Danville

Louisiana
New Orleans

Maine
Lewiston

Maryland
Prince Georges County

Massachusetts
Fall River
Holyoke
Lynn

Michigan
Ann Arbor
Benton Harbor
Grand Rapids
Lansing

Minnesota
St. Paul

New Jersey
Atlantic City
East Orange
Jersey City
Paterson
Perth Amboy
Plainfield

New Mexico
Santa Fe

New York
Binghamton
Mt. Vernon
Syracuse

North Carolina
Asheville
High Point

North Dakota
Fargo

Ohio
Akron
Cincinnati
Cleveland
Martins Ferry
Youngstown

Oklahoma
Lawton

Pennsylvania
Allegheny County
Bradford
Erie
Lancaster

Rhode Island
Pawtucket

South Carolina
Rock Hill
Spartanburg

Tennessee
Chattanooga
Cookeville

Texas
Austin
Edinburg
Houston
Laredo

Utah
Salt Lake County

Virginia
Richmond

Washington
Tacoma

Wisconsin
Milwaukee

Wyoming
Cheyenne

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HUD-No. 70-3
Phone (202) 755-7327

FOR RELEASE
Friday
January 2, 1970

HUD NOW ACCEPTING APPLICATIONS FOR COLLEGE HOUSING ASSISTANCE

Applications for the college housing program for the present fiscal year are now being accepted, Secretary George Romney of the U.S. Department of Housing and Urban Development announced today. Applications will be received through April 1.

The Secretary pointed out that $6.5 million in contract authority for debt service grants has been provided for this year. Debt service grants provide the difference in the debt service paid on private market loans and HUD 3 percent loans.

The HUD direct 3 percent loans will be available only for those institutions which are unable to borrow in the private market at reasonable interest rates.

Secretary Romney emphasized that the dollar value of applications received is expected to exceed the available funds and, therefore, assistance will be limited to the most urgently needed projects. He said it may become necessary to restrict HUD assistance to a portion of the requested amounts.

In evaluating applications, the following objectives will be observed:

1. To increase the total supply of college housing as quickly as possible.

2. To benefit students from low income families to the extent possible.

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3. To encourage the maximum feasible financial participation by all applicants.

4. To make equitable geographic distribution of available funds.

5. To support HUD objectives in reducing cost of all types of housing.

Applications, which are obtainable on request from HUD regional officies, must meet the following criteria:

* Projects must meet the limitations on HUD supported loan amounts and per occupant costs.

* Projects on which a construction contract has not been executed as of the date of filing a preliminary application. Completed projects or projects with permanent financing cannot be approved.

* Projects which will be under construction within one year from the date of a fund reservation.

* Projects for which schematic drawings, outline specifications, and cost estimates are submitted with the preliminary application.

Applicants for college housing assistance are encouraged to investigate the many possibilities for using new methods and techniques in designing, constructing, and contracting housing projects.

In Fiscal Year 1968-69, HUD provided $5.5 million in debt service grants to 142 colleges, universities and teaching hospitals and $69,386,000 in direct loans to 77 institutions. Since the program began in 1950, HUD has provided--through Fiscal Year 1969--3,183 direct loans totaling $3.6 billion.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Saturday, January 10, 1970

ADDRESS PREPARED FOR DELIVERY
By Samuel J. Simmons, Assistant Secretary for Equal Opportunity
U. S. Department of Housing and Urban Development
Board of Directors Meeting
Jobs for Progress - Operation SER
Saturday, January 10, 1970
San Jose, California

SUMMARY

There is a mythology in the United States that Mexican Americans are farm workers who live lives of rural simplicity outside the crowded urban ghetto. This is not true; Mexican Americans are heavily urbanized. They have problems equally serious and in some cases worse than other urban minority Americans. As a result of these myths, however, Mexican American problems have been relegated to the back burner. Now things are changing. Mexican American Youth is increasingly activist. Mexican American Organizations, such as Jobs for Progress, are proving effective. There is evidence that HUD and other governmental agencies, as well as the country at large, are aware that there are definite and unique problems for Spanish surname people -- Puerto Ricans as well as Mexican Americans. At HUD, we are getting more and more involved in helping solve these problems. There is a long way to go, but we have begun to move.

It is a pleasure to be here and to meet with this board. I have met most of you individually, either in Washington or at conferences here in the West, but this is the first time I have been privileged to address the leadership of what I consider to be one of the most enlightened and effective organizations of minority Americans in this country.

The need for your leadership has been known to all of you and to most of us in the civil rights movement for a good many years. But the existence of Mexican American deprivation and poverty, so much worse in many ways than that of black America, was for some reason little known to Anglo Americans until very recently.

The Commission on Civil Rights, where I was Director of Field Services before coming to HUD early last year, did come out with a paper on the Mexican American in 1968.

They were able to report some facts about the level of deprivation of the Mexican American.

For example:

Throughout the Southwest, more than a third of all Mexican American families live in poverty on incomes of less than $3,000 per year. I have no doubt the same situation exists in Colorado and the Middle West where there are other

concentrations of Mexican American families.

A Mexican American is seven times more likely than an Anglo American to live in substandard housing.

The Mexican American level of schooling is two years below non-whites and four years below Anglo Americans.

The chance that a Mexican American baby will be born dead or will die before his first birthday is about twice as great as for the Anglo American.

Of those employed, almost 80 percent of Mexican Americans work at unskilled or low-skilled, low-paying jobs.

Beyond these stark facts, however, there is surprisingly little research on the reasons for Mexican American poverty, and little to be found in such important matters as school segregation and health statistics.

There is also a mythology common in America that most Mexican Americans are farm workers living a life of rural simplicity apart from the crowded urban ghetto. This stereotype leads to a profoundly important misconception, because the truth of the matter is that the Mexican American is heavily urbanized. His situation is as bad or worse than that of many other minority Americans in this respect, and his need for specialized assistance equally as great.

All these things add up to a disturbing conclusion, one that you here today are very aware of: Mexican American problems have been relegated to the back burner while those of other minority Americans have moved to the forefront.

I think that situation is changing, however, and changing fast.

There are several reasons for this.

The level of organization, of awareness, and of identity in the Mexican American community is constantly rising. Certainly in Jobs for Progress, Inc. and your member organizations, and in Operation SER, there is ample evidence of organizational strength.

There are more and better barrio newspapers and magazines.

Young Mexican Americans, with a deep sense of pride and activist political philosophy, are not only striking out for themselves, but are pushing their elders into more active roles in the drive for human dignity.

I can assure you from personal experience that this is the same pattern that has evolved in the black community. While I do not consider myself an elder in either a technical or philosophical sense, I have two sons, one in college, who are very aware that I am of another generation and they push at me and push hard.

I can also assure you from personal experience -- and here I speak as a federal official rather than as a fellow minority

American -- that the Mexican American is making his voice heard in Washington, D. C..

As you know, HUD has called several meetings on Mexican American problems in Washington which Secretary Romney and most of the Assistant Secretaries attended. These were tough meetings where a lot of hard questions were asked. We were not there to sing lullabies to one another, and we didn't.

I am not trying to say that the level of awareness of Mexican American problems is as high as it should be in Washington. It is not. But I think it is rising at a good rate. And I can tell you without equivication that it is high at HUD.

For example: My own office is that of Equal Opportunity. Our responsibility is to open the door to opportunity to all minority Americans in all HUD programs. I have a very small staff. Nevertheless, I have been able to recruit a very good nucleus of Mexican American professionals into that office. George Roybal, whom I don't need to introudce to this audience, is HUD's Director of Job Development.

But I also realize that you know as well as I that there is still too little representation of Mexican Americans in all our HUD offices, regional as well as central. Secretary Romney is also aware of this and he has directed that minority representation must and will be improved in HUD, and not only at low levels.

We have just completed an extensive survey of minority employment throughout HUD, office by office, at all grade levels. For the first time we know the picture completely, and we have authority at the highest level to improve that picture for minorities.

We are beginning to put our own house in order and will continue to do so.

There is very good reason for this.

Each minority group, and sometimes segments of that minority group, has its own special problems. We know that and we are increasingly addressing ourselves to those special problems. But when you get right down to it, everyone in this country who is left out wants the same thing in general. He wants in. If he is black and can't get a decent home, he wants a house. If he is a Puerto Rican and can't get a job, he wants a job. And if he is a Mexican American contractor and can't get business, he wants contracts.

My job at HUD is to help meet those needs within the competence of my department to do so.

And as you know, that area of competence is mainly in housing and employment, two very important elements in the whole matter of minority deprivation.

As far as housing is concerned, we are not only <u>the</u> major Federal agency involved in housing production, but we also administer Title VIII of the Civil Rights Act of 1968. That is Fair Housing, and I want to impress on you that this law has just now become fully operative. As of January 1, coverage under the law will

include single-family houses owned by a private individual who uses a broker to sell or rent, or who uses discriminatory advertising. This will add about 34 million more housing units in this country to our previous coverage, which was mainly in multi-family and federally-assisted housing. We figure that about 54 million housing units, of an estimated 69 million in the country, are now covered.

Mexican Americans should make far greater use of this law than they have in the past. And we must have more Mexican Americans in HUD regional offices to carry word of this law into the barrios and to help investigate and conciliate complaints of housing discrimination.

We also have good legislation and directives in the area of employment. There is Executive Order 11246 that relates to non-discrimination in employment by government contractors and sub-contractors and for equality of opportunity in federally assisted construction contracts.

George Roybal is working with me very effectively in this area. What we are trying to do is to bring thousands of minority Americans into the skilled construction trades -- not just a token few, but thousands.

In Chicago at Labor Department hearings last September I recommended that enforcement action be taken that could lead to economic sanctions through the cancellation of existing HUD-assisted building

contracts with 17 Chicago construction contractors. This followed an investigation by my staff that demonstrated to us that there were very few minority group members in six Chicago craft unions working with those contractors.

The Labor Department has moved as a result of those recommendations and the Chicago contractors will be faced with the possibility of cancellation of contracts unless there is definite improvement.

As you know, the Labor Department is also working in this field through its Philadelphia Plan. President Nixon fought hard and effectively in the Congress late last year to defeat legislation that would have pulled the teeth of this plan.

Another essential program is Section 3 of the Housing and Urban Development Act of 1968. This legislation requires that there be opportunities for training and employment under such major programs as the Section 235 Homeownership and Section 236 Rental Housing Programs for lower income persons residing in the area of such housing.

This will have a strong effect, if properly administered, on minority working people and minority contractors because the action in these programs is where our people live, in the ghettos and the barrios of the nation.

We have also done some special things at HUD. We have let a contract to do the first real survey of minority building contractors in some 50 major American cities. For the first time, a national directory of minority contractors and subcontractors will soon come

into existence. We will distribute it widely and keep it up to date at HUD. Already the General Services Administration and the Associated General Contractors of America have asked for copies.

We are now establishing a special panel at HUD to survey all new publications with a view to translating the most pertinent ones into Spanish. There will be special efforts to reach the Spanish speaking population of the country this year, not only through pamphlets, but through the communications media.

There is language in the Model Cities Act that calls for "enlarged opportunities for working and training" as well as "maximum opportunities for employing residents of the area in all phases of the program in Model Cities areas."

Isaac Rodriquez took a special survey to see if he could get a fix on the number of Spanish surname Americans in Model Cities project areas.

He found that the total Model Cities neighborhood population in the nation came to just under 6 million people. Of those, more than 800,000 were Spanish surname -- about 14 percent.

The largest concentration of Spanish surname people were where we expected to find them. In Region V, most of the southwest states, there were more than 200,000 Spanish surname people -- and here we really mean Mexican Americans -- out of a total Model Cities neighborhood population of some 850,000. In Region VI, which includes California and some of the southwest, there were also more than 200,000 out of a total population of just under 1 million. There were more

than 300,000, mostly Puerto Rican Americans, in the New York area out of about 1.5 million.

To break this down even further, let's look at San Jose. In this city, out of a total Model Cities neighborhood population of just over 40,000, there are more than 15,000 Mexican Americans, about 38 percent.

In Tucson, out of a population of 24,000 there are 17,760, about 74 percent. In San Antonio, there are more than 98,000 Mexican Americans in a Model Cities neighborhood population of 114,000, about 86 percent.

In Laredo, Texas, practically the whole Model Cities population is Mexican American -- 14,550 out of 15,000 people. In Denver, there are almost 23,000 Mexican Americans in a Model Cities population of about 75,000.

And so it goes.

Obviously, there will have to be a lot of special attention paid to Mexican American communities in this whole effort over wide areas of the United States.

These are not giant strides, to be sure, but I think they demonstrate an awakening awareness at HUD of the special requirements of the Spanish-speaking and Spanish surname population.

I am not trying to say that many Americans who were unequal in job or education or housing opportunities came out at the end of the last year feeling equal. But I would like a lot more people in the Mexican American community to feel a lot more equal this year and next year.

There is a fight going on here that I recognize very well because it is also the fight of my people. We have some good federal laws. We have increased commitment on many levels to equal opportunity.

But what we all want is a truly open community where every child has a decent chance at an education, where every man who wants to work can find a job at his level of proficiency, and where there is a decent house in a decent neighborhood for every American.

We do not want to be assimilated into a homogenized American society. The black American does not want this, and neither does the Mexican American. We want to retain our identity and our own unique characteristics. A lot of us would rather live with our own people in our own neighborhoods.

But we do want, and we do demand the same options as all other Americans.

Dr. Daniel Patrick Moynihan in a recent article put forth a number of points on urban policy scaled in urgency and importance. His first point was this:

"The poverty and social isolation of minority groups in central cities is the single most serious problem of the American city today. It must be attacked with urgency, with a greater commitment of resources than has heretofore been the case, and with programs designed especially for this purpose."

But perhaps even more pertinent to my thesis is a later quote:

"Urban policy accepts the reality of ethnic neighborhoods based on free choice, but asserts that the active intervention of govenment is called for to enable free choice to include integrated living as

a normal option."

These are things we know about from personal experience as minority Americans. This is the way we want to go -- through our own brand of freedom of choice to normal options. We realize the urgency of the problems, the necessity for a greater commitment of resources to solve these problems, and the need for special programs designed for this purpose.

In the end it arrives at equal opportunity. And that is the end we intend to achieve.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-14
Phone (202) 755-7327

FOR RELEASE:
Tuesday
January 13, 1970

FEDERAL INSURANCE AGAINST FLOODS, HURRICANES NOW MORE WIDELY AVAILABLE

Federal Insurance Administrator George K. Bernstein today announced that long-sought Federal insurance against hurricane and other flood damage will be more widely available under the emergency flood provisions of the 1969 Housing and Urban Development Act.

The two-year emergency program was authorized as an amendment to the 1968 National Flood Insurance Act, following last year's flood and hurricane disasters.

Under the emergency program, residents of communities which meet Federal requirements for land-use and land-management designed to minimize future damages from floods and hurricanes, can obtain flood insurance without waiting for time-consuming actuarial studies to establish insurance premium rates. To qualify for insurance a community will still have to assist the Federal government in identifying those areas which are exposed to special flood hazards.

Flood insurance will continue to be sold through local insurance agents and brokers, acting for the National Flood Insurers Association, a nation-wide pool of insurance companies formed to assist the Federal government in carrying out the program.

Single-family homes may be insured up to $17,500 (plus up to $5,000 for the contents); two- to four-family homes may be insured up to $30,000 (plus up to $5,000 for the contents of each dwelling unit).

The Federal Insurance Administration has set premium rates for private dwellings beginning at 40¢ per $100 of insurance. These rates reflect a very significant subsidy provided by the Federal Government.

The emergency program is designed to make available protection against catastrophic loss while the more gradual but permanent flood insurance program established under the 1968 Act becomes operational.

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Mr. Bernstein cautioned, however, that there has been no change in the statutory provision that insurance can only be sold in those communities which express a positive interest in the program and give assurances that they will enact appropriate zoning regulations, building codes, and other measures to eliminate or minimize damage from future disastrous floods.

The date by which such measures must be adopted has now been set at December 31, 1971. After that date, insurance cannot be sold or renewed in communities which have not undertaken such flood-plain land use and control measures.

In discussing the origin of the Federal Flood Insurance program, first enacted in 1968, Mr. Bernstein noted that it was a major and revolutionary step in the relationship between the Federal Government and the private insurance industry. It constituted a determination by the Congress that flood insurance was not being provided by the insurance industry and that the Federal Government should fill the void.

Mr. Bernstein also cited the current Federal riot reinsurance program, operated by the Federal Insurance Administration, in conjunction with State FAIR (Fair Access to Insurance Requirements) Plans, as another example of how Congress responded to the problem of unavailability of fire insurance in urban areas. FAIR Plans provide property insurance regardless of the property's location. The plans are in effect in 24 States, the District of Columbia and Puerto Rico.

The Administrator stated, however, that there are still areas of insurance where adequate coverage is either unavailable or available only at prices out of reach of the consumer. These include insurance against burglary and theft, vandalism and malicious mischief, and coverage against certain natural disasters.

Mr. Bernstein expressed the hope that the private sector would meet the public need and avoid the necessity for additional Federal programs. He recalled his proposal to the insurance industry last Fall that it implement a private, non-government program for making needed property insurance available.

This proposal, which is receiving consideration in a number of areas, calls for the establishment of pools of private insurers in the several States to make available various types of insurance coverages which cannot now be purchased by the consumer. In states where such pools were established, a small extra premium would be added to all premiums of property insurance policies written voluntarily by the companies in the State. The proceeds of this extra premium would be paid into a national fund to reinsure the State pools against excessive losses.

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Unless such all-risk private pools were set up to solve the availability problem, Mr. Bernstein said, it is likely that more and more consideration will be given by Congress and others to further Federal involvement in the insurance business.

Cities and towns and other local governmental bodies which want to secure flood insurance protection for property owners should write to the Federal Insurance Administration, Department of Housing and Urban Development, Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-16
Phone (202) 755-7327

FOR RELEASE:
Tuesday
January 13, 1970

HUD SELECTS SIX MUNICIPALITIES FOR INFORMATION SYSTEMS PROGRAM

The U.S. Department of Housing and Urban Development today announced the completion of evaluations and start of negotiations with six municipalities selected to conduct research and prototype development of municipal information systems.

Secretary George Romney, announcing the selections to be managed by HUD acting for a Federal grouping of nine Departments and Agencies, said that the extent and quality of national interest in the procurement had been most significant. About 100 proposals were received from 79 cities from 30 States.

The research effort, under the sponsorship of the Federal group known as the Urban Information Systems Inter-Agency Committee (USAC) which reports to Secretary Romney, will produce operational and computer-based prototype municipal information systems. The six projects include two total or integrated systems, and one sub-system each in the areas of human resources development, physical and economic development, public finance, and public safety.

The projects, which will take place generally across three years for the total systems and two years for each of the sub-systems, have the primary objective of improving the information and decision-making capabilities of municipalities. The projects also will encourage the standardization of data and data inventories at the local level as well as through successive levels of government. Also, systems will be designed, developed, implemented, and documented in a way that will maximize their potential for transfer to other municipalities, and thus decrease expensive research by these other municipalities.

The contracts involved, which will be supported federally out of fiscal year 1970-1973 funds, represent a joint effort by municipalities in combinations with systems companies, and universities-research centers. Preliminary assessment of successful bidders indicates that these groups will make available people, equipment, and other resources amounting to better than 40 percent of the total effort.

Negotiations will be conducted with the following municipalities whose proposals include sub-contracts with the entities indicated:

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Type of System	Municipality	Company	University/ Research Center
Total System	Wichita Falls, Texas	BASYS Inc. Washington, D.C.	University of Kansas Lawrence, Kansas
Total System	Charlotte, N.C.	System Development Corp. Falls Church, Va.	University of North Carolina Chapel Hill, N.C.
Human Resources Development Sub-System	St. Paul, Minn.	ARIES Midwest Corp. Minneapolis, Minn.	University of Minnesota Minneapolis, Minn.
Physical and Economic Development Sub-System	Reading, Pa.	UNIVAC Federal Systems Division St. Paul, Minn.	Franklin Institute Research Laboratories Philadelphia, Pa.
Public Finance Sub-System	Dayton, Ohio	Westinghouse Electric Corp. Pittsburgh, Pa.	University of Dayton Dayton, Ohio
Public Safety Sub-System	Long Beach, Calif.	Mauchly-Wood Systems Corp. Newport Beach, Calif.	California State College Long Beach, Calif.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-17
Phone (202) 755-7327

FOR RELEASE:
Wednesday
January 14, 1970

HUD REDUCES MORTGAGE REPAYMENT RATES FOR UNASSISTED RENTAL HOUSING PROGRAMS

Rent reductions amounting to approximately $15 to $20 a month will be possible for new rental housing to be built under a plan announced today by the U.S. Department of Housing and Urban Development. The plan provides for reduced payments to mortgage principal in the early years and is designed to stimulate greater production of new rental housing not requiring any Federal subsidy, according to Secretary George Romney.

"Savings effected under the new procedure will then be passed along in the form of reduced rents," Secretary Romney said.

The programs affected are administered by HUD's Federal Housing Administration. These are regular rental housing, urban renewal rental housing, and the special rental program for moderate income families.

Until now, these favorable repayment terms have been limited to FHA's assisted and certain special purpose multifamily programs, and to all homeownership programs.

"Previously, higher principal payments were required in the early years for the unassisted rental programs," according to Eugene A. Gulledge, Assistant Secretary-FHA Commissioner. "The new plan calls for the same mortgage payment to principal and interest each month."

The plan works like this: Assuming the maximum mortgage term of 40 years and interest of 8½%, the payment to principal in the first year would be reduced to 3/10 of 1 percent from the present 1½ percent on regular rental projects and from 1 percent on urban renewal and moderate-income projects.

"HUD must be able to serve all segments of the housing market," Mr. Gulledge said. "Recent interest rate increases have put rents out of reach of many families. The new procedures will help off-set these increases and make projects more marketable by assuring lower rents."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-26
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Friday
January 16, 1970

HUD CUTS DEVELOPER'S CASH OUTLAY ON FHA-INSURED RENTAL PROJECTS

Developers of rental housing projects will no longer have to absorb some costly mortgage financing fees under a policy change announced today by Secretary George Romney of the U.S. Department of Housing and Urban Development.

The fees, equal to 1½ percent of mortgage amounts, are those charged by the Federal National Mortgage Association (FNMA) on projects financed with mortgages insured by HUD's Federal Housing Administration.

FNMA charges the fee for "commitment and purchase and marketing" of mortgage loans. It will continue to collect the fee, but the fee will be included in the mortgage loans.

The action announced today involves FHA's unassisted rental housing programs. It also affects the programs for nursing homes, cooperative and condominium housing, group practice facilities, nonprofit hospitals and mobile home parks.

Eugene A. Gulledge, HUD Assistant Secretary and FHA Commissioner, said, "Precedent for the move was established earlier when FNMA fee costs were allowed to be included in mortgages under programs involving HUD assistance payments to help lower income renters and cooperative owners."

FNMA each week establishes a price it will pay for FHA-insured mortgages, based on a weekly auction system. In its weekly auction of January 12, the FNMA price on 8½ percent mortgages on unassisted rental housing was $98.87 per $100 of the face amount of mortgages. The difference between the auction price and par (100) now is the only financing cost required to be absorbed by the developer.

The new step was the second taken in a week to make the HUD-FHA unassisted rental housing programs more attractive to builder investors. On January 14, HUD announced that reduced payments of mortgage principal would result in rent reductions amounting to about $15 to $20 a month in FHA-financed projects.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-30
Phone (202) 755-7327

FOR RELEASE AFTER:
2:00 P.M., Monday
January 19, 1970

NEW HUD PROGRAM AIDS PURCHASE OF HOMES BY LOWER INCOME FAMILIES

Home ownership for lower income families received important support today as a new program for financing the homes was announced by Secretary George Romney of the U.S. Department of Housing and Urban Development.

The financing will be provided under an agreement which pairs HUD's Government National Mortgage Association (GNMA), headed by President Woodward Kingman, and the privately-owned Federal National Mortgage Association (FNMA) for the purchasing of mortgages on housing constructed under Section 235 of the National Housing Act.

FNMA Chairman William B. Ross joined in the announcement made by Secretary Romney at the annual convention of the National Association of Home Builders in Houston, Texas.

Mr. Romney said $500 million has been allocated for GNMA's part in the operation, and added:

"This innovation will be of immense help in supplying critically needed financing for these dwellings. An estimated 32,250 homes are expected to be financed initially under the program. And each time the revolving fund is re-used, another 32,250 units can receive financing.

"In this very tight money market, private financing has not been available or practical for builders who plan to construct this housing. This is because substantial discounts or charges are required in obtaining loans."

Program Geared to Weekly Auction

The Secretary explained that the program is geared to the FNMA weekly auction of funds for commitments to buy mortgages. The new GNMA program, he said, will become effective starting next Monday if the FNMA auction price for proposed construction falls below 96. The price for this category last Monday was 94.90 for 8-1/2 percent mortgages.

In the operation, GNMA will buy or commit to buy mortgages at 96, and later will sell the mortgages or commitments to FNMA at auction price. GNMA funds will subsidize the difference between 96 and the FNMA auction price.

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"The program has three important features," GNMA President Kingman said. "It provides financing which cannot generally be obtained under present tight money conditions. It makes available vastly more financing than would be possible under regular mortgage purchases by GNMA. By substituting private FNMA funds for most of the GNMA cash outlay required to purchase the permanent mortgage, the amount of Government expenditures is substantially reduced."

The program applies to the financing of homes to be constructed for sale to lower income families. The home owner is aided through a Government subsidy of interest payments.

Assistance is in the form of monthly payments by HUD to the lender to reduce interest costs on a market rate home mortgage insured by the Federal Housing Administration to as low as 1 percent if the homeowner cannot afford the mortgage payment with 20 percent of his income.

The amount of subsidy varies according to the income of each homeowner and the total amount of the mortgage payment at the market rate of interest. Family income and mortgage limits are established for eligibility in each locality.

The program announced today follows the recent successful launching of a "Tandem Plan" for financing multifamily mortgages on rent supplement and Section 236 rent subsidy projects. In the early weeks of that program, reservations and commitments have been made by GNMA for the purchase of mortgages amounting to $110 million, which will provide for construction of some 7,000 dwelling units.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-32
Phone (202) 755-6420

NOTICE OF PUBLICATION
FOR RELEASE:
Wednesday
January 21, 1970

HUD REPORT URGES BROADENING OF PLANNING AID TO SMALL TOWNS

A report which led to basic changes in the Comprehensive Planning Assistance Program has just been published by the U.S. Department of Housing and Urban Development.

Entitled Comprehensive Planning Assistance in the Small Community, the report contains the findings of four well-known consulting firms engaged by HUD to evaluate the effectiveness of the "701" program in communities with populations under 50,000.

The Comprehensive Planning Assistance Program, designed to foster sound community, regional, and statewide planning for urban and rural development, is commonly referred to as the "701" program because it is authorized under Section 701 of the Housing Act of 1954, as amended.

A conclusion reached in the studies is that, while the 701 program has been instrumental in establishing planning in many small communities, it is not adequately meeting the challenges of small community development and therefore should be restructured.

Principal recommendations of the consultants have been incorporated in the new Comprehensive Planning Assistance Handbook which thoroughly revises 701 program policy.

Changes recommended include the broadening of the scope of the program, changing its emphasis to a continuing planning process rather than a one-shot comprehensive plan, and improving the administration of the program by shifting to the states many of the functions now performed by HUD regional offices.

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Samuel C. Jackson, Assistant Secretary for Metropolitan Planning and Development, said "this report, which was in part the basis for recent 701 program policy changes, can render valuable assistance to those concerned with the development of local public policy and the administration of small community planning. Accordingly, it is recommended to urban planners, government officials and involved citizens alike."

The four consultants and the sections of the country for which each was responsible were: Arthur D. Little, Inc. - Northeast and Mid-Atlantic; Real Estate Research Corp. - Midwest; Marshall Kaplan, Gans and Kahn - West; and Hammer, Greene, Siler Associates - Southeast and Southwest.

The 120-page report is offered for sale at $1.25 per copy by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-32
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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-34
Phone (202) 755-7327

FOR RELEASE:
Wednesday
January 21, 1970

HUD DEMONSTRATION GRANT AIDS URBAN RENEWAL PROGRAMMING

The U. S. Department of Housing and Urban Development today announced a $128,990 Urban Renewal Demonstration grant to Santa Maria, Calif., to develop better methods of small city urban renewal programming.

The grant was made to the Redevelopment Agency of Santa Maria, which will carry out the project. Total cost is estimated at $140,545.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, said the purpose of the project was to:

(1) determine and analyze deficiencies in current procedures for selecting, planning, and implementing urban renewal projects in a small city;
(2) develop means of remedying key deficiencies to improve the urban renewal process at the local level, and to demonstrate the use of improved methods in on-going renewal projects in a small city;
(3) determine means whereby the experience gained in a local demonstration might be made available more broadly and applied to other small communities.

The Santa Maria Redevelopment Agency will utilize the resources of TEMPO, General Electric Company's Center for Advanced Studies in Santa Barbara, Calif. TEMPO will employ many of the recently developed techniques in systems analysis in carrying out the project. Upon completion of the project, a report will be published for the guidance of other communities.

The Urban Renewal Demonstration Grant Program, authorized by Section 314 of the Housing Act of 1954, as amended, provides Federal grants up to 90 percent of the cost of demonstrations to improve urban renewal methods and techniques, plus the entire cost of writing and publishing a project report.

-more-

For further information: Thomas P. Weldon, Jr.
Executive Director
Redevelopment Agency of the
City of Santa Maria
201-B East Main Street
P. O. Box 224
Santa Maria, California 93454

PROJECT NO.: Calif. D-9

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-41
Phone (202) 755-7327

FOR RELEASE:
Sunday
January 25, 1970

FRED A. MANN NAMED HEAD OF FHA FIELD OPERATIONS

Fred A. Mann, a career Federal employee, has been appointed Assistant Commissioner for Field Operations of the Federal Housing Administration of the U.S. Department of Housing and Urban Development, Secretary George Romney announced today.

Mr. Mann has been serving as Assistant to the Assistant FHA Commissioner for Field Operations.

Eugene A. Gulledge, HUD Assistant Secretary for Mortgage Credit and FHA Commissioner, said the office being filled by Mr. Mann is responsible for all FHA field activities. The appointment is effective today.

Mr. Mann has served with FHA for 15 years. He was director of the Topeka, Kansas insuring office from 1955 to May 1965. He then became Deputy Assistant Commissioner for Home Mortgages in Washington, D. C., and in December 1966 he was appointed director of the Washington, D. C. insuring office.

Born in Valley Falls, Kansas, Mr. Mann graduated from Valley Falls High School and received his bachelor of law degree from Washburn University in Topeka in 1934. He served with the Kansas Power and Light Company in Topeka from 1938 until 1942, when he joined the U.S. Army Air Force. After serving in England and France, he was separated from the Air Force as a major in 1945. He engaged in private law practice in Topeka and Wichita until joining FHA in 1955.

Mr. Mann is married to the former Frances Warren of Topeka, and they have two daughters, Mrs. Gerald Hayes of Topeka, and Jean, a senior at George Washington University in Washington, D. C. The Manns reside at 3425 Greentree Drive in Falls Church, Virginia.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILLERS--USE AT WILL

HUD-No. 70-37
Phone (202) 755-7327

REPLACEMENT OF HOMES

The Housing and Urban Development Act of 1969, signed into law last December by President Nixon, requires that housing units occupied by low and moderate income families which are demolished as a result of an urban renewal project be replaced on a one-for-one basis in the community.

* * *

FHA RULES OUT FIXED RATIOS

The Federal Housing Administration has instructed its insuring offices that, in acting on applications for mortgage insurance, they must not use any "rigid approach" to credit approval.

Approval or rejection of an application, the FHA said, should be on the basis of the characteristics of the applicant's income and expenditures, rather than on a fixed ratio, such as 25 percent of income.

* * *

HOUSING STARTS

In 1969, federally assisted housing starts reached 165,000 units--a new high, reports the U.S. Department of Housing and Urban Development. HUD expects an increase of 220 percent in assisted housing starts in 1970.

* * *

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MODEL CITIES POPULATION

The total number of people living in Model Cities neighborhoods is estimated at 6 million, reports the U.S. Department of Housing and Urban Development. Of these, more than 800,000, or 14 percent, have Spanish surnames.

* * *

FHA FINANCES MOBILE HOMES

The Federal Housing Administration of the U.S. Department of Housing and Urban Development now has authority to insure financing for the purchase of mobile homes in amounts up to $10,000, with terms up to 12 years.

* * *

EMERGENCY FLOOD PROGRAM

Under a two-year emergency program, residents of communities which meet certain Federal requirements, can obtain flood insurance without waiting for time-consuming actuarial studies to establish insurance premium rates. The insurance is sold through local agents and brokers acting for the National Flood Insurers Association.

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January 26, 1970

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILLERS--USE AT WILL

FILE COPY

HUD-No. 70-37
Phone (202) 755-7327

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January 26, 1970

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-47
Phone (202) 755-7327

FILE

FOR RELEASE:
Monday,
January 26, 1970

HUD MODEL CITIES CONTRACT OFFERED TO NEWARK, N. J.

COPY

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the offer of a $5,654,000 Model Cities contract to Newark, N. J.

Newark will also receive support from other programs administered by HUD and by the Department of Health, Education and Welfare, Department of Labor, and the Department of Justice.

Today's action by Secretary Romney will enable the city to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county and local public and private resources will also be used by the city in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Newark program.

During the planning phase, the Prudential Life Insurance Company provided meeting space and equipment. Numerous public and private agencies were involved in various stages of development, including the Greater Newark Chamber of Commerce, Newark Hospital and Health Council, New Jersey Pharmaceutical Society, AFL-CIO Industrial Trade Council, Public Service Electric and Gas Company, United Steel Workers, United Community Fund, Newark Museum, the Business Industrial Coordinating Council and the Urban League of Essex County.

Secretary Romney also noted the active support and participation of the State, including the personal interest of the Governor, in the Newark program. Approximately $60,000 in State funds was made available for planning activities. A commitment for $400,000 has been made for first year projects and activities. In addition, a State-employed education expert is assigned to the program full time.

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Local voluntary and private groups and public agencies will sponsor and administer first year projects. The New Jersey College of Medicine and Denistry will operate two programs: a home care program providing physician, visiting nurse and health aides services for recently hospitalized model neighborhood residents; and a dental care program for students to be screened by the Denistry College and treated by private dentists.

The Family Service Bureau will operate a half-way house for delinquents. A health program will be developed with the assistance of the Association for Mentally Retarded.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the city's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

"During the past several months, Newark has done an excellent job in revising its proposals and improving its capability to operate in the first-year action program," he said.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Donald Malafronte
City Hall - Room 201
Office of the Mayor
Newark, N. J. 07102

NOTE: A summary of the Newark Model Cities program is available upon request to the Office of Public Affairs, U. S. Department of Housing and Urban Development, Washington, D. C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER
7:00 P.M. Tuesday
January 27, 1970

"The New Migration - Waystop or End of the Line?"

Address By

SAMUEL J. SIMMONS

Assistant Secretary for Equal Opportunity

U. S. Department of Housing & Urban Development

Twenty-Fifth Annual Dinner Meeting

International Institute of Metropolitan Detroit

Hall of Nations - Detroit, Michigan

January 27, 1970

SUMMARY

Our minority people -- black and brown skinned and Spanish-speaking -- are the latest in a long line of urban migrants. But unlike previous waves of migrants, they have not used the city as a waystop, where they learned the language and new skills, and moved on into the larger society. Instead they have been stopped -- by discrimination and lack of opportunity. No wonder there have been riots and violence in the streets. We must open the way for this new urban group by giving them the same mobility, the same full citizenship, the same opportunities as all other Americans.

It is a real pleasure for me to be here tonight. This is my hometown and this is where I served my apprenticeship in a number of posts ranging from civil rights, to labor-management relations. I left here in 1962 to go to Washington, and it sometimes seems to me I have spent almost as much time in Detroit since then as I did before. I assure you that is no hardship.

The reason I come back so often is that this State and this city are both deeply involved in matters having to do with minority Americans, and the problems of minority Americans have always been a good part of my work, particularly in the last several years. We have a real ethnic and racial mix here in Detroit, and we have had our share of problems rising from that fact.

But we have also seen the rise of a deeply concerned organization such as the International Institute. For twenty-five years you have worked together as a constructive force in Detroit, helping the foreign born -- the in-migrants -- adjust to a new language, and new ways of living. You have also helped extend the hospitality of individual Americans to foreign visitors. This is personally rewarding, and it is also an important factor in our foreign relations.

With this year you are starting a new program for Latin Americans, who have become the latest in a long list of ethnic and rural Americans who have moved into our cities. And once again you are joining with other private

organizations that have over generations helped the new migrant adjust to the city and urban life.

This is a good effort, a necessary beginning. Certainly the things you do as concerned private citizens working together are in the best American tradition, that of helping one another, of bringing Americans of another culture and of a different skin color into the main stream of American life.

It is long overdue, because we as a nation have not been notably successful in recent years in this effort.

You know the history of our in-migrant groups as well as I do, but I think a quick review is in order tonight. We must change attitudes as well as the machinery of helping this latest group if we are to be successful.

The old migrant tradition came about during periods of famine, pogroms and military conscription in Europe. Millions of migrants came over to this new land during the period of a century or so, mostly from Ireland, Germany, the Scandinavian countries, Italy, Poland, England -- all nations with similar societies, and, most important, the same skin color as the Americans of that time.

These were the migrants to northern American cities, and to the new lands of the west.

In the cities conditions were very bad, worse than they are today. Surveys made in New York before the turn of the century outlined serious deficiencies in housing, in health standards, in employment, in educational opportunities.

But the history of these migrant groups was also much the same. As each adjusted to America by learning the language, becoming educated, and learning its way around in politics, it moved out into the larger society.

But, meanwhile, there was a totally different pattern emerging elsewhere.

Even before the waves of European migrants came into the country and went through the difficult process of adjusting to life here, there was a in-migration of black and brown-skinned Americans into the rural south. There was an in-migration of Spanish-speaking people into the old Southwest.

It was not until these later migrants moved to the cities beginning in World War I and becoming a torrent in the thirties and forties that we ran into a new problem.

Suddenly the bus that carried the migrant from city ghetto to the suburbs in the wake of all other new groups came to a grinding halt.

What had once been a way-stop on the way to the top became a station at the end of the line.

So now what we have in this modern America is a changed situation. Discrimination -- racial and ethnic -- has become the major deterrent to the integration of this new group into American life. Today discrimination, or bigotry, or racism -- whatever we want to call it -- is the major disruptive factor in American society.

This, in itself, may seem curious. I have said the Latin American and the black have been in this country for centuries. The arrival of the Puerto Rican

in the wake of World War II is really not such a different factor in that equation. He has arrived to face the same kind of discrimination the Mexican American has confronted for generations.

Why, after being a placid part of this society for so long, have these groups suddenly become militantly demanding?

The answer, I believe, lies in the kind of observation Alexis de Tocqueville made more than a century ago, when he wrote that every action to achieve reform in this country seems to challenge our awareness of conditions that are unbearable.

In his words: "The sufferings that are endured patiently as being inevitable, become intolerable the moment that it appears that there might be an escape."

What we are experiencing is something that has become known as a revolution of rising expectation for what can yet be done. And right along with that revolution is another -- a revolution of rising frustration over what has not yet been done.

Obviously, modern means of communication have accounted for part of this changed attitude. Poverty and racial injustice could more easily be taken for granted before television came in and the poor and those with black and brown skins began to see for themselves how the other Americans live.

However it happened, it is upon us now. There are 30 million or so people who fit into the general category of minority Americans, 15 percent of our population. And today, nearly two centuries after our nation first asserted

its independence and its ideals, our 200 million people are still searching for ways to redeem some basic promises -- true equality, real freedom, the rights of citizenship for all Americans.

Another thing we have begun to realize in recent years is that there is no such thing as a composite minority American. Except that he suffers from the same things -- more poverty, more illness, more frustration, and less money, less dignity, fewer opportunities -- minority Americans have their own unique human and social characteristics.

There are all kinds of black and brown skinned Americans at all economic levels in all kinds of housing and physical situations. Some are far more insulated than others from the indignities of racial or economic discrimination.

So it is in the Spanish-speaking minority. This is not only a unique group of people ethnically, but it has its own separate groups within the group. The Mexican American has a tradition far different from that of the Puerto Rican, and the in-migrants from any of a number of Latin American countries are different still.

It is this particular group you have asked me to speak about today, because you are faced with bringing a sizeable group of Spanish-surname Americans into the larger society of metropolitan Detroit -- some 60 to 100 thousand, as I understand it.

This figure, incidentally, confirms a fact that students of Spanish-surname people have held for some time, and that is that Mexican Americans as well as

Puerto Ricans are highly urbanized people. There is a common mythology in America that the typical Mexican American is a farm worker, living in poverty perhaps, but at least enjoying the benefits of bucolic poverty.

This is not true. In a study made by the University of California at Los Angeles for the Office of Economic Opportunity there is this statement:

"In spite of widespread notions to the contrary, Mexican Americans are a highly urbanized group and are, in fact, moving into cities faster than either non-whites or Anglos. The stereotype of the Mexican American as a rural or migrant worker is completely out of date."

As an example, statistics compiled by my office from the 1960 census showed about 17,000 Mexican Americans in the Detroit metropolitan area and just over 2,000 Puerto Ricans, fewer than 20,000 as compared to your present estimate of 60 to 100,000.

These figures would be even higher in states such as California, where the Mexican American population is growing twice as fast as the Anglo population, even in that state of rapid growth. And most of this growth is in cities.

Much of this reflects migratory movement. From 1950 to 1960, for example, the Mexican American population in New Mexico showed a drop of 74 percent. But meanwhile, the Mexican American population of Albuquerque increased. Obviously, it was the rural areas that made up most of this large drop.

There are several things to keep in mind in our Spanish-speaking communities.

Their situation is even worse statistically than the black-skinned Americans in terms of employment, housing, health care, and in many areas, education.

I needn't go into detail on that, but it does happen that the Spanish-surname American is not only four years behind the white American in education, but two years behind the Negro American.

It also happens that the Mexican American and the Puerto Rican, the two largest groups of Latin Americans in our society, have lagged behind other minority Americans in organizing along activist political lines to change their situation.

But an important thing to keep in mind today is that in this restless and constantly changing American society, the minority American -- and particularly those of Spanish surname -- are most restless and in the greatest period of flux.

Valid and constructive new political organizations have taken shape and are deep into Latin American problems. The level of organization, of awareness and of identity is constantly rising.

Young Mexican Americans, with a deep sense of pride and an activist political philosophy, are striking out for themselves. They are also pushing their elders and the officials of the establishment into more active roles.

I can attest to that personally. Not long after I went into this job about a year ago, I spoke before a Mexican American group in the west. Even as a fellow minority American I was not particularly welcome because I hadn't earned my credentials yet.

It takes awhile to get acclimated to any new situation. Every now and then I find one of my white colleagues in Washington beginning to have some inkling

of what goes on in the inner workings of a man with a black skin, and I tell him, "You're beginning to get some black soul."

Soul aside, however, there are a good many practical things we can do on a national level to help all minority Americans.

My office is that of Equal Opportunity. Our responsibility is to open the door to opportunity for all minority Americans in all HUD programs. Spanish-surnamed Americans have been recruited for professional positions into our headquarters and our regional offices. They will keep us informed of the desires of the Spanish-speaking community and will maintain continuing liaison with the Spanish-surname community. I have met both in Washington and in other places with Spanish-surname groups, and we have had some hard talks together.

At HUD, we have some good low-income housing programs in existence, and last year HUD broke all previous records for such construction. Secretary Romney announced recently that in 1969, subsidized housing for low and moderate-income families was up 13 percent over 1968, the largest previous year, in spite of inflation, the credit crunch, and soaring building costs. And in 1970, the Secretary has estimated we will increase subsidized housing starts by about 220 percent.

We're not saying this is enough housing by any means. But at least we are not falling behind in this vital area.

A major problem is to get minority Americans into any kind of housing outside ghettos and restricted enclaves. At HUD we administer Title VIII of the Civil Rights Act of 1968. That is Fair Housing. As of January 1 of this year, that law became fully operative as some 34 million units of individually-owned single-family housing

came within the law.

Spanish-surname Americans should join other minority Americans in taking full advantage of this law. My office at HUD is heavily involved in administering this law, processing individual complaints of housing discrimination and conciliating those complaints.

There are also good legislation and directives in the area of employment. There is Executive Order 11246 that relates to nondiscrimination in employment by government contractors and subcontractors and for equality of opportunity in federally-assisted construction contracts. Section 3 of the Housing and Urban Development Act of 1968 calls for opportunities of employment and entrepreneurship under major programs such as our subsidized homeownership and rental programs.

We have also done some special things at HUD. In a short time, we will be publishing and distributing the first national directory of minority contractors and subcontractors ever produced in this country. This Digest will include Spanish-surname businessmen.

We are now establishing a special panel at HUD to survey all publications with a view to translating the most pertinent into Spanish. There will be special efforts to reach the Spanish-speaking population not only through printed matter, but by radio and television and such things as posters and car cards. We hope in time this panel may expand its activities beyond that of communications.

These are small efforts to be sure, but are evidence of an awakening interest and concern, and even this has created a better climate of understanding with Spanish-surname Americans.

We need to go much further. Most Puerto Ricans will be glad to inform you, particularly if you are in the Federal establishment, that a good deal of help was given Cuban immigrants by the Federal Government after the Bay of Pigs. They observe with understandable cynicism that they as Puerto Rican immigrants, faced with problems just as serious and in many cases more so, have received little if any help.

The same could be said for rural minority people moving to the cities over several decades. Many of these people, black and Spanish-surname, were badly prepared for the transition, in education and training, in relating to urban social conditions, in coping with the physical side of urban life. Yet there were no settlement houses to receive them, or agencies to house them, or determined efforts to educate them to the new environment.

Combine these facts with ethnic and racial discrimination and you can begin to understand the corroding bitterness that many of our minority people feel.

This is particularly true among youth, the kids raised before television sets who have seen how other Americans live, who have heard all about our affluent society, who have heard politicians and government officials talk about the new laws and the new opportunities.

Is it any wonder that during this era of rising frustration black-skinned Americans have taken to the streets to loot and riot and burn? That seemed the only way to bring their situation dramatically before the majority public.

Young Puerto Ricans in New York and Mexican Americans in Los Angeles and South Texas then followed along, taking to the streets in anger. Why not, they say, this is how the blacks do it and they're getting results.

This is a nation of laws and by and large the vast majority of Americans are law abiding citizens, and I mean all Americans. But if we are to gain the respect of this new generation of youngsters -- white as well as minority, incidentally -- then we are going to have to see to it that the laws relating to equal opportunity in housing and education and employment are as strongly administered as those that protect and aid the white majority.

We are going to have to create a truly open society where mobility is granted all Americans, where a man is judged only by his character, his abilities, and his intellect -- and not by his ethnic background or the color of his skin.

We are going to have to be Americans, finally, redeeming the promises of our national birthright -- promises never kept throughout almost two centuries -- by granting all Americans the dignity of full citizenship.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-43
Phone (202) 755-7327

FOR RELEASE:
Wednesday
January 28, 1970

NEW HUD CIRCULARS COMPLETE SET
DEVOTED TO RELOCATION PROCEDURES

The U.S. Department of Housing and Urban Development today announced the issuance of two circulars that, with others previously issued, make available for the first time a uniform statement on HUD's relocation policies and requirements.

The latest circulars, which outline procedures in connection with four HUD-assisted programs -- one covering Advance Acquisition of Land, Public Facility Loans, and Water and Sewer Grants; the other, Open-Space Land -- have been issued to local public agencies and local housing authorities.

Publication of these instructions completes HUD's series on relocation requirements for all of its programs involving displacement of families, individuals, business concerns, and nonprofit organizations. Earlier circulars dealt with the relocation aspects of such HUD programs as Code Enforcement, Demolition Grants, Neighborhood Facilities, Urban Renewal, and Low-Rent Public Housing.

Federal law requires that families displaced by governmental activities must be offered decent, safe, and sanitary housing, at rents they can afford, and within reasonable distance of their places of work. Families displaced are also eligible for cash payments to cover moving and other reasonable expenses, as are business concerns and nonprofit organizations.

Further information in respect to relocation requirements may be obtained through HUD's Regional Offices or through local renewal agencies and local housing authorities.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-58
Phone (202) 755-7327

FOR RELEASE:
Thursday
January 29, 1970

ROMNEY ANNOUNCES APPROVAL
OF THREE KANSAS PROJECTS

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced approval of three Kansas projects.

Two of the projects involve annual reservations for interest reduction on rental housing, the so-called Section 236 program.

An annual reservation of $151,245 has been approved for the provision of 150 units in the Sunset Townhouses in Newton, Kansas. These units, which will include 90 two-bedroom and 60 three-bedroom units, will have a rental range of $89 to $96 a month, thanks to the interest reduction subsidy. This facility is sponsored by the Foundation for Cooperative Housing, Inc., in Kansas City, Mo.

An annual reservation of $26,350 has been approved for 30 units in Hoisington Manor, at Clay and Cheyenne Streets, in Hoisington, Kansas. These 30 units include 2 one-bedroom, 8 two-bedroom, 18 three-bedroom and 2 four-bedroom apartments and the rents will range from $95 to $127 a month. The facility is sponsored by the Hoisington Chamber of Commerce.

The other project approved is $115,070 under HUD's Open Space program to Kansas City, Kansas. The money will be used to help in acquiring approximately 32 acres of land to be developed for park and recreational purposes.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-55
Phone (202) 755-7327

FOR RELEASE:
Friday
January 30, 1970

HUD FUNDS DEMONSTRATION GRANT FOR BETTER STREET DESIGN

The U. S. Department of Housing and Urban Development today announced a demonstration grant to find ways to make city streets serve their communities more significantly than just as roadways.

HUD said an Urban Renewal Demonstration grant of $300,411 would be given The Institute for Architecture and Urban Studies of New York City, to make the study. Additional estimated costs of $29,824 are expected to be contributed largely by the Alfred P. Sloan Foundation.

The study will examine the potential of street design as a means of improving the urban environment. It will analyze the physical and social problems of urban streets in areas of residential, commercial, and mixed land development. This will be done through the detailed analysis of various street types in several urban contexts, and the development of socially feasible, alternate design solutions. This study of streets may lead to the development of alternative models for new community environments, officials said.

The Institute is an independent, non-profit educational corporation chartered in 1967 by the Board of Regents of the State University of New York. It was founded through the joint efforts of several institutions including the Museum of Modern Art. As an independent agency, the Institute combines the resources of various universities, the Museum, and public and private planning agencies, to provide a new educational and research environment, both for the training of post-graduate architects and urban planners, and for conducting studies of the design of the physical environment. The Institute thus acts as a bridge between the theoretical work of a university, the public communication activities of a museum, and the practical solution of significant community development problems.

The Urban Renewal Demonstration Grant Program, authorized by Section 314 of the Housing Act of 1954, as amended, provides Federal grants of up to 90 percent of the cost of demonstrations to improve urban renewal methods and techniques, plus the entire cost of writing and publishing a project report.

- more -

For further information:

Peter D. Eisenman, Director
The Institute for Architecture
and Urban Studies
5 E. 47th Street
New York, N.Y. 10017
PHONE: (212) 755-5335

PROJECT NO.: N. Y. D-13

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SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-59
Phone (202) 755-6380

NOTICE OF PUBLICATION
FOR RELEASE:
Tuesday
February 3, 1970

HUD ISSUES BIBLIOGRAPHY ON NEIGHBORHOOD CONSERVATION

The U.S. Department of Housing and Urban Development today announced the issuance of a new bibliography for the use of those interested in conserving and renovating housing and neighborhoods.

Titled Neighborhood Conservation and Property Rehabilitation, the 78-page publication was compiled by the HUD Library under the direction of Mrs. Elsa S. Freeman.

The bibliography contains some 600 listings of books and articles from periodicals on the technical aspects of both residential and non-residential rehabilitation.

The publication also covers the related areas of appraisal, specifications and code enforcement, financing, taxes, land use and landlord-tenant relationships. Concluding sections are devoted to films and training aids and courses.

Neighborhood Conservation and Property Rehabilitation (A/MP-103) is for sale for 70 cents by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

DY

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-61
Phone (202) 755-7327

FOR RELEASE:
Tuesday,
February 3, 1970

HUD MODEL CITIES CONTRACT OFFERED TO POUGHKEEPSIE, N.Y.

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced the offer of a $1,685,000 Model Cities contract to Poughkeepsie, N.Y.

Poughkeepsie will also receive support from other programs administered by HUD and by the Department of Health, Education and Welfare, Office of Economic Opportunity and Department of Labor.

Today's action by Secretary Romney will enable the city to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Poughkeepsie program.

The Poughkeepsie program benefited from private and voluntary involvement prior to the beginning of the official planning phase. The Dutchess County Community Action Council provided the salaries and office space of the program director and a secretary during the first few months. This council is composed of representatives of six local banks, the six largest employers of the area and a local newspaper.

During the planning phase numerous individuals and private agencies and organizations contributed time, talent and equipment to devleopment of the comprehensive plan.

A housing and employment survey was conducted by students, recruited by the Volunteer Service Bureau of Dutchess County, from Dutchess Community College, Vassar College and Marist College. The faculty of Dutchess Community College contributed their own time to program on computers the results of the survey.

- more -

The local Building Trades Union, Electrical Workers Union, Hudson Valley Opportunities Industrial Center and representatives of private business combined to work on the manpower component.

Time, staff and technical assistance were provided the task force on welfare and multi-service center by the Community Chest, Legal Service Bureau, Neighborhood Services Organization, Visiting Nurses of Dutchess County, Planned Parenthood, Community Action Agency and the Family Counseling Agency.

The faculty of Vassar College's Education Department assisted formulation of the education component. Patterns for Progress, a non-profit regional planning group, conducted a transportation study. Local architectural concerns and physicans and dentists contributed to development of the urban design and health components, respectively.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the city's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Mayor Louis O. Fiore
City Hall
Poughkeepsie, N.Y. 12602

Julio Vivas, Director
City Demonstration Agency
347 Mill Street
Poughkeepsie, N.Y. 12602

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NOTE: A summary of the Poughkeepsie Model Cities program is available upon request to the Office of Public Affairs, U. S. Department of Housing and Urban Development, Washington, D. C. 20410

AN

HUD WEEKLY NEWS SUMMARY

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

WASHINGTON D.C. 20410

This summary lists all releases, notices of publication, speeches, and other information announced by the Department in the week. If a copy of any is desired, check it on this summary (or use a postcard) and mail to Central Press Staff, U. S. Department of Housing and Urban Development, Washington, D. C. 20410.

HUD-No. 70-64
Phone (202) 755-7327

RELEASES ISSUED BY THE U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
THURSDAY, JANUARY 29, 1970 THROUGH WEDNESDAY, FEBRUARY 4, 1970

Speeches

January 29 — George Romney, Secretary, HUD, to the Kansas Day Dinner, Municipal Auditorium, Topeka, Kans. (Remarks).

February 3 — Richard C. Van Dusen, Under Secretary, HUD, before the National Cathedral School for Girls, Washington, D. C. (Remarks).

January 27 — Woodward Kingman, President, Government National Mortgage Association, HUD, to the 1970 Secondary Mortgage Market Conference, United States Savings and Loan League, Hollywood, Fla., his subject: THE ROLE OF THE GOVERNMENT NATIONAL MORTGAGE ASSOCIATION IN TODAY'S MORTGAGE MARKET.

January 27 — Samuel J. Simmons, Assistant Secretary for Equal Opportunity, HUD, Twenty-Fifth Annual Dinner Meeting, International Institute of Metropolitan Detroit, Hall of Nations - Detroit, Mich., his subject: THE NEW MIGRATION - WAYSTOP OR END OF THE LINE?

January 15 — Harold B. Finger, Assistant Secretary for Research and Technology, HUD, to the Insurance Center of Cleveland Dedication Luncheon, Statler-Hilton Hotel, Cleveland, Ohio, his subject: THE INSURANCE CENTER'S RESPONSIBILITY FOR AND COMMITMENT TO THE SOLUTION OF THE SERIOUS URBAN PROBLEMS WE FACE THROUGHOUT THIS NATION.

Notice of Publications

HUD-70-59 — HUD announced the issuance of a new bibliography, Neighborhood Conservation and Property Rehabilitation, for the use of those interested in conserving and renovating housing and neighborhoods. Neighborhood Conservation and Property Rehabilitation (A/MP-103) is for sale for 70 cents by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

HUD-70-11(MA) — HUD has issued a 17-page analysis of the demand for housing in the Wilkes-Barre--Hazelton, area for the two years ending Oct. 1, 1971. Copies of the analysis and further information may be obtained from Thomas J. Gallagher, Jr., Director, Federal Housing Administration, 625 Walnut Street, Philadelphia, Pa. 19106.

HUD-No. 70-64

Notice of Publications

HUD-70-10(MA) HUD has issued a 24-page analysis of the demand for housing in the Pittsburgh, Pa., area for the two years ending Aug. 31, 1971. Copies of the analysis and further information may be obtained from Philip J. O'Connell, Director, Federal Housing Administration, 1000 Liberty Ave., Pittsburgh, Pa. 15222.

HUD-70-9(MA) HUD has issued a 17-page analysis of the demand for housing in Imperial County, Calif., for the two years ending Oct. 1, 1971. Copies of the analysis and further information may be obtained from E. L. Tagwerker, Director, Federal Housing Administration, 110 W. C Street, San Diego, Calif. 92101.

HUD-70-8(MA) HUD has issued a 17-page analysis of the demand for housing in the Kenosha, Wisc., area for the two years ending May 31, 1971. Copies of the analysis and further information may be obtained from Lawrence S. Katz, Director, Federal Housing Administration, 744 N. 4th Street, Milwaukee, Wisc. 53203.

General Releases

HUD-70-61 HUD announced the offer of a $1,685,000 Model Cities contract to Poughkeepsie, N. Y.

HUD-70-58 George Romney, Secretary, HUD, announced approval of three Kansas projects. Two of the projects involve annual reservations for interest reduction on rental housing. The other project approved is $115,070 under HUD's Open Space program to Kansas City, Kans.

HUD-70-57 George Romney, Secretary, HUD, declared every American is entitled to a decent home near his work and every American child is entitled to attend a quality school near his home.

HUD-70-55 HUD announced a demonstration grant to find ways to make city streets serve their communities more significantly than just as roadways.

HUD-70-52 Samuel C. Jackson, Assistant Secretary for Metropolitan Planning and Development, HUD, told the Metropolitan Planning Commission in Kansas City, Kans., that the Nation must now consider the "urban problem" in totality.

HUD-70-51 HUD reported that the Federal Housing Administration had a rising volume of mortgage insurance activity last year, despite the decline in overall housing starts.

HUD-70-50 HUD reported the seasonally-adjusted annual rates for new-and existing-home mortgage applications declined during December while the adjusted rate for home units started under FHA inspection rose from the November level.

HUD-No. 70-64

General Releases

HUD-70-48 George Romney, Secretary, HUD, reported the principal emphasis in HUD's budget for Fiscal Year 1971 is placed on assisted housing programs.

HUD-70-47 HUD announced the offer of a $5,654,000 Model Cities contract to Newark, N. J.

HUD-70-44 HUD announced flood insurance coverage under the National Flood Insurance Program may be obtained beginning February 3 for one- to four-family residential structures in the town of Matewan, W. Va.

HUD-70-42 HUD announced the appointment of Theodore M. Alexander, Jr., of Atlanta, Ga., to the post of Assistant Commissioner for Home Mortgages of the Federal Housing Administration.

Miscellaneous

February 1 1971 Budget Highlight Tables.

January 30 You and Your Housing: Questions and Answers on New Housing Program Helps Lower Income Families.

2/9/70

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE:
Thursday,
February 5, 1970

ADDRESS PREPARED FOR DELIVERY

By Robert H. Baida

Deputy Assistant Secretary
for Model Cities

Seminar

California Society of Municipal Finance Officers

Beverly Hilton Hotel

Beverly Hills, California

February 5, 1970

SUMMARY

HOW DOES THE MODEL CITIES PROGRAM FIT INTO THE URBAN CRISIS, AND HOW DOES IT CONTRIBUTE TO THE SOLUTION? It was designed to work through the existing local city government, to work in and with the city's systems, and assist in developing and improving local administration and fiscal systems. Model Cities has been described as a "decompression chamber" between categorical grants and Federal revenue sharing without strings. There are lessons to be learned, and changes to be made, and Model Cities gives cities the opportunity to make those changes and to learn those lessons. It also gives the chance to demonstrate to doubters that local government has come of age and is willing and capable of looking after its own problems, if it can only have the tools and the resources necessary to do the job.

The Roaring 20's, the Depression 30's, America has a habit of characterizing the decades. If the 40's were the war years and the 50's the cold war years, I think it is safe to now characterize the 60's as the years of the urban crisis.

It is a sad historical fact, however, that most Americans did not realize that there was an urban crisis until the middle of the decade, when the shouts of "burn baby, burn" and the shots of police and National Guardsmen and snipers echoed through the streets of first, Watts, then Newark, Detroit, Chicago, and a hundred other cities across the nation.

This, despite the fact that the amount of Federal aid to states and cities steadily increased from $5 billion in 1958 to double that amount in 1964. And again, that $10 billion in 1964 has doubled to $20 billion in 1969. Certainly a response has been forthcoming to those who cry that money is the answer to the urban crisis.

Why, notwithstanding the expenditures of billions and billions of not only Federal, but also state and local, funds, why do we now face the 70's with a greater urban crisis than ever? Why do we enter the decade with the restless minorities more dissatisfied with their lot, and with a growing disenchantment and rising vocal protest of the so-called majority establishment? Why do these and other diverse elements join together to present to government today a rising order of discontent?

-more-

President Nixon, on taking office, put it very succinctly, government, Federal, state, and local, just is not working well. That includes your city government. "Nonsense," my former colleagues here in the city of Beverly Hills may say, "our government is working very well. We have protected the kind of environment our people want. It is the others who have failed." And this response might be echoed from one racially protected suburb to another, throughout this Nation.

Let me draw a picture of life in this part of the country if the predictions of the Eisenhower Commission on the causes and prevention of violence come true.

Downtown Los Angeles, surrounded by accelerating deterioration, will be largely deserted during nighttime hours, except, of course, for police partrols; and during the daytime only the presence of large numbers of people shopping and working, together with a substantial police presence, will provide a minimum of protection.

The high rise apartment houses along Wilshire Boulevard will become compounds protected by private guards and security devices. Ownership of guns will become almost universal. Homes in Santa Monica and elsewhere will be fortified by an array of devices from window grills to electronic surveillance equipment. Armed citizen volunteers will supplement police partrols. And you will travel in private vehicles equipped with unbreakable glass and light armor along high-speed, patrolled expressways

and you will ride in public transportation on which armed guards will "ride shotgun."

The nearby ghetto areas will be places of terror, with widespread crime, entirely out of police control at night-time.

Far fetched? Not very. My wife and I live in a high rise apartment house in Washington, D. C. It is replete with security devices and patroled by private guards. Many consider it not safe to walk in downtown Washington at night-time. Even today, sections of New York City are out of police control at night, and who will forget the necessity for armed guards to ride the New York subways.

What is man's problem?

Man, deserting life in the inner city, has fled to the suburbs to find, not the paradise of his expectations, but the frustrations of a frenetic and disjointed life which requires him to come back to the central city each work day. And local government has fragmented and preverted itself to protect this non-existent paradise. But perhaps paradise is just around the corner, the jobs are now coming to suburbs. Business and industry is now joining the exodus, leaving fewer and fewer jobs behind.

But one man's paradise is another man's hell.

The result of all this, is the abject poverty and social isolation of minority groups in the central cities. This, Pat Moynihan calls the single most serious problem of the

American urban scene today.

The problems that face government today are incredibly complex, and we are now learning that the solutions for complex problems are generally counter-intuitive in nature. How many times have you experienced the theory of counter-intuition in action? Does it seem more and more that the "right" solutions are, at least initially, the unpopular ones, and that people are becoming more and more vocal in their opposition?

It is not enough today that government be effective, it must also be perceived as effective. This is a tall order, and this Administration and its New Federalism is committed to a reform in the Federal system to help accomplish it.

What is the New Federalism? Simply, it is the commitment of the Administration to reverse the trend toward the centralization of all governmental powers in Washington. It is a reassessment of the whole Federal system. It will not be an easy task. The present system has resulted from the inability, and in many cases the unwillingness, of state and local government to meet the legitimate demands of the people. So the people went up the ladder to satisfy their demands, and the Federal government, sensitive to its political constituents, responded. But with all the Federal resources, the action is taking place at the local level. Although there has been control in Washington, there has been little information from the field, where the action is taking place, and less control in the field. This has been compounded by the establishment of a

Federal administrative structure having failure built into it, and state and local governments which have not organized themselves to meet the problems.

New Federalism requires the reallocation of tax resources. When you consider that for every 1 percent increase in the gross national product, there is a 1-1/2 percent increase in Federal revenues, but only a 3/4 percent increase in state and local revenues. In the meantime there is a 1 percent increase in the demands for services upon state and local government. It doesn't take a genius to predict that the growing gap is of geometric proportions. Two choices are open: (1) the Federal government could continue to try to fill the gap and supply the services; or (2) the Federal government could share its growing revenues. This Administration has chosen revenue sharing.

New Federalism recognizes that, in addition to revenue sharing, additional Federal resources must be concentrated in areas of need to accomplish national goals. Through Model Cities, joint funding, consolidated grants, and just plain red tape cutting, this Administration is simplifying and making more flexible and responsive its categorical programs.

New Federalism demands decentralization of the Federal structure. The President has directed that the urban agencies, HUD, HEW, DOL, OEO and SBA, for the first time, establish common regional boundaries, with common regional headquarters. He has further directed that each agency, to the maximum extent feasible, delegate operating powers to the regional offices,

and that all of the agencies establish interagency coordinating mechanisms at the regional level. No longer will Covington, Kentucky, have to go to Atlanta, Georgia, to consult with HUD, Charlottsville, Virginia, for HEW, Washington, D. C., for OEO, and Chicago for DOL.

New Federalism encourages, and will assist in, the development of better state and local governmental capacity to deal with local problems, and to this end it will:

- encourage local initiative, and rely more and more upon local decision;
- it will encourage a re-centralization of authority in local elected government, to overcome the fragmentation which now exists and which has all too often been created and perpetuated by traditional Federal categorical grants.

New Federalism relies upon the contributions that can only be made, or can best be made, by the voluntary action of people and organizations and by the know-how of the private sector.

New Federalism demands adequate information and evaluation, at all levels of government, so that knowledge can be linked to decision making.

How does the Model Cities program fit into the urban crisis, and how does it contribute to the solution? OEO programs originally were established to alleviate poverty problems, and much of their concentration was on city poverty.

However, OEO programs frequently did not make use of the facilities, knowledge, and personnel available in local governments, including municipal budgeting and finance. The result, in many localities, was the establishment of a competing governmental structure. A structure that had to be built from the ground up, without benefit of prior experience.

The Model Cities program was able to learn from the OEO experience. It was designed to work through the existing local city government, to work in and with the city's systems, and assist in developing and improving local administration and fiscal systems.

We have four basic innovations designed to strengthen the local fiscal system, innovations that recognize that local officials, not Federal officials, are best equipped to handle local problems. These innovations are:

(1) Local Comparability. Employment policies, salary and wage rates, working hours, holidays, fringe benefits, travel and other procedures are the same for the Model Cities program as those adopted by the city for regular city operations.

(2) Local Budgeting. The Model Cities budget system is designed to fit in with the local city budget procedures. We are in the process of further simplifying our procedures to require the submission of only the total costs of major projects, together with a certification that local budget

procedures and practices have been followed.

(3) Local Fiscal Monitoring and Auditing. The average model city plan contains about thirty individual projects and activities to be undertaken by a city. Multiply that by 150 cities, and you have about 4500 projects to be operated. It wouldn't make sense for the Federal government to hire the auditors and accountants necessary to monitor those activities, so that responsibility has been placed where it belongs. Each city will audit and monitor its own projects and activities, using Federal funds to cover up to 100 percent of the cost.

(4) Local Technical Assistance. A portion of the Model Cities appropriation has been allocated for contracts with consulting firms to provide assistance to cities in public administration, evaluation and information systems, PPBS, and other problem areas. In addition to providing a limited amount of direct assistance, the consultants are preparing publications and materials that will be of help to all cities as a part of the demonstration aspect of the program.

These innovations are tied in with Model Cities supplemental funding, under which a city is given a sizeable grant which may be used for any purpose set forth in its locally

developed plan. The program is a new tool for meeting local problems. Local initiation, local control, and local comparability are part of the New Federalism.

President Nixon, in his message to Congress on Federal revenue sharing said, "Ultimately, it is our hope to use this mechanism to so strengthen state and local government that by the end of the coming decade, the political landscape of America will be visibly altered, and states and cities will have a far greater share of power and responsibility for solving their own problems. The role of the Federal government will be redefined and redirected toward those functions where it proves itself the only or the most suitable instrument."

Model Cities has been described as a "decompression chamber" between categorical grants and Federal revenue sharing without strings. There are lessons to be learned, and changes to be made, and Model Cities gives cities the opportunity to make those changes and to learn those lessons. It also gives us the chance to demonstrate to those doubters that local government has come of age and is willing and capable of looking after its own problems, <u>if</u> it can only have the tools and the resources necessary to do the job.

My boss, the Assistant Secretary for Model Cities, Floyd Hyde, is the former Mayor of Fresno. He still thinks like a mayor, acts like a mayor, and, I guess will never stop being a mayor. He summed it up in a recent speech when he said,

"The decade of the '70's may be our last chance to decentralize government. Our last chance to make local government more relevant. If we fail to use this great opportunity, the proponents of an all-powerful Federal government will have won the day. And, we will have left a legacy of Federal authority and power larger than this Nation has ever known. And we will have destroyed local government as an instrument of the people."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER:
10:00 A.M., Tuesday
February 10, 1970

ADDRESS PREPARED FOR DELIVERY

By Malcolm E. Peabody, Jr.
Deputy Assistant Secretary for Equal Opportunity
U.S. Department of Housing and Urban Development

To The

New England Conference
National Association of Housing and Redevelopment Officials
Sheraton Hotel
Boston, Massachusetts
February 10, 1970

SUMMARY

THERE MUST BE TENANT RIGHTS AS WELL AS MANAGEMENT RIGHTS. There must be tenant participation, as well as management participation. Participation is the key word, and it is also the safety valve. Without it, we are headed for rent strikes, increased vandalism, and bankruptcy. With it, we can solve many of these problems and even better transform our housing developments into places where people come to find their self respect rather than have it destroyed.

FILE COPY

I am very glad to be here amongst fellow New England housers. Its a time of great uncertainty in the housing field and particularly in the field of public housing. It is a time of rent strikes, rising vandalism and imminent bankruptcies, and yet at a time when the need for low rent housing has never been so desperate.

Unfortunately, I return from Washington with no cornucopia to solve all your problems, but as Deputy to Sam Simmons, the Assistant Secretary of Equal Opportunity, I have been part of the discussions in which we are trying to chart a new course for public housing and I would like to share with you some of the ideas and approaches we are developing.

We realize that many public housing authorities are going to need some further assistance to help solve emergency financial problems but there is no question in our minds that the basic problem facing public housing is not money but tenant management relations and if these problems are not solved, no amount of federal financing will help.

It may be comforting to know that housing authorities are not the only ones plagued with tenant problems. The situation you face is part of a national problem involving the changing role of the tenant generally.

Until very recently tenants' rights was a phrase unknown. Leases have been written primarily to protect the property owner - the landlord - rather than the tenant.

This mattered little so long as the supply of housing was ahead of demand, since if you didn't like your landlord, you could always move or better yet buy your own house. But as most of the major cost elements in home building have risen - land, labor, money, building materials - fewer and fewer can afford a single family house. As a result, more Americans are becoming tenants, and in a tight housing market this means a greater percentage of Americans have less choice about where they can live. Vacancy ratios have declined to less than 3% and the safety valve has been taken off the housing market with the result that pressure is building between tenant and landlord. The pressure is affecting all income groups, not just the poor. Middle class and wealthy Americans are forming tenant's groups to fight landlords. In Washington just last week tenants

in a luxury apartment house in Arlington, Virginia threatened a rent strike unless new rent increases were dropped or services improved. In New York, tenants paying upward from $800 a month for apartments are forming unions to demand better maintenance and management.

So - Buck up. You are not alone.

However, as we all realize public housing is under special pressure. For the gap between tenant and landlord, which was never very narrow, has been steadily growing for 20 years as the character of the tenants has been changing.

As you know well, public housing in the early days had a different kind of tenancy than today. In the thirties and forties public housing tenants were mostly those temporarily down on their luck or during World War II public housing served war workers. Managers and tenants were more likely to be from the same ethnic background. They went to the same churches, family units were sound, there weren't the sharp social or economic differences between tenant and manager that exist now.

When a kid broke a window in those days, the managers and other tenants knew him and his family personally and the situation could be handled by having a little conference with his parents. Nobody went to the cops.

But in the early fifties tenant populations began to change in two major respects.

First, toward the permanent poor. Those Americans who had short-range economic problems, or those waiting for new houses were caught up in the rising economy and the tremendous suburban building boom. They were sucked out of public housing and went to live in better housing in the city or their own homes in the suburbs.

They left behind the permanent poor, those who had health and educational deficiencies, or mental health problems. Many had broken families.

The second change was toward minority groups. Public housing began to accommodate the rapidly increasing minority group populations in central cities, people from the rural south who had been displaced by the changing farm economy, and those who had worked in defense industries that were phased out. A good many were also pushed into public housing by accelerating public clearance programs, ranging from highway construction to urban renewal. The employees and board members of housing authorities, however, changed very little.

As a result of all this, today there are much sharper class and racial distinctions between the commissioners and managers of public housing, many of whom have been in

the housing program since the fifties and before, and the tenants.

With this growing communications gap, the psychological price paid by tenants moving into public housing has been accentuated.

You might compare the situation to the difference between a man who joins the National Guard or a man who is drafted. In the first instance, the private knows the noncoms and the officers because they probably grew up together, and have trained together through a number of years. There is a sense of belonging. The draftee, on the other hand, often goes far from home to a training center where he is just another faceless symbol in a whole mass of symbols.

The sense of isolation and desolation is similar to that of the tenant entering a huge monolithic housing complex. He has lost almost all power to control his life, he is a number rather than a human being. As with the buck private in basic training, his complaints have little chance of being heard, however valid.

He is the lowest person on a sociological totem pole that stretches from his housing unit all the way to Washington, D. C.

If his mailbox is looted or his garbage not collected

who does he complain to? To the custodian? The custodian reports to the project head, who reports to the manager. The manager is beholden to the housing board, which in turn is appointed by the mayor. Then the chain stretches off to the regional HUD office and from there to Washington.

It is this layering of power combined with the ethnic and economic gap between tenant and housing manager that is, in my opinion, the single greatest underlying cause of tenant apathy on the one hand and anger on the other. These two inevitable emotional reactions - combined with a sense of powerlessness felt by tenants generally and by public housing tenants particularly - are the underlying reasons for most cases of vandalism and tenant irresponsibility.

When the problem is seen in this context, the solution becomes much clearer. It is not increased control and regimentation as many have claimed, indeed, this course will certainly touch off the rebellion of tenants that presently lies so close to the surface. The solution lies in restructuring the relationships between tenant and landlord so that tenants are no longer held at the bottom but are allowed to share the power and responsibility now dispensed from the top of the housing authorities. This is the chief lesson we have learned from the urban riots.

Listen to what Dr. John Spiegel says. Dr. Spiegel is the Director of the Lemberg Center for the Study of Urban Violence. In a remarkable full page interview published in the Globe last spring, Dr. Spiegel was asked what he thought the nation's next move should be to lessen violence and he said: "I am convinced of the necessity of political and social change if our society is to survive. In my view, what needs to be changed is the pyramidal structuring of power in our bureaucracies, and in our communities - a stratification that arranges persons and groups in positions of inferiority and superiority."

Isn't that exactly what public housing does - arrange people in positions of inferiority and superiority.

In my view, anything that breaks down this kind of layering directly attacks the social and psychological problems of public housing. Anything that gives a tenant a sense that he has rights and the power to exercise those rights is healthy and should be encouraged.

And participation is the key word. It has been found in case after case that when public housing tenants - or any low-income or high income group for that matter - participate in the decision-making process in relating to

their own lives, attitudes change. But the word participate needs definition. It does not mean, as one authority described it, allowing the tenants to pick up papers around the place, it means an honest sharing of the power and the responsibility. It means strong tenant unions and cooperating with them.

The ways to go about achieving this goal are many but the two steps which will restructure relationships faster and more effectively than any other are the appointment of a tenant on the housing authority board and the development of a strong tenant union. For only through these outlets can tenants speak with real equality.

I realize that housing authorities cannot appoint board members themselves, but you can suggest this action to the mayors and to the Governors who do and if you don't you will find that others will.

You can help in the formation of responsible tenant unions or in the strengthening of those that already exist. There are many vital roles these unions can and should play. They should first negotiate with management basic tenant rights, particularly those contained in leases; for example, the clauses covering eviction, rent increases, damage payments, right of entry, and many others. More importantly they should negotiate with you a way of exercising

these rights through established procedures for resolving grievances.

They should also form joint committees with management to organize recreation programs, and, more to the point, develop a program to train and utilize tenants in a variety of employee and manager roles.

It may fascinate you to know that we are going through exactly this very process at the national level. For the first time in the history of HUD there is a dialogue going on with tenant organizations. It used to be that we did business only with NAHRO and the real estate industry, but we now have two important committees at work where the National Tenants Organization and the National Welfare Rights Organization are participating on an equal basis. Interestingly enough, the subjects of these discussions are lease provisions and grievance procedure and the development of a national program to provide training and employment opportunities for public housing tenants to be carried out jointly between NAHRO and NTO. I am presently chairing the second committee and I want to say that the cooperation we have received from NAHRO representatives has been excellent.

Indeed since the recognition of the national tenant organization as an equal at the national bargaining table, there has been a completely different atmosphere on this

question at HUD. Problems that seemed insoluble now are being worked out and by groups who traditionally have been and in many cities are now at loggerheads.

So to the local authorities we are saying - "Come on in, the water is fine" - and by doing so you will begin to close that yawning crevasse that separates you and your tenants.

In his Inaugural Address, President Nixon pointed out that the "essence of freedom is that each of us shares in the shaping of his own destiny." And he said: "No man can be fully free while his neighbor is not. To go forward at all is to go forward together."

To my mind, the President is telling us that we must move away from confrontation to cooperation, to a respect for the rights of all.

There must be tenants rights as well as management rights. There must be tenant participation, as well as management participation.

Participation is, again, the key word, and it is also the safety valve. Without it we are headed for rent strikes, increased vandalism, and bankruptcy. With it we can solve many of these problems and even better transform our housing developments into places where people come to find their self respect rather than have it destroyed.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-71
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Wednesday
February 11, 1970

NEW FHA ORGANIZATION CLEARING WAY FOR REHAB AND LOWER INCOME PROGRAMS

The Federal Housing Administration now has full responsibility for all housing production programs of the U.S. Department of Housing and Urban Development under an organizational alignment effective this week.

FHA's realigned staffs have been empowered to work more effectively on such national goals as lower income housing and rehabilitation of housing in older neighborhoods.

Details of the FHA organizational change came today from Eugene A. Gulledge, HUD's Assistant Secretary for Housing Production and Mortgage Credit and the FHA Commissioner.

"It will now be clear to everybody," said Mr. Gulledge, "that FHA has cleared the decks to accomplish what some of its critics said FHA never would be able to do. By establishing an Office of Assistant Commissioner for Subsidized Housing Programs, we now have one man with a large staff free to spend full time making the assisted housing programs work. And that includes the low-rent publicly financed housing production program we have absorbed.

"Also, for the first time FHA will have an Office of Assistant Commissioner for Rehabilitation. Thus we are going to pull out all the stops, make use of existing programs and do some innovating, to the end that existing structures can be rebuilt for people in the neighborhods where they want to find decent homes to live in."

Mr. Gulledge announced that Morton W. Schomer has been named Acting Assistant Commissioner for Subsidized Housing Programs and M. Carter McFarland Acting Assistant Commissioner for Rehabilitation. In Mr. Schomer's office, Morton A. Baruch becomes Director of the Subsidized Mortgage Insurance Division and Morris Shroder Director of the Publicly Financed Housing Division.

Mr. Gulledge also announced the appointment of R. Harold Denton as Acting Assistant Commissioner for Programs. Mason Doan continues as Director of an expanded Program Division and Fordyce A. Voss has been named Acting Director of Research and Statistics Division. Allan F. Thornton has been named Acting Director of a new Economic and Market Analysis Division to provide a program of

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local market analyses and related economic, income limit, and rent schedule analysis transferred from the Deputy Under Secretary for Policy Analysis and Program Evaluation.

Theodore M. Alexander, Jr., becomes Acting Assistant Commissioner for Unsubsidized Housing Programs. George O. Hipps, Jr., becomes Acting Director, Single Family Division, and Edmund V. Connolly is Director, Multifamily Division.

The Office of Assistant Commissioner for Technical Standards has been changed to that of Assistant Commissioner for Technical and Credit Standards. Donald C. Jordan is Acting Assistant Commissioner.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

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FOR IMMEDIATE RELEASE
Wednesday
February 11, 1970

HUD ORGANIZATIONAL OVERHAUL COMPLETED IN CENTRAL OFFICE

Secretary George Romney said today that the alignment of the central office of the U.S. Department of Housing and Urban Development is now completed.

The departmental organization, announced last November, caps months of effort by task forces to streamline the Department by merging related functions.

In the process, some established concepts and traditions were scrapped, divisions abolished, titles changed and staffs transferred. Some 250 employees were reassigned in the central office in accordance with the new distribution of programs and functions among the Assistant Secretaries.

The most far-reaching changes took place in the office of the Assistant Secretary for Housing Production and Mortgage Credit, Eugene A. Gulledge, who is also the Federal Housing Commissioner. His office is now responsible for all housing activities of the Department.

In the new structure, under Assistant Secretary Gulledge, all housing programs were split into two main categories--subsidized and unsubsidized, each under an Assistant Commissioner. These replace the old offices of Assistant Commissioner for Home Mortgages and Assistant Commissioner for Multi-Family Housing.

The subsidized programs brought under one roof include low rent public housing, home ownership assistance, rental

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assistance, rent supplements, below market interest rate housing, direct loans for housing for the elderly, college housing and Alaska housing.

The unsubsidized programs include traditional mortgage financing, multi-family housing, unsubsidized rental housing, the basic rental housing program, cooperatives, condominiums, nursing homes, intermediate care facilities, group medical practice facilities and non-profit hospitals.

These changes were made, Secretary Romney, said, to simplify dealings with the field as well as with sponsors and builders.

Personnel involved in all types of housing production will be in FHA. They will go either to subsidized or unsubsidized housing, depending on the type of programs on which they have been working.

An office of Assistant Commissioner for Rehabilitation was created to concentrate on rehabilitated housing in helping to reach the nation's housing goals, and to coordinate the rehabilitation efforts in all programs. The Commissioner's function will be to develop policies and procedures for all housing rehabilitation under all FHA mortgage insurance programs.

In another major development, the social and financial management of housing after it is produced will be the responsibility of Lawrence M. Cox, Assistant Secretary for Renewal and Housing Management. Mr. Cox's concern will be with the people who will live in the homes to be built or rehabilitated.

In addition to his present duties of administering slum clearance and the complex urban renewal programs, his functions embrace the social, physical and financial aspects of managing housing, including mortgage servicing for FHA-insured multi-family programs.

Under Assistant Secretary Cox the new office of Housing Management was created. It will manage low rent public housing,

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multi-family housing, rent supplement housing, Alaska housing, college housing, and housing for the elderly and handicapped.

This Office will handle the disposition of all the Department's housing, including property acquired by default. It will also handle the counseling and tenant assistance functions in HUD's programs.

Since they are involved with code enforcement and urban renewal programs, Rehabilitation Loans and Grants were retained by Assistant Secretary Cox, a change from the organization plan announced in November.

The Assistant Secretary for Metropolitan Planning and Development, Samuel C. Jackson, who is also General Assistant Secretary, will take over all planning.

He will administer programs to help communities with their comprehensive planning and in carrying out their plans through acquiring land for open space, new communities development, construction of community facilities, and improving their relations with other governmental units.

Planning activities, formerly separated into the Office of Planning Standards and the Planning Assistance Grant Program, were centralized in one office. Also combined were the Office of Intergovernmental Relations and Small Town Services. All Open Space programs, formerly in two program areas, were consolidated into one division.

New Communities Development, formerly a subordinate division, was raised to the status of an Office, answering directly to the Assistant Secretary.

All research activities were combined under Harold B. Finger, Assistant Secretary for Research and Technology, who also supervises Operation Breakthrough.

Responsibility for the technical aspects of experimental housing is transferred from FHA to Research and Technology.

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Other Assistant Secretaries and the General Counsel are relatively unaffected by the organizational overhaul.

Secretary Romney emphasized that the implementing actions taken now apply only to the central office. The Department has until next September to establish its ten regional offices. HUD is also in the process of creating area field offices, to which operations will be decentralized, bringing them closer to the people served by the Department.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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FOR IMMEDIATE RELEASE:
Wednesday
February 11, 1970

OFFICE OF METROPOLITAN PLANNING AND DEVELOPMENT RESTRUCTURED AT HUD

A key feature of the U.S. Department of Housing and Urban Development's new organization is the basic restructuring of the Office of Metropolitan Planning and Development.

Four major areas become the responsibility of Samuel C. Jackson, Assistant Secretary for MPD, who also serves as General Assistant Secretary:

... Metropolitan and Community Planning

... Land and New Communities Development

... Community Facilities Programs

... Intergovernmental Relations

Several programs from other HUD offices have been assigned to Metropolitan Planning and Development where they have been consolidated on a functional basis with existing programs.

The programs assigned are Workable Programs, Neighborhood Facilities, Urban Parks, Urban Beautification, Surplus Land for Community Development and the Urban Design Function.

Assistant Secretary Jackson noted that "the new organization will enable the Office to speed our delivery system. We have combined programs which are essentially concerned with similar problems and we have restructured programs to give added emphasis to social and human needs. Our contribution to both local governments and individual citizens will be improved as a result of the new organization."

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Principal changes in the organization are:

1-The new Office of Planning Assistance and Standards consolidates all planning activities previously the responsibility of various Metropolitan Planning and Development components as well as those formerly assigned to Renewal Assistance Administration.

2-The Community Resources Development Administration becomes the Office of Resources Development, with its two divisions taking on added responsibilities. The Community Facilities Division will supervise the Neighborhood Facilities program, as well as the engineering functions for all programs of the Office of Resources Development. The Land Development Division's new name, Open Space and Urban Beautification Division, reflects the addition of both the urban beautification program and the developed land (urban parks) program absorbed from the Renewal Assistance Administration.

3-The new Office of New Communities Development has been consolidated with the Surplus Land Program and will now report directly to the Assistant Secretary, rather than the Community Resources Development Administration as heretofore.

4-The Office of Small Town Services and Intergovernmental Relations is a new organization designed to provide direct technical assistance to state and local governments; to make urban planning and development information available to state and local agencies and to handle related activities.

5-The Urban Management Assistance Administration, the Office of Planning Standards, the Office of Urban Transportation Development and Liaison, the Office of Management Services, and the Office of Small Town Services have been abolished.

Key program personnel assignments include the following:

Office of Management and Technical Services

Director: William F. Dunn (Acting)
Deputy Director: Morris A. Simms (Acting)

Office of Plans, Programs and Evaluation

Director: Frederick A. McLaughlin, Jr.
Deputy Director: Vincent J. Hearing (Acting)

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Office of Planning Assistance and Standards

Director: Vacant
Deputy Director: Nicholas P. Thomas

Office of Small Town Services and Intergovernmental Services

Director: Howard E. Ball
Assistant Director for Small Town Services: Vacant
Assistant Director for Intergovernmental Relations: Andrew S. Bullis

Office of New Communities Development

Director: William Nicoson

Office of Resources Development

Director: Arthur A. Davis
Deputy Director: Melvin M. Humphrey

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-73
Phone (202) 755-7327

FOR RELEASE:
Thursday
February 12, 1970

HUD GRANT TO CORCORAN GALLERY FOR DESIGN EXHIBITION CATALOG

The U. S. Department of Housing and Urban Development has awarded a $10,000 grant to the Corcoran Gallery of Art in Washington, D. C., to assist it in publishing the catalog of an exhibition by Paolo Soleri, a modern environmental designer.

The unique catalog, in the form of a cube, will contain 16 scroll drawings as well as an illustrated booklet, describing the exhibition which covers 20 years of concepts by the designer.

In announcing the grant, Secretary George Romney said, "It is a pleasure for the Department of Housing and Urban Development to support the Corcoran exhibit of the work of Paolo Soleri, which initiates what I plan as a continuing HUD endeavor to support institutions in their efforts to bring outstanding new design work to the attention of the public."

Soleri, a native of Italy, first attained prominence in the 1940s with his unorthodox bridge designs. The Massachusetts Institute of Technology Press recently published his book, "Arcology, the City In the Image of Man."

The exhibition itself will be open to the public on Feb. 21, through April 5. According to critics, the exhibition brings to public attention not only the perceptive vision of a contemporary architectural designer and artist, but presents a highly imaginative approach to man and his urban environment. This science of city design has been termed by Soleri, "arcology."

Because of the significance of this exhibition, the Corcoran Gallery has received special funding from the Prudential Insurance Company of America, which has joined the Gallery as a co-sponsor.

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The HUD grant will come from the Urban Renewal Demonstration Grant Program. This program, authorized by Section 314 of the Housing Act of 1954, as amended, provides Federal grants to cover the cost of writing and publishing reports of new and improved urban renewal methods.

Copies of the unique boxed catalog of the exhibit will be available directly from the Corcoran Gallery of Art for $2.50 each, plus $1.00 each for postage and handling if mailing is requested.

For further information:

Mr. LeRoy Woodson, Jr.
Office of Public Information
Corcoran Gallery of Art
17th Street and New York Avenue
Washington, D.C. 20006
PHONE: (Area Code 202) 638-3211, Ext. 34

PROJECT NO.: D. C. D-19

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-79
Phone (202) 755-7327

FOR RELEASE AFTER:
10:30 a.m., Friday
February 13, 1970

HUD ISSUES COMMITMENT FOR FIRST NEW COMMUNITY

The first new community to be developed with the assistance of the U.S. Department of Housing and Urban Development is beginning to take shape in the rolling hills 20 miles southwest of Minneapolis, Minn.

Secretary George Romney today announced the first commitment under HUD's New Communities Program to the Jonathan Development Corp., whose project will be developed over approximately 5,000 acres in and near Chaska, Minn.

On hand to sign and accept the first commitment was Henry T. McKnight, president of the Corporation and a Minnesota state senator, with a background in real estate and a special interest in conservation.

The New Communities Program provides Federal guarantee assistance during the formative years of a new development. Under the program, HUD can guarantee up to $50 million in any one development of obligations incurred in acquiring and developing land for a new community.

In the case of Jonathan, HUD has issued a commitment of a potential guarantee of up to $21 million of debt obligations. This will help finance the first 10 years of land acquisition and land development for Jonathan, a name derived from Jonathan Carver, an American explorer who traveled through the area in 1766-68.

The Chaska area where Jonathan is rising is an area which has been designated a regional growth center by the Metropolitan Council of the Twin Cities Area. Major elements for development already are available on the site--water and sewer facilities, highway access, an arterial road through the project, and a mainline railroad. Planned freeway construction will give improved access to the metropolitan airport and downtown Minneapolis.

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The location is one of the few remaining accessible areas of significant size west of Minneapolis.

The development plan is designed to preserve and enhance the rolling hills, wooded areas, creeks and lakes of the site. It calls for developing five residential villages, with school, shopping and civic facilities, linked by a network of traffic arteries, pedestrian walkways, and open spaces.

The general design concept of Jonathan is to develop five villages, each with a population of from 5,000 to 7,000. In addition, some 10,000 persons would be located adjacent to the town center in high-density dwelling units and 5,000 in a 300-acre "learning center," which would have a branch of a major university.

Within each village, there will be a center for shopping, required municipal services, a medical clinic and a post office. Elementary schools are to be located at or near the village centers.

The town center of Jonathan would be a single multi-story structure built over the main line railroad and the principal highway, serving the entire area with department stores and specialty shops and other facilities. It would be built with special consideration to the severe winters of the region.

More than 1,200 acres will be reserved for industrial use and the remaining 3,500 acres to be developed in the first 10 years would be used for: Residential, 45 percent; recreation and open space, 18 percent; industrial, 10 percent; lakes, 8 percent; commercial, 6 percent; roads, 5 percent; education and municipal, 5 percent; religious, 1 percent.

The developer has given consideration to preservation of the natural environment of the site. The open space system is a linear network running throughout the whole project, protecting steep slopes, bodies of water, providing separation of different urban functions, and offering easily accessible recreation.

In the next ten years, 5,604 units of housing will be constructed -- 2,009 single family units, 792 cluster units, 1,501 town houses, 802 garden apartments, and 500 apartments in high-rise structures. More than 500 of the units will be developed with assistance from HUD's interest subsidy programs (Sections 235 and 236) and another 2,254 units will be built with HUD-FHA assistance.

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Attachment: HUD-No. 70-79

SUMMARY OF JONATHAN

1. Project Name: Jonathan

2. Developer: Jonathan Development Corporation

3. Location: First stage within city limits of Chaska, some 20 miles southwest of Minneapolis, Minnesota in Carver County.

4. Acreage: 4,120 to be acquired under the guarantee during the first ten years. 1,736 now owned by the developer. At the end of ten years the developer will own 5,856 acres and will have developed 3,777 acres, leaving the balance for later development stages.

5. Terrain: Attractive, with rolling hills, crossed by ravines, including woods, marshes, open fields, and three large natural lakes.

6. Access: Located 20 minutes from the metropolitan airport. A major U.S. highway to the project scheduled for improvement and relocation in early 70's. Trunk line rail access to Minneapolis with rapid transit potential.

7. Population: 18,000 persons at end of ten year development period, 50,000 in 20 years. Net residential density 17 persons per acre in first development stage. Final overall density, 5.8 persons per acre.

8. Dwelling Units: 5,604 during first ten years, including single family and cluster units, garden apartments, town houses, and elevator apartments.

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9. Land Uses: Excluding a 1,500 acre industrial tract, land uses in initial stage of development, are 45 percent residential; 18 percent open space; industrial 10 percent; lakes 8 percent; commercial 6 percent.

10. Low and Moderate Income Housing: In an amount equal to metropolitan profile for low and moderate income families. Part of program to include 545 units of Section 235 and 236 housing, plus unsubsidized low cost "stack units."

11. Housing Innovation: "Stack Units," a rectangular wood module, which can be produced for under $10,000, and a flexible unit developed by the Jonathan Housing Corporation.

12. Other Major Innovations: Development of a "wide spectrum" co-axial system, using telephone, CATV, FM, educational programs, computer, and other forms of information communication. A major town center, completely enclosed for severe winters.

13. Planning: The project is consistent with metropolitan-wide planning of the Metropolitan Council of the Twin Cities Area.

14. Equal Opportunity: Developer committed to compliance with HUD regulations on nondiscrimination in housing and public facilities and in employment both by contractors and subcontractors. Has adopted affirmative action program.

15. Economic Growth: From 1960 to 1965, Minneapolis area fifth fastest growing of the 15 largest population centers. From 1953 to 1968, third highest growth rate in manufacturing activity among leading industrial metropolitan centers.

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Nearly 500 of the units to be constructed during the first decade will be of the "stack" type -- low-cost prefabricated housing units, essentially rectangular wooden modules, which can be erected for single and multi-family use. The units are designed to sell from $6,000 to $10,000. The "stack" housing, clustered at four sites, will be adjacent to more expensive homes.

The Jonathan Housing Corporation, a joint venture composed of the Jonathan Development Corp., the Northern Natural Gas Co., the Olin Mathieson Chemical Corp., and the Stanford Research Institute, plans to construct 30 experimental, industrially-produced houses based on an initial prototype developed by SRI. The prototype is essentially a flexible house with units which may be added in stages as family needs change. The price of such houses would range from $17,000 to $35,000.

The progress of Jonathan is being monitored by the University of Minnesota under a $50,000 grant from the Ford Foundation. It is anticipated that the social aspects of the development will be monitored by this study and given full consideration by the developer.

Jonathan is working with the Minneapolis Home Builders Association and about 30 local firms already are at work on the project.

Development of Jonathan was begun in 1968 and the first of the five villages presently has 120 residents and five business firms employing 100 persons. Two more business facilities are under construction.

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Attachment: Summary of Jonathan

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-85
Phone (202) 755-7327

FOR RELEASE:
Friday
February 13, 1970

HUD MODEL CITIES CONTRACT OFFERED TO WILKES-BARRE, PA.

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced the offer of a $1,603,000 Model Cities contract to Wilkes-Barre, Pa.

Wilkes-Barre will also receive support from other programs administered by HUD and by the Department of Health, Education and Welfare and agencies of the State of Pennsylvania.

Today's action by Secretary Romney will enable the city to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Wilkes-Barre program.

The planning phase saw extensive State participation as well as private sector involvement that included staff, time, equipment, office space and monetary contributions. Development of a health plan and paramedical training projects involved the Wyoming Valley Hospital, Luzerne County Medical Society, Blue Cross of Northeastern Pennsylvania and individual physicians and dentists.

The Welfare Planning Council, Family Service, Jewish Community Center, Caltholic Youth Center, Catholic Social Services, Boy Scouts, Young Mens and Women's Christian Associations and the Junior League of Wyoming Valley all participated in the planning of the social services and recreational projects.

Planning of housing programs was aided by the local central labor union, the Homebuilders Association and Ecumenical Enterprises, Inc., a local non-profit housing corporation. Wilkes College and King's College contributed to the planning of serveral projects and activities.

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HUD No. 70-85

Numerous first year projects will be sponsored, administered and operated by voluntary and private organizations and agencies. The Wyoming Valley Hospital will provide around-the-clock ambulance service to model neighborhood residents. The paramedical training program will involve the Wyoming Valley Hospital and Greater Delaware Valley Regional Medical Program.

Various planning and study projects will be carried out by Blue Cross and Wilkes College. Pennsylvania Power and Light will improve the lightling system of the model neighborhood.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the city's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

"During the review period, Wilkes-Barre did an excellent job in revising its proposals and improving its capability to operate in the first-year action program," he said.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Mayor John B. McGlynn
City Hall
Wilkes-Barre, Pa. 18701

CDA Director (Acting)
William A. Schutter
Model Cities Agency
426 First National Bank Building
Wilkes-Barre, Pa. 18701

NOTE: A summary of the Wilkes-Barre Model Cities program is available upon request to the Office of Public Affairs, U. S. Department of Housing and Urban Development, Washington, D. C. 20410

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-86
Phone (202) 755-7327

FOR RELEASE:
Friday
February 13, 1970

HUD MODEL CITIES CONTRACT OFFERED TO HOBOKEN, N.J.

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced the offer of a $2,030,000 Model Cities contract to Hoboken, N.J.

Hoboken will also receive support from other programs administered by HUD and by the Department of Labor, Office of Economic Opportunity and the Department of Health, Education and Welfare.

Today's action by Secretary Romney will enable the city to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Hoboken program.

The State of New Jersey is actively involved in the Hoboken program. Funds totaling approximately $620,000 have gone into the program. Numerous agencies and organizations assisted development of the plan and will continue involvement in further planning, evaluation activities or as sponsors or operators of projects. These groups include the Steven Institute of Technology, Newark State College, Saint Mary Hospital, Hoboken Chamber of Commerce, Mount Carmel Guild, Hoboken Young Men's Christian Association, the National Association for the Advancement of Colored People (Hoboken Chapter), HOPES (Hoboken Organization Against Poverty and Economic Stress) Inc., Hudson County Council of Social Agencies, and the 60 Garden Street Association.

Voluntary and private organizations and agencies will sponsor and operate first year projects. The Stevens Institute of Technology's program of summer classes and tutoring of model neighborhood residents will be expanded. St. Mary's Hospital will cooperate with city officials in operating four different comprehensive health demonstration projects.

The Hudson County Council of Social Agencies will establish a social service center offering counseling, referral and transportation to social agencies. The New Jersey Urban Education Crops will make teaching interns available for a reading skills demonstration project in the model neighborhood school.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the city's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information:

Mayor Louis De Pascale
City Hall
Hoboken, N.J. 07039

Michael Coleman, Director
City Demonstration Agency
84 Washington Street, second floor
Hoboken, N.J. 07030

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NOTE: A summary of the Hoboken Model Cities program is available upon request to the Office of Public Affairs, U. S. Department of Housing and Urban Development, Washington, D. C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-87
Phone: (202) 755-7327

FOR RELEASE:
Tuesday
February 17, 1970

SAN DIEGO INVITED TO PARTICIPATE IN HUD URBAN OBSERVATORY PROGRAM

Secretary George Romney of the U. S. Department of Housing and Urban Development announced today that San Diego has been invited to participate in HUD's Urban Observatory program.

The program establishes alliances of local governments and universities to conduct research and community service activities which can help meet the needs of local officials. The aim of the cooperative program is to utilize city and university resources in a joint attack upon urban problems.

San Diego's two major institutions of higher learning--San Diego State College and the University of California at San Diego--will participate in the program.

Both of these schools have assisted the city in the past and can build on these relationships, Mr. Romney said. San Diego State College recently conducted citizen attitude surveys for the city administration, and college faculty members undertook a study of the organization and operation of the office of the Mayor. The University of California in San Diego has a work study program with the city that places students in summer intern positions.

The program already includes the following nine cities: Albuquerque, N.M.; Atlanta, Ga.; Baltimore, Md.; Boston, Mass.; Cleveland, Ohio; Denver, Colo.; Milwaukee, Wis.; Nashville, Tenn.; and both Kansas City, Mo., and Kansas City, Kans., which are working together as a single observatory.

In addition to HUD funds of a little more than $1 million for the total Urban Observatory program, support is provided by the U. S. Office of Education through Title I of the Higher Education Act and also by matching local contributions from the participating cities and universities.

Launched in January 1969, by HUD in cooperation with the U. S. Office of Education, the program is coordinated by the National League of Cities.

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For further information:

Mr. Patrick Healy
Executive Vice President
National League of Cities
The City Building
1612 - K Street, N.W.
Washington, D.C. 20006

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-93
Phone (202) 755-6420

NOTICE OF PUBLICATION
FOR RELEASE:
Thursday
February 19, 1970

HUD PUBLISHES BIBLIOGRAPHY ON NEW COMMUNITY DEVELOPMENT

New Communities, a publication listing over 600 reference sources on new towns and cities throughout the world, has just been published by the U.S. Department of Housing and Urban Development.

The new HUD bibliography is the most complete compilation available in the United States on New Community development, a subject which is of increasing interest to public officials, architects, planners, private developers, and others.

Secretary George Romney notes in the preface that "at a time when new community development is making a new beginning in this country, this annotated bibliography is intended to serve as a basic tool for the dissemination of ideas and technology derived from research and experience."

The 84-page bibliography, compiled by HUD's Office of New Communities Development in collaboration with the HUD Library, contains cross-indexed references to books, magazine articles, conference proceedings, studies, and documents.

Items listed are generally available in libraries and bookstores or from publishers and issuing organizations, although some significant documents not readily available have also been included.

Copies can be purchased for 75¢ from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-100
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
February 19, 1970

FIRST MORTGAGE-BACKED SECURITY IS SOLD; HAILED BY ROMNEY

Secretary George Romney of the U.S. Department of Housing and Urban Development today hailed the sale of the first mortgage-backed security as an incalculably important advance toward enlarged residential financing.

In the first transaction of its kind, $2 million of the brand new security guaranteed by HUD's Government National Mortgage Association (GNMA) were sold by Associated Mortgage Companies, Inc. of Washington and New York, and by its wholly owned subsidiary, South Jersery Mortgage Company, Camden, N. J. to three New Jersey funds: State of New Jersey Police and Firemen's Retirement System, which purchased $500,000 of the securities; State of New Jersey Public Employees Retirement System, $700,000; and State of New Jersey Teachers' Pension and Annuity Fund, $800,000.

In remarks in the HUD building before participants in the sale, Mr. Romney said:

"This event marks a revolutionary step forward in our efforts to increase the funds available for mortgage financing. The sale has produced $2 million in proceeds which probably would never have gone into residential loans.

"It is our fervent hope that many, many other organizations holding FHA and VA mortgages, as today's issuers did, will form similar pools and sell securities against them. The funds produced by such sales will be of inestimable benefit to home construction, will alleviate substantially the present tight mortgage money conditions, and result in the construction of many more housing units than is now possible."

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The securities were sold against a pool of 8-1/2 percent FHA and VA mortgages valued at $2 million. The securities have an interest rate of 8 percent and were sold at 94.75 (94-3/4 percent of the value of the instrument) to yield 8.58 percent if the mortgages are held to maturity. If the mortgages are prepaid in 12 years (the average prepayment period) the securities will yield 8.75 percent.

Present at the ceremony were Louis H. Meyer, President of Associated Mortgage Companies, Inc.; Joseph McCrane, New Jersey State Treasurer representing the retirement funds; and Woodward Kingman, President of HUD's GNMA.

It is GNMA which issues the guaranty of the marketed securities bearing the full faith and credit of the United States.

"The securities are attractive investments," Mr. Kingman pointed out, "because they have the U.S. guaranty, produce a yield competitive with other good investments in the market, and eliminates the paperwork and documentation that would be required of a comparable investment in mortgages.

"The launching of this program today should pave the way for a real turn for the better in mortgage financing."

The program was authorized by recent legislation to increase the flow of funds into residential financing. It was designed to interest large investors which are not now investing in mortgages principally because they do not have specialized mortgage departments able to handle the documentation and paper work involved in mortgage investments.

Mr. Kingman pointed out that pension funds, which have only about 5 percent of their huge assets in mortgages, along with state and municipal retirement funds, are potentially prime investors. He noted that pension and similar funds have in the neighborhood of $139 billion in assets, much of which could be invested in mortgage-backed securities.

"Today's sale of the first issue to pension funds," Mr. Kingman said, "indicates the appeal this security has to this type of investing organization."

Briefly, these are the basic elements of the new program:

An eligible investor -- an FHA-approved mortgagee -- obtains authority from GNMA to issue a certain amount of securities against a pool of a specified amount of FHA and VA mortgages. The issuer then accumulates the mortgages and submits them to a custodian, usually a bank, for examination.

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Upon certification of the mortgages by the custodian, GNMA issues its guaranty. The mortgages are kept in safekeeping by the custodian.

The securities are sold in a minimum amount of $50,000. Minimum size of any issue is $2 million.

The operation is under a "pass through" procedure in which monthly pro rata repayments of principal and interest, plus any prepayments of mortgages, are made to the investors.

Today's issue was of a modified "pass through" type which provides for guaranteed monthly payments of a specified amount of principal and a fixed rate of interest, whether collected from the mortgages or not, with all prepayments of mortgages passed through to the investor as collected.

Mr. McCrane, New Jersey Treasurer, said this of the State's purchase:

"We believe this investment as important from two viewpoints. It makes more money available in the home buying market. And it is good for the State Treasury since the security produces a very good return and is guaranteed."

Mr. Meyer, the President of Associated Mortgage Companies Inc. stated that "the supply of mortgage funds for home buyers will be increased as mortgage-backed securities attract investment capital which would not otherwise be directed into the mortgage market."

He added that the mortgage banking industry now has a "truly viable method by which to attract potentially sizable sums of investment funds not available in the past."

The firm has a servicing portfolio of more than $1.4 billion, making it the third largest mortgage banking firm in the country. Loans in the pool will be serviced by South Jersey Mortgage Company, Camden, N.J.

The $2 million of securities issued today is backed by $2 million in mortgages placed in the pool of which the First Pennsylvania Banking and Trust Company, Philadelphia, is custodian. All loans in the pool cover properties in New Jersey.

The mortgage pool is composed of FHA and VA single family mortgages bearing an interest rate of 8-1/2 percent with amortization from 20 to 30 years.

GNMA, which administers the program, is a Government-owned corporation in HUD created under the 1968 Housing and Urban Development Act. Besides the security program, GNMA conducts two of the three operations formerly in the now-privately-owned Federal National Mortgage Association, which was partitioned under the 1968 legislation.

One operation is the special assistance function for aiding the financing of lower income housing and other special purpose housing programs. A second is the management and liquidating function which, among other operations, provides for the guaranty of mortgage-backed securities and for administration of the program.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-95
Phone (202) 755-7327

FOR RELEASE:
Friday
February 20, 1970

HUD FLOOD INSURANCE AVAILABLE IN CITY OF BAYTOWN, TEXAS

Flood insurance coverage under the National Flood Insurance Program may be obtained beginning February 27 for one- to four-family residential structures in Baytown, Texas, it was announced today by the U.S. Department of Housing and Urban Development.

Private insurance agents and brokers will sell the insurance to provide protection to properties in the identified flood-prone area.

The coverage was made available after the city adopted a resolution in which it agreed to adopt appropriate land use and control measures for the flood area, and after surveys were made by the U.S. Corps of Engineers to establish actuarial insurance rates.

George K. Bernstein, HUD Federal Insurance Administrator, said Baytown becomes the sixth community in the Nation to become eligible. Metairie, La.; Fairbanks, Alaska; parts of Alexandria and Arlington, Va.; and Matewan, W. Va. became eligible earlier.

The action announced today, Mr. Bernstein explained, provides both subsidized and actuarial, or experience-based, insurance following a survey and rate-making study of Baytown properties.

He added that many other communities are expected to become eligible soon for subsidized insurance under an emergency program enacted in December which waives the previously required actuarial studies during a two-year period.

He cautioned, however, that there has been no change in the statutory provision that insurance can only be sold in those communities which express positive interest in the program and give assurances that they will adopt land use and control measures to minimize damage from future floods.

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A map showing the zones of Baytown covered by the insurance is available for inspection in the Office of the Planning Director, City Hall, 2401 Market Street, Baytown, and at the Texas Water Development Board, 301 West 2nd Street, Austin.

The Lakewood, Wooster and Brownswood areas of Baytown are eligible for flood insurance. The area is bounded on the west by Burnett Bay, on the south by Scott Bay and the Wooster-Cedar Bayou Road, on the east by the H. N. S. Railroad and on the north by the city limits.

Federally subsidized insurance on existing home properties may be purchased for 40 cents for $100 of a structure's valuation up to $17,500. This insurance should be particularly beneficial in the future to owners of property which was flooded by hurricane Carla along the Gulf Coast in 1961.

An additional $17,500 of insurance can be bought at actuarial, unsubsidized rates. These rates are based on loss experience and are generally higher for properties in the special flood hazard area. The actuarial rates have been based on such factors as the type of structure to be insured, elevation in the flood plain and the amount of flood proofing protecting it.

Federally subsidized insurance of a home's contents may be bought in amounts up to $5,000 at 50 cents per $100 valuation. Another $5,000 of insurance on contents may also be purchased at actuarial rates.

Owners of properties which are constructed or substantially improved after February 26, 1970, in areas having a special flood hazard will be eligible to buy only insurance at actuarial rates.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-106
Phone (202) 755-7327

FOR RELEASE:
Friday,
February 20, 1970

HUD MODEL CITIES CONTRACT OFFERED TO COHOES, N.Y.

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced the offer of a $1,845,000 Model Cities contract to Cohoes, N.Y.

Cohoes will also receive support from other programs administered by HUD and by the Department of Health, Education and Welfare, Office of Economic Opportunity, Department of Labor and the Department of the Interior.

Today's action by Secretary Romney will enable the city to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Cohoes program.

During the planning phase private citizens and numerous organizations contributed time and staff effort. Catholic Charities of the Diocese of Albany provided both time and space for Model Cities use. Representatives of Hudson Valley Community College, Cohoes Industrial Development and Redevelopment Corporation, Star Texile and Research, Cohoes Memorial Hospital, Young Women's Christian Association and the Salvation Army contributed time as did a large number of professional people, small businessmen, labor union members, high school students, senior citizens and both Catholic and protestant clergymen.

The board of directors of Cohoes Community Center, Inc., representing a cross section of the community, contributed time and effort to raising by conscription the local share of construction costs of a community center, which supplemental funds will help equip.

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Voluntary and private organizations and agencies will sponsor, administer and operate some of the first year projects. Two health projects will be operated by Cohoes Community Center, Inc. The Legal Aid Society of Albany, Inc. will expand existing services to a full time basis. A program of home management for low income mothers will be conducted by the Albany County Extension Service. Catholic Charities of the Diocese of Albany will conduct a comprehensive social services study in the model neighborhood and establish and staff a human resources center. The City of Cohoes and numerous departments of the city government will operate additional projects.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the city's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Mayor Virginia MacDonald
City Hall
Cohoes, N.Y. 12047

Director, City Demonstration Agency
2 Johnston Avenue
Cohoes, N.Y. 12047

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NOTE: A summary of the Cohoes Model Cities program is available upon request to the Office of Public Affairs, U. S. Department of Housing and Urban Development, Washington, D. C. 20410

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER:
1:00 p.m., Saturday,
February 21, 1970

FILE COPY

"THE ACHIEVEMENT OF AN OPEN SOCIETY"

Address By
Samuel J. Simmons
Assistant Secretary for Equal Opportunity
U.S. Department of Housing and Urban Development

Mid-Winter Conference
United Mortgage Bankers of America
Waldorf-Astoria Hotel
New York City, New York
February 21, 1970

SUMMARY

Discrimination is the major barrier to an open society in America, and we have not as yet committed ourselves as a Nation to removing that barrier. This has led to major problems. For example, discrimination and the lack of low income housing in the suburbs have contributed to de facto segregation in housing and to segregated schools. The problem in our schools is attributable to the lack of an open society and our children are the victims.

The subject I was asked to speak about today is "The Achievement of an Open Society," a subject as crucial as any in our Nation today.

I am not alone in this conviction. The Kerner Commission called national attention to an increasing racial polarization in our society in 1968, and a year later Urban America and the Urban Coalition gave a gloomy analysis of what had happened -- or rather, what had not happened -- during that year. Part of this report said:

"Progress in dealing with the condition of slum-ghetto areas has been nowhere near in scale with the problems. Nor has the past year seen even a serious start toward changes in national priorities, programs and institutions advocated by the Commission. The sense of urgency in the Commission report has not been reflected in the Nation's response."

Late last year, Dr. Daniel Patrick Moynihan in an article on urban policy, brought the situation up to date when he said:

"The poverty and social isolation of minority groups in central cities is the single most serious problem of the American city today. It must be attacked with urgency, with a greater commitment of resources than has heretofore been the case, and with programs designed especially for this purpose."

In that same article, Dr. Moynihan called attention to the need for options leading to an open society when he said:

"Urban policy accepts the reality of ethnic neighborhoods based on free choice, but asserts that the active intervention of government is called for to

enable free choice to include integrated living as a normal option."

Obviously, what we mean when we talk about an open society is the process of offering minority Americans the same options as all other Americans.

These options are not in existence now because we have not as a Nation committed ourselves to providing them.

What are the options open to a black youngster growing up today in a black ghetto in a broken family?

-- He has the option often of too little guidance at home and not much more in his understaffed and chaotic school, or of becoming a dropout from home and school.

-- He has the option of sharing his room with too many people and too many rats, or of having no shelter at all.

-- He has the option of dying earlier than other American youngsters because of bad health care.

-- He has the option of playing in streets that are filled with traffic and crime, or in hallways littered with junk and garbage.

-- If by chance he learns a trade, he has the option of working as a dishwasher rather than an electrician because journeymen ranks are too often closed to him.

A similar set of options can apply to the Mexican American child growing up in a Southwest barrio, or to a Puerto Rican living in New York City, or an Indian child trapped in a barren reservation.

I am not saying that it is only minority Americans who are faced with these conditions and these limited options. There are white youngsters in the slums, and in isolated Appalachian communities, and in small rural enclaves throughout the country who face the same obstacles in life.

But there is one difference.

Once that young white child breaks out of the cycle of poverty and isolation, his options are open. This is not true for the minority child. In this enlightened Nation, almost 200 years after the magnificent promise of our birth as a free people, we have still not lived up to our commitments and our ideals.

Discrimination because of skin color, and race, and ethnic background is still the major block to an open American society. We fool ourselves if we ignore that fact, or try to disguise it by hypocritical references to equal opportunity for all.

There are, however, two elements in America today that are bringing about change. Whether these changes will arrive soon enough to stop future violence is a question none of us can answer.

First of these elements is the changing attitude of minority Americans. There is a new pride among our black and brown citizens, who today refuse to accept indignities and inequities that were once accepted without resistance. Youth is in the forefront, and they are pushing hard at their elders if they think those elders are not moving fast enough. Whether you call it black

pride, or you speak of "La Raza" in the Mexican American community it amounts to the same thing -- a new dignity and a new sense of pride. This is a process that is only beginning. White America, whether it accepts this new element of pride or not, must realize that it is fact and learn to live and deal with it.

Secondly, we now have a body of Federal legislation that outlaws discrimination for the classic reasons -- race, religion, ethnic origin -- in such things as housing and employment. We have Supreme Court decisions that look toward redress in such areas as education and housing. There are Executive Orders on equal opportunity in employment, and there are numerous state and local laws on such matters as fair housing and employment practices.

Other things have changed also. There can be no doubt that many of our institutions -- industry and labor, churches, civic organizations -- profess and sometimes pursue active policies of giving equal opportunity to all Americans.

But the fact is that laws are not enough, not if they are not implemented. Lip service to principles is not enough. There must be active and constant reassertion of principles. Lukewarm support of minority opportunity is not enough. There must be a strong commitment to affirmative action on the part of our institutions and of society as a whole.

There are practical steps that can and are being taken in the context of the "active intervention of government" that Dr. Moynihan referred to.

For a good many months now at HUD we have been working on a

strategy for developing metropolitan open communities. This is our responsibility as the Federal Department most concerned with housing and urban matters. They are being structured to operate within the confines of our legislative mandates, but those are roomy confines -- some 70 programs dealing with housing and planning and urban development.

Let me give you some examples of how this strategy is being planned and how it can be implemented:

We start at the beginning with the planning process. Legislation passed in recent years has greatly increased the Federal input into the metropolitan planning process and it has strengthened the Federal capacity to influence the direction of this process.

In contrast to much planning in the past, which centered on physical elements, our present standards for Federal planning aid gives priority to proposals that include "social concerns, such as housing, manpower planning, services to low-income groups and the movement of minority groups into the larger community." A housing element is included in planning, also, which says "particular attention must be given to the housing problems and opportunities of those groups with the least access to the housing market; the low and moderate income and minority groups."

Areawide planning requirements are tied into Federal grants and aid for water and sewer systems, for open space and park purchase and development, and for mass transportation aid.

Next let's talk about housing.

A new mandate and a new challenge was given HUD through the Housing and Urban Development Act of 1968. Congress set a specific goal for the production of six million units of low and moderate income housing in ten years. This is rental and ownership housing for families who cannot get satisfactory shelter without financial assistance.

At the same time, Title VIII of the Civil Rights Act of 1968 made fair housing the law of the land and charged HUD with the dual responsibility of enforcing equality of opportunity and of undertaking "affirmative action."

These two thrusts are interrelated. Open housing will not come about without heavy additions to the supply of low and moderate income housing, simply because minority income is still far below the National level. At the same time, we are not going to jam these six million units of housing into existing slums and ghettoes. We already have a public housing site selection policy that requires new public housing to be built outside as well as inside the ghetto. We are now working on a site selection policy for all our housing programs so that true housing options will be open to all Americans.

With the beginning of this year, nearly the entire housing supply has been made subject to the fair housing law, including 34 million of existing single-family houses. All of them are now, by law, accessible to minority group families. A large number of them are also within the financial reach of minority group families, especially since interest subsidies can reduce

the carrying charges. The combination of the fair housing law and the use of subsidies lowering the monthly cost creates entirely new housing options for minority group families. What is needed is a greater awareness of the minority group community that these options now exist.

In this context agreements between the Justice Department or HUD and housing developers are of importance. Recently the Justice Department reached a settlement with a Virginia developer under which the developer must advertise properties in his recreation community in Negro newspapers and mount a marketing drive to sell lots to Negro buyers. In a HUD conciliation agreement reached recently we have required such as the inclusion of black families in illustrations that advertise housing.

This is a new direction. It will help bring additional housing options to minority Americans.

We are also pushing the section that prohibits discrimination in residential financing.

Information we have at HUD indicates that many minority group buyers still get unfair and unjust treatment from mortgage lending institutions when they seek money to purchase land or build homes. These discriminatory acts are more sophisticated and refined than before the enactment of the fair housing law. For example, even when money is offered the deal often involves a higher rate of interest, or a larger down payment, or shorter terms than offered whites.

And here I might ask this audience if you are aware of this section and if you are making its provisions known? I realize that you are businessmen working in a competitive situation, but there must be money available from all possible sources if minority people are to get the financing they need for the housing they want.

Housing is also linked with job opportunity. We know that industry has been moving to the suburbs for years. For example, the suburbs of Chicago gained 182,000 manufacturing jobs between 1947 and 1963, while the city itself lost 180,000 such jobs. According to John F. Kain, Professor of Economics at Harvard University, jobs traditionally held by Negroes are suburbanizing at a rapid rate, while there is still only token suburbanization of minority group households.

Obviously, in many areas, housing segregation is blocking minority access to suburban jobs. At the same time, there are equal employment opportunity requirements written into Federal contracts. We feel HUD must move to work out agreements under which Federal contractors will take more responsibility for housing lower income and minority employees. When Federal money creates or supports jobs, it is a Federal responsibility to see that housing segregation does not nullify employment opportunities.

These are some of the pragmatic and immediate steps we can take in one domestic Federal department to help create the kinds of options that will lead to a genuine open society. But the efforts must be government-wide

and Nation-wide.

To sum up, there are three steps that must be taken:

First, we must accept the fact that all Americans are equal, not only in law, but in fact. I am speaking of true equality in those opportunities that have traditionally belonged to majority Americans, equal rights to housing and jobs and public services and education.

Secondly, we must give all our citizens wide multiple opportunities, unrestricted by any kind of discrimination. This means we must have a mix of housing throughout a metropolitan area available to people at all income levels. There must be no discrimination in renting or selling, and this means vigorous enforcement of the Federal fair housing law, and active use of the Civil Rights Act of 1866 which the Supreme Court has said bars racial discrimination in all housing.

Finally, we must accept the fact that institutions themselves must change if we are to be successful in creating an open society. Unions and employers must accept all workers at their own level of competence, and not judge them by skin color or race. Educators and political leaders must concern themselves with giving all our children decent educational opportunities, rather than engaging in guerrilla warfare among themselves over which child is to attend what school.

Once we get a decent housing mix and begin to put schools on an equal economic level, every school will have the money required to provide equal educational opportunities. Busing of children, which is a bitterly divisive

issue, will become less important.

The shocking thing about the present situation in our schools is that children, both white and black, are the victims in an adult game that has political and racial overtones.

If we had acted earlier to create a genuinely open society there would be far less turmoil, little of this hauling and tugging among the three branches of government, and less of the racial friction that is aggravating our people.

In closing, I would like to point out that while we are reshaping our priorities to solve problems of pollution and build a new order of conservation, we should not forget our cities and our people.

President Nixon in his State of the Union message made this little noted observation:

"No matter how many national parks and historical monuments we buy and develop, the truly significant environment for each of us is that in which we spend 80 percent of our time, in our homes, in our places of work, the streets over which we travel."

And the President called on the Federal Government to help to assist in the building of new cities and the rebuilding of old ones.

Last week, HUD announced that a planned community in Minnesota would be the first to receive assistance under the Federal program to stimulate development of new cities. And Secretary Romney made it very clear that this would be an equal opportunity city -- in housing mix, in economic opportunity, in racial and ethnic mix.

The Secretary has also made it very clear that the achievement of an open society is at the top of his agenda. In a speech in Kansas last month, he said that we can no longer face our serious problems in the cities in the time-honored ways of the past.

"Geographically," he said, "our metropolitan areas cannot endure half poor and half affluent, half black and half white -- a run-down, festering black core surrounded by a well-to-do indifferent white ring. This confrontation is divisive. It is explosive. It is smouldering. It must be resolved. And it must be resolved in time."

We must clean up the air and the rivers and conserve our land to be sure.

But we must not forget that the worst pollution is that of racism and bigotry. It still exists within the minds of our people, and is far more difficult to eradicate than the pollution of water and air. And while we are conserving, let us not turn away from our cities, for that is where 70 percent of all Americans live today and more will live in the future.

If we get our national priorities straight and keep them straight, we can end the twin problems of pollution, of the mind and the natural environment, and conserve both our cities and our open land. Nothing less should satisfy a country and a people with all our natural and human resources. Nothing less will suffice if we are to fulfill our ancient promise as a Nation.

* * * *

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILLERS--USE AT WILL

HUD-No. 70-103
Phone (202) 755-7327

MEXICAN-AMERICANS IN MODEL CITIES

In Laredo, Texas, practically the whole Model Cities population is Mexican-American--14,550 out of 15,000 people--reports the U.S. Department of Housing and Urban Development.

Other examples of the concentration of Mexican-Americans in Model Cities areas: Tucson, Ariz.--17,760 of 24,000; San Jose, Calif.--15,000 of 40,000; San Antonio, Texas--98,000 of of 114,000; Denver, Colo.--23,000 of some 75,000.

* * *

PITTSBURGH HOUSING FORECAST

An analysis of the demand for nonsubsidized housing in the Pittsburgh, Pa., area for the two-year period ending August 31, 1971, suggests the need each year for 4,000 multifamily units, reports the U.S. Department of Housing and Urban Development.

The study also shows a need for several thousand homes and apartments for lower income families and elderly people for whom housing could be built under subsidy programs administered by the Federal Housing Administration.

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HUD OVERSEES 'LOTS-BY-MAIL'

More than 900 large land developers who sell undeveloped lots across State lines have registered with the U.S. Department of Housing and Urban Development.

HUD's Office of Interstate Land Sales Registration administers a consumer protection law regulating interstate sales of lots in large subdivisions.

* * *

HUD'S FIRST 'NEW COMMUNITY'

The U.S. Department of Housing and Urban Development has agreed to help finance the first ten years of land acquisition and land development for the new community of Jonathan, now taking shape 20 miles southwest of Minneapolis, Minn.

Jonathan is the first new town to be developed with HUD assistance under the New Communities Program authorized in the 1968 Housing Act. HUD's committment to Jonathan carries a potential guarantee of up to $21 million of debt obligations.

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Monday, February 23, 1970 DY

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-111
Phone (202) 755-7327

FOR RELEASE:
Tuesday
February 24, 1970

HUD FUNDS DEMONSTRATION IN TENANT MANAGEMENT

The U.S. Department of Housing and Urban Development today announced the award of a contract to a private real estate management firm in Washington, D. C. to undertake a demonstration of tenant participation in the management and operation of two low-rent public housing projects in the District of Columbia.

The $30,000 demonstration will be conducted by Shannon and Luchs and will involve the Sibley Plaza and Montana Terrace housing developments owned and operated by the National Capital Housing Authority.

According to HUD Assistant Secretary Harold B. Finger, of the Office of Research and Technology, this is the first contract of its kind to be awarded by HUD.

Under the terms of the contract, Shannon and Luchs will seek to demonstrate that a program of intensive tenant participation in management and maintenance can simultaneously reduce operating costs and raise family income.

As part of the undertaking, Shannon and Luchs will demonstrate a system by which the residents of both projects may become acquainted with the needs and responsibilities of real estate management. The demonstration will also provide actual tenant involvement in policy making decisions as well as training opportunities for jobs in public housing.

An integral part of the demonstration calls for a 15-25 member Executive Board elected by the residents of each housing project. The Boards will name Committee Chairmen, whose Committees will be concerned with security, grounds maintenance, building improvements, capital improvements, rent collection-eviction, and occupancy policies.

- more -

Committees will also be actively involved in employment, health, recreation, education, and consumer education.

Shannon and Luchs will be responsible for providing training and technical assistance to the Executive Boards and Committee members in such management activities as rent collection, bill payment, payroll, maintaining a bookkeeping system and submitting reports as required by HUD and NCHA.

Mr. Finger emphasized that the contract calls for a plan or program to insure youth participation in all phases of the demonstration. These young people will be assigned to the Executive Boards and to all Committee functions for direct involvement and training purposes.

For further information: Joan Howell
Shannon and Luchs Co.,
900 -17th Street, N. W.
Washington, D. C. 20006

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-104
Phone (202) 755-7327

FOR RELEASE AFTER:
1:30 p.m., Thursday
February 26, 1970

HUD NAMES HOUSING PRODUCERS FOR OPERATION BREAKTHROUGH

The U. S. Department of Housing and Urban Development today named 22 producers of housing systems who will build their prototype models on Operation BREAKTHROUGH sites in 10 states.

Operation BREAKTHROUGH is HUD's demonstration program to break through the major obstacles to volume production and delivery of housing in the Nation.

The selections were announced today by HUD Secretary George Romney.

More than 2,000 prototype housing units, for all income levels, will be built by the producers named today, in the testing and demonstration phases of the program.

Construction is expected to start by early summer on the 10 prototype sites selected. Eleven site planners have been working with HUD officials to prepare preliminary site plans, and will assist in assigning the housing systems to be constructed on each site.

Secretary Romney said most of the selected producers will build their prototype housing units on at least two sites, and all sites will contain a variety of housing types and price levels.

Prototype models will include: single family detached units, single family attached, row houses, multifamily, low rise units, and high-rise buildings. The building materials in the prototypes include concrete, wood, metal, and plastic.

Operation BREAKTHROUGH, conceived less than a year ago, is, in the words of Mr. Romney, "not a program designed to see just how cheaply we can build a house, but a way to break through to total new systems of housing production, financing, marketing, management, and land use.

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"BREAKTHROUGH supports the development of new and innovative housing system concepts and production methods, better management and maintenance methods, broader financing opportunities, prototype construction, and testing and evaluation. It also seeks solutions to many problems impeding large scale production of housing such as inadequate assembling of land, restrictive zoning and building codes, inadequate financing, inefficient use of labor forces, and time consuming complications in legal procedures."

The Secretary pointed out that BREAKTHROUGH alone will not solve all these problems. There is increasing recognition that national economic policy can no longer penalize housing production through lack of mortgage financing. BREAKTHROUGH can help to emphasize the need for a stable supply of mortgage capital, and the policy changes necessary to accomplish this and other improvements in the housing business.

Today's announcement marked the close of evaluations, by more than 100 government experts in housing and related fields, of nearly 550 proposals by industry, local government, and individuals, for BREAKTHROUGH contracts for complete housing systems (Type A), prototype sites, and site planners. About 365 additional proposals (Type B), covering both "hardware" and "software," are still under study.

Many of the housing units are scheduled for completion by the end of 1970, meanwhile undergoing extensive testing which will continue for many months after the housing units have been completed and occupied. Results will be validated by the National Academies of Science and Engineering. Much of the testing work on these housing concepts will be performed by the National Bureau of Standards, the Forest Product Laboratory, other government facilities, and private testing organizations.

Financing for the houses, HUD officials said, will be through usual channels, with HUD assisting through its regular programs, through funding of research, testing, design and experimental work, and through other HUD housing assistance programs already functioning. HUD will also absorb all costs over fair market mortgage value.

The total cost of the program is not yet determined, but Mr. Romney said the amount of money involved in each contract will be disclosed as final contracts are negotiated following completion of the site planning.

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When Operation BREAKTHROUGH is completed, HUD expects to offer conclusive evidence to the housing industry that it is possible for them to contemplate a sufficient housing market in a given area to justify their capital outlay; to develop housing that the public will buy or rent readily; to display various types of relatively new and innovative housing employing the latest methods of industrialized production; to improve land use and development; to develop broader opportunities for financing and improved management; and to stimulate interest in the greater local, regional, and even national markets for volume produced housing.

Mr. Romney pointed out that HUD will also assist cities, counties, and states in establishing a system for identifying sites and putting them together (aggregating) for usable housing areas, as well as in assisting sponsors and developers to "package" housing programs.

Such assistance by HUD will include priority awards of its various grants and assistance programs to communities, producers, developers, and sponsors that apply the systems selected, and those that take action to overcome practices now restricting increased volume development of housing.

Secretary Romney emphasized his conviction that housing represents our greatest undeveloped economic market in the Nation today and that significant actions have already been taken as a result of Operation BREAKTHROUGH, to develop that market.

The substantial interest of many large organizations and teams of small organizations, he said, indicates the growing recognition of industry that this enormous potential market exists, and, many producers have come forward with their ideas and are proceeding, on their own, to develop improved production approaches.

He pointed out that labor unions have also taken constructive action to encourage the development of improved methods of producing housing, and some states and localities are already encouraging the development of industrialized housing.

The emphasis in the program, Mr. Romney said, is on improvement in the entire system of housing. The success of BREAKTHROUGH will provide increased jobs, industrial growth, and increased opportunities to fill the deficit in housing, and, of course, to make significant progress toward the main goal,--"to provide more and better homes, at lower prices to all Americans."

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HOUSING SYSTEM PRODUCERS SELECTED TO BUILD PROTOTYPE HOUSING UNITS IN OPERATION BREAKTHROUGH

Aluminum Co. of America	Pittsburgh, Pa.
Ball Brothers Research Corp.	Boulder, Colo.
Henry C. Beck Co.	Atlanta, Ga.
Boise-Cascade Corp.	Boise, Idaho
Christiana Western Structures	Los Angeles, Calif.
Descon/Concordia	Montreal, Canada
Forest City Enterprises, Inc.	Cleveland, Ohio
General Electric Co.	Philadelphia, Pa.
Hercules, Inc.	Wilmington, Del.
Home Building Corp.	Sedalia, Mo.
Keene Corp.	New York, N.Y.
Levitt Technology Corp.	Lake Success, N.Y.
Material Systems Corp.	Washington, D.C.
Module Communities, Inc.	Yonkers, N.Y.
National Homes Corp.	Lafayette, Ind.
Pemtom, Inc.	Bloomington, Minn.
Republic Steel Corp.	Youngstown, Ohio
Rouse-Wates	Columbia, Md.
Scholz Homes, Inc.	Toledo, Ohio
Shelley System	San Juan, Puerto Rico
Stirling-Homex Corp.	Avon, N.Y.
TRW Systems Group	Redondo Beach, Calif.

SP

ALUMINUM COMPANY OF AMERICA

Consortium Members and/or Participants

Aluminum Company of America (Aloca)	Pittsburgh, Pa.
Urban Design Associates	" "
Ryan Homes	" "
Urban Systems Research and Engineering, Inc.	Boston, Mass.
The Perkins and Will Partnership	Chicago, Ill.
Collins and Kroustadt	Silver Spring, Md.
Slayter Associates, Inc.	Elkart, Ind.
Andrew T. Kostanecki, Inc.	New Canaan, Conn.
Rohr Corp.	Chula Vista, Calif.
Sectional Structures, Inc.	Oswego, N. Y.
Tappan Co.	Mansfield, Ohio
Bryant Air Conditioning Co.	Indianapolis, Ind.
Amstore Corp.	Muskegon, Mich.
Crossgates, Inc.	McMurray, Pa.

Description

Aluminum Company of America (Alcoa) Pittsburgh, Pa., has proposed townhouses and multi-family walk-up garden apartments for Operation BREAKTHROUGH. The development team, in addition to Alcoa, included Urban Systems Research and Engineering, Inc., general consultants; Urban Design Associates, land planners; Perkins and Will, consulting architects; Collins and Kronstadt, consulting architects; Slayter Associates, Inc., design and manufacturing consultants; Andrew T. Kostanecki, Inc., bathroom and kitchen consultants; Rohr Corporation, technology and manufacturing; Sectional Structures, Inc., manufactured modules; Tappan Company, kitchens; Bryant Air Conditioning Company, heating, ventilating and air conditioning; Amstore Corporation, special furniture; Crossgates, Inc., builder and Ryan Homes, builder.

The townhouses and garden apartments are constructed from factory-built, three-dimensional modular service cores that serve two living units. The modules, in conjunction with floor, wall, ceiling and roof panels, define economical space that can be freely planned and enclosed with a wide variety of exterior materials.

The service cores contain the kitchens, bathrooms, stairways, utility areas, some closets and doors, and most of the heating, ventilating and air conditioning, and provide all the high-value parts of two living units in a standardized package. Other components are trucked to the site and erected with minimum field labor required.

The Alcoa proposal for these dwelling includes through-type, and backed-up designs. Alcoa's market-oriented program for housing led to development of flexible systems that allow the interchange of materials and products as they

are required or desired in different market conditions. By using a variety of conventional materials in an efficient and economical manner, these proposals are aimed at saving overall construction costs, speeding the total construction process, and alleviating the problem of unavailability of skilled workers.

For further information:

J. J. McKee
Aluminum Company
1501 Alcoa Building
Pittsburgh, Pa. 15219
Area Code: (412) 553-3858

# # #

BALL BROTHERS RESEARCH CORPORATION

Consortium Members and/or Participants

Ball Brothers Research Corporation	Boulder, Colo.
Borg Warner Corp.	Chicago, Ill
Building Officials Conference of Am.,Inc.	Chicago, "
Elliott H. Brenner, AIA	Lafayette, Ind.
Leo E. Zickler	Indianapolis, Ind.
American Fletcher Mortgage Co.	" "
American Testing & Engineering Co.	" "
Board for Fundamental Education	" "
Oxford Development Corp.	" "
Tectron, Inc.	" "
Floyd E. Burroughs & Associates	" "
Ball Corp.	Muncie "
Bradley & Bradley, Architects	Fort Wayne, "
Jack E. Goldberg	West Lafayette, Ind.
Ewing Miller & Associates	Terre Haute, "
Applied Decision Systems, Inc.	Cambridge, Mass.
Bolt, Beranek & Newman, Inc.	" "
George Foley	Boston, "
Harbridge House	" "
Beryl Bernhard	Washington, D. C.
The Foundation for Cooperative Housing	" "
Blyth & Co., Inc.	New York, N. Y.
The National Urban League	" "

Description

Ball Brothers Research Corporation of Boulder, Colo., is leading a group of firms that will form a corporation to be known as Pantek Corporation, which will produce housing in large volume and at low cost under the auspices of Operation BREAKTHROUGH. Ball Brothers has extensive experience in aerospace and electronics fields, and has developed an industrialized building process. Other consortium members will provide specialized competence in design, planning, mechanical subsystems, and community involvement under Ball Brothers overall management. These members are: Borg Warner Corporation; Elliott H. Brenner, Architect; and Leo E. Zickler.

The building system proposes a foamed plastic core, structural panel system which can accommodate standardized doors, windows, and other hardware. The composite panel is fabricated from a 4' x 8' sheet of 1/8" hardboard, a 4' x 8' sheet of cement asbestos board on each side of a 2-lb.-per-cu.-ft. polyurethane foam. The two skins are held in place prior to foaming with an aluminum extrusion of the 6,000 series alloys. The foam is automatically poured-in-place between the two skins. The aluminum extrusion serves as both the edge of the panel and as a major component of the panel locking system. After foaming, and before the panel is allowed to cool completely, the exterior surface is covered with a coat, approximately 1/8" thick, of epoxy matrix and stone aggregate. Internal surfaces may be prefinished with either paint, wall paper or integrally surfaced hardboard.

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A central core containing the heating, bathing, air handling, food preparation center, and waste provisions for the dwelling, is prefabricated and delivered to the building site as a complete modular unit. The building concept permits the erection of single-family attached dwellings, multi-family low-rise dwellings, and the possibility of high-rise, multi-family dwellings.

The site system includes for mid-city areas a multi-level, multi-purpose, vertical community, containing schools, offices or ground floor incorporated services. In surburban areas, the developer proposes one-story dwellings, clustered around courtyards and cul-de-sacs, with utilities combined for economy, and remaining open space organized for recreation and services.

Ball Brothers Research Corporation expects to organize a cooperative and arrange long-term financing for prototype structure. The firm would help franchisees establish channels for long-term financing and would promote use of cooperatives and sale and lease back of land with real estate investment trust. Ball Brothers will explore the possibility of creating a financial corporation to issue debentures backed by mortgages.

For further information:

Mr. Richard Mitchell
Ball Brothers Research
P. O. Box 1062
Boulder, Colo. 80302
Area Code: (303) 444-5300 X 255

# # #

HENRY C. BECK COMPANY

Consortium Members and/or Participants

Balency-MBM-US Corporation	New York, N. Y.
William R. Morris	"
Henry C. Beck Company	Atlanta, Ga.
Raymond D. Nasher Company	Dallas, Texas
Borg Warner Corporation	Chicago, Ill.
R. G. Greene Development Company	Atlantic City, N. J.
Keyes, Lethbridge and Condon	Washington, D. C.
Sulton and Campbell	"

Description

In response to the challenge of Operation BREAKTHROUGH a consortium of the Henry C. Beck Company, a general contraction firm; the Raymond D. Nasher Company, developer; Balency-MBM, a system building producer and Borg Warner Corporation, manufacturer has been formed which provided the strength and diversity necessary to the success of this program.

This consoritum has as consultants and associates the architectural and planning firms of Keyes, Lethbridge and Condon, and Sulton and Campbell; and the development and community relation capabilities of R. G. Greene Development Company and William R. Morris.

The joint venture has adapted and designed for the American market the Balency precast concrete system, which has been used extensively since 1949 in several European countries and Israel. This system utilizes factory-produced concrete floor and wall panels, which are assembled on site into all types of housing; from single-family detached, to townhouse, to deck-house, to high-rise. The system provides wide flexibility in design through variation in the size, placement, and finish of the panels.

Working within the envelope provided by the Balency system, subsystems of packaged plumbing-heating-ventilating-air-conditioning-electrical are designed as part of the complete housing system.

This building system is particularly appropriate for high density locations. In planning for such sites, it is proposed to make maximum use of deck areas to provide open space for residents.

The group brings a particularly strong emphasis to the need for community participation and the equal opportunity aspects of BREAKTHROUGH. It expects to undertake training, personnel development and other activities to improve the economic participation of minority groups.

Production of prototypes would be handled by the joint venture, but full-scale production is expected to utilize licensed operations to the maximum extent feasible.

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The group would use its own working capital and conventional loans for prototype construction financing and in addition propose the formation of a real estate investment trust to help obtain long-term investment funds, as well as seeking funds from pension, trust and mutual funds.

For further information:

Mr. Lawrence A. Wilson
Henry C. Beck Company
2930 First National Bank Building
Atlanta, Ga. 30303
Area Code: (404) 688-9252

# # #

BOISE-CASCADE

Consortium Members and/or Participants

Dalton-Dalton-Little	Cleveland, Ohio
Frank Hall Assoc.	New York, N. Y.
Computer Applications, Inc.	" "
National Building Agency	London, England
David Crane Assoc.	Philadelphia, Pa.
Brevard Engineering	Cocoa Beach, Fla.
MIT - Urban Systems Laboratory	Cambridge, Mass.

Description

The Boise Cascade Corporation of Boise, Idaho, is an international manufacturing and service organization serving eight major markets: building materials, housing, urban development, engineering and construction services, recreation, communication papers, packaging and the office. It brings to BREAKTHROUGH a production capacity of over 1,000 dwelling units per week, extensive experience in local project development, and an established position in all aspects of the construction industry. Participation in Operation BREAKTHROUGH by Boise-Cascade includes all its housing divisions, its urban development group, and other divisions of the company under the overall direction of its housing development group.

The company's proposal outlines a complete "product line" of prototype housing units, rather than a single unit, and stresses the importance of a housing mix of a variety of shelter types and characteristics which are essential to the development of viable neighborhoods. Boise Cascade's housing package consists of six basic building types: one-story single-family units; two-story single-family units: multi-family garden apartments, townhouses, low- and mid-rise apartments and community buildings. The units will be constructed in factories on an assembly line basis utilizing three fabrication systems-- panels, volumetric modules and a combination of utility cores and panels. Both wood and steel will be utilized as structural materials, separately and in combination. A major emphasis lies in their concern for ancillary housing services such as extensive site planning, new financing plans, and a comprehensive community development program.

Site development design, as performed as a total package, entails integrating utilities, traffic circulation and parking, public information, commercial centers, and community facilities.

As part of the site design planning, Boise Cascade proposed to work with HUD to develop a method of certification of site development procedures as well as the planned certification of building systems to provide a basis for use of these techniques in more areas of the country.

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Boise Cascade pledged extensive efforts in the development of new financing packages. These include use of programs to reduce individual closing costs, the use of land-leases with purchase options and a system of first and second mortgages.

Another element of the company's proposal stressed a total community development program. A task force has been formed to develop community programs to provide employment and business opportunities for residents, social services, recreational opportunities and community management of public land. The company proposed certain commercial activities located within the prototype sites be owned and operated by a tenant corporation. A self-help housing program could be planned as well as use of several forms of tenant management and ownership.

For further information:

Mr. Sam Donaldson
Public Relations
Boise Cascade
Box 200
Boise, Idaho 83701
Area Code: (208) 385-9752

# # #

CHRISTIANA WESTERN STRUCTURES, INC.

Consortium Members and/or Participants

Christiana Western Structures, Inc.	Los Angeles, Calif.
B. A. Berkus Associates	" "
Mutual Ownership Dev. Fndn.	San Francisco, "

Description

Christiana Western Structures of Los Angeles, Calif., has formed a group of firms with itself as prime contractor to develop and build new housing in high volume and at low cost in response to Operation BREAKTHROUGH. The parent corporation, Christiana Oil, has long been involved in large scale real estate development. Christiana Western Structures was formed to produce low-cost housing in volume. They presently have a plant capable of producing 6,000 housing units annually. To round out the group's ability to meet BREAKTHROUGH requirements in the areas of architectural design, environmental planning, and community relations, subcontractual arrangements will be made with B. A. Berkus Associates and other design consultants, and the Mutual Ownership Development Foundation for market aggregation.

This firm utilizes a system employing shop-fabricated, wood frame panels for walls, partitions, carports, and garages. Both interior and exterior finish materials are shop-applied. Also, windows and doors are shop-installed in the conventional manner.

A special polyester resin finish coat, reinforced with fibrous glass, is furnished as an interior and exterior wall surface in lieu of paint. This special surfacing is 1/32-of-an-inch thick, and is extremely durable and resistant to abuse as well as eliminating the need for painting. The polyester resin surface has a matte finish, especially developed by Christiana, and can be painted for decorating purposes. This finish, applied to a full length plywood wall base, allows the fabrication of a complete wall panel of any desired length without a joint. The ceiling finish is a field-applied accoustical plaster which can be easily repaired, recovered or painted and eliminates the problem of trying to match normal painted surfaces. Kitchen cabinets are assembled at the factory and delivered to site ready to set. The exposed portions of the cabinets are 1/32-of-an-inch plastic laminate, similar to the usual plastic kitchen cabinet counter work areas.

The mechanical systems are conventional "off-the-shelf" products of the latest design.

To the highest degree practicable, components of the electrical distribution system are installed in the factory with simple interfaces in the field. Rigid conduit is installed in a vertical position in the walls. These are mated with flexible conduit horizontal connections through ceiling joints. To meet the conventional local requirements, all wires are then pulled through the conduit at the job site.

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The system, appropriate for single-family detached and attached dwellings, as well as for multi-family low-rise structures, is in production and is being used extensively in Southern California. It emphasizes the most favorable balance of factory mass production of modern housing sub-assemblies, with on-site erection by local labor. A strong emphasis of the CWS system is the ability to utilize an unskilled labor pool that is drawn from the local community, is trained in certain assembly tasks until attaining a proficient level of dexterity, and thus, is able to be gainfully employed through completion of the job.

The site planning concepts of Christiana Western Structures proposes an almost complete separation between pedestrian and vehicular traffic. Parking and access drives would be kept at the periphery of a tract. Community recreational facility would be located near the center of the site with all dwellings being provided safe walkways leading directly to it. Intensive use of the site is achieved while retaining a feeling of openness.

BREAKTHROUGH activities have full backing of the parent company, Christiana Oil Corporation. The proposer will use its own resources for prototype production and interim financing.

For further information:

Mrs. Lois Gaines
The Gaines Organization
601 N. Vermont Avenue
Los Angeles, Calif 90004
Area Code: (213) 660-1223

# # #

DESCON/CONCORDIA

Consortium Members and/or Participants

Descon Management Corp. Limited	Montreal, Que.
Concordia Management Limited	" "
Philip David Bobrow, Arch.	" "
Maurice Gamze, Mechanical Engineer Gamze, Korobkin & Dolphin Associates	Chicago, Ill.
Professor Colin H. Davidson, Industrial Systems Spec., U. of Montreal	Montreal, Que.
Seymour Glouberman, Pro. of Philosophy	" "
Neal Mitchell, Structural Eng. Neal Mitchell & Associates	Cambridge, Mass.
Kenneth Mabuchi Hackett Housing Systems, Inc.	Washington, D. C.
Paul Spindell, System Analyst	New York, N. Y.
Michael Brill, Arch.-Researcher Buffalo Org. for Soc. & Tech. Innovation Univ. of the State of New York	Buffalo, N. Y.
George E. Buchanan, Arch.	Bradford, Conn.

Description

A joint venture of Descon Management Corp., Ltd.and Concordia Management, Ltd. has been formed in response to the Operation BREAKTHROUGH request for development of new housing systems. The enterprise, known as Descon/Concordia, is headquartered in Montreal. Under the consortium arrangement, Descon Management Corp. will be responsible for the building systems and Concordia Management, Ltd. will provide overall supervision and management capability for the team.

Descon/Concordia proposes a system utilizing readily available "off-the shelf" components or assemblies fabricated by utilizing standard manufacturing processes.

The structural system utilizes a factory produced reinforced concrete panel system, which is applicable to all housing types except single-family detached units. The panels may be prestressed, post-tensioned, or simply reinforced, depending on the availability of local resources. If necessary, all casting may be done on site, and the structural components can be assembled under any weather conditions through the utilization of unique "dry" mechanical joints.

Other components and sub-assemblies have been rationalized so that they are easily fabricated in local plants. The interior sub-assemblies include prefabricated kitchen elements, storage components and closets, bathrooms, and partitions. The partition system is made up of easily installed prefinished panels offering a variety of prefinishes, utilizing simple floor and ceiling connections. The panels incorporate a raceway for electrical distribution, preassembled convenience outlets and "snap-on," vinyl baseboard.

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Kitchen storage and bathroom components are made up of modularly coordinated elements to provide a variety of assemblies and arrangements in order to meet a wide range of apartment layouts.

The exterior wall assembly into which windows, sliding doors and heating and air conditioning distribution systems are integrated, is prefinished and easily installed on the job-site, completing the totally coordinated package.

The system is capable of producing a wide variety of building types, from townhouses to high-rise apartments. These in turn can be arranged to realize the most efficient land-use concepts, which will include collected open spaces, central services, organized parking and increased densities in order to reduce cost and improve the environment.

The group will rely on a management system which provides the methodology for handling a large volume of housing, making possible the realization of better design, the greater application of existing technology, and a more extensive industrialization of construction procedures.

The combination of the management system and a flexible building system permits adjustment to reflect local construction capabilities and resources, involves community participation, and serves local needs.

The consortium will utilize educational and training programs to instruct their own personnel, franchised companies and local groups in the use of the building and management systems.

The Descon/Concordia joint venture has construction financing available from Canadian and American sources and contemplates obtaining long term financing from insurance companies and pension funds.

For further information:

Mr. Tom Royal
Courrier Relations
Place du Canada
Montreal, Que.
Area Code: (514) 866-6675

# # #

FOREST CITY ENTERPRISES, INC.

Consortia Members and/or Participants

Forest City Enterprises, Inc.	Cleveland, Ohio
Forest City Materials Co.	Kent, Ohio
Thomas J. Dillon & Co., Inc.	Akron, Ohio
Top Roc Precast Corp.	Hudson, Ohio
Barbitta-James & Assoc.	Akron, Ohio

Description

Forest City Enterprises, Inc., of Cleveland, Ohio, and its subsidiary, Thomas J. Dillon and Company, Inc., of Akron, Ohio, have formed a consortium to privide large volume and low-cost housing under the auspices of Operation BREAKTHROUGH. Their experience in producing building components and constructing housing is supplemented by the other consortium members: Barbitta-James and Associates, architects; and Top Roc Precast Corporation which is currently building a concrete pre-casting facility.

Forest City will utilize a system of housing construction employing site erected precast concrete bearing walls with precast concrete floor panels. The system has been employed in high-rise apartment construction and has been designed for total flexibility permitting it to be used in single-family multi-level detached homes row or townhouses and multi-family low-rise configuration. Prefabricated wood framing, designed and manufactured by Forest City materials, is used for infill exterior walls, all interior partitions and the roof. Concrete components can be manufactured at existing facilities or may be cast on-site. The wood components will be 90 to 100 percent completed when arriving at the site, as are the exterior walls and roof. Total bathrooms, heating plants and optional kitchen packages are also included. Because of the nature of the precasting process, the finished surfaces of the floor slabs and wall units are ready to receive paint, vinyl wall covering or other suitable interior finishes. The wood front and rear walls provide for a variety of architectural expression through the use of wood or aluminum siding, cedar shakes, brick veneer or any other exterior treatment. Similarly, roofing materials may include asphalt shingles, cedar shakes, rolled roofing, or terne metal.

Their site plan proposes double duty for parking areas by the use of their air rights for other community purposes. The primary objective of this system is to provide the planners with maximum freedom to organize and develop the total potential of the site. This concept of the Forest City proposal enables the planner to achieve and control desired densities and promote effective organization of land and open spaces.

For further information:

Ted Baron
Ted Baron, Inc.
6 E 39th St., Rm. 501
New York, N. Y. 10016
Area Code: (212) YU6-0517

# # #

GENERAL ELECTRIC COMPANY

Consortium Members and/or Participants

General Electric Company	Philadelphia, Pa.
Hugh Gibbs, FAIA, and Donald Gibbs, AIA	Long Beach, Calif.
Leon Julius, AIA	Washington, D. C.
Candeub, Fleissig & Associates	Newark, N. J.
FCH Services, Inc.	Stamford, Conn.

Description

The General Electric Company has proposed to design and develop a comprehensive, highly flexible housing system, and manufacture major subassemblies for townhouses and apartment units, which could be supplied to builder/developers. The builder/developers would erect the dwelling units, with General Electric technical support, in areas available through Operation BREAKTHROUGH market aggregation surveys.

Architectural design will be provided by the firm of Hugh Gibbs, FAIA, and Donald Gibbs, AIA, of Long Beach, Calif. It is contemplated that the Foundation for Cooperative Housing of Stamford, Conn., will select the builder/developer firms to erect the houses at the prototype sites, or the development firms selected by the U. S. Department of Housing and Urban Development will assemble the factory-produced subassemblies at the selected sites.

The General Electric project will be conducted by the firm's Urban Systems Program Office of the Re-entry and Environmental Systems Division, based in Philadelphia, Pa. The combined efforts of the Company will be concentrated in the areas of industrialized volume production techniques, innovated technology developments, and project and systems management.

General Electric utilizes a unique factory-produced panel and subassembly system, primarily directed to the single family attached, detached, and multi-family low-rise dwellings. The building systems consist of rigid floor panels of honeycomb core with stressed plywood skins that serve as a pallet for house subassembly and transport to the site. Prefabricated metal stud wall panels and prefabricated roof subassemblies of truss construction are also utilized.

Wall interiors and ceilings are finished with plaster that has been precast in full wall and ceiling lengths at the factory, making them joint free. Chases, and service cores, accommodate all the mechanical, electrical and plumbing services which are preassembled and ready for insertion as part of the construction sequence. The system is erected as major subassemblies at the site. It is designed to provide flexibility in floor plans and unit arrangements. A variety of low maintenance exteriors will be provided. A continuing development program will test advanced concepts in exterior appearances and materials design.

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The plan stresses the importance of community involvement in the design-decision making process for the development of site systems. The firm of Candeub, Fleissig and Associates, a community planning firm of Newark, N. J. will develop and implement the community involvement program. By such collaboration, a final result is achievable which is not only more responsive to user's needs, but also gives the user a sense of partnership and a desire to protect and maintain the area and facilities. Cluster planning is proposed for economy in paving and utilities.

For further information:

Mr. William R. Lovely, Manager
Product Information
General Electric Company
Re-entry & Environmental Systems Division
3198 Chestnut Street
Philadelphia, Pa. 19101
Area Code: (215) 823-2845 or 2278

# # #

HERCULES, INC.

Consortium Members and/or Participants

Hercules, Inc.	Wilmington, Del.
Modular Structures, Inc.	Bethesda, Md.
Armstrong & Salomonsky, Arch.	Richmond, Va.
Harlan, Betke & Myers, Inc.	New York, N.Y.
University of Utah	Salt Lake City, Utah

Description

Hercules, Inc. of Wilmington, Del. with a team including Modular Structures Inc. of Bethesda, Md.; Armstrong and Salomonsky, Architects of Richmond, Va.; the University of Utah, Salt Lake City, Utah; and Harlan, Betke and Myers, Inc. of New York City, proposes for Operation BREAKTHROUGH two systems of housing production.

For single-family attached, detached, and low-rise dwelling units, a conventional factory fabricated wood framed volumetric module is proposed. High-rise applications are to incorporate metal module frames and panels around which lightweight concrete will be poured. The metal module frames and panels will serve the dual purpose of providing formwork as well as reinforcing for the concrete. Both systems will accept standard components.

The wood framed modules are in production, and delivery to the site is by truck. Variations in the arrangement of modules yields a high degree of flexibility.

The site system features attractive cluster arrangements of town house and other building types, leaving central, open, green spaces for recreation and other community facilities. Steep and irregular terrain is accommodated by placing the buildings on stilts, thereby avoiding excessive grading and the probability of erosion.

For further information:

Mr. R. B. Douglas
Division Manager
Hercules, Inc.
910 Market Street
Wilmington, Delaware 19899
Area code: (302) 656-9811 X8191

# # #

HOME BUILDING CORPORATION

Consortium Members and/or Participants

Home Building Corp. Sedalia, Mo.

Description

The Home Building Corporation, of Sedalia, Mo., has been producing housing for more than 30 years, and is experienced in land development, construction, factory fabrication, and real estate sales and management.

The construction system utilizes factory-built modular units, 12 feet wide for highway transportation, and provides a field-installed transition section which becomes the central hallway in a single family residence. The principal structural material is wood, but alternate materials can be used as cost and availability dictate.

The factory production system is designed to provide flexibility in design, within certain parameters, to permit the customer to choose features which he finds preferable. It is Home Building's experience that almost every house it fabricates is unique to some degree.

Site planning is based upon the use of cluster planning techniques, and community development considerations are encouraged by the development of home owner's associations, which can provide the degree of stability and neighborhood necessary to the full development of the community.

Home Building has developed established, commercial lines of credit for construction and long-term financing. To bring additional money into the housing market, they have proposed a home-owned, land-leased plan, and have developed it to indicate the cash flow benefits of a land leased system to the occupant. They expect to test this practice on projects which they will develop themselves.

For further information:

Mr. Neal O. Reyburn, President
Home Building Corporation
P. O. Box 1213
Sedalia, Mo. 65301
Area Code: (816) 826-4550

# # #

KEENE CORPORATION

Consortium Members and/or Participants

Keene Corporation	New York, N. Y.
Warner, Burns, Toan and Lunde	" "
Grumman Corporation	Bethpage, "
Node 4 Associates, Inc.	Brooklyn, "
Formigli Corp.	Philadelphia, Pa.
Alvin E. Gershen Assoc., Inc.	Trenton, N. J.
3H Building Corp.	
Robert Hughes Associates, Ltd.	Montreal Quebec
Lennox Industries, Inc.	Marshalltown, Iowa
Portland Cement Assoc.	Skokie, Ill.
Ryan Incorporated	Jamesville, Wis.
Wickes, Corp.	Saginaw, Mich.

Description

The Keene Corporation of New York City formed a consortium to produce the TOWNLAND Housing System in large volume under Operation BREAKTHROUGH.

The Keene Corporation, a major manufacturer and marketer of building products and components will serve as prime contractor. The other consortium members are: Formigli Corporation, manufacturer of pre-stressed precast concrete products; Alvin E. Gershen Associates, Inc., planning and zoning consultants; Grumman Corporation, designers and manufacturers of aerospace systems; 3H Building Corporation, builders and developers; Robert Hughes Associates, Ltd., project managers and cost engineers; Lennox Industries, Inc., heating, ventilating and air-conditioning equipment manufacturers; Node 4 Associates, Inc., a multi-racial group formed to improve urban environments; Portland Cement Association, the research and development arm of the cement industry; Ryan Incorporated of Wisconsin, earth movers and road builders; Warner, Burns, Toan and Lunde, Architects; and Wickes Corporation, distributor of home building materials and manufacturer and marketer of mobile homes and modularized houses. This consortium has recently been formalized into the TOWNLAND Marketing and Development Corporation which will market the TOWNLAND System.

The TOWNLAND Housing System stresses the life style that can be expected by its occupants and provides not only for the creation of housing units, but also for the creation of "synthetic land" and thereby elevated pedestrian "streets" and individual earth-filled "backyards". This created land provides sites for a variety of residential, commercial and institutional needs. The amenities and architectural variety of private dwellings are combined with the land economy of high rise construction and the cost advantages of light-weight framing.

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The TOWNLAND Housing System incorporates two main subsystems: the main precast concrete structural frame and the light weight prefabricated housing and modular mechanical core units. The housing units will incorporate a wide variety of materials and finishes already commercially available.

In addition to allowing for rapid construction, TOWNLAND allows for the rehabilitation of depressed urban areas with a mininum of dislocation to the existing tenants by utilizing the air-rights. TOWNLAND can also be erected around presently active suburban centers and on the various site conditions of vacant land.

Community involvement is an integral part of the TOWNLAND concept allowing for community entrepreneurs to be involved through franchise and limited partnership arrangements. The prepared building sites on the "synthetic land" allow for self-help opportunities for occupants of varying skill levels and for the expansion and rearrangement of the housing units when desired.

For further information:

Mr. Clifford J. Milton
Keene Corporation
345 Park Avenue
New York, N. Y. 10022
Area Code: (212) 421-7122

# # #

LEVITT TECHNOLOGY

Consortium Members and/or Participants

Levitt Tech. Corp.	Lake Success, N. Y.
B. A. Berkus Assoc., Inc.	Los Angeles, Calif.
The Stanley Works	New Britain, Conn.
Auerbach Corp.	Philadelphia, Pa.
Dunham-Bush, Inc.	West Hartford, Conn.
Hamilton-Howe, Inc.	Los Angeles, Calif.
Simpson Timber Co.	Seattle, Wash.

Description

The Levitt Technology Corp. of Lake Success, N. Y., was formed to meet the requirements of Operation BREAKTHROUGH. As the prime contractor, Levitt brings together a number of experienced corporations whose combined multi-disciplined skills provide total capability in overall community development including volume production, architecture and design, civil engineering, mechanical systems, environmental planning, finance, community relations, management, and organization planning.

The Levitt Technology Corporation will perform as general manager. Others participating in the group are: Auerbach Corp.; B. A. Berkus Associates, Inc.; The Stanley Works; Dunham-Bush, Inc.; Simpson Timber Co.; and Hamilton-Howe, Inc.

The Levitt group proposes a factory-produced, volumetric, module housing system with flexibility in unit arrangements and floor plans. Townhouses and both low-rise and high-rise apartments are all easily adaptable to the module construction method.

In the evolution of the module concept it became clear that dwelling units could be constructed from two basic modular types, i.e., "wet" modules, which would include baths, kitchens, and heating and air-conditioning equipment, and "dry" modules, which would essentially be living spaces divided by the interior partitioning, door, and closet system. The wet modules have been combined in a variety of ways with dry modules to afford a wide range of dwelling unit types.

The basic module concept also afforded a means of standardizing the mechanical and plumbing elements of a dwelling unit along with the attendant fixtures, walls, built-in cabinetry, and equipment. In the Levitt system the module does not include fixed elements of the facade, but rather provides a structural frame that allows a variety of elements to be used interchangeably. These include slide-out elements such as projecting windows, balconies, closets, skylights and foyers; fold-out elements such as pitched roofs, balconies and porches, and add-on elements such as entrances, porches, decks, screen walls, balconies, parapets, and awnings.

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The building system of wood-framed sectionalized housing modules is a development of conventional platform-frame construction and industrial production technology. Structural components resemble conventionally-built, wood frames with the addition of glued skins applied to the walls and ceilings to achieve greater strengths, and lower material costs by utilizing box beams and stress-skin panel truss structural techniques. Strong floor structures are constructed using heavy perimeter beams to enable the units to withstand the dynamic loads of over-the-road transportation from factory to building site, and of on-site crane lifting from transporters to foundations.

Site master planning will establish an identity for each community through planned unit development involving wide ranges of house types in cluster developments with open space allocations and controlled circulation. The Levitt group proposes to develop guidelines for full consideration of environmental factors and user needs.

The Levitt group's system of factory-built housing is particularly well-suited to distribution through a nationwide network of local builders.

For further information:

Mr. Ed Cortese, Public Relations Officer
Levitt Technology Corporation
Lakeville Road
Lake Success, N. Y. 11040
Area Code: (516) 574-4263

# # #

MATERIAL SYSTEMS CORPORATION

Consortium Members and/or Participants

Material Systems Corporation	Washington, D. C.
U. S. Material Systems Limited	San Diego, Calif.
U. S. Financial	"
Skidmore, Owings & Merrill	Chicago, Ill.

Description

U. S. Material Systems Ltd., a joint-venture partnership of Material Systems Corporation, Washington, D. C, and U. S. Financial, San Diego, Calif., has been formed in response to Operation BREAKTHROUGH. Development of the housing system and management of system production will be undertaken by Material Systems, while U. S. Financial offers development, marketing, financial, and real estate management skills. The architectural firm of Skidmore, Owings and Merrill is serving as a consultant to the joint venture in matters of building design, architecture and site planning.

Material Systems Corporation utilizes a construction system based upon the technology of composite materials, a technology developed as a result of two decades and millions of dollars of government-sponsored aerospace research. The successful application of this technology, the company believes, could result in a new generation of attractive, durable, and inexpensive structures throughout the world.

The technology employed consists of applying fiber-reinforced resins and fillers in molds in an on-site factory to produce fabricated structural and decorative panels and other building elements which are then assembled on-site into the final house. The system relies on low labor content, quality controlled manufacturing processes, and largely unskilled labor. Material Systems is finding a ready market for building elements constructed of composite materials which can be used in conventional structures at a lower cost than similar items would cost in present-day materials.

The use of composite materials permits an almost unlimited choice of final appearance elements, depending only upon available designs. The materials are permanently colored and maintenance-free. Tests on the building elements completed to date indicate excellent thermal insulation properties and satisfactory structural strengths. Costs to date have been very favorable and development work is continuing on perfecting the resin-filler-fiber design and minimizing the costs of materials and production methods.

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Site systems proposed by the joint venture will incorporate a variety of building types, planning the highest density units at the periphery, with commercial and educational areas located between the high-density areas and lower-density townhouses and single-family areas at the center.

In producing a demonstration house on the Rincon Indian Reservation, Material Systems trained unskilled Indian workmen in the fabrication and erection of the house elements. The Indians also participated in the management, ownership and acted as landlord for company facilities. The joint-venture team has shown similar willingness to utilize the strengths of the community in a development in the Logan Heights section of San Diego, and plans to use this approach in other minority group areas around the country.

The financial strengths of U. S. Financial will permit rapid development of the prototype work, and several innovative financing plans being developed by U. S. Financial give promise of bringing additional financial support to the housing industry.

For further information:

Mr. Alan R. Novak
or
Mr. Joel Elman
Material Systems Corporation
1225 19th St., N. W.
Washington, D. C. 20036
Area Code: (202) 296-0520

# # #

MODULE COMMUNITIES INCORPORATED

Consortium Members and/or Participants

Module Communities, Inc. (M.C.I.)	Yonkers, N. Y.
Celanese Corp.	New York, N. Y.
American Standard, Inc.	New York, N. Y.
Industrialized Bldg. Systems, Inc.	New York, N. Y.
Paul Weidlinger	" "
Consentini Assoc.	" "
U. S. Trust Co.	" "
Skidmore, Owings & Merrill	" "
Hudson Institute	" "
The National Urban League	" "
Institute for Urban Environment Columbia University	" "
Urban Action & Expermientation Program (UAEP) Columbia Univ.	" "
Architects' Renewal Committee in Harlem	" "
Urban Technological International	" "
Association of United Contractors of Am.	" "
F. D. Rich Co.	Stamford, Conn.
Royall, Koegel & Wells	Washington, D. C.

Description

Module Communities, Inc. of Yonkers, N. Y., American Standard Inc. and the Celanese Corp. have formed a joint venture to develop and provide low-cost, large-volume housing production. Such housing encompasses luxury, conventionally-financed housing, middle and moderate income housing, publicly sponsored housing, senior citizen, leisure and retirement housing, college dormitories, faculty residences, nurses-doctors residences, and, in addition, planned communities. The other key participants in the group are: I. B. S. Industrialized Building Systems, Inc.; Paul Weidlinger Associates, structural engineers; Cosentini Associates, mechanical engineers; Skidmore, Owings and Merrill, architects; Hudson Institute, social and economic research; and F. D. Rich Company general contractors.

Module Communities, Inc. through I. B. S. Industrialized Building Systems has American rights to the European developed Tracoba pre-cast concrete, industrialized building system. It utilizes on-site or near-site factory-produced concrete panels and slabs to construct a variety of structures, including single family, town houses, garden or high-rise apartments. Variations in the size and design of the elements, and in the exterior finishes can provide a wide diversity of architectural appearances and functional plans.

Engineering adaptation of the Tracoba System for American usage has been completed and two factories are now being constructed in the United States; key factory cadres have been trained in French plants to permit an immediate production capability.

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The various participants bring wide experience in all areas of construction and development to the program and the Joint Venture - M.C.I. Celanese Corp., and American Standard, Inc., has successfully developed and operated turnkey public housing, demonstrating its ability to involve the community in total project activities.

Planning aspects offered by the team include mixed uses of the developed site, separation of vehicular and pedestrian traffic, and creative site planning in the general development of a proposed site.

The proposal offers an innovative approach to financing, utilizing dealer inventory credit financing of modules or elements, factoring companies to provide short term capital financing, and serving as a surety for local-builder dealers. Long term equity financing will involve participation by the U. S. Trust company which has been instrumental in the financial organization of M. C. I.

The sponsors are committed to produce housing throughout the United States as investor developers, or in joint venture with others, or to provide technical assistance to community groups on a franchised basis, or franchises to local contractor-developers.

For further information:

Mr. Harold K. Bell, Chief Executive Officer
Module Communities, Inc., Celanese Corp., American Standard, Inc.
Joint Venturers
1561 Central Park Avenue
Yonkers, N. Y. 10710
Area Code: (914) WO 1-5800

# # #

NATIONAL HOMES

Consortium Members and/or Participants

National Homes Corp.	Lafayette, Ind.
Edward Durell Stone & Assoc.	New York, N. Y.
Edward D. Stone, Jr. & Assoc.	Ft. Lauderdale, Fla.
Semer, White & Jacobsen	Washington, D. C.
Praeger-Kavanagh-Waterbury	New York, N. Y.
Cosentini Associates	" "
Computer Applications, Inc.	" "

Description

National Homes Corporation of Lafayette, Ind., one of the largest residential builders in the country, has formed a team of firms representing the required multi-disciplined approach to providing large volumes of lower cost housing under Operation BREAKTHROUGH. National Homes will be prime contractor and have the responsibility for overall team management. Other members in the group are: Edward Durell Stone and Associates, architects of New York City; Edward D. Stone, Jr. and Associates, Land Planners of Ft. Lauderdale, Fla.; Semer, White and Jacobsen, Govt. Relations, Wash., D.C.; Praeger-Kavanagh-Waterbury, structural engineers of New York City; Consentini Assocs., mech. and electric engineers of New York City; and Computer Applications, Inc., management systems of New York City.

The National Homes Corp. will use a 14-foot wide factory-produced volumetric module system primarily directed to townhouses, garden apartments, and low-medium-and high-rise buildings. The modules can be stacked to a height of six floors, although, the high-rise building will utilize a separate structural system for support. The system is designed for flexibility in floor plans and unit arrangements through the use of three basic modules: the living module, the utility core module, and the bedroom module. Each module incorporates the architectural and structural elements pursuant to its specific function(s) in the dwelling unit. The modules are trucked to the building site where they are combined horizontally and vertically to form complete buildings. The many possible combinations yield a vast number of different architectural types and sizes of dwelling units.

Exterior "control modules" may be employed to give occupants their own suitably protected and oriented outdoor space in all extremes of climate. These environmental modules provide added dimensions of light and shadow, an important esthetic element.

The major mechanical innovation of this proposal is the use of a vacuum sewage disposal system developed and first used in Sweden ten years ago. Principal advantages are that it sharply reduces water supply needs for families and can substantially reduce initial plumbing costs especially in large housing developments.

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The proposal calls for the utmost utility and efficiency in the use of land and limited open space. Parking areas are depressed between areas of ground surface so that they do not dominate the scene. The project is well integrated into the fabric of the existing community and provides high-rise and townhouse dwelling units.

The company has access to capital market and experience in obtaining long-term financing through National Homes Acceptance Corporation

For further information:

Mr. Jack Hazzard
Public Relations Department
National Homes Corporation
401 S. Earl Ave.
Lafayette, Ind. 47902
Area Code: (317) 447-3131

# # #

PEMTOM, INC.
(Pemtom Living System)

Consortium Members and/or Participants

Pemtom, Inc.	Bloomington, Minn.
InterDesign, Inc.	Minneapolis, Minn.
Lorimer, Chiodo & Associates	Minneapolis, Minn.
3M Company	St. Paul, Minn.
Jacus & Amble Engineering	Minneapolis, Minn.
Community Involvement and Development Associates, Inc.	Minneapolis, Minn.

Description

As the prime contractor, Pemtom of Bloomington, Minn., brings together a number of associated firms which will provide multi-disciplined skills in architecture, engineering, land planning, management systems, finance, community relations and planning. Pemtom will provide the management for the development and completion of the proposed building system. Firms associated with Pemtom are InterDesign, Inc., a Minneapolis-based architectural and planning firm; Jacus and Amble, Inc., engineering consultants; Lorimer, Chiodo and Associates, an economic research and development group and Community Involvement and Development Associates, Inc., social planning consultants. The Minnesota Mining and Manufacturing Company (3M Company) will be the principal supplier of components for the Pemtom Building System.

This firm proposes a factory-produced volumetric module (UNIMOD) which utilizes stressed-skin plywood technology. Plywood panels are held together by polymer bond which causes the panel to act as a single structural unit in resisting loads. The system contains the framing material, sheathing, and interior finishing materials, in a single panel unit thereby reducing the weight considerably. The flat plywood stressed-skin panel is efficient and easy to handle and suitable for roofs, floors and walls.

The Pemtom Living System is designed to mass produce homes, and to develop total environments and functional communities. Architectural diversity is attained through the almost unlimited arrangements in which the modules may be placed. Rooms may be made of various sizes by combining and dividing modules, and using "room extenders" (a half-sized module, available from the factory as an accessory). In ordering homes, the process could be similar to ordering an automobile -- with a choice of interior and exterior finishes, furniture "packages," and structural accessories, such as decks for exposed rooftops and modules to change a flat roof to one with a pitch. On arriving at the site, the modules are arranged and joined with polymer bond. The modules provide single-family homes, townhouses, and low-rise and high-rise apartments. Two and three-floor structures may be

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"stacked" by placing cubes on each other, either evenly or by cantilevering them. Higher structures require a free-standing armature or cradle to hold the units and the mechanical systems.

The mechanical system has been designed specifically for the module approach. Utility troughs are placed into the floor of each module. Pipes and wires are placed in these troughs at the factory and, in addition to normal support, they are held firmly in place by polymer, which is foamed over them. When two modules are joined, the mechanical components "link up" at a single connection.

Electrical service, which is underground, is brought into the home through the utility module. The system is a combination of 110-volt power and low voltage for switching and control purposes. Low-voltage devices, recently developed by 3M, could increase the efficiency of the total system. The low-voltage wires embedded in the polymer foam of the wall to control high voltage systems increase safety.

Pemtom's Living System and their Unimod structures may be used for infill housing on scattered lots, as well as in planned subdivisions. Ancillary facilities can also be built using this system.

The firm has suggested formation of a corporation to sell short-term notes to be secured by long-term flexible interest rate mortgages. Pemtom also proposes a "sell-back" option under which the homebuyer would be able to sell back his home to the corporation.

The Pemton Living System proposes a national program based on a regional and local production and marketing concept.

The company has successfully negotiated an agreement with three international AFL-CIO building trade unions for the production of factory-produced housing modules and their on-site assembly.

For further information:

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Pemtom, Inc.
8053 South Interstate 35W
Minneapolis, Minnesota 55420
Area Code: (612) 888-9561

# # #

REPUBLIC STEEL CORPORATION

Consortium Members and/or Participants

Republic Steel Corporation	Youngstown, Ohio
Bob Schmitt Homes, Inc.	Strongsville, Ohio
The Tappan Company	Mansfield, Ohio
American Standard, Inc.	Louisville, Ky.
Climatrol Industries, Inc.	Milwaukee, Wis.
Emerson Electric Company	St. Louis, Mo.

Description

Republic Steel Corporation through its Manufacturing Division in Youngstown, Ohio, is the proposer and prime contractor for a six-company consortia that will provide, under Operation BREAKTHROUGH, a residential building system based on a series of factory produced components.

With steel as the principal structural material, the components can be combined in different ways to provide a variety of detached, single-family residences for families with low to moderate incomes.

Republic's housing system is comprised of steel components that lend themselves to mass production and rapid, on-site assembly. All sub-systems in the housing system are independently manufactured and installed in the home preassembled, and can be ready to operate when connected with their respective utility lines. The kitchen unit, complete with clothes washer and dryer, and the bathroom unit, are shipped to the home site as preassembled units. The units are installed by simply setting them in place.

Included in the consortium are American Standard, Inc., Climatrol Industries, Inc., Emerson Electric Company, The Tappan Company, and Bob Schmitt Homes, Inc. Project Architect is Edward A. Schmitt of Strongsville, Ohio.

The system permits relatively high density, single-family dwellings with privacy, and thus lends itself to cluster site system arrangements with cul-de-sacs. This land use concept, by limiting the number of homes the eye can observe from any given point, helps to maintain visual interest and fidelity in a neighborhood.

Standard components in the system are so flexible that a variety of floor plans and home sizes is practical. Add-on living space is possible even as a do-it-yourself operation.

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Variation in appearance can be obtained by altering arrangement of modules and by changes in the decorative roof treatment, textured walls and color. Conventional siding can be applied over the steel panels and conventional wall coverings can be attached to the interior walls. Every house will have at least one private patio court.

Foundations consist of concrete piers supporting steel grade beams. Wall and floor panels are attached to the box type grade beams and roof panels are attached to the wall panels to complete the structural construction. Floors, walls, and roofs are assembled from structural panels having steel facings on both sides of an insulated core. The panels provide structural, thermal, and acoustical integrity.

Sliding glass doors are employed instead of windows, as the design module arrangement affords maximum inter-dwelling privacy. The house is arranged around a courtyard or atrium, with the glass sliding doors facing an attractive private patio court.

Houses will have wall-to-wall carpeting and zone controlled air conditioning. All wiring and switches will be in the baseboards. Interior walls and ceilings are textured, painted steel. The walls also can be covered with wood panel, wallpaper or other interior finishes. To insure adaptability to every part of the country, insulation has been provided for the coldest and hottest climates.

Shipment of houses in components allows the Republic system to reduce freight costs. Shipment can be made over wide areas from centrally located manufacturing plants by standard truck, ship or rail.

For further information:

Republic Steel Corporation
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Cleveland, Ohio 44101
Area Code: (216) 574-7672

Mr. H. W. Hopwood, Vice Pres., Public Relations
Area Code: (216) 464-9299

Mr. A. F. Conners, Asst. Dir.
Public Relations Dept.
Area Code: (216) 321-9084

# # #

ROUSE-WATES
Consortium Members and/or Participants

Rouse Development Co. of the Rouse Co. Columbia, Md.
Wates Systems, Inc. (USA) of
Wates Ltd. (London, England)

Description

A joint venture of The Rouse Development Company of Columbia, Md., and Wates System, Inc., a U. S. subsidiary of Wates Ltd. of London, England, is participating in Operation BREAKTHROUGH. Rouse Development is a subsidiary of The Rouse Company, a large development and mortgage banking firm with national headquarters in Columbia, Md. Rouse subsidiaries have built numerous regional shopping centers and are developing the new city of Columbia, Md. A joint venture company, of Rouse and Wates has been formed to produce residential communities including Operation BREAKTHROUGH housing. The Rouse-Wates team will be responsible for planning, design, and marketing of the concrete building system.

The Rouse-Wates building system employs an on-site factory-produced, pre-cast, concrete panel system which incorporates a concept of "community building" for the development of a total environment. Based on the building system developed by Wates Ltd. of Great Britain, story high, pre-cast concrete wall panels are joined with room size pre-cast concrete floor panels at the site, to create low or high rise building structures. Design flexibility permits incorporation of units ranging from on-grade and mid-rise units to high rise configurations. A variety of access systems contribute to the range of options available. The system exploits the potential of the tower crane, component panels and a variety of exterior and interior finishes.

Wall panels, as erected, have exterior surfaces completely finished in a variety of architectural treatments and are fully glazed and insulated ready for interior painting or other decoration. Prefabricated interior partitions, appliances, and mechanical sub-systems are installed along with the erection of the building structure in a carefully sequenced and coordinated operation. This procedure is also employed in the installation of elevators by the use of a developed package elevator system, having prefabricated entrance units, car units, shaft wiring, and machine room unit. Careful scheduling, along with the use of the packaged elevator system, permits earlier completion of elevator installation than by traditional elevator installation methods.

Rouse proposes overall and comprehensive community planning including the separation of automobile traffic from pedestrian ways, use of cluster residences to create more open space for recreation, and arrangement of public buildings and areas that provide round-the-clock duty for the community.

Rouse would assume responsibility for prototype construction financing from its established sources, and also to obtain long-term financing. Rouse-Wates also suggests condominum financing for entire communities permitting separate financing of units to serve different income ranges.

For further information:

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Columbia, Md. 21043
Area Code: (301) 730-7700 Ext. 204

SCHOLZ HOMES, INC.

Consortium Members and/or Participants

Scholz Homes, Inc.	Toledo, Ohio
Stiles-Hatton, Inc.	Grand Rapids, Mich.

Description

Scholz Homes, Inc., and its three subsidiaries (realty, construction, and management corporations) have submitted a BREAKTHROUGH proposal that is based upon an expansion of their already considerable experience in the marketing of prefabricated housing systems in some eight metropolitan regions of the United States. Their proposal will use company plant capacity now in existence, and additional plants are contemplated to meet higher volume for aggregated markets.

This firm uses a factory-built, sectional housing system shipped to site for assembly into a variety of floor plans which cover the varied requirements of young or mature families, or the elderly. The system is adaptable to single-family, or garden type, multi-family living unit configurations by stacking the sectional units side-by-side or on top of each other. The primary structural material is wood, and each modular unit is a complete structural component in itself. Completed house or apartment sections include "in-place" plumbing, heating, and electrical components. All of the exterior wall surface interior wall surfaces, integral floor deck system, and ceilings, with all interior millwork and cabinetry, are completely finished. The sectional unit is designed for placement on either crawl space or basement foundations; set by either a mobile crane or a special house-setting device developed by Scholz for a "one-day" site erection procedure.

Site plans take into account the style of neighborhood, the basic street configuration, topographic limitations and opportunities, and the impact of increased land cost in certain locations. Community planning techniques are utilized in a manner that permits the total allowable density in a particular land site to be allocated between multi-family garden apartment units at relatively high density and single family units at more modest densities.

Scholz Homes will continue to follow the same long-term financing practices that have supported past company ventures.

For further information:

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Scholz Homes
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Toledo, Ohio 43607
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# # #

SHELLEY SYSTEM

Consortium Members and/or Participants

Shelley Systems, Inc.	San Juan, P. R.
Banco Popular de Puerto Rico	" "
Shelley Engineering Corp.	" "
Hampton Development Corp.	" "
Shelley Equipment & Finance	" "
Caribilt Const. Corporation	" "
Shelga Corp.	" "
Carlos Alvarado, Hsg. Mgmt. Cons.	" "
Dr. Luis E. Mora, Prof. of Structural Eng. Univ. of Puerto Rico	" "
U. S. Home & Development Corp.	Freehold, N. J.
Dr. H. R. Stanton, Prof. of Socio-econ. (Clark Univ.)	Worchester, Mass.
Dr. N. P. Loomba, Prof. for Mgmt. (City College)	New York, N. Y.
H. R. H. Construction Corp.	" "
Urban Systems Research & Eng., Inc.	Boston, Mass.
Robert Phillips (Charter Mortgage Co.)	Miami, Fla.
Dr. August Komendant, Prof. of Advanced Concrete Structures (Univ. of Pa.)	Philadelphia, Pa.
Dr. S. K. Schiff, Prof. of Psychology (Univ. of Chicago)	Chicago, Ill.

Description

Shelley Enterprises of San Juan, Puerto Rico, has developed a modular housing system which can mass produce housing units at an estimated savings over conventional building methods.

The Shelley System is based on pre-cast concrete building block modules, which are erected in a checkerboard pattern. This staggered pattern provides spaces between the modules--each approximately as large as a full module. These spaces, when enclosed on the ends, provide livable areas, thus reducing costs by eliminating duplication of walls and slabs as in other systems. By overlapping the edges of the modules the system provides chases for utilities integrated in the modules vertically within the structure. Structural benefits result from the overlap. Post-tensioning of the boxes provides optimum structural connection and reinforcement of the structure.

The modules are produced complete with columns, ribs and other features that guarantee maximum strength with minimum weight.

Innovative use of load bearing columns in the system reduces the thickness of the walls, minimizes the weight of the pre-built modules. Thus a typical building can be erected with conventional equipment up to 22 stories in height.

- more -

The modules are completely finished with interiors, doors, windows, mechanical and electrical equipment and floors installed either at a temporary plant set up at a building site, or in a permanent plant built for manufacturing Shelley System modules. A three-bedroom, concrete module, completely pre-built, can be lifted directly into final position.

The ability to pre-finish the modules on the ground, using industrialized assembly-line techniques, not only allows for substantial savings over conventional construction, but also provides better quality control and minimizes material waste.

The Shelley System is an integrated system which includes structural-architectural methods on which patents are pending, a unique casting method for the production of the boxes, and a sophisticated forming system already proved in operation.

The system can be employed year-round, thus eliminating the cyclical or seasonal disadvantages inherent in conventional construction. Labor will benefit by year-round work.

The system allows for maximum flexibility in interior design. For example, apartments with one, two, three or more bedrooms may be provided in the same building. Apartment sizes and floor plans can vary significantly. Stairways, corridors, garbage disposal facilities and elevator shafts are all integrated into the system.

The Shelley System, with its architectural flexibility, can be employed to create planned communities which combine high and low-rise apartment buildings with town houses, shopping centers, and commercial or industrial complexes. Valuable land can be set aside for parks, gardens, mall, and recreational facilities. Buildings can be erected from one to twenty-two stories high on almost any terrain. Innovated design concepts which make the best use of slopes, are easily constructed. Towers, crescents and other free-form designs, which employ unusually-shaped buildings to fit problem terrain, are all possible. This total design flexibility is a major asset in creating aesthetically sound neighborhoods which meet the human goals of Operation BREAKTHROUGH.

Shelley Enterprises has been engaged in the development, design, architecture, engineering construction, research, and manufacturing of buildings in Puerto Rico for the past eight years.

The Shelley System is being employed on a 500-unit, high-rise apartment complex now being built in San Juan, Puerto Rico, for the Puerto Rican Housing and Urban Renewal Corporation (CRUV).

The Shelley System will soon be available in every State through franchising of local builders.

For further information: Mr. S. W. Shelley
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San Juan, Puerto Rico Area Code: (809) 769-1313

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STIRLING HOMEX CORPORATION

Avon, N. Y.

Description

Stirling Homex Corporation of Avon, N. Y., is a producer of factory-built housing for low-and middle-income families. As a prime contractor, Stirling Homex will provide from its own organization the multi-disciplined competence in such skills as volume production, architecture and engineering, site development, management, training, and sales engineering. This Corporation has been producing modular townhouse units in a specially designed plant at Avon, N. Y.

The low-rise system employs a factory-produced, wood framed, modular system consisting of three or four modules, varying with the number of bedrooms. Each module is approximately 12 feet wide, by 9 feet high, by 24 feet long. At the site, modules are stacked to form two-story individual and multiple dwellings.

In conjunction with Operation BREAKTHROUGH, Stirling Homex has developed an entirely new high-rise product line and has made additional improvements in its low-rise system.

Stirling Homex will furnish a concrete and steel high-rise building system capable of rapid application on any selected site. This system employs an integral steel-frame concept which does not require a supporting or supplementary megastructure. The high-rise product, manufactured 90% in the plant, will be erected by applying a unique, newly-devised reverse sequence erection system. The lightweight modules will be assembled at grade level, starting with the top or roof floor and ending with the bottom floor. Erection can proceed at the rate of one floor per day.

The Stirling Homex high-rise erection method will employ an electronically controlled jacking system which is presently engineered for application on buildings up to 20 stories in height. Conventional crane methods also will be applicable for erection. Although the total Stirling Homex system is unique in combining dwelling module, supporting frame and erection method, its individual aspects employ proven engineering techniques.

A variety of configurations and room mixes will be allowed by the module design and groupings.

Stirling Homex has been successful in negotiating mutually favorable arrangements with labor unions. It has entered into a three-year collective bargaining agreement with the United Brotherhood of Carpenters and Joiners of America, AFL-CIO, covering all production employees. Stirling Homex has another national contract with the Brotherhood for on-site erection of its manufactured units. The Company also has underway, with the U. S. Department of Labor's assistance, a program to train the unemployed in manufactured

- more -

housing skills. In cooperation with the United Brotherhood of Carpenters and Joiners, the Company is establishing additional "in-house" programs specifically directed to training new employees in production-line skills, education and social techniques.

Stirling Homex proposes a site plan with emphasis on human factors. The site systems are planned for varied elements: 1. Garden apartments and townhouses for family use. 2. High-rise for the elderly, separate but nearby. 3. Parking conveniently located in concealed courts at a depressed elevation. 4. Each family unit with individual entry and private rear yard of at least 200 square feet. 5. Active play areas at a distance from family units to reduce noise factors.

Stirling Homes has construction loan sources. It has developed a number of effective approaches to utilize fully the available subsidy programs for non-profit organizations and public bodies. Stirling Homex stresses its experience, speed of delivery, stabilized pricing systems, high-quality products and complete housing capabilities.

For further information:

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Area Code: (716) 926-8118, Ext. 41

# # #

TRW SYSTEMS GROUP

Consortium Members and/or Participants

TRW Systems Group	Redondo Beach, Calif.
Bldg. Systems Development, Inc.	San Francisco, Calif.
Kaufman & Broad, Inc.	Los Angeles, "
Mid-City Developers, Inc.	Washington, D. C.

Description

TRW Systems of Redondo Beach, Calif., a member of the TRW organization of Cleveland, Ohio, has proposed a comprehensive program for producing large volumes of housing at low to moderate cost. TRW Systems, and Building Systems Development, Inc., a San Francisco architectural firm, formed a joint venture arrangement for housing that included Mid-City Developers of Washington, D. C., and Kaufman and Broad, Inc., of Los Angeles.

Building Systems Development, Inc., will apply its experience in architecture and the design of new building systems. Mid-City Developers and Kaufman and Broad will assume responsibility for general development, erecting and furnishing the modules on site.

TRW is the prime contractor and program manager for the consortium and will manufacture mandrel-wrapped, fiber shell modules for use in single-family residences, townhouses, low-rise apartments, and, eventually, in high-rise construction.

The production system involves an off-site factory for manufacturing panels and small shapes plus a relocatable on-site factory which will produce room-sized modules on a mandrel capable of assuming many different configurations. Because of a unique wrapping process, services will readily be incorporated into the module under factory conditions. Fibrous glass reinforced plastic, cellulose honeycomb, and gypsum board are employed in the panel and module construction.

The site system features planned unit development, with houses arranged in clusters, accessible by automobile from the outside, but facing an inner green area for recreation and pedestrian use by all. Higher density walkups are arranged on slopes, if available, for multiple access and avoidance of elevators. Still higher densities call for multiple uses arranged vertically in the same building: transit, shopping, education and offices, as well as residences. Principal themes of the TRW System are: 1) architectural flexibility in module configuration and interior/exterior finishes; 2) use of high-strength, low-weight structures; 3) durability, and low initial and life cycle costs; and 4) site planning addressed to the total context of living, in which the dwelling is just one element.

- more -

For further information:

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Redondo Beach, Calif. 90278
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OPERATION BREAKTHROUGH SITES AND SITE PLANNERS

Site	Site Planner
HOUSTON, TEXAS The site consists of 15 acres in Harris County, about three miles outside the city limits in the Clear Lake area.	Caudill Rowlett Scott Architects, Planners, Engineers 3636 Richmond Ave. P.O. Box 22427 Houston, Texas 77027
INDIANAPOLIS, IND. Site is periphery of the city near the Indianapolis Speedway. The tract of up to approximately 80 acres is a part of the former State Mental Health Farm, now owned by Marion County. The site was proposed by Mayor Richard Lugar and submitted along with other Indiana sites by Governor Edgar Whitcomb.	Skidmore, Owings, and Merrill Architects, Engineers 1100 Connecticut Ave., N.W. Washington, D.C. 20036 Marcou & O'Leary - Community Relations Jesperson-Kay Systems, Inc. - Building Systems
JERSEY CITY, N. J. This 6-1/2 acre inner-City site is located at the intersection of Newark Avenue and John F. Kennedy Boulevard, one block from Journal Square, the heart of the downtown area. This site, in the St. John's urban renewal area, has a view of downtown Manhattan, which is 20 minutes away by rapid transit. The proposal was submitted by Jersey City Mayor Thomas J. Whelan.	David A. Crane - Architects, Planners 1316 Arch St., Phila., Pa. 19107 David Volkert & Associates - Engineers Cambridge Seven Associates, Inc. - Design Graphics Cope, Linder, Walmsley - Landscape Architects Alan M. Voorhees & Associates - Traffic Engineers
KALAMAZOO, MICH. This site of approximately 30 acres is located on a plateau overlooking a lake in Spring Valley Park in Kalamazoo. The wooded and rolling city-owned site was proposed by City Manager James Caplinger, endorsed by Mayor Francis P. Hamilton, and submitted through Governor William Milliken, among other Michigan sites.	Perkins and Will - Architects, Planners, Engineers 309 W. Jackson Blvd. Chicago, Ill. 60606

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Site	Site Planner
SEATTLE, WASH. The selected area is a combination consisting of about two acres in the Yesler-Atlantic Neighborhood Improvement Project in the downtown section of Seattle, and a plot of approximately 30 acres in King County.	Building Systems Development Architects, Planners 120 Broadway San Francisco, Calif. 94111 Sasaki, Walker Assoc., Inc. - Landscape Architects Murray & McCormick, Inc. - Engineers
KING COUNTY, WASH.	Eckbo, Dean, Austin and Williams Landscape Architects, Planners 145 Mission St. San Francisco, Calif. 94105 George S. Nolte, Inc. - Engineers Vernon DeMars - Architect
MACON, GA. This 50-acre site is presently an attractive pine-wooded estate with a six-acre lake located on Chambers Road, four miles from central Macon, in a rapidly developing area of Macon. Mayor Ronnie Thompson proposed the site which has been endorsed by Governor Lester Maddox, along with other Georgia sites.	Reynolds, Smith and Hills Architects, Engineers, Planners 4019 Blvd. Center Dr. P.O. Box 4850 Jacksonville, Florida 32201
MEMPHIS, TENN. This site of approximately 10-acres is located in the Court Avenue urban renewal area in downtown Memphis, near the University of Tennessee Medical Center. Mayor Henry Loeb proposed the site which was endorsed by Governor Buford Ellington. Congressman Dan Kuykendall coordinated Federal-State-local efforts to meet program requirements.	Miller, Wihry and Brooks Landscape Architects, Engineers Landward House 1387 S. Fourth St., Louisville, Ky. 40208 Louis and Henry - Architects Stephen Sussna - Planner

Site	Site Planner
SACRAMENTO, CALIF. This site of up to 60-acres occupies the eastern portion of the old California State Fairgrounds located at 57th and Broadway about four miles southwest of downtown Sacramento. Mayor Richard H. Marriott proposed the site for a BREAKTHROUGH demonstration in the capital city of California. This site, along with other California sites, was endorsed by Governor Ronald Reagan.	Wurster, Bernardi and Emmons, Inc. Architects 1620 Montgomery St. San Francisco, Calif. 94111 Lawrence Halprin & Associates - Landscape Architecture Wilber Smith & Associates - Traffic Engineering Gilbert-Forsberg-Diekmann-Schmidt Engineers Dames and Moore - Soils Engineering Larry Smith & Company, Inc. - Economics and Marketing Dr. Cyril Roseman - Urban Sociology G. Dean Smith, Inc. - Graphics and Public Information Organon & Associates - Estimators, Planners
ST. LOUIS, MO. This prototype site occupies two neighboring parcels of 7.6 acres and 7.9 acres in the Mill Creek urban renewal area in downtown St. Louis. Mayor A.J. Cervantes proposed the site which was endorsed, along with other Missouri sites, by Governor Warren E. Hearnes.	Hellmuth, Obata and Kassabaum, Inc. Architects 315 N. Ninth St. St. Louis, Mo. 63101
WILMINGTON, DEL. (NEW CASTLE COUNTY) This rolling, wooded, suburban site is located in New Castle County at Faulkland Road and Route 141, about five miles from downtown Wilmington. The site of up to 100 acres, which is part of the State-owned Ferris School for Boys, was submitted along with other Delaware sites by Governor Russell Peterson, and is endorsed by County Executive William Connor.	RTKL, Inc. - Architects, Planners 806 Cathedral St. Baltimore, Md. 21201 Dewberry, Nealon & Davis - Engineers M. Paul Friedberg & Associates - Landscape Architects Rivkin/Carson, Inc. - Community Structure

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ADDRESS PREPARED FOR DELIVERY

By Richard C. Van Dusen
The Under Secretary
U. S. Department of Housing and Urban Development
before the
Michigan Bankers Association Mortgage Conference
Boyne Mountain, Michigan
February 26, 1970

SUMMARY

WE OUGHT TO BE DEVOTING THE SAME KIND OF ATTENTION TO MAKING THE HOME MORTGAGE more attractive that we're giving to modernizing production technology, building codes, and the structure of the industry. Today's housing market is characterized by pressure, by change in process, and by the potential for much greater changes in the way housing is designed, built, marketed, and financed. For those who are alert and imaginative and bold, it's a time of great opportunity.

Anyone who talks about the future in any field assumes some risk. Most speakers who do so try to pick a forum far from home, so they won't be around at the day of reckoning. Or they give reliable predictions, such as J. P. Morgan's famous advice about the future of the stock market: "It will fluctuate".

Well, here I am at home in Michigan, where I fully expect to be when my government service is over. I don't propose to be as careful as Mr. Morgan. So perhaps I should just issue a disclaimer at the beginning, and indicate that these remarks come without any guaranty.

One thing, of course, can be said with some confidence -- this is going to be a difficult year for housing. You all know the reasons. Inflation has sent the price of every element of housing up, and the monetary policies used to combat inflation have made mortgage money scarce.

These observations are hardly profound, and you didn't invite me to come here from Washington to tell you that. However, there are a few statistics which may help to give the dimensions of the problem.

You all know that housing starts have dropped from a peak annual rate of 1.7 million units in the first quarter of 1969 to an annual rate of less than 1.2 million last month. But you may not be aware of how sharply net new residential mortgage lending from purely private sources has dropped. From a peak annual rate of $17.5 billion in the last half of 1968, such lending dropped to a rate of $15.5 billion in the first half of 1969, and then plunged to annual rates of $8.5 billion in the third quarter, and $5.8 billion in the last quarter of 1969.

Forward commitments for residential mortgage loans by savings and loan associations, savings banks, and life insurance companies are now far below last year's highs. Life insurance companies have virtually abandoned the single family house mortgage field.

Only massive efforts by the Government and by Federal agencies, which made up for part of the loss of private mortgage money, kept the drop in housing starts from being more catastrophic than it was.

While starts plummeted and the supply of mortgage money shrank dramatically, the need for housing has continued to grow. Housing starts are not keeping pace with new household formations and the loss of run down units. Annual production

will have to more than double if we are to meet the 10-year housing goals established by the Congress in 1968.

Vacancy rates are at the lowest levels since World War II. And inflation has pushed the cost of new housing so high that over half of the American families cannot afford a new home. In fact less than one family in five can afford the median priced new home today.

There is virtually no "low cost" conventionally built housing today. What we call "low income" housing is actually relatively high cost housing which we make available to low income families through federal subsidy. In terms of unit starts, however, the low-income segment of the market has been rising, as we push HUD programs to full capacity. Subsidized starts exceeded 200,000 units last year, and will more than double that this year.

What this means is that the middle income segment of the market is being hit hardest by the combination of the current inflation, the housing shortage and the production slump.

Having given you this bleak picture, I can't complete this background discussion without some reference to government efforts to combat the current housing squeeze.

First and foremost in terms of an ultimate solution has been the President's strong determination -- in the face of tremendous pressures from all sides -- to maintain a sound fiscal situation with a surplus in the Federal budget. After years of deficit financing, a surplus budget is essential. There simply will not be enough funds available to finance housing if the Treasury is also borrowing a substantial amount in the market to finance a budget deficit.

The other half of the government's attack on inflation has been the Federal Reserve's restrictive monetary policy. Recognizing the special problems this has created for housing, the Administration has taken a number of specific actions aimed directly at mortgage market problems. Since this Administration came into office

-- FNMA has made $7.6 billion of commitments to buy mortgages, and her actual purchases have totaled $4.9 billion; more than $1.2 billion of new commitments have been made in just the past six weeks.

-- Federal Home Loan Bank advances have increased by a net of $4.6 billion, and the Board cut liquidity requirements for member savings and loan associations by $1.3 billion.

-- GNMA has purchased nearly $800 million of mortgages, and has been authorized to make up to $1,180 million of special assistance commitments to facilitate the financing of newly produced subsidized housing units.

In addition to these steps, we've developed the so-called "Tandem Plan" under which GNMA loan commitments, in tandem with a FNMA take-out, have assured mortgage funds for builders and sponsors of subsidized housing, free from excessive "points".

We've finally brought to market in a limited way the GNMA guaranteed mortgage-backed security, which offers the hope of tapping new sources of housing funds. We hope the pension funds will find the current mortgage-backed security and its soon-to-be-issued cousin, the mortgage-backed bond, attractive. As you probably know, Congressman Patman has a bill pending which would make mortgage investments mandatory for pension funds, with severe penalties for failure to comply. We prefer the voluntary approach. But you might suggest to your performance oriented portfolio managers that they take a look at H. R. 15402, with its 100% tax on those fund assets not invested in mortgages to the full extent prescribed.

All of these efforts to make mortgage money available from government, or government supported, sources have resulted in an actual increase in FHA-VA starts. To the extent that our Department can influence housing production -- the subsidized and FHA-VA sectors -- we've done reasonably well.

Just this week, Secretary Romney has advanced further proposals to improve this sector, including experimentation with a free market interest rate for FHA loans without points, and exemption of FHA-VA loans from state usury laws.

We've also proposed giving FNMA and the Home Loan Bank Board authority to operate a secondary market for conventional mortgages -- a step which could have real value in the future, but which is not likely to have immediate impact.

In summary the current situation looks like this:

-- We have a housing shortage, with enormous pent-up demand;

-- Despite major government efforts, which will double subsidized housing production and which have prevented a more severe drop in unsubsidized production, overall starts are falling.

This is a situation made to order for people with new ideas. Some of the new ideas advanced in the Congress would result in far greater government involvement. But it seems to me that the far better solution is private innovation in the production and financing of housing.

Some of this private innovation has already made a significant impact. For example, in the last few years we have seen the spectacular growth of mobile home production. Mobile homes accounted for approximately 25% of all new housing started in calendar 1969. Government statisticians finally decided that perhaps they'd been wrong in counting mobile homes only as "wheeled vehicles" and not as housing. Obviously, it's a rather short evolutionary step for a mobile home to lose its axle and wheels and become a "modular home". It would probably be fair, if oversimplified, to say that in response to market conditions 25% of all new housing is modular in character. Furthermore, it would be equally fair to add that the factory-built modular sector is growing while the conventional sector remains relatively static. I don't know how parochial you men are in your respective banks. But you probably need not be reminded that very litte mobile home paper goes through the mortgage department.

The second significant development with potential future impact is a small but growing trend toward "corporatization" in conventional housing production. John Heimann, a very able investment banker who served during much of 1969 as an adviser to Secretary Romney, cited this trend in a perceptive talk to the Mortgage Bankers Association last Fall. He pointed out that

> "At the beginning of 1960 Levitt & Sons was just coming public as a company with about $10 million of sales; Kaufman & Broad was only three years old and had $5.2 million of sales and equity of only $600,000. Ryan Homes was an infant with $9 million of sales, while National Homes was the industry giant with sales of $93.8 million and $28.8 million of equity. This year Levitt, now a subsidiary of IT&T, will report sales of nearly $200 million, and the others will be at or above $100 million. K&B will end the year with about $37 million in equity, National about $50 million, Ryan about $19 million. And in 1960 Boise Cascade hadn't even thought about putting together its $300 million shelter industry complex."

The Council of Housing Producers, an organization of large builders, takes some pride in the fact that their aggregate starts increased last year, in the face of sharp declines for the industry as a whole. The fact is that these organizations have developed, both internally and through external financial relationships, resources which have made them less vulnerable to periods of severe competition for credit.

Neither the growth of mobile home production nor the trend toward "corporatization" in housing production are predictions of the future; they are observations of present developments. But they tell us something, I think, about the future of the housing industry.

Operation Breakthrough, a project of our Department, does start moving us into the future. Many of you may know something about Operation Breakthrough, but at the risk of re-plowing familiar ground, let me tell you a little about it.

Breakthrough is designed to develop volume housing production capability. This is not just a matter of production technology. It's also a matter of site development, design management, financing and distribution. It's a matter of more flexible, more productive employment of labor. And it's a matter of modernized building codes and zoning, so that volume production capability is matched by volume markets.

The premise of Operation Breakthrough is that current, low volume, fragmented production results, in major part, from the current fragmented market. Even in a major metropolitan area, demand for housing is distributed among numerous political jurisdictions, each with its own building code, its own zoning, and its own officials who interpret and enforce

those codes. Requirements vary enough from one jurisdiction to another so that a house built to meet the code of one jurisdiction might be rejected in the adjacent political subdivision.

With this kind of fragmentation of the market, the industry has tended to respond in a fragmented way. Very few builders have invested the capital or the management talent needed to achieve volume production. No builder produces 1% of the total annual production.

What we're trying to do in Breakthrough is to pull together the housing market in major metropolitan areas. We've asked the governors, mayors and county officials to define within their jurisdictions the need and demand for housing and to identify the land on which that housing could be located. We've also asked them to take a good hard look at local building code and zoning restrictions, and to cooperate in achieving greater uniformity and flexibility.

As evidence of their interest we received proposals for over 200 prototype sites, on which local governments are prepared to have Breakthrough housing built, free from code or zoning constraints. We have selected ten of these around the country on which prototype housing will soon be built.

Then, we went to industry with a request for proposals, asking for ideas for production methods of housing, for financing and for the arrangement of housing on land for most effective land use.

The response was terrific! Over 600 proposals were submitted. About 200 covered complete housing systems. The balance were proposals for components -- from windows to entire bathrooms and kitchens -- or for software -- financing or marketing systems, changes in land use controls and the like.

After initial evaluation, we selected the 37 most promising system proposals. The final evaluation stage is now complete and the Secretary is announcing today about 20 proposers with whom we'll negotiate for construction on the 10 prototype sites located throughout the country.

The production technology embodied in these housing systems represents, by and large, the current state of the art. Some of the uses of new materials and some of the production techniques are quite innovative -- beyond the range of anything now in widespread use. But in other cases the real innovations have been in management, or in financing, or in other features of the housing production and marketing system.

The successful proposers include big businesses with established reputations in fields other than housing, and small businesses so new they have no reputation at all. Typically, the successful proponents have been consortia, made up not only of producers, but of disciplines ranging from architecture and engineering to finance and community relations. As indicated among the strong points of many of the proposals is their independence of traditional patterns of construction financing. At least one is prepared to handle consumer financing as a part of the total housing package.

Once the prototypes have been built, HUD will conduct a test and evaluation program of the prototype systems. When HUD completes the testing program, we will go to the local authorities to assure them that these housing designs are at least as good as anything their codes require and, we believe, better. We will urge them to accept these designs without regard to local codes.

Beyond the point of prototype evaluation, volume production will depend on the local government and on consumer groups: The sponsors, private developers, and local housing authorities. They will have an opportunity to examine the prototypes and

decide whether or not to apply them in the housing programs they propose to sponsor and develop.

HUD will make every effort to encourage use of these concepts, and we'll do it by giving priority consideration in the application of our housing subsidies and other related programs.

I should make one additional point in this connection. Although HUD is prepared to provide subsidies and financing where necessary, we don't regard "Breakthrough" housing as poor people's housing. We're satisfied from what we've seen that these systems can produce housing with a broad appeal to various parts of the income spectrum. While we expect Breakthrough units to qualify for our subsidy programs, we also expect that Breakthrough housing will appeal to much of the unsubsidized market, particularly the portion being squeezed so hard now.

I don't want to conclude this discussion of the future of the housing market without examining one other element of the housing picture -- the mortgage itself. One reason for housing's vulnerability in periods of inflation and credit shortage is its heavy reliance on a single type of instrument which has proved less and less attractive to investors.

There is widespread agreement that a fixed-income, long-term security with cumbersome servicing requirements, hobbled by archaic state usury and foreclosure laws, is just not very appealing to the hard-nosed portfolio manager. If machine tools or blast furnaces had to rely for their financing on the kind of mortgage instrument we use for housing, they'd be in trouble, too.

But given the fact that in today's market the typical mortgage is not a particularly attractive investment, a disproportionate amount of our energy has gone into figuring out ways to force these unattractive investments on unwilling investors, or on the government as a purchaser of last resort. I suggest that it's time to devote some real energy and imagination to making the mortgage itself more attractive.

The fellows selling large project mortgages to the insurance companies have used some imagination. When they had trouble marketing their sluggish old 1935 model mortgage they redesigned it and increased its horsepower with an "equity kicker". Now it moves pretty well. (I recognize that I may have misplaced the design credit for the equity kicker. My guess is that it responded more to explicit consumer demand than to the imagination of the mortgagors -- but no matter, the result is the important thing.)

John Heimann, whom I quoted earlier, has pointed out the possibilities for further innovation. His description of the "convertible mortgage" is worth passing on to you.

> "The recent agreement of a publicly-owned company, Presidential Realty, to issue two convertible mortgages to finance a Manhattan office building and a New Haven urban renewal apartment quite likely marks one future course in financing. Both those mortgages are convertible into Presidential common stock, and as a result the interest rates on the loans are considerably below -- about 30% for the office building -- going rates for straight debt. Essentially this is application of traditional corporate financing techniques to the mortgage financing arena, and in the next decade it may turn out to be one of the most significant developments of 1969. From my vantage point, the convertible mortgage looks like a good bargain for both parties. The issuing company gets a lower coupon rate that helps the economics of the project. The institutional investor buys a security that is readily negotiable because of the conversion feature. And they also obtain a hedge on inflation via the call on the company's stock. When you consider that the convertible debenture is already an established tool of corporate finance, and that perhaps one-third of all debt issued by corporations this year may be in the form of converts, you get some idea of the potential significance of this development."

The equity kicker and the convertible mortgage are devices that can be used with large projects, but they may not be quite as readily adaptable to the single family home mortgage. Even there, however, I would not say to a bright banker: "Don't waste your imagination on this." Professor Edwards of Indiana University, writing in a recent MGIC newsletter, is

not prepared to reject it. He said:

> "Modern families, however, have many other aspirations than a debt-free home, and many other possibilities for the investment of their savings than paying off a mortgage. If their major interest in a home is assured occupancy, they should and probably would be willing to trade off a part of their prospects for capital gains for advantages such as smaller down payments or smaller or more flexible monthly payments."

I would be remiss if I didn't add a caveat to this advocacy of equity kickers and the like. There ought to be some trade-off between kickers and normal interest rates. In other words, a borrower who gives up part of his equity should not have to pay as high a base rate as another borrower who wants to keep his whole equity. At the moment, many members of the Congress have the view that lenders simply want to take everything. You people will have to convince them that the deals offered are fair to both sides of the transactions.

The last major redesign of the single family home mortgage came in the 1930s with the advent of the long-term, regularly amortized, FHA insured mortgage loan. This was a rather radical departure from the short maturity, no amortization instruments used up to that time. The radical departure was needed, however, to entice mortgage money out of the woodwork after the disaster of the depression.

Today's situation calls for the same kind of imaginative thinking. I don't want to circumscribe your imagination. I've given you a couple of suggestions advanced by others. Here is one more. The variable interest rate mortgage seems to me to be worth more attention. If investors stay away from mortgages because of likely fluctuation in interest rates over a 30-year period, why shouldn't the mortgage be made more attractive by providing for periodic adjustment in the rate? Payments can be kept level through a variety of devices. The obstacles should not be insurmountable.

In summary, we ought to be devoting the same kind of attention to making the mortgage more attractive that we're giving to modernizing production technology, building codes, and the structure of the industry.

If we were operating today in a stable, placid market, discussing the future would probably be dull. But the fact is, we're operating today in anything but a stable, placid market. Today's housing market is characterized by pressure, by change in process, and by the potential for much greater changes in the way housing is designed, built, marketed, and financed. For those who are alert and imaginative and bold, it's a time of great opportunity.

# # #

HUD-Wash., D. C.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-118
Phone (202) 755-7327

FOR RELEASE:
Friday
February 27, 1970

HUD FLOOD INSURANCE NOW AVAILABLE IN TWO MORE LOUISIANA COMMUNITIES

Flood insurance coverage under the National Flood Insurance Program may be obtained beginning March 3 for one- to four-family residential structures in two more New Orleans area communities.

They are the Inner Harbor and Citrus areas of New Orleans itself, and the eastern part of the West Bank of Jefferson Parish.

Private insurance agents and brokers will sell the insurance to provide protection to properties in the identified flood-prone area.

The coverage was made available after the communities adopted resolutions in which they agreed to institute appropriate land use and control measures for the flood area, and after surveys were made by the Army Corps of Engineers to establish actuarial insurance rates.

George K. Bernstein, HUD Federal Insurance Administrator said these communities become the seventh and eighth communities in the Nation to become eligible. Earlier, Metairie, La., also in the New Orleans area; Fairbanks, Alaska; parts of Alexandria and Arlington, Va.; Matewan, W.Va.; and Baytown, Texas became eligible.

The actions announced today, Mr. Bernstein explained, provides both subsidized and actuarial, or experience-based, insurance following surveys and rate-making studies of the properties in the communities.

Owners of properties which are constructed or substantially improved after March 2, 1970 in areas having a special flood hazard will be eligible to buy only insurance at actuarial rates.

He added that many other communities are expected to become eligible soon for subsidized insurance under an emergency program enacted in December which waives the previously required studies during a two-year period.

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He cautioned, however, that there has been no change in the statutory provision that insurance can only be sold in those communities which express positive interest in the program and give assurances that they will adopt land use and control measures to minimize damage from future floods.

A map showing the zones covered by the insurance for Inner Harbor and Citrus areas is available for inspection at the City Planning Commission, City Hall, 1300 Perdido St., New Orleans.

A map showing the zones covered for the Eastern Part of Jefferson Parish is available in the Department of Sanitation, Jefferson Parish, 648 Helois St., Metairie, and another at the West Bank Drainage District, 1972 Ames Blvd., Metairie.

Flood damage in the Inner Harbor area was inflicted in 1964 by Hurricane Hilda and in 1965 by Hurricane Betsy.

The Jefferson Parish area was hit by the 1947 hurricane and hurricanes Hilda and Betsy. The area has also been subject to flooding from heavy rainfall associated with hurricanes.

# # #

NR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-126
Phone (202) 755-7327

FOR RELEASE:
Friday
February 27, 1970

HUD GRANT OF $27,000 TO NAACP FOR REPORT ON HOUSING SYSTEMS

The National Association for the Advancement of Colored People will receive a $27,000 grant from the U. S. Department of Housing and Urban Development to prepare and publish a report on housing building systems in European cities.

The report will be published for the guidance of local public and private organizations in their efforts to encourage the greater use of minority-group builders, professionals, and skilled and unskilled workers in the development of housing in urban renewal areas and elsewhere.

Data for the report will be gathered in the course of a tour organized by the NAACP and participated in by about 100 minority entrepreneurs, architects, engineers, and community organization representatives. The tour will inspect building system plants, construction sites, and new towns, in five cities: Milan, Amsterdam, Paris, London, and Stockholm. Participants in the tour will pay their own expenses.

The grant will be funded through the Urban Renewal Demonstration Grant Program. This program, authorized by Section 314 of the Housing Act of 1954, as amended, provides Federal grants to cover the cost of writing and publishing reports of new and improved urban renewal methods.

For further information:

Mr. William R. Morris
National Director of Housing Programs
National Association for the Advancement
of Colored People
1790 Broadway
New York, N.Y. 10019
PHONE: (212) 245-2100

PROJECT NO.: N.Y. D-14

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

HUD-No. 70-124
Phone (202) 755-7327

FOR IMMEDIATE RELEASE
Friday
February 27, 1970

HUD AIDE TO VISIT EUROPE TO STUDY BUILDING TECHNOLOGY

William A. Ross, director of minority employment and business in the U.S. Department of Housing and Urban Development, will represent HUD in a study tour of five European countries, it was announced today by Secretary George Romney.

Mr. Ross, who is Acting Director of Contract Compliance and Employment Opportunity in the Office of Equal Opportunity, will study advanced building technology and training methods that can be applied in the United States to increase minority employment in systems-built housing.

The tour is being conducted by the Housing Department of the National Association for the Advancement of Colored People.

More than 100 minority group contractors, mortgage bankers, architects, and other housing experts, will make the tour. The group is scheduled to leave New York City tonight and return from Europe on March 15.

They will spend several days each in Italy, the Netherlands, France, England and Sweden.

The tour is designed to further equal opportunity for minority entrepreneurs in the housing industry by acquainting them with new housing technology and mass production systems in Europe. Social goals will include studies of training methods and employment possibilities in production jobs, which can then be applied to unskilled minority people in this country.

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The NAACP announcement noted that Federal efforts are now being directed toward new building systems.

"HUD's Operation Breakthrough and Secretary Romney's announced policy is to introduce new technology and production methods in housing," the announcement said. "Systems building promises to be the wave of the 70s in housing and other construction activity. We believe that meaningful economic benefits from these efforts can accrue to minority enterprise and the communities they serve."

Samuel J. Simmons, Assistant Secretary for Equal Opportunity, said that the trip should prove very useful to HUD. "My office is working closely with minority contractors and businessmen to increase minority involvement in the building industry," he said. "Mr. Ross will bring back reports on European methods, including ideas on increasing minority employment opportunities."

"Europeans have been at this for a long time," Mr. Ross said, "and I think we can learn a lot from them. The information we can bring back can be added to our own store of knowledge in new building systems. I also want to take a good look at employment patterns and training methods in Europe so we can increase minority involvement in these new techniques in our country."

U. S. missions in most of the countries have arranged official receptions for the NAACP tour group, and are cooperating with them in making arrangements.

# # #

HL

HUD news feature
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

HUD-No. 70-114
Phone (202) 755-7327

FOR WEEKEND RELEASE:
Saturday-Sunday
February 28, March 1, 1970

LOT BUYERS HAVE MORE CONFIDENCE UNDER HUD CONSUMER PROTECTION LAW

Americans are buying more lots in land subdivisions today with greater confidence under a consumer protection law administered by the U.S. Department of Housing and Urban Development.

That is the report that HUD officials hear from land developers and others who have watched the climbing sales of undeveloped land to be used as vacation, retirement or investment properties.

The dollar volume has risen toward $4 billion a year, in the estimate of Alfred J. Lehtonen, who administers the watchdog program. Under the Interstate Land Sales Full Disclosure Act of 1968, land developers must provide to the prospective buyer a property report listing 19 or more key facts about the property. The law does not apply to developers who have 49 or fewer lots to offer or who do not sell across State lines, and to certain other developers.

"The law has been in effect since April 1969," Mr. Lehtonen says, "and the large land developers have been pleasantly surprised at their experience under our new regulations. They tell us their complaints are fewer, they face less litigation, and sales costs are lower. As for the buyers, we get many, many letters from people who are grateful for the protection of this law."

1-1/4 Million Acres Under Regulation

In the first ten months, his office has registered nearly 1,100 large developments. These developments include about 1-1/4 million subdivided acres in their offerings. New registrations come in at a steady rate as more developers already registered open new sections, others enter the business, and, in some cases, longtime land developers come to realize that the law exists.

Developers must register with Mr. Lehtonen's Office of Interstate Land Sales Registration and provide much information in a "statement of record" about their developments. The HUD unit then approves a comprehensive property report to prospective buyers which discloses the information the buyer needs.

- more -

"The property report gives the prospect a full and fair disclosure of the subdivision offering," Mr. Lehtonen explains. "It puts the buyer on an equal footing with the seller. Even if the report should make it clear that a home could never be built on the lot, the customer is free to buy it if he wants. Our program is administered pretty much the way the Securities and Exchange Commission regulates securities offerings. We have a full disclosure law. Buyers can decide to buy or not buy on the basis of knowing exactly what they are offered."

Among the 19 items of information given in property reports are facts about distance to nearby communities over paved or unpaved roads, whether sales contracts are recordable and whether provision is made for refund in case of buyer's default, existence of liens on the property, whether contract payments will be placed in escrow, availability of recreation facilities, present and proposed utility services and charges, number of homes currently occupied, soil and other foundation problems in construction, type of title buyer will receive, and others.

HUD Does Not Inspect Developments

The property report must be submitted with a disclaimer making clear that the report is not a recommendation or endorsement by the Office of Interstate Land Sales Registration, nor has the office inspected the property, or passed upon the advertising material used by the seller.

Mr. Lehtonen insists that developers need not, as some have complained, spend large sums for fees in complying with the land sales regulations.

"We believe our regulations are clear enough to enable a 'reasonably intelligent' person to comply with the registration process," he says. His staff can give full assistance in preparing statements of record for the office.

"As for the fees charged," he adds, "our fees are much lower than the land developers pay in complying with registration laws which a number of the States administer."

Existing State laws vary widely, ranging from those States with strong regulatory requirements to a number of States that have no such laws at all. Developers in States having acceptable land sales laws may file their State registrations with the Federal office and it becomes immediately effective.

Four States have such acceptable laws on their books: Florida, Hawaii, New York, and California. Also, Connecticut has enacted a land sales regulatory law which accepts Federal registration previously filed by State developers. Similar legislation is under consideration in other States.

"In those instances where Federal and State laws are such that we can accept each other's compliances, both the developer and the public will benefit," Mr. Lehtonen says. "State and local governments share the Federal concern for consumer protection in land sales to the public. We want the public to be able to buy land--even sight unseen--with confidence and trust."

# # #

EV

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-123
Phone (202) 755-7327

FOR RELEASE:
Monday
March 2, 1970

HOME BUYERS TO SEE APPRAISED VALUE EARLY

Secretary George Romney of the U.S. Department of Housing and Urban Development has announced a new consumer protection measure taken to help families who buy new and existing homes insured by the Federal Housing Administration.

FHA has changed its procedures, Secretary Romney explained, to make sure that a prospective buyer sees the FHA appraised value figure of the home well ahead of the final settlement meeting when the sale becomes final.

The change was approved and made effective next April 1 by Eugene A. Gulledge, HUD Assistant Secretary for Housing Production and Mortgage Credit and the FHA Commissioner. The procedure relates to FHA Form 2800, Application for Property Appraisal, which a mortgage lender submits to FHA as part of the process of obtaining an FHA commitment to insure a mortgage.

The form has six sheets, filled in at progressive stages of the appraisal and commitment process. The sixth sheet, intended for the home buyer, shows the FHA appraised value and contains general information on mortgage payments. Until now, FHA has not specified any specific time before final closing when the buyer should have this sheet. The new procedure assures that the buyer knows the FHA value figure before he seeks approval from FHA as qualified to become the owner.

Mortgagees have been informed that, starting April 1, their application to FHA to approve the specific buyer must contain a statement signed by the prospect attesting that he has received the "FHA or VA Form showing the appraised value of the property."

# # #

MR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER:
10:00 a.m., Tuesday
March 3, 1970

"THE BUILDING TRADES AND LOW INCOME HOUSING"

Address By

Samuel J. Simmons

Assistant Secretary for Equal Opportunity

U. S. Department of Housing and Urban Development

Michigan State Building and Construction Trades Council

State Legislative Conference

Jack Tar Hotel

Lansing, Michigan

March 3, 1970

SUMMARY

The building trades can help overcome problems in building housing for low-income families and the elderly in a number of ways. They can help make more money available to the mortgage market through their pension funds. They can help alleviate a threatening shortage of construction workers by allowing more minority workers into their training and apprenticeship programs. They can become non-profit sponsors of low-income housing under several HUD programs.

HUD NEWS
U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

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When Stan Arnold asked me to come here, he suggested I talk about how the building trades can help overcome some of the problems in building housing for low-income families and the elderly.

Housing is a tough one, as you know. This is true generally, and it is even more difficult when we get into the two particular areas you have asked me to speak about today.

Housing production was way down last year. We started the year with an annual production rate of 1.9 million new housing units. By the third quarter of the year, we were down to a rate of 1.4 million units, and the decline continued to about 1.1 million.

This was only part of a generally gloomy picture. Over the past four years, housing production has been more than 1 million units short of the number needed to keep pace with a growing population and losses of housing units from existing stocks. Little progress has been made to replace the 6 million units classed as substandard, including about 2 million units which are dilapidated.

Fit this to the needs of our growing population and you get a pretty dismal picture in human terms:

-- It means that the poor, the elderly and minorities continue to be locked more tightly than ever into overcrowded, decaying housing.

-- It means that the housing crisis has spread into middle income groups. I saw an estimate recently that new housing had priced itself out of the market for almost half of all Americans. You know that yourselves when you try to buy a home.

-- Meanwhile, there is no let-up in the pressure. New families are forming at a record rate as the kids born during the population boom of the 1940's reach marriage age. New family formations in 1969 were over 2 million, 40 percent more than in 1960.

So everywhere we look the pressures are building.

But you know the picture as well as I do. No one living in a major city today can escape it. Detroit has its slums and its ghetto, and so does Lansing. These are the places where the poor, the minorities, and many of the older Americans are concentrated. These are the people we generally lump together in a group referred to by the sociologists as "the disadvantaged."

You have asked me what you as building trades people can do to help in the building of low-income housing, because that is what we are talking about today.

First, you can help make more money available to the mortgage market.

Secretary Romney in testifying before the Housing Banking and Currency Committee in late February gave a graphic picture of what had happened in the tight money market.

-- Net new residential mortgage lending from all purely private sources dropped from an annual rate of $17-1/2 billion in the last half of 1968 to $15-1/2 billion in the first half of 1969, and then further to an annual rate of only $5.8 billion in the final quarter of last year.

-- The median price of conventionally built new homes offered for sale rose to $27,000 during the same period. This kind of house

financed with a 30-year mortgage at present rates of interest would probably cost more than $290 a month, counting everything.

In talking about future money needs, the Secretary suggested that private pension funds should place some determined fraction of their assets in federally-insured mortgages for low and moderate income housing. He said he would recommend that such a plan should not be forced by legislative action, at least not at the present, but should be done voluntarily by the funds themselves.

He pointed out that already, through GNMA, HUD was geared up to generate mortgage-backed securities guaranteed by the Federal Government. The first issues came out in February, and one was sold exclusively to pension funds.

So that is the first thing you can do: prevail on the managers of your pension funds to support this program.

Not-for-profit housing is another area in which you, as organizations, can become involved, and it is one that the building trades have not supported so far.

There are three major HUD programs in which you can get involved as non-profit sponsors.

The older of these is the rent supplement program. The sponsor in this program either builds new housing or does major rehabilitation on existing housing. The sponsor becomes the owner and mortgager. The tenant pays 25 percent of his income in rent, and HUD makes a supplemental payment to cover the remainder of the rent, if that is necessary. This housing is for low-income families for the elderly and for the handicapped.

Two newer programs in which you can become sponsors are the home-ownership program for low-income families, and the rental housing program for low-income families. Both work the same way as the rent supplement program, except in this case the interest rate of the mortgage is subsidized. HUD pays all but one percent of the interest, if necessary.

FHA Insuring Offices in Detroit and Grand Rapids will be glad to give you all the information and cooperation you need to get involved in these programs.

A good many unions are sponsors of non-profit housing, but I'm told there has been no participation by the building trades. This seems strange in view of the fact that your business is home building. This seems to me to be a perfect way to help yourselves by helping others.

These are good programs. They, with public housing, are making a strong contribution to the supply of low-income housing in the country. And in spite of the down turn in all other kinds of housing construction last year, we at HUD broke every record for construction of housing for low and moderate income families. HUD programs led to the building of 223,000 units in 1969, 14-1/2 percent over the record year of 1968. And this year we expect our subsidized starts to increase by about 220 percent over 1969.

In order to build this housing, however, we are going to need new building sites--and they must be found in the suburbs as well as downtown, and outside the present areas of low-income concentration. In other words, outside the slums and the ghettos.

As you know, not only stores and shopping centers have been increasingly

concentrated in the suburbs, but so have industry and manufacturing. The jobs have moved out of the core cities, but many of the people who filled these jobs have been left behind. Mass transportation systems in most metropolitan areas are not up to the job of carrying people to these jobs efficiently and at prices they can afford to pay.

It is obvious that housing--decent housing at rents that low-income families can afford to pay--is the answer. But there has been great resistance in many suburban areas to the building of low-income housing. This is particularly true if the people for whom the housing is intended happen to be black, or Mexican American--minority Americans.

This is not something we as Americans can be proud of. Almost 200 years after we fought a long war for freedom and independence, there are millions of Americans who are not free.

They are not free and never will be until the "not-wanted" signs come down in the suburbs, those places characterized by Secretary Romney as the white suburban noose.

Local resistance in the form of citizen protest and local government action is not the only barrier to new housing sites in the suburbs, however. Perhaps even more serious are local zoning laws that automatically price land out of sight for low-income families.

This is a matter of such concern that Secretary Romney has called special attention to it on a number of occasions recently. He has suggested that unless the States and local governments take action, it might be necessary for the Federal Government to step in.

One reason HUD is so concerned about restrictive zoning laws it that it creates a barrier to HUD's Operation Breakthrough. Last week, Secretary Romney announced the 22 winners in this competition. These companies will soon begin the production of full housing systems selected sites in the cities throughout the country.

The idea is not only to increase housing production and reduce unit cost, but to make use of a broad range of labor skills and thereby help to overcome the labor shortages that drive up costs and impede the expansion of housing production.

Incidentally, several building trade unions have already taken constructive action to facilitate improved housing production systems. You have at least one example of this in Michigan.

I realize that it is not easy to convince many building trades people in this slack period that the nation is faced with a monumental shortage of construction workers.

But nevertheless it is true. Estimates are that we will need more than one million new construction workers by 1975 if we are to meet our housing goals.

Many of these workers must come from minority groups. My staff and I are working with the building trades, contractors and minority groups in several cities to work out agreements for far greater minority involvement in the building trades.

These negotiations are not easy, needless to say. But they are coming along. They have got to work if we are going to give all Americans

the same employment options and they have got to work if we are to meet the need for new people in this very crucial area.

It seems obvious that you will have to expand your apprenticeship and training programs if we are to meet these housing goals.

It also seems obvious to me that it is to your interest to become far more involved in the new housing production systems that will be pioneered by Operation Breakthrough.

I think you should take a good look at what is happening in the mobile home market, which is growing by leaps and bounds for the simple reason that there is practically no conventional low-income housing available in this country today.

This is the handwriting on the wall.

I do not see any of these actions as going against your own best interests, much less the best interests of the country. With estimated vacancies throughout the country down to three percent, less than one percent in New York City, there is tremendous pressure building up for new housing construction. And one thing this production-minded country has never failed to do, and that is to move--sooner or later--to meet such a need. Housing will be built. There will be a boom in construction work. This will not only happen in existing cities, but in new ones. HUD is already getting involved in helping to establish such cities. Within the past month we announced our support of a new community in Minnesota, and we have several dozen other proposals in hand that we are considering.

President Nixon recently issued a statement on the urgency of the

housing situation and on the commitment of his Administration to help meet it.

Here is an excerpt from that statement:

"The decline in housing production must and will be stopped. The private sector and all levels of government must take steps necessary to assure that the Nation's housing needs are more fully met now.

"There are no easy answers to the housing problem, and a full solution will require time. Extraordinary and unprecedented steps have already been taken...The need now is to go beyond those steps--to change basic attitudes and re-examine old patterns of activity--so that we can reach more quickly the full solution we seek..."

He concluded: "I pledge that this Administration will take every possible step to solve this most serious housing problem consistent with the overriding need to contain inflation. The housing of our people is and must be a top national priority."

As you know, minority Americans are on the move in cities throughout the country to improve their employment opportunities, and they have concentrated on the building trades.

As I have mentioned, we are now trying our best to work out voluntary agreements to help more minority craftsmen get involved in construction work.

Equality of opportunity is no longer a phrase stuck away in the sociologist's vocabulary. It is written into law and Executive Orders. Minority Americans know this.

What I am saying is that none of us in this room can ignore this problem, because it will not go away. Nor should it go away. Responsible leadership

is going to be needed in minority groups, in the building trades, and in government at all levels if we are to solve this problem with equity.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

HUD-No. 70-131
Phone (202) 755-7327

FOR RELEASE AFTER:
10:00 A.M., Tuesday
March 3, 1970

HUD AIDE SUGGESTS BUILDING TRADES OPEN DOORS TO MINORITY WORKERS

Samuel J. Simmons, Assistant Secretary for Equal Opportunity in the U.S. Department of Housing and Urban Development, today called on building trades leaders in Michigan to open their apprenticeship and training programs to more minority workers.

Mr. Simmons spoke at the State Legislative Conference of the Michigan State Building and Construction Trades Council in Lansing, Mich.

"I realize that it is not easy to convince many building trades people in this slack period that the nation is faced with a monumental shortage of construction workers," he said. "But nevertheless it is true. Estimates are that we will need more than one million new construction workers by 1975 if we are to meet our housing goals."

Mr. Simmons said he and his staff were working with the building trades in several cities to work out agreements for greater minority involvement in the building trades.

He also called on the building trades to help make more money available to the mortgage market by placing "some determined fraction" of their assets in pension funds in federally-insured mortgages for low and moderate income housing.

Another way in which the building trades can help in producing more low income housing, Mr. Simmons said, was to become involved in helping produce housing systems, such as those being pioneered by HUD's Operation Breakthrough.

"I think you should take a good look at what is happening in the mobile home market," he said. "This is growing by leaps and bounds for the simple reason that there is practically no conventional low-income housing available in this country today. This is the handwriting on the wall."

-more-

Mr. Simmons said that none of these actions would go against the best interests of the unions. "There is tremendous pressure building up for new housing construction," he said. "And one thing this production-minded country has never failed to do, and that is to move--sooner or later--to meet such a need. Housing will be built. There will be a boom in construction work."

He reminded his audience that equality of opportunity is no longer "a phrase stuck away in the sociologist's vocabulary. It is written into law and Executive Orders. Minority Americans know this."

Mr. Simmons said: "What I am saying is that none of us can ignore this problem, because it will not go away. Nor should it go away. Responsible leadership is going to be needed in minority groups, in the building trades, and in government at all levels if we are to solve this problem with equity."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE:
Wednesday
March 4, 1970

TESTIMONY OF

ROBERT H. BAIDA, DEPUTY ASSISTANT SECRETARY

for

MODEL CITIES

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

before the

URBAN AFFAIRS AND HOUSING COMMITTEE

CALIFORNIA STATE ASSEMBLY

SACRAMENTO, CALIFORNIA

MARCH 4, 1970

FILE COPY

Mr. Chairman, members of the Committee, I welcome this opportunity, on behalf of Secretary Romney and Assistant Secretary Floyd Hyde, to contribute to your examination of what we believe to be one of the most important programs in the field of urban affairs and intergovernmental relations. The Model Cities program, as we view it, provides a tool by which all levels of government, together with the private sector, can make the most effective impact on the serious social, physical, and economic problems of our nation's urban areas, both large and small.

The 150 urban communities participating in the program include every city over 500,000 in population except three, 88 percent of the cities over 250,000, three county governments including Los Angeles County, five joint county-city programs, and an Indian reservation. Eleven of the 25 most rapidly growing cities in the country, plus additional potential growth centers in the 57 Model Cities under 100,000 in population, add to the demonstration potential of the program.

1969 was the first year in which all 150 cities have been actively engaged in some part of the process. Of the first 75 cities in what we call round one or first round selections, 64 have been funded with approved comprehensive and one year action plans. With the second round of 75 catching up to the slow starters in the first group, perhaps the best description of city status would be to state how many are in their first action year, how many are in

review at the interagency and HUD levels and how many are still planning. In California terms, there are two approved cities in execution and nine in various stages of the planning process.

Hopefully, these cities, and their counterparts throughout the country, will provide new evidence of what must and can be done to combine existing federal, state, local, public and private resources in the most effective and efficient attack on major economic, physical and social problems in urban areas. Each city is asked to prepare a comprehensive plan, analyzing local problems and their causes, determining short and longer range objectives related to these problems, establishing priorities and an overall strategy or approach to the task, and specific project activities for the first and succeeding action years.

Federal review concentrates on the general logic and thoroughness of the plan, the adequacy of the local administrative structure designed to carry out the plan and individual projects, the commitment of local city government, whether there was widespread and meaningful citizen participation in developing the plan, and, in succeeding years, on the general progress towards locally-stated objectives. The city plans against a target figure of supplemental Model Cities Administration funds as well as other funds from other sources. It is encouraged to use these supplemental funds to fill in the gaps in its plan

of attack on priority problems where other sources of aid are not available, are not forthcoming or cannot be applied in the manner desired by local officials and the community.

The better cities use these funds as leverage to attract other monies from federal and state categorical programs or local bond issues and the like, and to persuade independent public and private agencies to cooperate and coordinate activities in the model neighborhood. Finally, a portion of these funds are to be used by the city to carry out a city-oriented evaluation activity which ties in to continuous planning and utilizes a prototype urban information system which we are installing in each city.

In short, we have determined that the goal of this program is not only to improve the quality of life in the model neighborhood served by the program at present, but to increase the capacity and capability of local government so that it can deliver services and respond to needs in the most effective manner possible, regardless of whether a Model Cities program exists or not. We have termed this development of a new way of doing business at the local government level, "institutional change".

The logic of concentrating on local general purpose government grows out of the experience of the past several decades, particularly the decade of the 1960s. As the Advisory Committee on Intergovernmental Relations pointed out in its landmark report of last fall, the proliferation of categorical grants in aid programs have created a system of functional governments in this country, bypassing in most

instances elected leadership at every level of government in our federal system. The local mayor or city manager, the city council, the governor, state legislatures, and even Congress and the President find it difficult to keep track of the programs in being, let alone their effectiveness or compatability. This fragmentation of governmental authority means fragmentation of governmental responsibility, and is one reason why so many people turn to what appears to be a strong, central government to solve problems, rather than governments closer to home.

Our concentration on building the capacity, and thus the responsibility and authority of locally elected general purpose government, has created the impression in some quarters that we are de-emphasizing the role of the local resident. In fact, we have restated what the statute requires, and hopefully moved to make the role of local government more effective as the entity primarily responsible for the conduct and success of the program. Part of that responsibility, we have told local government, includes providing a meaningful role for local residents. There must be opportunities for resident impact on planning, resource allocation, monitoring and evaluation of programs, the analysis of problems, identification of solutions and the setting of priorities. We are coming down hard on the requirement for resident employment and job training, not for dead-end positions, but for employment that has upward movement, career potential, and lasting impact on their lives.

In addition to defining who has final responsibility for the program and what roles citizens should play in the process, we have sought to emphasize institutional change by encouraging the use of existing institutions wherever possible in carrying out the program. Changes in attitudes and ways of doing business will not occur overnight, and we recognize that new institutions may be necessary in some instances, but we believe that local government cannot opt out of the program if the program is to have any lasting effect within the broader community.

There is already evidence in some cities that change in thinking, planning, coordinating, delivery of resources, and ways of doing business, prompted by Model Cities, acts as a catalyst to change in the way city government performs throughout its constituency. Benefits need not be limited to the model neighborhood. Nor is the model neighborhood limited any more by a rigid 10 percent of population rule of thumb. The cities have been given the leeway to come in to us with proposals, if they so desire, to extend the model neighborhood. In keeping with the legislative intent, the proposal must not overextend resources or make coordination and a significant impact on identified problems unlikely. But there is more room in our present policy to allow cities to meet local political or administrative realities.

We see Model Cities then, as not only improving conditions of urban life in selected cities, and demonstrating new ways to do so, but as a vehicle to encourage local

initiative, and to increase and demonstrate local government capability to utilize resources wisely. In this sense, the supplemental grant is a useful forerunner of the President's revenue sharing and grant consolidation proposals. And there may be much we can learn from the experience in some cities with respect to urban growth, a problem of serious concern to us all over the next several decades.

Now where are the states in this picture? To begin with, we have determined that over fifty percent of federal categorical funds most useful for solving urban problems pass through the states under state plan formula grant programs. It makes a great deal of sense, therefore, for us to encourage state involvement and cooperation and thus improve the chances of the Model Cities to share in these resources in a constructive and timely fashion. Further, from the cities point of view, there are additional state-funded programs, state laws and authorities to be worked with, and state expertise to be utilized in carrying out local programs.

We would suggest, however, that the benefits are not all one-sided. From the standpoint of elected state government, state administrative machinery, and its control, may be no less fragmented than at the local level. The Model Cities concept of a planned, coordinated attack on urban problems provides a fresh approach and a new opportunity for elected state officials to insist on state government coordination and centralized responsibility.

HUD has tried to assist in this process by funding state coordinating offices and programs of technical assistance.

State governments have also been looked upon in the past, with some degree of justification, as apathetic if not hostile to urban needs. With the likely growth of even small towns into urban centers of some importance, and the difficult environmental and social problems which all levels of government must face up to over the next decade, state-local trust and cooperation is essential. Model Cities provides a vehicle by which state government can test out new relationships to urban areas of varying sizes and complexities.

Further, state government, with some justification, has been able to criticize the growth of direct federal-local relationships in the past. Model Cities is an avenue open to the states to join in the urban problem solving effort. State response to this opportunity will undoubtedly have some bearing on federal and local attitudes towards state involvement in other programs in the future.

I should mention also that while the number of cities that can be in the program at any one time is limited by policy, and by our authorization and appropriation, to 150, serious consideration is being given to what our policy should be if some cities presently in the program fall by the wayside and openings occur. In line with Administration policy to encourage state and local initiative, we are watching with great interest the efforts by state governments to

support their cities in the Model Cities program. Certainly cities in such states would be logical contenders for further demonstration purposes.

One of the questions we were asked to address ourselves to at this hearing was what basic strategy should a state pursue if it decides to participate more fully in the Model Cities approach? I would demur in trying to give a specific answer to that question for any state, on the grounds that state government officials such as yourselves have a far better grasp of local conditions and possibilities than we feds in Washington. You may call that ducking the question, but we prefer to refer to it as decentralizing decision-making.

I will be bold enough to suggest a few alternatives that could be considered. You have already in operation in California one of five Model Cities Administration-supported technical assistance and resource coordination offices, under the able direction of Tom Duffy. Certainly in any of these states where the legislature became actively involved and interested in the Model Cities program, where a legislative committee expressed its support and maintained a continuing interest in state involvement in the program, this would have a positive effect on the success of this state office in carrying out its responsibilities. This, I would think, would be true regardless of any specific legislation.

Urging or directing a change in the manner in which

federal funds are utilized in state plan formula grant programs would be an additional step. If you accept the idea explicitly stated in the Model Cities legislation, that a rational, coordinated, concentrated approach to the utilization of scarce resources will produce a more effective use of these resources, then, all things being equal, the use of a dollar in a Model Cities context should be more efficient use of the taxpayers money than the use of that same dollar in the standard, isolated, program approach.

Direct grants from state government could be made available for use both for specific projects, and in support of training, technical assistance and urban information programs to strengthen local administration and management of Model Cities activities. Pennsylvania and Connecticut have provided funds in the latter category, while New Jersey,through its Department of Community Affairs, has made a sort of mini-block grant available to its Model Cities in order to respond to locally identified needs in a flexible fashion.

Along these same lines, the states could well take a look at how restrictive their own regulations are in many program areas. States, and rightly so, have asked for greater flexibility in federal funding, with the ultimate goal being revenue sharing. It would be of no use to cities if, in their attempt to adapt resources to local needs, they find that state redtape and restrictions have

merely been substituted for federal constraints. California Model Cities would certainly benefit from a flexible, coordinated and timely response from those administering state resources for urban problem-solving.

Model Cities provides a unique laboratory for trying out state-initiated programs of an innovative and demonstration nature. The administrative, planning, and evaluation capabilities are being built by the program in these cities, and these factors could well be significant in the success or failure of new state programs in education, health, housing, job training, transportation and the like. A conscious attempt on the part of the state to use these tools would benefit state and city government alike.

I hope these comments will be helpful to you. For our own part, we are excited by the interest and efforts undertaken by this committee. To our knowledge, it is the first time a state legislative committee, as opposed to individual state legislators or executives, has closely examined the Model Cities program in its state. You have an opportunity not only to increase the effectiveness of the Model Cities program in California, but to set a pattern that may well be followed nationally. As a native Californian, I like to think it is only fitting for us to be involved at both the national and state level in a program that is in the forefront of future urban problem-solving and intergovernmental relations strategy. I want

to compliment you on your efforts to date, and express our willingness to respond to the initiatives that may be forthcoming from this legislature.

Thank you.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-158
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
March 12, 1970

URBAN STUDIES FELLOWSHIP ADVISORY BOARD HOLDS TWO-DAY SESSION TO MAKE AWARDS

The Urban Studies Fellowship Advisory Board of the U.S. Department of Housing and Urban Development is meeting March 12 and 13, in Washington, to help select some 95 young men and women who will receive graduate fellowships in urban studies and related fields.

This is the fourth year the awards are being made. Questionnaires returned to HUD by fellowship recipients in the past three years reveal that nearly all of them are currently employed in public service occupations for which their fellowships provided training.

Secretary George Romney, who named the 1970-1971 Advisory Board last week, said, "I rely heavily on these public-spirited citizens to help me in making the fellowship awards to the young people who are about to prepare themselves to deal with the pressing problems and burdens of our understaffed urban centers."

The Board is composed of three members each from public and private universities and national organizations concerned with community development. The members are:

Dr. James Banovetz, Director, Center for Governmental Studies, Northern Illinois University, De Kalb, Ill.; Dr. Robert Huckshorn, Chairman, Department of Political Science, Florida Atlantic University, Boca Raton, Fla.; Dr. Alex B. Lacey, Dean, Urban Life Center, Georgia State University, Atlanta; Dr. Wayne D. Angell, Dean, Ottawa University, Ottawa, Kans.; Dr. Robert L. Geddes, Dean, School of Architecture and Urban Planning, Princeton University, Princeton, N.J.; Dr. Stephen Horn, Dean of Graduate Studies and Research, American University, Washington, D.C.

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Also, Charles A. Byrley, Executive Director, National Governors' Conference, Washington, D.C.; Samuel J. Cullers, of Sacramento, Calif., a California State Planning Officer and Member of the Board of the American Institute of Planners; and Ronald Davenport, Professor of Law, Duquesne University, Pittsburgh, Pa., and President, Pittsburgh Urban League.

Certificates of membership were presented to board members by HUD Under Secretary Richard C. Van Dusen at a reception today.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-152
Phone (202) 755-7327

FOR RELEASE
Friday
March 13, 1970

MEXICAN-AMERICAN COMMUNITIES AIDED BY HUD RECREATION GRANTS

Mexican-American communities in two Central California towns will shortly enjoy long-awaited park and recreation facilities as a result of grants announced today by the U.S. Department of Housing and Urban Development.

The HUD action will make an Open Space Land grant of $68,882 available to Watsonville and an Urban Beautification grant of $10,125 to Gilroy. The communities, located about 25 miles south of San Jose, are made up largely of farm workers and employees of nearby food processing plants.

The Watsonville project, consisting of a landscaped, multi-purpose recreational area, will replace a large junk yard. Features of the project include basketball and outdoor bowling courts, special play areas for children, and barbecue facilities. Until now, Watsonville's Mexican-American residents have had no recreation facilities in their section of the city.

The grant to Gilroy will be used to upgrade parks and develop recreation areas. With 15 percent of the community's families earning less than $4,000, the town has been obliged to rely largely on the voluntary efforts of its residents for improvements.

Workers at Gilroy Foods, for example, donate a day's wages--which is matched by the company--for beautification purposes. Other firms and individuals have donated materials and labor as part of a community-wide "self-help" program.

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Samuel C. Jackson, HUD Assistant Secretary for Metropolitan Planning and Development, noted that "it is particularly gratifying to make available tangible assistance to improve the quality of life of low-income minority groups. I can think of no more meaningful way to use Federal funds than for projects such as these."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-164
Phone (202) 755-7327

FOR RELEASE:
Wednesday
March 18, 1970

HUD AWARDS CONTRACT FOR LUMBER, PLYWOOD STUDY

The U. S. Department of Housing and Urban Development has awarded a $96,000 contract for a study of improved design criteria to make better use of lumber and plywood in wood frame home construction.

The contract was awarded to the National Association of Home Builders (NAHB) Research Foundation, Inc., which will conduct the research and prepare a report for HUD.

The need for the research was determined during development by the Foundation of a manual for HUD on lumber-and plywood-savings techniques. The manual identifies and describes techniques for reducing costs, and that are generally acceptable without much testing or extensive engineering analysis. The techniques shown are considered compatible with light-frame construction, but with limited attention to substitute materials.

As a result of the study, the Foundation identified other potentials for more efficient use of lumber and plywood, but these required further research, testing and engineering analysis. The award today is directed toward this goal.

The research will include full-scale testing of composite floor and wall sections involving typical building materials with the objective of developing better design methods and criteria. The report will include recommendations concerning lumber-and plywood-saving opportunities related to floor and wall construction. It will also include the Foundation's recommendation to HUD for appropriate design criteria based on analysis of the test results.

The report is expected to be a useful guide for private and public organizations in their efforts to encourage the most efficient utilization of this natural resource while at the same time protecting the consumer's interest and aiding the expansion of low-cost housing production.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-180
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
March 19, 1970

TERMS FOR HUD NATIONAL FLOOD INSURANCE LIBERALIZED UNDER NEW REGULATIONS

Flood insurance will be more widely available on better terms for the consumer under revised regulations issued by the Federal Insurance Administration of the U.S. Department of Housing and Urban Development.

Federal Insurance Administrator George K. Bernstein today announced the following major changes in the National Flood Insurance Program, which became effective March 13 under the new regulations:

-- Small businesses can obtain flood insurance coverage for the first time.

-- Homeowners no longer will be subject to the coinsurance clause under which they might be penalized at the time of claim settlement for carrying inadequate insurance.

-- The flood insurance policy will cover inundation from mudslides caused by accumulations of water on or under the ground.

According to Mr. Bernstein, many communities are responding quickly to the new availability of flood insurance. Insurance has been made available in 12 areas throughout the country, and an additional six will be covered by the end of March.

If local communities fulfill the statutory requirements, it is expected that the program can cover 130 areas by the end of June. Insurance under the program may be sold in only those communities which express positive interest in the program and agree to adopt measures to minimize damage from future floods.

After communities have agreed to undertake their part of the program and the area with special flood hazard has been identified, insurance will be sold to property owners by private insurance agents and brokers through the National Flood Insurers Association.

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Premium rates for subsidized flood insurance coverage under the new regulations, Mr. Bernstein said, have been modified from a flat rate of 40 cents per $100 of insurance to a graduated range of 40 cents to 50 cents per $100 of insurance on structures, with rates increasing according to the value of the structures. Insurance at these subsidized rates is available in amounts of up to $17,500 for single family structures, and up to $30,000 for two- to four-family structures.

Insurance rates on contents up to $5,000 have also been modified from a rate of 50 cents per $100 of insurance to a range of 50 cents to 60 cents.

Insurance premium rates for small business coverage will also be graduated: 50 cents per $100 of insurance for business properties valued up to $30,000 and increasing to 70 cents per $100 of insurance for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 for $100 of insurance.

Mudslide insurance will be available at the same rates applying to ordinary flood insurance.

Under an emergency streamlined procedure, authorized by legislation enacted last December, time-consuming rate-making studies of properties in flood-prone areas are eliminated during a two-year period.

Mr. Bernstein noted that other provisions of the new regulations clarify and simplify the procedures under which communities qualify for participation in the program, and will speed up processing of applications.

They also eliminate a coinsurance provision requiring that 80 percent of the cash value of a structure be insured in order for partial losses to be completely covered. Now, insurance claims can be paid in amounts up to the insurance purchased.

Mr. Bernstein emphasized that "The Federal Insurance Administration encourages those considering insurance to purchase full insurance to value in order to reduce excessive uninsured losses."

The National Flood Insurance Program authorized by the National Flood Insurance Act of 1968 as amended enlists communities, private insurance firms and the Federal Government in a cooperative effort to provide flood insurance never previously available.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-171
Phone (202) 755-7327

FOR RELEASE:
Friday
March 20, 1970

HUD CONTRACTS FOR RESEARCH ON URBAN COMMUNICATIONS

The U. S. Department of Housing and Urban Development today announced the award of a research contract to the National Academy of Engineering, Washington, D.C., to study present technical means of communications to determine whether they can be adapted to improving metropolitan area operations and services.

This effort is an outgrowth of a study done by the National Academy of Engineering for the Director, Telecommunications Management, Executive Office of the President. The Director, Telecommunications Management will provide advisory assistance to HUD.

This will be a jointly funded effort by the Departments of Commerce, Justice, and Transportation, and the Federal Communications Commission. HUD will initially fund the project for $200,000.

The study seeks a plan to use advanced communications techniques developed by Government and industry, in order to examine their economic potential for urban applications. The plan produced will include suggestions for gathering and analyzing technical and economic data, theoretical testing of promising ideas, determining the social, institutional, and environmental obstacles in the way of using possible applications, and the development and use of particular systems through demonstration projects.

Conducting the study is the Committee on Telecommunications of the National Academy. It will devise a program to show how present performance of communications systems in metropolitan areas may be improved by greater, systematic application of advanced communications technology.

The study will examine the possible effects of advanced communications technology in the areas of housing, environmental control, recreation and cultural pursuits, public administration, law enforcement, business transportation, telecommunications, employment.

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Several of the Nation's communications experts are on the Committee. Their activities will include: analyzing the role of communications in metropolitan area operations; identifying those techniques and systems that can be used; ranking these opportunities where better communications will improve metropolitan area services in order of merit as to use and cost; and finally, to recommend plans that the metropolitan areas can use in evaluating any new techniques in communications and how they may best demonstrate their merits and determine their costs and effectiveness.

In addition to looking at present growth patterns of metropolitan areas, the contractor will examine possible long term restructuring of urban patterns with telecommunications playing a key role. It is believed the spreading of population towards smaller urban centers may help to reduce or abate the almost unmanageable economic, social and environmental problems of today's large urban center. And such a shift may call for a development in communications that will make it possible for these centers to function adequately in the new pattern, officials said.

Mr. Harold B. Finger, HUD's Assistant Secretary for Research and Technology, has established an Interagency Committee to provide advice, guidance, and support to the project. Mr. Alan R. Siegel, Director of the HUD Office of Utilities Technology, is Project Manager.

For further information:

W. L. Everitt, Chairman
Committee on Telecommunications
National Academy of Engineering
2100 Constitution Avenue, N.W.
Washington, D.C. 20418
PHONE: (202) 961-1414

Project Contract: H-1221

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-186
Phone (202) 755-7327

FOR RELEASE:
Wednesday
March 25, 1970

NATIONAL FLOOD INSURANCE NOW AVAILABLE FOR HAMPTON, VA.

Hampton, Va., has become eligible for flood insurance coverage under the new streamlined procedures of the U.S. Department of Housing and Urban Development.

Under a change in the law made last December, time-consuming actuarial rate-making studies of properties in a flood-prone area may be suspended during a two year period.

This insurance covers flooding from high tides caused by hurricanes and other high winds, as well as flooding from excessive rains.

Federally-aided flood insurance will be sold by private insurance agents and brokers beginning March 27.

The coverage was made possible after the community adopted resolutions in which it agreed to institute appropriate land use and control measures to minimize damage from future floods.

It also follows announcement last week of regulations providing for liberalized insurance coverage, and simplified procedures for community participation in the program.

George K. Bernstein, HUD's Federal Insurance Administrator, said today's action qualifying Hampton as a participant in the program is the first in what will be a vastly increased participation.

"Now under procedures which temporarily lift the rate-making requirement," Mr. Bernstein said, "it is expected that the program can cover a total of 130 areas by the end of June."

Mr. Bernstein emphasized, however, that all interested communities must still meet statutory requirements that insurance can be sold only in those communities which express positive interest in the program and agree to adopt measures to minimize damage from future floods.

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Subsidized insurance covering one- to four-family residences is now available in Hampton and will be available for small businesses sometime in April. Actuarial, or experience-based, insurance which can supplement the Federally-aided insurance, will become available after rate-making studies are completed.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 cents to 50 cents on structures, with rates incrasing according to the value of the structures. Insurance on contents up to $5,000 will be at a range of rates from 50 cents to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage reflecting the Government subsidy will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 of insurance for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties in Hampton which are constructed or substantially improved after March 24, 1970, in areas having a special flood hazard will be eligible to buy only insurance at actuarial rates. Flood insurance for these properties will be available only after a rate-making study is completed.

A map showing the area covered by the insurance and outlining the areas having a special flood hazard is available for inspection by the City Planners Office and the City Engineers Office in the City Hall Building at 30 North King Street, Hampton, Va.

Flood damage was inflicted in the community by the hurricane of 1944 and, more recently, northeasters of April 1956 and May 1962.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER:
6 P.M., Thursday
March 26, 1970

ADDRESS PREPARED FOR DELIVERY

By Woodward Kingman

President, Government National Mortgage Association
and
Deputy Assistant Secretary-Commissioner
U.S. Department of Housing and Urban Development

Before The
Mortgage Bankers Association of New Jersey

Robert Treat Hotel
Newark, New Jersey

March 26, 1970

SUMMARY

REGULATIONS HAVE JUST BEEN APPROVED for operation of the bond type mortgage-backed security program of the Government National Mortgage Association. The new security is one more important step in the over-all effort of the U.S. Department of Housing and Urban Development to attract more funds into residential financing, and thus help lay the groundwork for the financing needed to enable the Nation to reach its housing goals in the years ahead.

It is a real pleasure to be with you tonight and to have this opportunity to talk to you about mortgage-backed securities.

We in the U.S. Department of Housing and Urban Development are convinced that this brand new type of mortgage investment holds great promise of supplying new sources of residential financing.

And it is quite appropriate that this subject be discussed here in New Jersey because it was your State which made the first purchase, last month, of these mortgage-backed securities, and from a New Jersey mortgage firm.

I would like right now to thank Associated Mortgage Companies and South Jersey Mortgage Company for what they did in pioneering what should turn out to be a revolutionary way of doing business in the mortgage industry. Of course, I'm grateful also to the New Jersey pension funds which purchased the securities and demonstrated this as a new source of capital for the housing industry.

We in HUD and the Government National Mortgage Association view this sale and others to follow as a turning point in channeling additional, vitally needed funds into housing in the years ahead.

The program is certain to attract those in mortgage banking and major investors, including pension funds for which the first "pass-through" type of security was designed.

Let me go into just how this investment device dovetails with your operations and those of pension funds, and later report on the most recent development in the bond-type mortgage-backed security.

First, we're all too well aware that certain institutions, such as insurance companies, are buying less and less residential mortgages. We

simply have to tap new sources of funds. And the pension funds, with over $140 billion in assets, are the best opportunity we have of doing that.

Here are the principal reasons these securities should appeal to pension funds.

They're fully guaranteed by GNMA and this guaranty bears the full faith and credit of the United States. The U.S. Treasury is behind it. This means that for those state and municipal retirement funds who require a certain percentage of this portfolio to be invested in government-guaranteed securities can turn to this mortgage-backed security as that kind of investment.

Secondly, this instrument eliminates all of the documentation and paperwork problems and safekeeping problems which are involved in making comparable investments in mortgages themselves. Most pension funds do not have mortgage departments. And why should they take on an individual mortgage, mortgage note, evidence of title, and all of the other legal problems involved in buying $20,000 mortgages, for instance, if they can put $1 million into just one piece of paper which has an equivalent yield?

And that's what we've done with this mortgage-backed security. It is just one piece of paper. It comes in a minimum denomination of $50,000, since we do not want to take money out of savings institutions.

In the cases of the sale to the three New Jersey pension funds, there were just three pieces of paper, or one which was sold to each of the funds -- one for $800,000, another for $700,000 and the third for $500,000.

Another important feature of these securities is the steady cash flow of interest and amortization of principal each month.

Most important of all to any investor is the yield of these securities. The sale by Associated Mortgage involved a $2 million pool of 8.5 percent FHA mortgages. One-half percent is kept by the mortgage firm for servicing, which means the face interest rate was 8 percent. They were sold at a price of 94.75 which was comparable to the FNMA auction price which at that time was 94.96 for 90-day commitments.

This meant a yield to the investor on 25-year maturity of 8.58 percent. On the basis of a 12-year maturity (which is perhaps more realistic in view of mortgages' average prepayment pattern) the yield was 8.75 percent. In today's market that was quite good and compared favorably with yields of top grate corporate bonds.

Another reason which will figure in pension funds investment is that they will be able to encourage housing construction in their areas by calling for the pooling of mortgages covering housing in an identifiable region. For instance, all mortgages pooled for the securities sold to the New Jersey funds covered residential mortgages in that state only. Thus, the pension funds in their purchase invested in New Jersey housing in effect.

Now, pension funds have been viewed by a number of sources as an important avenue to new home financing, and there is legislation on the Hill -- the Patman Bill -- which would make it mandatory for pension funds to make these investments. It should be pointed out to your pension fund friends that they have a vehicle now that they can use for such investments and that it can be used on a voluntary basis. They would undoubtedly prefer this to taking the mandatory route.

Let's now run over a few procedures of the program so that you can see how you can participate. As you can see, you are the key people in getting this off the ground.

The "pass-through" mortgage-backed security is a private placement type of security. Later, I'll outline the "bond-type", but this "pass-through" type is for you, as mortgage bankers, and can be launched by you.

To start, all you have to do is send in your application form with a $500 application fee, which is nonrefundable. Then you receive from us a commitment letter which tells you that we're ready to give you the guaranty if and when you accumulate your $2 million minimum pool.

The pool must be made up of mortgages which are not more than a year old from the time of GNMA commitment. This is designed to encourage new construction. Once the pool is assembled, the mortgages are submitted to a custodian -- a bank of your choice. The custodian makes a physical examination of the mortgages and holds them in safekeeping, assigned to GNMA from then on. When the custodian certifies all is in order, GNMA issues its guaranty and the issuer can make the sale of the mortgage-backed security to an investor. The price is set by the issuer.

There are three types of this security. The straight "pass-through" means that everything that is yielded from the mortgages in interest and amortization is passed straight on through to the investor, minus what the issuer takes out for servicing. If there are delinquencies, they're not collected and therefore payments are not passed through.

There are two modified versions. Under a partially modified version, the issuer guarantees that he will pass on to the investor a minimum fixed rate of interest each month, whether there are delinquencies or not. Under the fully modified version, the issuer guarantees a fix payment of amortization and interest every month -- delinquencies or not. This makes for a very salable instrument and was the kind used in the Associated Mortgage issue.

Foreclosures can be handled in two options. Consider that you have a mortgage in foreclosure, you have a modified pass through, and you've agreed to keep up your payments every month to the investor. Under the first option, you can make cash advances all the time a mortgage is in foreclosure until FHA pays it off in cash. However, if you feel there are going to be too many months in a foreclosure process, then you can simply prepay the mortgage and pass through the prepayment to the investor. Then you don't have more cash advances to make.

The risks to you as the mortgage banker under this program are minimal. In the case of the straight pass-through there are almost no risks, since you are not obligated to pay the investor anything except what is collected from the mortgagors.

Under the fully modified type, the issuer does have to make cash advances in case of delinquencies. But suppose you're in a really tough situation. Suppose there's an economic disaster in some area where you have all your mortgages.

Let's say a major plant closed down and mortgages in the whole community went sour. If you're faced with massive delinquencies and foreclosures, you can advise GNMA that you're going into default and you're going to cease making any more cash advances. GNMA then takes over the pool. And we have an agreement with you that we will do no more than take over the pool. We do not have recourse to any assets other than the pool of mortgages.

I'm now pleased to be able to announce tonight an important step in the launching of the "bond-type" mortgage-backed security. Specifically, I can report to you that Secretary Romney has signed regulations covering the GNMA bond-type security, and these regulations will be published in the Federal Register in the next few days. Comments can be made to GNMA during a 30-day period after publication.

This is similar to the other types of securities in that the securities are backed by mortgages insured by the Federal Housing Administration or Farmers Home Administration, or guaranteed by the Veterans Administration.

There are a number of differences, however. Initially, eligible investors are limited to FNMA and Federal Home Loan Banks. The issues will be in minimum amounts of $200 million.

Instead of being sold privately, these instruments will be sold on the capital markets and will open up a large new volume of investment dollars for home financing.

The new security under these regulations will be designed like other bonds. Interest will be paid in fixed amounts and in regular periods. Principal will be repaid at maturity of the security.

There are some other features of this program:

-- The issuer must have assets of $100 million or more.

-- The securities may be in registered or bearer form.

-- Each issue must be in a minimum of $200 million, and the amount of any security cannot be less than $50,000.

-- The securities are transferable.

-- The mortgages backing up the securities must have been insured or guaranteed no longer than 12 months prior to the date on which GNMA issues its commitment to guarantee the securities.

Secretary Romney considers this program another important one in HUD's efforts to attract more funds into residential financing which will help lay the groundwork for the financing needed to enable us to reach our housing goals in the years ahead.

I want to emphasize that both the pass-through and the bond-type security have an important role to play. Both are designed to channel new funds into mortgage financing.

In the case of the pass-through security, the issue can be backed by a relatively small pool of mortgages (minimum $2 million) from a particular geographical area, which appeals to those funds which want to invest in housing in their own locality. Because all prepayments are passed through to the investor, there is no reinvestment problem for the issuer, who can be a local mortgage firm or financial institution.

The bond type will not supersede the pass-through type of security. But it will provide a means of tapping a much larger volume of pension fund investors through the capital markets. And the proceeds of these sales of mortgage backed bonds will be available to both FNMA and the Home Loan Banks to continue their mortgage financing operations.

In summary, let me say that no one is more conscious than we in HUD are that more funds must be directed into residential financing. These mortgage-backed securities provide a means for accomplishing this objective. But the success of the program depends largely on the support of key people in the industry such as you. With your cooperation and that of others, we are confident that this program will play a significant part in our over-all efforts to attain the housing goals of our nation.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE ON DELIVERY
Thursday, March 26, 1970

SOME POINTS PREPARED FOR DISCUSSION BY

George Romney, Secretary
U.S. Department of Housing and Urban Development

in his remarks to the

MOBILE HOMES MANUFACTURERS ASSOCIATION
Annual Meeting

Washington, D. C.

March 26, 1970

A. Your industry is a relatively young industry. But the trends and events of recent months and years, and this meeting here today, are strong evidence that the mobile home industry in America has come of age. As evidence:

1. The booming growth of your industry. Production of mobile homes has quadrupled since 1960, and in 1970 it will be more than double what it was just three years ago in 1967.

2. The economic and social significance of your industry.

   a. One of the few bright spots in a gloomy housing picture.

   b. Nearly one out of every three single-family dwellings produced last year was a mobile home.

   c. Last year, of all the single-family dwellings priced at $10,000 or less, 96% were mobile homes -- filling a major need.

3. Recognition by the Federal Government.

   a. The Housing Act of 1969 recognizes as never before that mobile homes are an important part of our nation's total housing stock and that the mobile home industry is an important segment of our nation's total housing industry.

   b. The Housing Act of 1969 permitted, for the first time, FHA insurance of loans for mobile home purchases.

      -- will insure loans up to $10,000 up to 12 years at interest rates fixed by law;

      -- applies to homes to be used by owner as his principal place of residence;

-more-

-- loans cover the mobile home only, not the site, but the site must meet FHA and local standards;

-- loans also can cover transportation to the site and initial insurance premium on the home;

-- AND I am glad to announce to you at this time that the regulations permitting these new FHA-insured loans on mobile homes were signed yesterday and are in effect today.

c. The Housing Act of 1969 also liberalized FHA-insured mortgages for mobile home parks, from $1,800 to $2,500 per space and from $500,000 to $1 million per total project.

d. And a further example of government recognition of the maturity of your industry is the fact that both the Census Bureau and the Department of Housing and Urban Development are preparing to show mobile home shipments right alongside conventional housing starts as measures of our progress toward meeting the nation's housing needs and goals.

4. Strengthened organization of your industry is another evidence that you have come of age. Establishment of your new Washington office is a major step that can help bring you into the mainstream of the housing industry as a whole and fully into the economic and political life of the nation.

a. Your concentrated activity, as an industry, had a great deal to do with the enactment of the mobile home provisions of the Housing Act of 1969.

b. Unquestionably your intensified effort as an industry to improve the quality of both mobile homes and mobile home parks has increased public acceptance and made Federal support possible.

c. As an industry, your support was needed and helpful in securing the passage of the overall 1969 Housing Act -- not just the Mobile Home provisions.

d. Your contributions and views, as an industry, were of value in the drafting of the new regulations I've announced today.

B. That's the evidence -- and based on that evidence, I don't think there's any question that the mobile home industry has come of age. Furthermore, it didn't just happen. Your industry didn't come of age by accident. There are at least three good reasons why the industry has come of age.

1. Your industry pioneered in the assembly-line production of shelter -- an idea whose time has come. You began the job which Operation Breakthrough is completing -- changing the focus of the entire housing industry from construction to production, and from two-dimensional to three-dimensional thinking.

2. Your industry pioneered in the engineering of standardized mechanical components for housing -- innovative use of materials and cost-cutting techniques in plumbing and electrical systems. This too provides lessons for the housing industry as a whole.

3. Your industry pioneered in demonstrating that low- and moderate-income families can be housed in decent housing -- and at a profit.

a. The price of new mobile homes is still concentrated in the $6,000 to $8,000 range.

b. 85% of mobile homeowners have incomes under $10,000.

c. One reason for the boom in mobile home sales is the high cost of other, more conventional housing; many people priced out of the rest of the housing market have been able to find good living and good housing in a mobile home, and you can be proud of that.

C. Now that your industry has come of age, like any mature and responsible adult, you have to reckon with the problems of the future. It's not enough just to ride the crest of the wave of your current success. You need to look down the road to where you individually and as an industry will be next year, in five years, or ten years from now.

1. Now that the housing industry is beginning to move your way, are you going to stay where you are or will you move too?

a. Some forecasts project that, after a boom for a few more years, the mobile home industry will begin to decline -- because other forms of industrialized housing will come forward to fill the need you have been meeting. The success of Operation Breakthrough is, in a sense, a tribute to your own success; but it may mean that the present demand for your present products won't last indefinitely.

b. One of your opportunities is to use the concept and impetus of Operation Breakthrough to carry your own firms beyond the production of mobile homes and into the production of industrialized housing. You can take advantage of your lead in experience and know-how to make the transition now into what will certainly be a growing and profitable field in years ahead.

2. The opportunity ahead in site-development.

a. You are dependent, as manufacturers, on buyers having a place to locate their mobile homes. And while you produced 400,000 mobile homes last year, only 157,000 home sites were being developed or redeveloped. That represents a deficit that must be overcome if you're to continue to expand.

b. Your growth is still inhibited by the old image of the temporary, muddy, ugly trailer-coach court of the 1930's. Construction of new mobile home parks is often blocked by zoning that still reflects these fears of the '30's.

c. The best way to overcome the concern of local authorities is to demonstrate that mobile home parks can be an asset to their communities. "Mobile home subdivisions," built to FHA standards, using the finest land-planning techniques, are a new concept that represents a new opportunity.

d. Good site-development is too essential to you as manufacturers for you to leave it to chance or to others. You need to develop new forms of organization by which you or an associated firm can develop the parks for you, assuring you both a place to put your product and a showcase for displaying it.

e. You should consider the condominium approach to land-ownership in parks, so that mobile home owners could end by owning not only their homes but the land under and around them.

3. As an industry that has come of age, you have a responsibility to look beyond the relatively narrow boundaries of your own specific concern with mobile homes -- to consider the state of the housing industry as a whole -- and to consider your broader role in serving the needs of the people and the interests of the nation.

a. Fair housing, and equal housing opportunity, applies in mobile home parks as much as anywhere else in the country.

b. As an industry, you should not allow mobile home parks to become identified as racially segregated housing areas. Mobile home parks, like other kinds of neighborhoods, should offer the widest possible range of choice and opportunity to all Americans.

c. Mobile home parks can increase the opportunity for all Americans to live within a reasonable distance of their jobs and daily activities.

D. Finally, as a maturing industry, now more effectively organized than ever before, you can use your combined strength to serve the public interest rather than to simply serve a narrow self-interest.

1. In resolving the public problems which may be created by your own industry's activities.

2. By contributing to the solution of problems threatening the future existence of all industry.

a. Inflation -- both demand-pull and cost-push.

b. Excess private power and its abuse, which the public will not endure indefinitely. It will either be checked by an increase of governmental power, or by a modernizing and strengthening of national policies that will keep power adequately divided.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-199
Phone (202) 755-7327

FOR RELEASE:
After 6 P.M., Thursday
March 26, 1970

HUD ANNOUNCES PROPOSED RULES FOR MORTGAGE-BACKED BONDS

Regulations have just been approved for operation of another device for channeling new funds into mortgage financing.

This was reported today by Woodward Kingman, President of the Government National Mortgage Association of the U.S. Department of Housing and Urban Development.

The device is the "bond-type" mortgage-backed security, which will be guaranteed by GNMA with the full faith and credit of the United States. GNMA will also administer the program for mortgage-backed bonds, the first issue of which is scheduled for later this Spring.

Mr. Kingman made the announcement in a speech tonight in Newark before the Mortgage Bankers Association of New Jersey.

Eligible issuers initially are the Federal National Mortgage Association and Federal Home Loan Banks. The issues will be in minimum amounts of $200 million and will be backed by pools of mortgages insured by HUD's Federal Housing Administration or Farmers Home Administration, or guaranteed by the Veterans Administration.

Mr. Kingman said that HUD Secretary Romney views the new security as "one more important step in HUD's over-all efforts to attract more funds into residential financing, which will help lay the groundwork for the financing needed to enable us to reach our housing goals in the years ahead."

Proposed regulations for the program will be published soon in the Federal Register. Written comments or suggestions may be made to GNMA during a 30-day period after publication.

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Announcement of plans for the new security follows by several weeks the sale of the first "pass-through" type of mortgage-backed security by a mortgage firm to three New Jersey retirement funds. Mr. Kingman emphasized that both types of security would play an important role in attracting pension funds into investing in housing.

"In the case of the pass-through security," Mr. Kingman explained, "the issue can be backed by a relatively small pool of mortgages (minimum $2 million) from a particular geographical area, which appeals to those funds which want to invest in housing in their own locality. Because all prepayments are passed through to the investor, there is no reinvestment problem for the issuer, who can be a local mortgage firm or financial institution."

However, for the bond-type security, the issuer will be required to have a net worth of at least $100 million. To assure a strong secondary market, each issue will be large (a minimum amount of $200 million) and to prevent a drain of funds from thrift institutions, the denomination of each security will be in a minimum amount of $50,000.

The security will be designed like other bonds, in that interest will be paid in fixed amounts and in regular periods, and principal will be repaid at maturity. The bonds will be transferable, and may be in registered or bearer form.

To encourage new construction the mortgages backing the securities must have been issued or guaranteed no longer than 12 months prior to the date on which GNMA issues its commitment to guarantee the securities.

"These securities will be sold on the money market and will open up a large new volume of investment dollar for home financing," Mr. Kingman said. "Proceeds of the sales will be used by FNMA and the Home Loan Banks to make additional amounts of vitally-needed funds available for mortgages."

GNMA, which administers the program, is a Government-owned corporation in HUD created under the 1968 Housing Act. Besides the security program, GNMA conducts two of the three operations formerly in the new-privately-owned FNMA, which was partitioned under the 1968 legislation.

One operation is the special assistance function for aiding the financing of lower income housing and other special purpose housing programs. A second is the management and liquidating function which, among other operations, provides for the guaranty of mortgage-backed securities and for administration of the program.

NR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-196
Phone (202) 755-7327

FOR RELEASE:
Friday
March 27, 1970

THREE MORE COMMUNITIES NOW ELIGIBLE FOR HUD NATIONAL FLOOD INSURANCE

Three more communities have become eligible for flood insurance coverage of one- to four-family homes under the National Flood Insurance Program, it was announced today by the U.S. Department of Housing and Urban Development.

They are Richland, Wash., a third area in St. Bernard Parish, La. (two other areas previously became eligible) and Elizabethton, Tenn.

Beginning March 31, private insurance agents and brokers will sell the insurance for protection of properties in identified flood-prone areas.

The coverage was made available after the communities adopted resolutions agreeing to institute appropriate land use and control measures for the flood area. Also before coverage was made available surveys of properties in the area were conducted to establish actuarial insurance rates.

The Army Corps of Engineers conducted the surveys in Richland and St. Bernard Parish, and the Tennessee Valley Authority in Elizabethton.

George K. Bernstein, HUD Federal Insurance Administrator, reported that the areas announced today bring to 16 the number of communities now qualified.

He explained that the three areas are eligible to obtain both Federally-subsidized insurance and actuarial, or experience-based, insurance.

- more -

He added that many other communities are expected to become eligible soon for insurance under new streamlined procedures which make subsidized insurance available promptly after application is made, without time-consuming rate making studies being made immediately. Some 130 communities are expected to qualify by the end of June.

Actuarial insurance which can supplement the subsidized insurance will become available in these communities when rate-making studies are completed under the streamlined procedures.

Mr. Bernstein emphasized, however, that insurance can be sold only in those communities which have met statutory requirements for coverage, including the expressing of positive interest in the program and the submitting of assurances that they will adopt land use and control measures to minimize damage from future floods.

Besides coverage of one- to four-family homes in the three communities, insurance on small businesses is expected to be made available early in May.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 to 50 cents on structures, with rates increasing according to the value of the structures. Insurance on contents up to $5,000 will be at a range of rates from 50 to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage reflecting the Government subsidy will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties which are constructed or substantially improved after March 26, 1970 in areas of special flood hazard will be eligible to buy only insurance at actuarial rates.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who does not choose to do so generally will not be able to get Federal disaster financial assistance for any flood loss which occurs after one year from the date he became eligible.

* * *

- more -

Richland, Wash.

The area of Richland, for which flood insurance is available is the western part of the community bounded on the east by By-Pass Highway 240 and on the west by the Yakima River.

A map designating the area is available for inspection at the office of the City Engineer, City Hall Building, 505 Swift Blvd., Richland.

Source of flooding in the area has been the Yakima River. Flooding from ice jams occurred in January 1969 and there was a major flood in 1948.

St. Bernard Parish, La. (Area 3)

The third portion of St. Bernard Parish to become eligible for flood insurance is between the Orleans-St. Bernard Parish line and Violet.

A map showing the area is available for inspection in the office of the Parish Engineer in the Court House in Chalmette.

Flooding in the area has resulted from hurricanes moving in from the Gulf of Mexico and from intense rainstorms. Recent damage was inflicted by Hurricane Betsy in 1965.

Elizabethton, Tenn.

All of the area within the corporate limits of Elizabethton is eligible for flood insurance.

Maps showing the area are available at the Tax Assessors Office in Elizabethton and the Office of the Tennessee Planning Commission in Johnson City.

Sources of flooding have been the Watauga and Doe Rivers and the Gap and Buffalo Creeks. Flooding occurred in 1940 and the city was threatened by floods of December 1969, March 1965 and March 1963.

NR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

March 26, 1970

MEMO TO EDITORS:

Sixty-seven of the 150 cities participating in the Model Cities program have completed the planning phase and have received supplemental grant contracts from the U.S. Department of Housing and Urban Development. Grant commitments to these cities total approximately $338,429,000.

Attached for your information is a listing of the 67 cities with the amount of each contract and the date of announcement. All grant figures are rounded off to the nearest thousand. These grants enable the cities to implement first-year plans developed under comprehensive five-year plans for a concentrated, coordinated attack on the serious social, economic, and physical problems within the Model Cities area. The first applications for planning grants were approved in November 1967.

Attached also is a list of the 150 Model Cities communities in 45 States, the District of Columbia and Puerto Rico.

George Creel
Director of Public Affairs

MODEL CITIES SUPPLEMENTAL GRANTS

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
ALABAMA		
Huntsville	$ 1,969,000	5/29/69
ARKANSAS		
Texarkana	1,899,000	6/30/69
CALIFORNIA		
Fresno	2,818,000	10/3/69
Richmond	1,820,000	6/19/69
COLORADO		
Denver	5,766,000	6/26/69
Trinidad	1,225,000	6/26/69
CONNECTICUT		
Bridgeport	1,409,000	3/6/70
DISTRICT OF COLUMBIA	3,242,000	1/14/70
FLORIDA		
Dade County	9,616,000	9/29/69
Tampa	4,086,000	6/26/69
GEORGIA		
Athens	2,601,000	3/11/70
Atlanta	7,175,000	5/10/69
Gainesville	1,330,000	10/15/69
HAWAII		
Honolulu	2,263,000	6/27/69
Increase of	4,378,000	12/18/69
Total	6,641,000	
ILLINOIS		
Chicago	38,159,000	6/26/69
East St. Louis	2,083,000	6/30/69
INDIANA		
Gary	2,669,000	10/3/69
IOWA		
Des Moines	2,065,000	10/13/69
KANSAS		
Wichita	3,955,000	9/24/69
MARYLAND		
Baltimore	$10,554,000	6/26/69
MASSACHUSETTS		
Boston	7,718,000	6/27/69
Cambridge	1,523,000	6/26/69
Lowell	1,750,000	12/19/69
New Bedford	2,109,000	11/14/69
Worcester	2,125,000	12/31/69
MICHIGAN		
Detroit	20,545,000	5/28/69
Genesee County (Flint)	3,574,000	10/15/69
Highland Park	1,724,000	6/11/69
Saginaw	1,729,000	3/6/70
MINNESOTA		
Duluth	1,680,000	10/16/69
MISSOURI		
Kansas City	8,706,000	9/11/69
St. Louis	5,183,000	6/30/69
MONTANA		
Butte	1,656,000	6/19/69
Helena	1,211,000	6/30/69
NEW HAMPSHIRE		
Manchester	1,645,000	12/18/69
NEW JERSEY		
Hoboken	2,030,000	2/13/70
Newark	5,654,000	1/26/70
Trenton	1,768,000	10/3/69
NEW MEXICO		
Albuquerque	2,826,000	8/13/69
NEW YORK		
Cohoes	1,845,000	2/20/70
New York City	65,000,000	6/11/69
Poughkeepsie	1,685,000	2/3/70

MODEL CITIES SUPPLEMENTAL GRANTS

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
KENTUCKY		
Bowling Green	551,000	12/31/69
Pikeville	$ 691,000	10/15/69
increase of	59,000	12/17/69
Total	750,000	
MAINE		
Portland	1,826,000	6/11/69
NORTH CAROLINA		
Charlotte	3,168,000	5/29/69
Winston-Salem	1,895,000	10/3/69
OHIO		
Columbus	5,906,000	10/3/69
Dayton	2,949,000	6/11/69
Toledo	4,410,000	6/26/69
OKLAHOMA		
Tulsa	3,553,000	6/27/69
McAlester	1,831,000	12/17/69
OREGON		
Portland	1,263,000	6/30/69
PENNSYLVANIA		
Philadelphia	3,296,000	6/30/69
increase of	5,677,000	3/25/70
Total	8,973,000	
Pittsburgh	6,108,000	12/31/69
Reading	1,383,000	6/11/69
Wilkes-Barre	1,603,000	2/13/70
PUERTO RICO		
San Juan	7,114,000	9/11/69
RHODE ISLAND		
Providence	2,205,000	6/11/69
TENNESSEE		
Smithville-DeKalb County	1,435,000	5/29/69
increase of	145,000	12/18/69
Total	1,580,000	
TEXAS		
Eagle Pass	1,776,000	6/18/69
San Antonio	9,590,000	6/18/69
Texarkana	1,558,000	6/30/69
increase of	499,000	8/4/69
Total	2,057,000	
Waco	2,642,000	5/10/69
VERMONT		
Winooski	788,000	6/26/69
VIRGINIA		
Norfolk	4,524,000	8/13/69
WASHINGTON		
Seattle	5,215,000	5/10/69

150 CITIES
participating in the

MODEL CITIES PROGRAM

U. S. Department of Housing and Urban Development

First Round Planning Grants
Spring 1968

Alabama
Huntsville

Arkansas
Texarkana

California
Fresno
Oakland
Richmond

Colorado
Denver
Trinidad

Connecticut
Bridgeport
Hartford
New Haven

District of Columbia

Florida
Dade County
Tampa

Georgia
Athens
Atlanta
Gainesville

Hawaii
Honolulu

Illinois
Chicago
East St. Louis

Indiana
Gary

Iowa
Des Moines

Kansas
Wichita

Kentucky
Bowling Green
Pikeville

Maine
Portland

Maryland
Baltimore

Massachusetts
Boston
Cambridge
Lowell
New Bedford
Springfield
Worcester

Michigan
Genesee County (Flint)
Highland Park
Saginaw
Detroit

Minnesota
Duluth
Minneapolis

Missouri
Kansas City
St. Louis

Montana
Butte
Helena

New Hampshire
Manchester

New Jersey
Hoboken
Newark
Trenton

New Mexico
Albuquerque

New York
Buffalo
Cohoes
New York City
Central and East Harlem
South Bronx
Central Brooklyn
Poughkeepsie
Rochester

North Carolina
Charlotte
Winston-Salem

Ohio
Columbus
Dayton
Toledo

Oklahoma
McAlester
Tulsa

Oregon
Portland

Pennsylvania
Philadelphia
Pittsburgh
Reading
Wilkes Barre

Puerto Rico
San Juan

Rhode Island
Providence

Tennessee
Nashville-Davidson County
Smithville-DeKalb County

Texas
Eagle Pass
San Antonio
Texarkana
Waco

Vermont
Winooski

Virginia
Norfolk

Washington
Seattle

150 CITIES
participating in the

MODEL CITIES PROGRAM

Second Round Planning Grants
Fall 1968

Alabama
Tuskegee

Alaska
Juneau

Arizona
Gila River Indian Community
Tucson

Arkansas
Little Rock
North Little Rock

California
Berkeley
Compton
Los Angeles City
Los Angeles County
Pittsburg
San Diego
San Francisco
San Jose

Connecticut
New London
Waterbury

Delaware
Wilmington

Georgia
Alma
Savannah

Idaho
Boise

Illinois
Carbondale
Rock Island

Indiana
Indianapolis
South Bend

Kansas
Kansas City

Kentucky
Covington
Danville

Louisiana
New Orleans

Maine
Lewiston

Maryland
Prince Georges County

Massachusetts
Fall River
Holyoke
Lynn

Michigan
Ann Arbor
Benton Harbor
Grand Rapids
Lansing

Minnesota
St. Paul

New Jersey
Atlantic City
East Orange
Jersey City
Paterson
Perth Amboy
Plainfield

New Mexico
Santa Fe

New York
Binghamton
Mt. Vernon
Syracuse

North Carolina
Asheville
High Point

North Dakota
Fargo

Ohio
Akron
Cincinnati
Cleveland
Martins Ferry
Youngstown

Oklahoma
Lawton

Pennsylvania
Allegheny County
Bradford
Erie
Lancaster

Rhode Island
Pawtucket

South Carolina
Rock Hill
Spartanburg

Tennessee
Chattanooga
Cookeville

Texas
Austin
Edinburg
Houston
Laredo

Utah
Salt Lake County

Virginia
Richmond

Washington
Tacoma

Wisconsin
Milwaukee

Wyoming
Cheyenne

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-208
Phone (202) 755-7327

FOR RELEASE:
Wednesday
April 1, 1970

$717 MILLION IN HOUSING AID PROVIDED BY HUD'S GNMA IN YEAR

A total of $717 million for housing lower income families and others with special needs was provided last year by the Government National Mortgage Association of the U.S. Department of Housing and Urban Development.

GNMA President Woodward Kingman said the assistance, which came in the purchases of 3,226 mortgages, provided over 50,000 housing units.

The 1969 outlay was 12 percent greater than the $637 million spent in 1968 for mortgages covering 24,257 housing units.

GNMA, a government owned and financed corporation in HUD, uses funds authorized by Congress and borrowed from the Treasury to fund this financing aid program.

The purchases last year were predominantly below-market interest rate mortgages on housing for low and moderate income families.

GNMA's portfolio of mortgages under both its Special Assistance and Management and Liquidating Functions amounted to $4.8 billion as of Jan. 1, 1970.

Year end figures show also that one of GNMA's brand new programs -- the Tandem Plan -- made a good start. Under this plan, GNMA and the privately-owned Federal National Mortgage Association, work in tandem to purchase mortgages on housing for lower income families.

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In the two months of this program's operation last year, Mr. Kingman reported, GNMA issued commitments or reservations for the purchase of $108 million of mortgages.

The commitments are the means by which sponsors of housing projects can obtain construction funds, since permanent financing is committed.

In the case of multifamily housing, GNMA commits to buy a mortgage at its full face value and to sell to FNMA at its market price. If the latter price is below par, GNMA absorbs the difference.

Under another version of the program, GNMA commits to purchase mortgages on single family homes for lower income families at a price of 96 -- 4 percent less than par. If upon assignment or sale of the mortgage to FNMA, the FNMA price is below 96, GNMA will absorb that difference.

A second new program--the mortgage-backed security -- was not under way last year. Under this program, private holders of FHA and VA mortgages form pools of these mortgages and issue securities against them.

Upon application to and approval by GNMA, the HUD corporation guarantees the securities with the full faith and credit of the United States.

First sale of one of these securities occurred in February 1970. Applications for other issues are pending and a number are expected to be made shortly.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-209
Phone (202) 755-7327

FOR RELEASE:
Wednesday
April 1, 1970

NINETEEN COMMUNITIES NOW ELIGIBLE FOR HUD NATIONAL FLOOD INSURANCE

Another three communities have become eligible for flood insurance coverage of one- to four-family homes under the National Flood Insurance Program, it was announced today by the U.S. Department of Housing and Urban Development.

George K. Bernstein, HUD Federal Insurance Administrator, said the cities--Rochester, Minn.; Greensboro, N.C.; and Hattiesburg, Miss.--bring to 19 the number of communities now qualified.

The coverage was made available after the communities adopted resolutions agreeing to institute appropriate land use and control measures for the flood area.

Beginning April 3, private insurance agents and brokers will sell the insurance for protection of properties in identified flood-prone areas.

He added that many other communities are expected to become eligible soon for insurance under new streamlined procedures which make subsidized insurance available promptly after application is made, without time-consuming rate-making studies being made immediately. Some 130 communities are expected to qualify by the end of June.

Actuarial insurance which can supplement the subsidized insurance will become available in these communities when rate-making studies are completed under the streamlined procedures.

A rate-making study of properties in Hattiesburg was conducted and actuarial, or experience-based, insurance rates were established. As a result, both subsidized and actuarial insurance may be obtained there.

In Rochester and Greensboro, however, rate-making studies have not yet been conducted, and only subsidized insurance is available there.

Mr. Bernstein emphasized that insurance can be sold only in those communities which have met statutory requirements for coverage, including the expressing of positive interest in the program and the submitting of assurances that they will adopt land use and control measures to minimize damage from future floods.

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Small Businesses to be Covered

Besides coverage of one- to four-family homes in the communities, insurance on small businesses is expected to be made available early in May.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 to 50 cents on structures, with rates increasing according to the value of the structures. Insurance on contents up to $5,000 will be at a range of rates from 50 to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage reflecting the Government subsidy will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties which are constructed or substantially improved after March 31, 1970 in areas of special flood hazard will be eligible to buy only insurance at actuarial rates.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who does not choose to do so generally will not be able to get Federal disaster financial assistance for any flood loss which occurs after one year from the date he became eligible.

* * *

Rochester, Minn.

The entire area of Rochester becomes eligible for flood insurance. A map designating the area is available for inspection at the office of the City Clerk, City Hall.

Source of flooding in the area has been the Zumbro River and Cascade Creek. Flooding occurred in March 1962 and April 1965.

Hattiesburg, Miss.

The entire city of Hattiesburg becomes eligible for flood insurance. A map showing the area is available for inspection in the office of the City Clerk and City Engineer in City Hall.

Source of flooding has been the Bouie and Leaf Rivers and Gordon's Creek. Flooding occured in February 1961 and the area was threatened by rains from Hurricane Camille in 1969.

Greensboro, N. C.

All of the area within the corporate limits of Greensboro is eligible for flood insurance. A map showing the area is available at the office of the City Clerk, City Hall.

Sources of flooding have been the North and South Buffalo Creeks. Flooding occurred most recently in June 1969.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-192
Phone (202) 755-7327

FOR RELEASE AFTER:
11:30 A.M., Friday
April 3, 1970

RICHARD C. DYAS APPOINTED GNMA EXECUTIVE VICE PRESIDENT

Richard C. Dyas, steel firm official and former Government officer, has been appointed Executive Vice President of the Government National Mortgage Association of the U.S. Department of Housing and Urban Development, it was announced today by Secretary George Romney.

He was sworn into office today by GNMA President Woodward Kingman.

Mr. Dyas, 64, has served since 1953 as Assistant to the Administrative Vice President and Treasurer of the U.S. Steel Corp., and Vice President of two of the firm's subsidiaries, U.S. Steel Homes Credit Corp., and U.S. Steel Finance Corp.

A native of Paris, Ill., Mr. Dyas served in Government in various ranking positions from 1933 to 1953. He was Counsel, Office of Comptroller of Currency from 1933 to 1938. For the next 13 years, he served successively in four positions in the Reconstruction Finance Corp.: Assistant General Counsel, RFC Mortgage Company; President, Defense Homes Corp.; Vice President, Federal National Mortgage Association; and Director, Housing Loan Division.

From 1951 to 1953, he was Director of Loans, Small Defense Plants Administration.

He holds a Bachelor of Arts degree from the University of Illinois and a Bachelor of Laws degree from George Washington University. Mr. Dyas is a member of the District of Columbia and Illinois bar associations.

He is married to the former Mildred R. Wainwright of Waukegan, Ill. They live at 835 Herbert Springs Rd., Alexandria, Va. Their son, Richard W., is a law student at the University of Mississippi.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-219
Phone (202) 755-7327

FOR RELEASE AFTER:
11:30 A.M., Friday
April 3, 1970

AUSTIN P. FRUM NAMED DIRECTOR OF NEW HUD-GNMA SECURITY PROGRAM

Austin P. Frum, 36, a Washington attorney, has been appointed director of the new mortgage-backed security program of the Government National Mortgage Association, is was announced today by GNMA President Woodward Kingman.

GNMA, a part of the U.S. Department of Housing and Urban Development, administers the program under which securities backed by mortgages and guaranteed by GNMA are sold to private investors so as to draw new funds into mortgage financing.

Prior to joining GNMA, Mr. Frum was in private law practice in Washington with the firm of Jackson, Gray & Laskey for the past eight years.

A native of Cleveland, Ohio, Mr. Frum graduated cum laude from Amherst College in 1955 and from Harvard Law School in 1961.

He served as an ensign in the Navy from 1955 to 1958 aboard an attack cargo ship in the Pacific.

In community activities, he has served as director and general counsel of a nonprofit corporation which rehabilitates and sells homes to low income families. He also has informally advised church and other groups interested in making such housing available.

Mr. Frum is chairman of the Young Lawyers Section of the D.C. Bar Association and has lectured in Georgetown University Law Center.

Active in Republican Party affairs, he has been a member of the D.C. Republican Central Committee.

He is married to the former Deborah Kolborn, of Cleveland. They and their two children live at 142 - 12th St., S.E., Washington.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-230
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Tuesday
April 7, 1970

ROMNEY CALLS ALL-INDUSTRY PROPERTY INSURANCE CONFERENCE

Secretary George Romney of the Department of Housing and Urban Development today announced the calling of an all-industry conference of property and casualty insurance companies, agents and brokers to discuss current conditions of insurance availability in inner-city areas.

The meeting on April 29 also will examine tentative findings reached by HUD's Federal Insurance Administration in its studies of property insurance problems under Section 1235 of the National Housing Act.

Federal Insurance Administrator George K. Bernstein has been conducting two studies pursuant to the Housing and Urban Development Act of 1968 and is preparing reports with recommendations to be submitted by June 30 of this year. The studies seek to assure an adequate market for burglary, theft and other property insurance and adequate availability of surety bonds for construction contractors.

Representatives of principal insurance trade organizations and of large unaffiliated insurers, as well as insurance agents and brokers and State insurance authorities, will be invited to participate in the meetings to be held in HUD headquarters.

"We have reached a number of significant conclusions regarding insurance availability problems in these areas," Mr. Bernstein said, "and believe that a full and open discussion of alternative approaches could be profitable. Because of the magnitude and complexity of the problems, the full cooperation and support of both State regulatory authorities and of the property insurance industry are necessary; advance discussion of possible lines of action can provide a valuable airing of views and an opportunity to winnow out unfeasible ideas or recommendations."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-235
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Wednesday, April 8, 1970

FARGO, N. D., BECOMES ELIGIBLE FOR HUD NATIONAL FLOOD INSURANCE

Fargo, N.D., has become eligible for flood insurance coverage of one- to four-family homes under the National Flood Insurance Program, it was announced today by the U.S. Department of Housing and Urban.

The coverage was made available after the community adopted a resolution agreeing to institute appropriate land use and control measures for the flood area.

Beginning April 10, private insurance agents and brokers will sell the insurance for protection of residential properties in the entire community.

George K. Bernstein, Federal Insurance Administrator said that many other communities are expected to become eligible soon for insurance available promptly after application is made, without time-consuming rate-making studies being made immediately. Some 130 communities are expected to qualify by the end of June.

Actuarial insurance which can supplement the subsidized insurance will become available when rate-making studies are completed under the streamlined procedures.

Rate-making studies have not yet been conducted in Fargo and only subsidized insurance is available there.

Mr. Bernstein emphasized that insurance can be sold only in those communities which have met statutory requirements for coverage, including the expressing of positive interest in the program and the submitting of assurances that they will adopt land use and control measures to minimize damage from future floods.

-more-

Besides coverage of one- to four-family homes in the communities, insurance on small businesses is expected to be made available early in May.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 to 50 cents on structures, with rates increasing according to the value of the structures. Insurance on contents up to $5,000 will be at range of rates from 50 to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage reflecting the Government subsidy will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties which are constructed or substantially improved after April 6, 1970 in areas of special flood hazard will be eligible to buy only insurance at actuarial rates. A map designating the area of special flood hazards is available for inspection at the office of the City Engineer, City Hall, Fargo.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who does not choose to do so generally will not be able to get Federal disaster financial assistance for any flood loss which occurs after one year from the date he became eligible.

Source of flooding in the area has been from the Red River of the North. Flooding occurred in April 1969.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

HUD-No. 70-243
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
April 9, 1970

HUD TO COLLECT RACIAL, ETHNIC DATA ON DEPARTMENTAL ASSISTANCE PROGRAMS

The Department of Housing and Urban Development will institute a system for the collection of racial and ethnic data in all HUD assisted programs, Secretary George Romney announced today.

He appointed Samuel J. Simmons, Assistant Secretary for Equal Opportunity, to convene a working group of HUD officials from all program units to develop such a system as quickly as possible.

Secretary Romney noted that HUD is responsible for administering a variety of civil rights laws and Executive Orders relating to non-discrimination.

He said, "It is impossible to carry out these responsibilities affirmatively without information as to the racial and ethnic composition of applicants for and recipients of HUD assistance. Such information will also enable us to deal more effectively with complaints that we receive."

The Secretary pointed out that a number of Federal agencies, such as the Farmers Home Administration and the Small Business Administration, had developed systems for racial and ethnic data collection, and that several programs at HUD now collect such data.

"The time has come," he said, "to collect such data uniformly for all HUD programs. Accomplishment of this goal will enable us to ensure that our expanding programs of housing and urban development are serving all Americans."

The classifications will be: Negro or Black, Spanish American, American Indian, Oriental, and other.

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Assistant Secretary Simmons said, "We have an imperative need for racial and ethnic data. Title VIII of the Civil Rights Act of 1968, the Fair Housing law, makes us responsible for providing for fair housing throughout the United States. It says specifically that we shall 'administer the programs and activities relating to housing and urban development in a manner affirmatively to further the policies of this title.'

"We do not feel we can live up to this responsibility unless we can identify the beneficiaries of HUD programs."

Mr. Simmons gave two other reasons for establishing a systematic data collection system.

"This will increase our efficiency in measuring the impact of our programs," he said. "It will also give us the data we need to measure compliance with our other equal opportunity laws and Executive Orders, such as Title VI of the Civil Rights Act of 1964, and Executive Order 11063 concerning nondiscrimination in housing and related facilities."

He said that detailed procedures for the collection of such data had not been determined, but would be developed by the working group.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-239
Phone (202) 755-7327

FOR RELEASE:
Friday
April 10, 1970

MASSACHUSETTS FIRM AWARDED HUD NOISE ABATEMENT CONTRACT

The U. S. Department of Housing and Urban Development has awarded a $29,000 contract to a Massachusetts firm to provide measurement methods and criteria for noise abatement and control in our urban environment.

Announcing the award to Bolt, Beranek & Newman, Inc., of Cambridge, Harold B. Finger, HUD Assistant Secretary for Research and Technology, said noise control has become a matter of great concern in restoring and maintaining the quality of our environment.

All levels of government have recognized the profound influences that population growth, high density urbanization, industrial expansion, and technological advances in transportation have had on our environment. With the increased noise exposure of our everyday world, he said, it is vitally necessary that we devise techniques to evaluate and measure noise exposure accurately so that we can do something about it and halt the continuing adverse effect on all of us.

Results of the research, Mr. Finger pointed out, will provide not only an evaluation procedure for us at this time, but will help make it possible to predict future noise exposure, especially at proposed sites for housing or other HUD projects.

The award was made to Bolt, Beranek & Newman, Inc., Mr. Finger said, because of their experience of more than 20 years in the fields of theoretical and applied acoustics. This broadly-based experience is essential to the development of measurement techniques that can be used by HUD personnel without extended training.

The study is scheduled for completion in six months. Alan R. Siegel, Director of the Office of Utilities Technology, is the Technical Representative for HUD.

For further information: Dr. Theodore J. Schultz, Project Director
Bolt, Beranek & Newman, Inc.
50 Moulton St.
Cambridge, Mass. 02138
PHONE: (617) 491-1850

Contract No.: H-1228

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-248
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Friday
April 10, 1970

PROPOSED REGULATIONS WOULD INCREASE AVAILABILITY OF HUD PROPERTY INSURANCE

Proposed new regulations designed to increase the availability of basic property insurance under State FAIR Plans have been issued by the Federal Insurance Administration (FIA) of the U.S. Department of Housing and Urban Development.

FAIR (Fair Access to Insurance Requirements) Plans are cooperative programs adopted by property insurance companies in participating States to increase the availability of basic property insurance for the State's citizens.

One of the most far-reaching of the proposed regulations would require FAIR Plans to offer property insurance at normal rates to applicants whose properties have not been inspected and rated within a reasonable period of time, which each Plan must specify.

In addition, FAIR Plans would be required to offer vandalism and malicious mischief insurance to property owners for the first time. The Plans would be prohibited from making reinspections as a condition of annual insurance renewal, and would require 30 days advance notice of all insurance cancellations by companies participating in the Plan.

Another significant change would require State FAIR Plans to provide insurance coverage within all urban areas of the participating State, instead of only in the larger cities.

The new regulations have been published in the Federal Register of April 9 as "proposed rule-making." This means that interested members of the public will have an opportunity during the next 30 days to comment on the provisions of the proposed regulations. Comments should be sent to the Federal Insurance Administrator, 451 Seventh St., S.W., Washington, D.C. 20410.

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Effective FAIR Plans have been adopted in 25 States, the District of Columbia, and Puerto Rico. Property insurance companies which participate in a State's FAIR Plan are eligible for Federal reinsurance against excess losses resulting from riots or civil disorders.

The proposed regulations also incorporate, as new formal requirements, the provisions of "Guidelines for Statewide FAIR Plans" issued by HUD in October 1968. FIA has previously considered the guidelines as representing a statement of the minimum statutory criteria laid down by Congress in the Urban Property Protection and Reinsurance Act of 1968.

Several of the new regulations would have delayed effective dates to allow time for State legislatures to adopt the requirements. They also contain a provision for the Federal Insurance Administrator, upon certification by the State insurance commissioner, to waive their application where compliance was found unnecessary or inadvisable under local conditions.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-244
Phone (202) 755-7327

FOR RELEASE:
Sunday
April 12, 1970

TWO CAREER PUBLIC OFFICIALS NAMED TO DIRECT NEW HUD BOSTON REGION

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the appointment of James J. Barry, a career public official in the New Hampshire State Government, as Administrator for HUD's regional office in Boston.

At the same time he named another state career official from Massachusetts, Harold G. Thompson, as Deputy Regional Administrator.

Both will be sworn in at 2 P.M. tomorrow (Monday) by Lester P. Condon, HUD Assistant Secretary for Administration. The ceremony will be held at the NASA building, Kendall Square, Cambridge.

One of four new HUD regions created by Presidential directive, Boston will have supervisory jurisdiction over HUD programs in six New England states formerly served by the New York regional office. The States are Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island and Vermont.

Regional offices with the same boundaries are also being established for four other Federal agencies -- Labor, Health, Education and Welfare, Office of Economic Opportunity, and Small Business Administration.

HUD's Boston Region will supervise three area offices to be created in New England -- a Boston area office serving Massachusetts and Rhode Island; Manchester, serving Vermont, New Hampshire and Maine, and Hartford, serving the State of Connecticut. These area offices will have authority to act on applications for Federal assistance for most HUD programs at the local level.

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Mr. Barry, the new Administrator, has a background of socially oriented activity in both State and Federal Government, as well as being a special assistant to U.S. Senator Norris Cotton of New Hampshire.

He started as a case worker for the State of New Hampshire after his graduate studies in 1941 and worked up through the ranks to become Commissioner of the Department of Health and Welfare, running a multi-million dollar agency at the age of 32.

In that capacity he worked closely with public housing authorities in New Hampshire to find suitable living accommodations for displaced families.

He was also a Deputy Assistant Secretary in HEW, specializing in such activities as problems of the aging, social security, vocational rehabilitation and welfare, juvenile delinquency control, the poverty program, mental retardation, rural development and urban assistance.

In New Hampshire he belonged to a number of civic organizations. He was the first honorary member of the potent County Commissioners Association, member of the Reciprocal Enforcement of Support Committee in the Council of State Governments, the New Hampshire Social Welfare Council, and the New Hampshire Tuberculosis Association.

He was also chairman of the Governor's Committee on Children and Youth, director for two terms of the American Public Welfare Association and charter chairman of the New Hampshire Chapter, National Association of Social Workers.

A graduate of St. Anselm's College and the Boston College Graduate School of Social Work, Mr. Barry is married to the former Rosemary Turley of Manchester. They have two sons, James J., Jr., an attorney who is now a captain in the Marine Corps, and Thomas Turley Barry, a law student at Georgetown University. The Barrys live in Manchester.

Mr. Thompson also rose through the ranks in the Massachusetts State Government, starting in clerical work and becoming Secretary for Intergroup Relations to Governors John Volpe and Frank Sargent.

In that capacity he advised the Governor on the civil rights aspects of low income housing, urban renewal and relocation, employment, training, police-community relations, public school racial imbalance, welfare and poverty programs.

- more -

Earlier he was deputy director of the Commonwealth Service Corps -- the State's version of VISTA, the domestic Peace Corps.

For the past two years he was chairman of the Cambridge Public Housing Authority and a member of the Cambridge Model Cities Board.

Mr. Thompson, who lives in Cambridge, is a graduate of the Northeastern University School of Business Administration in Boston. He is married to the former Jeanette Ford of Flint, Mich. They have two boys, Howard L., 12, and Marc C., 10.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-250
Phone (202) 755-7327

FOR RELEASE AFTER:
10 a.m., Monday
April 13, 1970

HUD INSURANCE AIDE REVIEWS PROGRESS OF TWO NEW PROGRAMS

An official of the U.S. Department of Housing and Urban Development today outlined the progress of two new Federal insurance programs -- the flood insurance program and the federally sponsored State FAIR plans which provide fire and extended coverage insurance.

Federal Insurance Administrator George K. Bernstein reviewed the status of the programs in a speech before the Southern Insurance Agents Conference at the Royal Orleans Hotel in New Orleans.

Mr. Bernstein observed that serious problems of insurance availability continue to exist which have not been brought within the scope of the Federal flood insurance and FAIR Access to Insurance Requirements Plan programs. However, the two existing programs have done much and will continue to make essential property coverages available.

"The enactment by Congress in 1968 of the Federal riot and flood insurance programs," Mr. Bernstein said, "was a major and revolutionary step in the relationship between the Federal Government and the insurance industry on the one hand and both the States and the private insurance industry on the other.

"It constituted a determination by the Congress that the public need for various kinds of insurance was not being met adequately by the insurance industry and that there was an important role for the Federal Government to play in encouraging and assisting the private market to make needed insurance more readily available."

In discussing the role of the Federal Government under the recent legislation, he noted that it was "a limited one which preserved the private enterprise nature of the insurance business and continued the regulatory role of the State Insurance Commissioners."

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Mr. Bernstein stated that there are presently 21 communities where Federal flood insurance is already available and that an additional 30 communities would be covered within several weeks. He stated that if the other communities which have expressed interest in the program also comply with the statutory requirements, his office would be able to make flood insurance available to 130 communities by the end of June, 1970.

Mr. Bernstein stressed, however, that the Federal flood insurance program, under which policies are marketed by the private insurance companies and agents, but which is primarily subsidized by the Federal Government, is not a "give-away" program. In providing for the Federal subsidy, he said, Congress has required that the communities commit themselves to take positive steps to reduce future flood damage and limit unsound development of areas of special flood hazard. Without such commitments by the communities, Mr. Bernstein stated, the flood program would not be justified.

Mr. Bernstein expressed the hope that much of the Gulf Coast area of the United States would be eligible for flood insurance by this year's hurricane season.

In discussing the results of the first year's operation, Mr. Bernstein cited the $7 billion worth of fire and extended coverage insurance which was written by the 27 State FAIR Plans throughout the United States and pointed out that this large sum obviously reflected both the need for and the justification of Congress' action in adopting the FAIR Plan program.

Mr. Bernstein expressed his disappointment, however, in the failure of the public in many communities to take full advantage of the insurance availability made possible through the FAIR Plans.

He cited, in particular, one Gulf Coast State in which this FAIR Plan had written only 275 policies by the end of 1969. He pointed out that the coverage offered through FAIR Plans included windstorm insurance and if allegations were true, that insurance companies were withdrawing from or cutting back their windstorm coverage in Gulf Coast areas, the FAIR Plans offered a significant remedy. This remedy, he noted, has not been adequately utilized.

He decried the increasing tendency to look to Washington and the Federal Government for solutions to insurance problems when, in fact, many of these problems could be solved at the State level and by private industry with appropriate effort.

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"Certainly," he observed, "in view of the progress we have made recently in speeding up the flood insurance program and with the ability of the States to form FAIR Plans or other pools which can require insurance companies to write needed fire insurance and windstrom coverage, a reasonable package of disaster protection is potentially available to the public."

He concluded by urging the insurance industry and the States to take a more critical look at the tools available to them to solve the problem of insurance availability without abdicating responsibility to the Federal Government.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-252
Phone (202) 755-7327

FILE COPY

FOR RELEASE:
11 a.m., Monday
April 13, 1970

HUD OFFICIAL RECOMMENDS FEDERAL SANCTIONS OF WASHINGTON CONTRACTORS

Samuel J. Simmons, Assistant Secretary for Equal Opportunity in the U. S. Department of Housing and Urban Development, today recommended that enforcement action be taken that could lead to economic sanctions through the cancellation of existing,and debarment on new, HUD-assisted building contracts with 19 construction contractors in the Washington, D. C. metropolitan area.

The recommendation was among six made by Mr. Simmons during public hearings called by the U. S. Department of Labor in Washington, D. C. to implement Executive Order 11246, which is concerned with equal employment opportunities in Federally-assisted programs.

He also recommended that prior to the letting of a contract, all contractors on direct Federal and Federally-assisted construction projects in the Washington metropolitan area be required to demonstrate that they are in compliance with the Executive Order.

The recommendations followed compliance reviews conducted by Mr. Simmons and his staff on 28 contractors receiving Federal assistance from HUD in the Washington area. Executive Order 11246 requires such contractors to take affirmative action relating to the utilization of minority craftsmen.

The investigation involved examining the relationship between the contractors and ten craft unions in the Washington area: Carpenters Local 2311, Electrical Workers Local 26, Glaziers Local 963, Iron Workers Local 5, Operating Engineers Local 77, Reinforced Iron Workers Local 201, Painters District Council 51, Plumbers Local 5, Pipefitters Local 602, and Sheet Metal Workers Local 102.

- more -

It also involved examining the methods of compliance used by contractors who draw on non-union labor.

Mr. Simmons said that of the contractors reviewed, 19 were union, and 9 non-union. "Only three of the 19 union contractors, 16 percent of the total, were found to be in compliance," he said. "On the other hand, six of the nine non-union contractors, 67 percent of the total, were found to be in compliance."

The investigation showed that of 11,700 skilled craftsmen in the ten trades reviewed, fewer than 12 percent were Negro, and the opportunity to enter any of these trades for minorities remained severely restricted.

Mr. Simmons noted that while a high percentage of the labor force in the Washington area was Negro, most were in unskilled or outside jobs. "The higher paid construction crafts in 1970 continue to be a white preserve," he said.

He called for immediate action by the Labor Department on the basis of the evidence gathered in the investigation. "All that is necessary is to walk the streets and look at the millions of dollars of Federal and Federally-assisted construction projects," he said. "Construction non-compliance is at every hand."

The other recommendations were:

- The Department of Justice should investigate unions "which we have found are exercising restrictive membership practices, and institute pattern or practice suits under Title VII of the Civil Rights Act of 1964 where appropriate;"

- The National Labor Relations Board should investigate for violation of the National Labor Relations Act "those unions which we found are denying union membership to minority individuals referred by contractors while they accept whites who are so referred;"

- The Department of Labor should accelerate training programs for the Washington area "which can serve as an alternative to the Apprenticeship system and lead to full journeyman status and union membership for all successful trainees;"

- The D. C. Board of Education, the Washington Technical Institute, and the Federal City College should "take immediate steps to upgrade their vocational education training programs for training in the skilled construction crafts."

Mr. Simmons said that the names of the contractors investigated in the compliance reviews could not be divulged until appropriate action was taken by the Department of Labor under Executive Order 11246.

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HL

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-256
Phone (202) 755-7327

FOR IMMEDIATE RELEASE
Wednesday
April 15, 1970

HUD NATIONAL FLOOD INSURANCE NOW AVAILABLE IN THREE MORE AREAS

Avalon, N.J., Ocean City, N.J., and Lincoln, Neb., have become eligible for flood insurance coverage of one- to four-family homes under the National Flood Insurance Program, it was announced today by the U.S. Department of Housing and Urban Development.

The coverage was made available after the communities adopted resolutions agreeing to institute appropriate land use and control measures for the flood areas.

Beginning April 17, private insurance agents and brokers will sell the insurance for protection of residential properties in the entire communities.

George K. Bernstein, Federal Insurance Administrator, said that many other communities are expected to become eligible soon for insurance available promptly after application is made, without time-consuming rate-making studies being made immediately. Some 130 communities are expected to qualify by the end of June.

Actuarial insurance which can supplement the subsidized insurance will become available when rate-making studies are completed under the streamlined procedures.

Rate-making studies have not yet been conducted in these communities. Therefore only subsidized insurance is available.

Mr. Bernstein emphasized that insurance can be sold only in those communities which have met statutory requirements for coverage, including the expressing of positive interest in the program and the submitting of assurances that they will adopt land use and control measures to minimize damage from future floods.

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Besides coverage of one- to four-family homes in the communities, insurance on small businesses is expected to be made available early in May.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 to 50 cents on structures, with rates increasing according to the value of the structures. Insurance on contents up to $5,000 will be at range of rates from 50 to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage reflecting the Government subsidy will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties which are constructed or substantially improved on or after April 17, 1970 in areas of special flood hazard will be eligible to buy only insurance at actuarial rates.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who does not choose to do so generally will not be able to get Federal disaster financial assistance for any flood loss which occurs after one year from the date he became eligible.

The entire areas of the three communities are eligible for flood insurance. Maps showing the areas covered are available for inspection in the Borough Clerk's office, Borough Hall, Avalon; the City Engineer's office, City Hall, Ocean City; and in Lincoln, in the office of the Salt Valley Watershed District, Federal Securities Building, and at the Lincoln City-Lancaster County Planning Commission, City-County Building.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-258
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Wednesday
April 15, 1970

NEW RIOT REINSURANCE CONTRACT OFFERED INSURANCE COMPANIES BY HUD

New terms, including a reduction in reinsurance premium rates, for companies insured under the Federal riot reinsurance program were announced today by the Department of Housing and Urban Development. Federal Insurance Administrator George K. Bernstein said the new terms are effective for the period May 1, 1970 through April 30, 1971.

The announcement was made simultaneously with the publication in the Federal Register of the annual offer by HUD of the 1970-71 Standard Reinsurance Contract.

This contract provides protection to insurance companies against excessive losses from riots and civil disorders. To obtain coverage for the full year, companies must accept the offer of reinsurance by letter or telegram dispatched prior to May 1.

The gross rate for the new contract is 0.3 percent applied to an aggregate premium base consisting of the amount of each company's direct premiums earned in each State for each reinsured line of property insurance.

This compares with a gross rate of 1.25 percent for the previous year, although companies renewing coverage last year could in most cases obtain a reduction down to an 0.5 percent premium rate. The reductions reflect a loss ratio lower than anticipated during the past two years.

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Insurance companies are eligible for reinsurance only in States where they participate in Statewide FAIR Plans on a risk-bearing basis, as certified by the State insurance commissioner. The States and jurisdictions having acceptable FAIR Plans and eligible for inclusion in this Standard Reinsurance Contract are:

California	Louisiana	North Carolina
Connecticut	Maryland	Ohio
Delaware	Massachusetts	Oregon
District of Columbia	Michigan	Pennsylvania
Illinois	Minnesota	Puerto Rico
Indiana	Missouri	Rhode Island
Iowa	New Jersey	Virginia
Kentucky	New Mexico	Washington
Kansas	New York	Wisconsin

Companies accepting the reinsurance contract for the full year must notify HUD of the States to which their coverage applies and specify the optional lines of insurance for each State. Although applications for coverage will be accepted after May 1, companies accepting the contract after that date will not only suffer an interruption in coverage, but will receive no reduction in premium, Mr. Bernstein said.

Payment of at least one half of the aggregate advance reinsurance premium is due without notice within 15 days after the effective date of coverage.

The new Standard Reinsurance Contract is being mailed to each insurance company that is reinsured under the current contract with HUD. Other interested companies may obtain complete information by writing the Federal Insurance Administrator, Department of Housing and Urban Development, Washington, D.C. 20410 or phoning 202-755-5900.

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HUD news feature
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

HUD-No. 70-224
Phone (202) 755-7327

FOR WEEKEND RELEASE:
Saturday, Sunday
April 18-19, 1970

HOME OF CELEBRATED PAINTER TO BE RESTORED WITH HUD GRANT

The Philadelphia home and studio of Thomas Eakins, one of America's most celebrated painters, will be restored and preserved as a museum and community cultural center with the aid of a $58,650 grant from the U.S. Department of Housing and Urban Development.

Considered by many to be America's most powerful and original painter, Mr. Eakins spent almost all his productive life in Philadelphia. The property to be restored was the home in which Mr. Eakins lived, painted and died in 1916 at the age of 72.

Although his teaching and painting aroused controversy among his contemporaries, his uncompromising realism and sensitive insight have won Mr. Eakins a secure place in American art. Among his best known works are two oil paintings, "The Clinic of Professor Gross," and "The Chess Players."

The artist's career was intimately associated with Philadelphia. His anatomy studies at the Jefferson Medical College exerted great influence on the direction of his work. As Dean of the Pennsylvania Academy of Fine Arts, he became a spokesman for a vital school of native American painting.

The Philadelphia Historical Commission plans to restore the Eakins House to serve as an art shrine for visitors from this country and abroad. Located in the Model Cities area, it also will serve as an active cultural and art instruction center.

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NOTE TO EDITOR: A photograph is available on request from the News Services Division, Office of Public Affairs, HUD, Washington, D.C. 20410.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-260
Phone (202) 755-7327

FOR RELEASE:
Tuesday
April 21, 1970

HUD RELEASES DATA ON EMERGENCY HOUSING

A survey taken in the Hurricane Camille area indicated that 91 percent of the 3,417 families living in mobile homes provided by the U.S. Department of Housing and Urban Development and the Office of Emergency Preparedness were satisfied with their temporary accommodations.

The findings of the survey taken last February were released today by HUD Secretary George Romney.

According to Secretary Romney and General G.A. Lincoln, Director of OEP, the survey was made to get some idea of the extent of losses incurred by displaced families; their financial capability; plans for future permanent housing, and their anticipated housing requirements.

Families in the four-state disaster area--Mississippi, Louisiana, Virginia and West Virginia--were interviewed. Detailed information was obtained on characteristics of previous housing occupied by the families; whether owned or rented; monthly housing costs; storm damage and financial loss incurred; family composition and employment status, and plans for permanent housing at the end of the disaster period.

Some of the significant findings based on families answering specific questions were: of 3,326 families, 84 percent found the rent policies fair; 1,460 families said they would buy the mobile home they lived in if offered for sale, and 1,155 would continue to rent the units if available.

- more -

When queried about plans for future permanent housing, 1,191 families said they would restore their old homes; 521 would buy new homes; 126 would rent permanent housing, and 444 would replace their former mobile homes.

Almost half of the 3,200 families who gave information on storm damage reported losses of over $10,000; 762 families reported losses ranging from $4,000 to $10,000; 596 lost from $1,000 to $4,000, and the remaining 289 families lost less than $1,000.

Last August, immediately after Hurricane Camille struck, President Nixon gave OEP the responsibility of providing temporary housing for thousands of families whose homes were destroyed or made uninhabitable. OEP then delegated to HUD the job of actually providing necessary temporary housing. More than 20,000 homes in the four-state disaster area were either destroyed or suffered major damage.

Lawrence M. Cox, HUD Assistant Secretary for Renewal and Housing Management, was given the job of providing temporary housing for the displaced families. HUD leased 5,042 mobile homes from 29 suppliers. The units were trucked by the suppliers to sites made available by the affected communities as well as by private individuals. In addition to mobile homes, families were also rehoused in federally aided low-rent public housing and other available accommodations.

Working under special procurement plans devised by HUD and OEP, mobile units began moving into the four-state stricken area on August 23, 1969.

By the week of April 1, a total of 1,228 families in temporary housing had made permanent housing arrangements and had vacated their mobile homes.

Commenting on the survey, Assistant Secretary Cox said: "The data collected by HUD will be extremely useful to the Federal Government in developing a long-range housing plan for families displaced by Hurricane Camille."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-267
Phone (202) 755-7327

FOR RELEASE:
Tuesday
April 21, 1970

HUD $74,500 GRANT TO AID REPORT ON NEW STREET SIGNS SYSTEM

The U.S. Department of Housing and Urban Development has awarded a $74,500 grant to the American Society of Landscape Architects Foundation (ASLAF) to pay for a printed and filmed report on a newly-developed street graphics system.

William R. Ewald, Jr., developed the system for the Baltimore County Planning Commission, and he will direct preparation of the report.

The system covers signs visible from the street. It is aimed at encouraging excellence of design rather than merely establishing legal controls.

Critics claim that street graphics are often a blight rather than an aid to the public, are not functionally designed, sometimes create traffic hazards, and, in general, may do more harm than good to the general public. Current laws, say the critics, permit, and even encourage, present systems which clutter or "pollute" the landscape and prove to be eyesores.

It is hoped, ASLAF says, that the Ewald system will serve as a guide to communities interested in adopting new or improved local ordinances governing signs.

The report is expected to include a comparison of American and European street graphic controls, current American approaches, a basis for design excellence including legibility, and a discussion of the applicability of the Ewald system. The report also is expected to provide environmental experts and interested citizens with data to aid them in improving urban sign control.

- more -

For further information: Gary O. Robinette, Executive Director
American Society of Landscape Architects Foundation
2013 Eye St., N. W.
Washington, D.C. 20006

Project No.: D.C. D-17

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-284
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Friday
April 24, 1970

FLOOD INSURANCE COVERAGE BECOMES AVAILABLE TO SMALL BUSINESSES

Flood insurance coverage will be made available to small businesses during the spring flooding season, the U.S. Department of Housing and Urban Development announced today.

Federal Insurance Administrator George K. Bernstein announced that beginning today insurance will be sold to small businesses in communities participating in the National Flood Insurance Program.

"I have requested that the National Flood Insurers Association, through its member companies, issue an insurance binder to small business concerns in eligible communities pending the formal printing of insurance policies," Mr. Bernstein said.

Mr. Bernstein praised the National Flood Insurers Association for its efforts to expedite flood insurance coverage to small business concerns and explained that, due to a printing problem, the underwriting manual and policy forms for small business coverage will not be available until the end of May. The binder is a temporary insurance contract, providing full protection in the event of losses during the critical spring flooding season.

A small business concern is defined as a concern which, together with its affiliates, does not have assets exceeding $5 million, does not have a net worth in excess of $2.5 million, and does not have an average net income in excess of $250,000, after Federal income taxes, for the preceding two fiscal years.

- more -

There are 23 areas covered by flood insurance which now become eligible for insurance on small businesses. Some of the areas are entire communities, others cover parts of communities. The communities are:

Alaska
Fairbanks

Louisiana
Jefferson Parish, Metairie area and Eastern Jefferson Parish
St. Bernard Parish, 3 areas.
New Orleans, Inner Harbor and Citrus areas

Minnesota
Rochester

Mississippi
Hattiesburg

Nebraska
Lincoln

New Jersey
Avalon
Ocean City

North Carolina
Greensboro

North Dakota
Minot
Ward County, vicinity of Minot
Fargo

Tennessee
Elizabethson

Texas
Baytown, Lakewood, Wooster and Brownwood Additions

Virginia
Alexandria, Four Mile Run area
Arlington, Four Mile Run area
Hampton

Washington
Richland

West Virginia
Matewan

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-282
Phone (202) 755-7327

FOR RELEASE:
Monday
April 27, 1970

HUD AWARDS ENGINEERING GRANT TO PORTLAND WATER DISTRICT

The Portland (Maine) Water District will receive a $219,453 grant under the Urban Systems Engineering Demonstration program, the U.S. Department of Housing and Urban Development announced today.

The grant, covering two-thirds of the cost of the project, will be used to apply systems engineering techniques in the development of an optimum regional sewage system to service the cities of Portland, South Portland, and Westbrook, and the towns of Cape Elizabeth, Cumberland, Falmouth, Gorham, Standish, and Wyndham.

Integration of the nine separate sewage systems now in use will provide efficient service at minimal cost, as well as alleviating present water pollution resulting from the discharge of untreated sewage into the streams.

Samuel C. Jackson, HUD Assistant Secretary for Metropolitan Planning and Development, who administers the Urban Systems Engineering Demonstration program, said that "application of systems analysis techniques permits the evaluation of more variables and alternates in determining the best and most efficient system to serve the greatest number of people at the lowest cost.

"The Portland project, in addition to providing for an integrated, comprehensive sanitary sewage system for the area, will be in consonance with President Nixon's recently stated antipollution objectives."

Authorized under Section 701(b) of the Housing Act of 1954, as amended, the Urban Systems Engineering Demonstration program encourages public bodies to employ a systematic approach in developing complex, areawide public service systems. The program is designed to utilize systems engineering, analysis techniques, and computer technology in establishing economic and efficient public facilities and services.

- more -

For further information:

William D. Monie
General Manager
Portland Water District
225 Douglas Street
Portland, Maine 04104

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-286
Phone (202) 755-7327

FOR RELEASE:
Tuesday
April 28, 1970

ATLANTA, TWO OTHER AREAS NOW ELIGIBLE FOR HUD NATIONAL FLOOD INSURANCE

Atlanta, Ga., today became the first major city in the Nation to become eligible for emergency flood insurance, the U. S. Department of Housing and Urban Development has announced.

Two smaller communities in Florida, Palm Beach Shores and Longboat Key, were declared eligible at the same time. The insurance coverage was made available after the communities agreed to control development near beaches and riverside areas.

George K. Bernstein, Federal Insurance Administrator, emphasized that federally-subsidized flood insurance can be sold only in communities which have promised to guide future development away from flood hazard areas, both to minimize loss of life and damage to property from future floods and to provide open areas behind beaches and river banks.

Beginning April 30, private insurance agents and brokers will sell the insurance for protection of residential properties in the entire communities of Longboat Key and Palm Beach Shores, and most of Atlanta. Insurance for small businesses also will be available.

Insurance policies will become effective immediately as issued during the first 30 days. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Under the "emergency provisions" of the National Flood Insurance Program, limited amounts of flood insurance have been made available at a subsidized premium rate. Later, additional amounts of insurance will become available at actuarial rates when rate studies have been completed.

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It is expected that as many as 130 communities will be eligible for flood insurance by the end of June.

Insurance at subsidized premium rates may be obtained in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. Rates will range from 40 to 50 cents on structures, with rates increasing according to the value of the structures. Insurance on contents up to $5,000 will be in a range of rates from 50 to 60 cents per $100 of insurance.

Insurance premium rates for small business coverage, also reflecting the Government subsidy, will be graduated, too: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents up to $5,000 may be insured at $1 per $100 of insurance.

Owners of properties constructed or substantially improved on or after April 27, 1970, in areas of special flood hazard will be eligible to buy insurance only at actuarial rates.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who does not choose to do so generally will not be able to get Federal disaster financial assistance for any flood loss which occurs after one year from the date he became eligible.

Maps showing the areas covered for flood insurance are available for inspection in the City Planning Dept., City Hall, Atlanta; Municipal Office, Longboat Key; and the Office of the Town Engineer, Palm Beach Shores.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-266
Phone (202) 755-7327

FOR RELEASE:
Friday
May 1, 1970

TYPICAL FHA-FINANCED NEW HOME COST $20,563 IN 1969, UP $995

The 1969 buyers of newly built homes financed with mortgages insured by the Federal Housing Administration bought dwellings priced, on the average, at $20,563, the U.S. Department of Housing and Urban Development has reported. This was $995 or 5.1 percent above the 1968 average price of $19,568.

HUD drew an image of last year's typical buyers of both new and existing homes from data on transactions processed under FHA's standard single-family home mortgage insurance program. In 1969, FHA insured mortgages on 64,686 new and 259,441 existing homes under this 36-year-old program, Section 203 of the National Housing Act.

HUD reported that the 1969 typical buyer of an existing home bought a house priced at $16,814. That was 4.4 percent more than the average $16,106 price reported for FHA-financed existing homes bought in 1968.

The typical 1969 FHA buyer of a new house was 32 years old with an annual income of $10,678. He undertook monthly payments, including utility bills and maintenance, totaling $205. He bought a one-story house with a garage or carport but no basement, three bedrooms, more than one bathroom, and 1,180 square feet of floor space. He made a $1,239 down payment, also paid $458 in closing costs, and assumed a $19,324, 30-year mortgage.

FHA estimates that this typical buyer bought a house worth $16,730 on a lot valued at $4,300, or 20.4 percent of the price.

-more-

HUD compared this typical new-house buyer with his counterpart at the start of the Sixties. The 1960 buyer had a $7,168 income, and the 1,091-square-foot house for which he paid $14,662 was built on a site worth $2,477. He undertook total monthly payments of $129.

Thus, from 1960 to 1969, the typical homebuyer's income rose 49 percent, the price of his new home increased by 40 percent, the price of the site itself rose 74 percent, and the structure price went up 33 percent. However, for the latest year, the average site value rose only three percent compared with a six percent increase in the price of the structure.

For existing home purchases in 1969, HUD painted this picture of the typical buyer. He was 33 years old, had a $10,694 annual income, and paid $16,814 for a one-story house with about three bedrooms, one bathroom, 1,103 square feet of floor space, a garage, but no basement. He made an $893 down payment, paid another $396 in closing costs, and assumed a $15,680 mortgage. He undertook monthly payments of $178 on the mortgage, utility bills, and expected costs of maintenance.

For comparison, HUD pointed out that in 1960 the typical buyer of an existing home had a $6,784 annual income, bought a $13,284 house, and took on monthly housing expenses totaling $121. His house site was valued at $1,354 and the structure at $10,980. Thus, over the decade, the typical existing house bought with FHA financing increased 57 percent in site price, 20 percent in structure price, and 27 percent in total price, while the homebuyer's income was increasing 42 percent.

# # #

MR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FILE COPY

FOR RELEASE AFTER:
12:45 P.M., Friday
May 1, 1970

"THE URBAN STRATEGY OF THE 70'S"

ADDRESS PREPARED FOR DELIVERY

by Floyd H. Hyde

Assistant Secretary for Model Cities
U.S. Department of Housing and Urban Development

to the

Commonwealth Club of California
Sheraton Palace Hotel
San Francisco, California

May 1, 1970

SUMMARY

THE FRAGMENTED AND UNCOORDINATED FEDERAL DELIVERY SYSTEM OF SOME 400 SINGLE PURPOSE CATEGORICAL PROGRAMS HAS FAILED TO COPE WITH THE BASIC PROBLEMS OF THE CITIES. Urban problems do not come in 400 neat little packages. It is obvious that this Nation is suffering from "program indigestion" and "policy malnutrition." It is with pardonable pride that I suggest that the only program in being, or proposed, that deals simultaneously with the full range of problems--that can begin to develop this needed urban strategy--is the Model Cities program.

We are at a crossroads in history where we can stimulate action which will leave a heritage of dynamic local and State government. Today we have the technical knowledge and the skills to do things undreamed of in the past. And today we are embarking on a new course that can put these skills to work as servants, not the master of man.

But let me close with the comment I made at the outset. None of these challenges facing us today in the urban crisis can be cured by neglect. None of the urban strategies we may devise for the 70's, no matter how sound, can succeed unless we have an informed public, willing to make the commitment necessary to carry them out. And that commitment cannot be met by government alone. It must be a national commitment of government, business, labor, the church, the professions, the people, a commitment that shows a willingness to reassess our national priorities and goals.

If we do not save our cities, this Nation will not survive--for cities are people--and people built this Nation. I hope that you will join me in meeting this challenge of the 70's.

# # #

With a means of inventoring Federal programs and a means of strengthening and aiding local governments' management capacity we have developed in the Model Cities program a program based upon the strength of local government.

Through this process, we have the potential for once again making city government relevant and we have the potential for providing local and State government with the capacity to deal with the urban crisis.

I said at the beginning of my remarks that I would not talk about the urban crisis in the language of despair and I do not despair--in fact, I am hopeful and confident that we are embarking upon a significant and meaningful new direction.

Millions of Americans, thousands of local political leaders have been saying that Federal Government has become too big, too powerful and all together unresponsive. No Administration in the past 35 years is more acutely aware of this dissatisfaction. No Administration in the last 35 years has moved more boldly to return the power and responsibility to governments which are closer to the people.

I do not speak with despair because I believe that we will meet this last great opportunity to decentralize government, with programs such as Model Cities and those envisioned for the future, we will accept this last chance to make local government more relevant. We will not fail to use this opportunity.

The President has recognized the inequities in our system. Over 85 percent of total government revenues collected by local, State and Federal Government are collected by the Federal Government. In his revenue sharing proposal, yet to be acted upon by Congress, the President seeks to return a portion of these resources to State and local government without compelling them to endure the agonies of applying for individual project funds.

Since the funding of a Model Cities plan by HUD is in the nature of a block grant, flexible and with a minimum of strings attached, we can demonstrate the soundness of the President's proposal for revenue sharing.

There is no question about Model Cities resources going where the problems are. Program funds of HUD and other domestic agencies are directed into specific disadvantaged neighborhoods in the 150 cities in which our program presently operates. The total population of the cities in the program is approximately 60 million, over one-fourth of the Nation's population. Eleven of California's major cities are in the program, including San Francisco, Oakland, Richmond, Pittsburgh and San Jose in the Bay Area.

Model Cities is becoming a unique and pioneering means of coordinating the various Federal grant systems designed for use in the inner cities. Unlike previous attempts to coordinate, there is now an established, recognized coordinating structure.

Obviously, the active role of the citizen in this process is essential to its success. At the heart of the approach of the Model Cities effort is the concept that programs that simply do something "for" people usually fail. We think lasting achievement can only come from the joint efforts of government and the people themselves.

This program will not cure all of the ills of every city. We have never claimed that. Simply we are saying that through this process we will marshall all of the expertise at our command to develop, with city leadership, a system for pulling together all the human and financial resources into a combined attack on the acute problem areas within that city.

The leadership in organizing for this monumental task must come from the Mayor's office, but we will assist in developing that leadership. And, as this leadership is demonstrated, other Mayors in other communities can learn and profit from this demonstration.

It is my firm conviction that this process of strengthening the cities' management skills and making it more responsive by working with its citizens is a necessary prerequisite to the effective use of funds made available through Federal revenue sharing and a more effective and coordinated use of those Federal categorical programs that will continue.

that strengthens, not weakens local government: A policy and a system that restores the people's confidence in their system of government. This, then, is the urban strategy for the 70's, as I see it.

It is with pardonable pride that I suggest to you that the only program in being, or proposed, that deals simultaneously with the full range of problems I have just enumerated, the only program in being or proposed, that can begin to develop this needed urban strategy is the Model Cities program.

Through the Model Cities program we are attempting to build a management capacity within the cities. Ours is really a process rather than a program. It is a management tool.

Through the Model Cities process we are assisting cities, working closely with their citizens, to identify their problems; to identify available resources both public and private and to coordinate all of these resources into a meaningful local effort to combat the root causes of physical and environmental decay.

This effort results in what we call a "comprehensive plan," one devised locally, not in Washington, in which a city deals with all of the causes as well as the symptoms of blight and poverty. The plan must include housing, job training, education, economic development, crime prevention, health services--a total attack to reduce dependency and create maximum opportunity for self improvement and community pride.

Local government on the firing line of these confrontations at first looked to remedial action from the Federal Government, and by this time realized that the grant-in-aid programs of the various Federal agencies had been largely ineffective and the Federal system would take too long to respond. Why? Because we had programs, but no policy.

Given this assortment of problems, is it any wonder then that the problems of inadequate education, substandard housing, high crime rates, unemployment and alienation from government remains?

No one is satisfied with the traditional systems. The residents of the inner cities who were told they would be better off, certainly are not. The broad range of taxpayers who foot the ever rising bill are not. Indeed there is a crisis of confidence, and government at all levels is being fundamentally tested on whether it can deal effectively with the problems of the 70's.

It seems to me, therefore, that the conclusion is obvious. We need not devise more programs. We must devise a national urban policy, and a better system with which to carry it out--a system that incorporates the fundamental constitutional mandate for a Federal effort that effectively interrelates National, State and local government: A policy and a system

The Mayors of our cities, dealing with the politics of confrontation on a day-to-day basis, were left without the tools or the resources or the authority to deal with their most acute problems. Is it no wonder then, that the poor, the minorities and the underprivileged were losing faith with their government? Their exposure was to city government, and city government was without the means to effectively respond.

By the late 1960's, our cities were the scenes of massive protest, first peaceful and then violent. The immediate response was one of bewilderment and often outrage, coupled with an uncertainty as to what could be done to restore social health in our stricken cities.

Contributing, probably most of all, to this uncertainty was the apparent lack of a clear link of cause and effect. This history of neglect and disregard for local government which is potentially the most effective tool in dealing with the decay within the city, was coming home to roost.

For the moment, violence in the streets seemed to immobilize the Federal Government. There was concern at all levels of government that accelerated programs for the rebuilding of our central cities would be viewed by many as "rewarding the rioters." The effect of violence in many quarters was to discredit social programs and popularize law enforcement programs.

it is equally shared by the suburban housewife and the average citizen, but most tragically, especially by our youth.

This phenomenon of the creation of "para-governments" can best be illustrated by the fact that of the some 18 billion dollars of Federal grant assistance to urban areas (not just cities, but "urban areas") estimated for the coming fiscal year, recent studies indicate only 15 percent goes directly to local government.

Thus Federal resources supposedly targeted for inner cities often fail to reach the areas of greatest need and some 85 percent of these resources are beyond the direct influence of local government. This fragmented and uncoordinated delivery of some 400 single purpose categorical programs, fails to cope with basic issues because city problems do not come in 400 neat little packages matching specified Federal requirements, designed and administered from Washington. City problems are broader in scope, interrelated, and require a flexible and coordinated plan of attack which the traditional Federal grant approach seems designed more to thwart than to promote.

It became obvious that this nation was suffering from "program indigestion" and "policy malnutrition."

In short, we had a management mess. To compound the problem of too many programs to ill-defined jurisdictions with ill-defined goals, we had by accident or by design, virtually ignored local government.

recreation, mental health, air pollution control, health services for the poor, manpower development, food stamps, farm labor housing, water resources, regional health facilities, and the widely heralded "war on poverty," just to mention a few.

Today, as a result, there are over 400 Federal categorical grant-in-aid programs. The majority of these programs are in the form of project grants, an approach under which a state or local agency desirous of receiving Federal assistance prepares an application, submits it to the nearest Federal regional office for that particular Federal agency and hopes for the best.

The balance of the program requires some matching funds from State or local government. Unfortunately, as these Federal grant programs grew the tendency was to make federal assistance available to non-governmental organizations or to compel local, general purpose government to create new entities such as renewal agencies, housing authorities and the like in order to qualify for Federal funds.

These agencies as well as others, being appointive bodies, are one step removed from the electorate and not directly accountable to the people. This Federal practice over the years has led directly to the current feeling of powerlessness and alienation of our people from their government. Interestingly enough, this feeling of alienation and frustration is not limited to the poor and minorities, but studies show

"Through FHA and income tax deduction of interest paid on mortgages, we make it possible for millions of white, middle-class Americans to move to better homes in the suburbs. But at the same time through urban renewal and highway building, we bulldozed the central city poor out of their homes...while FHA rules and local zoning policies barred them from new suburban homes."

That's what happens when you have "programs" but no "policy" and when you evade or neglect basic, fundamental human needs. This Nation cannot afford the luxury of neglect of these problems, problems which we helped create.

Early in the 1960's, public and Congressional pressure was beginning to shift toward a more active involvement of the Federal Government in providing social services far beyond the scope of traditional physical, construction projects. There was strong Federal sentiment for aid to elementary and secondary education, medical care for the aged, subsidy of teachers' salaries and many other people-oriented programs. In fact, all of these were recurring themes in the political debates of the 1960 presidential election.

In the ten years from 1961 to date, the Federal Government entered into a new era of aid to mass urban transportation, education,

During the post World War II period up through 1959 only about 20 new programs were added to the handful of programs instituted prior to World War II to deal with major domestic problems. Most of these programs, which for the first time brought the Federal Government into the domestic arena, dealt with physical development projects.

Thus, at the beginning of the 60's, Federal financial aid for specific public services was a significant but by no means the dominant aspect of government in the United States. Except for highways and welfare, Federal aid did not constitute a sizeable portion of State and local spending in any major functional area.

The programs were few enough in number and simple enough in scope that they were manageable and most Governors and city officials knew how to effectively use them. To make matters worse, however, many Federal programs aggravated and even created many of the most serious problems facing our cities today.

As HUD Secretary George Romney has said:

"The most explosive threat to the future of this Nation is the confrontation in our States and cities between the poor and the minority groups who are concentrated in great numbers in the central core of our cities, and the middle income and affluent families who live in the surrounding and separate communities...

Escape from them cannot be achieved by the daily return at dusk to the comfort and quietude of the suburbs. If history has taught us one thing, it should be the lesson that the greatest threat to our civilization is from within, not from without. Vietnam cannot destroy us, the unsolved problems of our cities can.

The past decade, the 1960's, stands out as a time in history when the problems of the decaying inner core city were the most vivid and often most violent illustration of a physical and social fragmentation of urban America. Mounting protest and civil disorder, a weakening of the effectiveness and response of government at all levels, brought us to the end of this last decade with real doubts about the adequacy of traditional Federalism and traditional governmental structures to cope with the tremendous problems of urbanization and its resultant social and racial tensions. As President Nixon so accurately stated in his address to the Nation on August 8, 1969:

> "We face an urban crisis, a social crisis...and at the same time a crisis of confidence in the capacity of government to do its job.
>
> "A third of a century of centralizing power and responsibility in Washington has produced a Bureaucratic monstrosity, cumbersome, unresponsive, ineffective."

Gentlemen, it is a distinct pleasure for me to be afforded this opportunity to address what I consider to be the most distinguished public forum in California. In the few minutes we have together, I would like to talk about what we have come to call the "urban crisis." But it is not my intent to discuss the acute and complex problems of our inner cities in the negative rhetoric that the word "crisis" too often implies.

Instead, I think there is an emerging strategy for solving the root causes of physical blight and human despair. Whether this strategy will work, however, will depend upon the will of the American people. Just as we made a commitment to put a man on the moon in ten years, so we can achieve the goal of a decent home in a suitable environment for every American--equal justice and equal opportunity for all--if we are willing to make the necessary commitment to do so.

To fully understand where we are today, and thus draw some conclusions about where we can be tomorrow if we plan for a new urban strategy, I believe it is useful to trace the history of the Federal response to the urban problems, which collectively, constitute our major national problem. And, indeed, the problems of our cities are the Nation's problems, not just the Mayors' problems.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-300
Phone (202) 755-7327

FOR RELEASE:
Monday
May 4, 1970

HUD ASSIGNS BUILDERS TO BREAKTHROUGH SITES

The U. S. Department of Housing and Urban Development has announced preliminary assignments of housing system producers to the sites where they will build prototype housing in Operation BREAKTHROUGH.

Operation BREAKTHROUGH is HUD's major demonstration program aimed at overcoming obstacles to providing housing in large volume to all areas of the Nation.

HUD officials said some changes may be made in the various housing units as they are adapted to the concepts already developed by the site planners, to best suit the needs and preferences of the various areas selected for prototype housing.

In these adaptations, HUD officials said, there may also be some changes in the assignments of producers from one site to another as conditions dictate.

Each of the housing system producers will build prototype units on one or more of the 10 sites chosen earlier this year.

Approximately 3,000 housing units are scheduled for construction under the prototype phase of Operation BREAKTHROUGH, and the design work now starting combining the efforts of the producers, site planners, and HUD officials will determine the final selection of styles of house and price ranges, as well as the number of housing units to be placed on each site.

Contract negotiations have been going on for nearly two months with most of the housing system producers, and site preparation is expected to start at many of the sites by late Spring or early summer, HUD said.

During the design period, expected to take from three to six months, the housing producers are expected to make the final refinements in both their designs and building components to achieve the plans best suited to the areas where the housing will be constructed.

- more -

Site selection was completed in January, and site planners were named to start work immediately.

On Feb. 26, HUD Secretary George Romney named the 22 housing system producers who will build the prototype housing. These were selected from 236 groups of consortia which made proposals to HUD last September.

Tentative Assignments of Housing System Producers
to BREAKTHROUGH Sites

Jersey City, N.J.
- Module Communities, Inc.
- Keene Corp.
- Descon/Concordia

Wilmington, Del. (New Castle County)
- Henry C. Beck Company
- Boise Cascade Corp.
- General Electric Company
- Hercules, Inc.
- Levitt Technology
- Material Systems Corp.
- Christiana Western Structures, Inc.

Memphis, Tenn.
- Shelley System
- Stirling-Homex Corp.
- Module Communities, Inc.
- General Electric Company

Houston, Texas
- Christiana Western Structures, Inc.
- Material Systems Corp.
- Republic Steel Corp.
- TRW Systems Group

St. Louis, Mo.
- Descon/Concordia
- Home Building Corp.
- National Homes
- Rouse-Wates

Seattle, Wash. (Urban site)
- Keene Corp.

Seattle, Wash. (King County site)
- Boise Cascade Corp.
- Christiana Western Structures, Inc.
- Levitt Technology

Kalamazoo, Mich.
- Hercules, Inc.
- Levitt Technology
- Material Systems Corp.
- Pemtom, Inc.
- Republic Steel Corp.
- Scholz Homes, Inc.
- Stirling-Homex Corp.

Macon, Ga.
- Aluminum Company of America
- Henry C. Beck Company
- Boise Cascade Corp.
- Hercules, Inc.
- Home Building Corp.
- Forest City Enterprises, Inc.

Indianapolis, Ind.
- Ball Brothers Research Corp.
- Forest City Enterprises, Inc.
- Home Building Corp.
- National Homes
- Pemtom, Inc.
- Scholz Homes Corp.
- TRW Systems Group
- Republic Steel Corp.

Sacramento, Calif.
- Aluminum Company of America
- Ball Brothers Research Corp.
- Forest City Enterprises, Inc.
- Boise Cascade Corp.
- Material Systems Corp.
- TRW Systems Group

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OPERATION BREAKTHROUGH BUILDING SYSTEMS PRODUCERS

ALUMINUM COMPANY OF AMERICA of Pittsburgh, Pa. -- Supplies two- and three-story units which utilize factory-built, three-dimensional service cores in conjunction with floor, wall, ceiling and roof panels having metal framing. The service cores contain kitchen, bathroom, stairway, utility areas, some closets, doors, and most of the heating, ventilating, and air-conditioning. This building system is applicable to townhouses and garden apartments.

BALL BROTHERS RESEARCH CORPORATION of Boulder, Colo. -- Supplies townhouses which utilize a foamed plastic core structural panel system. This system is applicable to single family detached dwellings, single family attached dwellings, and multifamily, low-rise dwellings.

HENRY C. BECK COMPANY of Dallas, Texas -- Supplies dwellings which utilize the Balency precast-concrete system of factory-produced panels, which are assembled on site. The system, is applicable to all types of multifamily housing, and has been used in France for single family detached dwellings.

BOISE-CASCADE CORPORATION of Boise, Idaho -- Produces multifamily, low-rise dwellings which utilize factory-made, metal framed volumetric modules. This building system, which will be produced for Operation BREAKTHROUGH on one or more of its prototype sites, is applicable to single family attached and single family detached dwellings, as well as multifamily units.

CHRISTIANA WESTERN STRUCTURES INC., of Los Angeles, Calif. -- Supplies single family dwellings which utilize shop-fabricated, wood frame panels for walls, partitions, and roof construction. This building system, which will be produced for Operation BREAKTHROUGH on one or more of its prototype sites, is applicable to single family detached dwellings, single family attached dwellings, and multifamily, low-rise dwellings.

DESCON/CONCORDIA of Montreal, Canada -- Produces multifamily dwellings which utilize factory-produced, reinforced concrete, panel systems. This system is also applicable to single family attached dwellings, as well as multifamily low-rise dwellings, and multifamily high-rise dwellings.

FOREST CITY ENTERPRISES, INC. of Cleveland, Ohio -- Supplies multifamily, high-rise dwellings which utilize site-cast concrete bearing walls and floors, together with decorative precast, concrete end walls. This system, is applicable to single family, multi-level, row or townhouses, and multifamily, low-rise dwellings when combined with wood frame panels, as well as the high-rise type.

- more -

GENERAL ELECTRIC COMPANY of Philadelphia, Pa. -- Supplies a multi-story, low-rise dwelling which utilizes factory-produced metal-framed panels and sub-module assemblies. This building system is applicable to single family detached dwellings, single family attached dwellings and multifamily, low-rise dwellings.

HERCULES, INC. of Wilmington, Del. -- Supplies a wood-framed unit assembled from factory made, wood modules, and accessory parts. This building system which will be produced for Operation BREAKTHROUGH on one or more of its prototype sites, is suitable for single family detached, single family attached, and multifamily, low-rise dwelling units.

HOME BUILDING CORPORATION of Sedalia, Mo. -- Supplies dwellings which utilize factory-built-modular units made principally of wood. This building system, is applicable to single family detached dwelling units, single family attached dwelling units, and multifamily, low-rise dwelling units.

KEENE CORPORATION of New York, N.Y. -- Produces structural frames made of precast, prestressed concrete components (columns, beams, and deck slabs), which support tiers of three-story housing units, each tier having its own "street" and "backyard" on "land in the sky." This building system is applicable to multifamily low-rise dwellings and multifamily high-rise dwellings, and is especially applicable for high-cost, in-city land areas, or urban renewal situations.

LEVITT TECHNOLOGY of Lake Success, N.Y. -- Produces dwellings which utilize a factory-produced, volumetric module made of wood. This building system, is applicable to single family attached dwellings and multifamily low-rise dwellings.

MATERIAL SYSTEMS CORPORATION of Washington, D.C. -- Supplies dwellings which utilize fiber-reinforced resins molded at the factory to fabricate panels and other building elements. This building system, is applicable to single family detached, single family attached and multifamily two story dwellings.

MODULE COMMUNITIES, INC. of Yonkers, N.Y. -- Produces multi-family high rise dwellings which utilize factory-produced concrete panels and floor slabs. This building system, is also applicable to multifamily, low-rise dwellings.

NATIONAL HOMES of Lafayette, Ind. -- Supplies multifamily low and high-rise groupings which utilize factory-produced, metal frame volumetric module systems. This building system, is applicable to townhouses, garden apartments, and multifamily low-rise buildings. Multifamily high-rise applications utilize separate concrete structural systems for support.

PEMTOM, INCORPORATED of Bloomington, Minn. -- Produces dwellings which utilize factory-produced, foam core, stressed-skin plywood modules. The plywood and foam core panels are fabricated by polymer bonding, permitting the panels to act as a single structural unit in supporting loads. This system is applicable to single family attached dwellings, and multifamily low-rise dwellings.

REPUBLIC STEEL CORP. of Youngstown, Ohio -- Supplies single family detached dwellings which utilize a combination of self-contained modules, with steel as the principal structural material, and assembled on-site from factory-fabricated panels and components.

ROUSE-WATES of Columbia, Md. -- Supplies multifamily, high-rise buildings which utilize precast, concrete panel systems. This building system is also applicable to multifamily low-rise dwellings.

SCHOLZ HOMES, INC. of Toledo, Ohio -- Produces dwellings which utilize a factory built housing system of wood modules. This building system is applicable to single family attached dwellings, and multifamily low-rise dwellings.

SHELLEY SYSTEM of San Juan, Puerto Rico -- Supplies dwellings which utilize a factory-produced, concrete modular system. This building system, is applicable to multifamily, low-rise dwellings, multifamily high-rise dwellings, and adaptable to single family attached dwellings.

STIRLING-HOMEX CORP. of Avon, N.Y. -- Produces multifamily high-rise building systems which utilize factory-produced metal frame modules. This building system is a departure from the firms' existing line of wood-frame modules used for townhouses and low-rise apartment units.

TRW SYSTEMS GROUP of Redondo Beach, Calif. -- Supplies a building system which utilize fiberglas reinforced plastic, cellulose honeycomb and gypsum board in module and panel construction. This building system is proposed for single family detached dwellings, single family attached dwellings, and multifamily low-rise dwellings.

4/28/70 # # # SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-309
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Wednesday
May 6, 1970

FOUR MORE CITIES NOW ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

Four more cities have joined the growing number of flood-prone U.S. communities which have established eligibility for emergency flood insurance, an official of the U.S. Department of Housing and Urban Development announced today.

George K. Bernstein, Federal Insurance Administrator, said "the cities of Vermilion, Ohio; Naples, Fla.; Fairfax, Va.; and Ocean Beach, N.Y., deserve particular credit--as do the 26 other communities now eligible--for taking prompt advantage of the National Flood Insurance Program's emergency provisions." Effective May 8, 1970, flood insurance at subsidized rates may be obtained for one-to-four family homes as well as for small businesses.

Mr. Bernstein also praised the communities for pledging to adopt adequate land use and control measures to alleviate future flooding and property damage.

"The average annual property damage from natural disasters is currently over $1 billion," he said. "Much of this loss, as well as loss of life, could be prevented by prudent land use and preventive measures."

Federally subsidized flood insurance can be sold only in communities that have promised to guide future development in flood hazard areas and to set protective construction standards such as minimum foundation and floor elevations.

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood loss that occurs after one year from the date he became eligible. By the end of June, it is expected that as many as 130 communities will be eligible for flood insurance.

The limited amounts of flood insurance that have been made available at federally subsidized premium rates under the National Flood Insurance Program's emergency provisions will later be supplemented by additional insurance at actuarial rates when rate studies have been completed.

Insurance policies will become effective immediately as issued during the first 30 days. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

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Insurance at subsidized premium rates may be obtained in amounts up to $17,000 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100, with rates increasing according to the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, Government-subsidized premium rates will also be graduated: 50 cents per $100 for properties valued to to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to a $5,000 maximum.

Alexandria, Va., already eligible for flood insurance in its Arlandria area, is now eligible for coverage under the emergency program throughout the entire city. Identifying maps are available at the Department of Public Works, City Hall, Alexandria, Va. 22313.

Vermilion, Ohio

Vermilion, Ohio, spurred on by a disastrous Fourth of July flood in 1969 along the Vermilion River, is now eligible for coverage. Property and casualty agents and brokers doing business in the area will sell the newly available flood insurance policies. Maps identifying the exact flood hazard area can be examined at the Office of the Clerk of Council, City Hall, Vermilion, Ohio 44089.

Naples, Fla.

Exposed to the danger of flooding and storm tides such as resulted from Hurricane Donna in 1960, the resort city of Naples, Fla., is now eligible for coverage for its entire municipal corporate limits, including its low-lying waterfront area. Official maps of the flood prone area are available at the Office of the City Manager, 735 Eighth St., South, Naples, Fla. 33940.

Fairfax, Va.

Fairfax, Va. has been subject to periodic inundation of floodwaters from Accotink Creek and its three main tributaries within the city. Official maps for the flood plain area now eligible for emergency flood insurance are on record at the Department of Public Works, City Hall, Fairfax, Va. 22030.

Ocean Beach, N.Y.

Located on Fire Island, Ocean Beach, N.Y., is exposed to storm tides and hurricanes, during which entire homes have vanished into the Atlantic Ocean. Maps for the flood hazard area which covers the entire Village can be examined at the Village Office, Bay Walk, Ocean Beach, N.Y. 11770.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

OPERATION BREAKTHROUGH PROGRAM
Industry Representatives
Planning to Attend 9 AM Meeting May 9

AMERICAN GAS ASSOCIATION

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Marketing Washington

John W. Heiney, Chairman
Special Committee on Consumer Affairs

Paul C. K. Smith, Manager
Residential Marketing

AMERICAN INSTITUTE OF ARCHITECTS

Jack C. Cohen, Chairman
Committee on Housing

George E. Kassabaum, President
AIA

William H. Scheick
Executive Director

Jackson T. Wright, Director
Housing Programs

ASSOCIATED GENERAL CONTRACTORS OF AMERICA

Campbell Reed, Director
Building Division

David Rutherford, Assistant Director
Building Division

CHAMBER OF COMMERCE OF THE UNITED STATES

Harvey Hallenbeck, Secretary
Construction and Urban Affairs Committee

Otis M. Nader, Member
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CONSULTING ENGINEERS GROUP

Norman L. Scott

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R. Gibson Rietow, Exec. Vice Pres.
Development Division
Lewers & Cooke, Inc.

William Lyon, President
Wm. Lyon Development Co., Inc.

William Ray, Exec. Vice Pres.
Macco Corporation

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COUNCIL OF HOUSING PRODUCERS, Contd.

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National Homes Construction Corp.

Samuel Primack
The Perl-Mack Companies

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Bert L. Smokler & Company

Herman Sarkowsky, President
United Homes Corporation

EDISON ELECTRIC INSTITUTE

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John H. Larson, Chairman
Task Force on Community Development

Jack Young
Assistant to Managing Director

HOME MANUFACTURERS ASSOCIATION

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Ira H. Gordon
First Vice President

MOBILE HOMES MANUFACTURERS ASSOCIATION

Arthur J. Decio, Chairman
Washington Affairs Committee

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Vice President

John M. Martin
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James Redman
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Nathaniel H. Rogg
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NATIONAL ASSOCIATION OF MANUFACTURERS

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Edward J. Leavitt
Associate Director

William Stoltze
Washington Liaison, Urban Affairs

NATIONAL CORPORATION FOR HOUSING PARTNERSHIPS

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Vice President and Treasurer

NATIONAL SOCIETY-PROFESSIONAL ENGINEERS

Paul H. Robbins
Executive Director

Dr. Edwin H. Young
President

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Second Vice President

Charles H. Topping
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Robert W. Williams
President

MISCELLANEOUS

Arthur Sworn Goldman
(represents a number of European builders)

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-331
Phone (202) 755-7327

FOR RELEASE:
Thursday
May 14, 1970

MIAMI "IN-CITIES" PROJECT IS UNDER CONSTRUCTION

Construction is underway in Miami, Fla., in the "In-Cities" Experimental Housing Project of the U. S. Department of Housing and Urban Development.

Eight single family townhouse dwellings are planned at this first site, situated at N. E. 55th St., and N. E. Miami Pl. Other sites are situated at: N. W. 34th St., west of N. W. 5th Ave., two locations at N. W. 27th St., between N. W. 1st Ave., and N. W. 2nd Ave., two locations on N. W. 35th St., one at N. W. 1st Ave., and the other between N. W. 2nd Ave. and N. W. 3rd Ave.

A total of 45 units, each containing two to four bedrooms, will be built at the six sites, HUD said.

The project consists of the development of leased public housing on scattered sites.

"In-Cities" involved the study of constraints to home construction, and the current Dade County construction represents the total effort to be undertaken by HUD in the program.

The developer, Gaspar Nagymihaly of Miami, was selected by the Metropolitan Dade County Board of Commissioners following a competition inaugurated last November. The invitation for proposals called for designs of dwellings to be built on land which had been placed under option, and a proposal to lease the completed units to the Metropolitan Dade County Dept. of Housing and Urban Development under the Public Housing act. This provision permits a tenant in the new housing to remain in the unit and, as his income rises, to lease it directly from the developer or to buy the dwelling under various HUD programs designed to aid low income families.

The winning design was prepared by the architectural firm of Bouterse-Borrelli-Albaisa, with Gaston de Zarraga and Associates as consulting engineers. All are Miami-based firms.

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Kaiser Engineers of Oakland, Calif., as prime contractor to HUD, established the experimental program, located and took options on the land, secured financing, prepared the Invitation for Proposals, and assisted the Dade County Dept. of Housing and Urban Development in evaluating the proposals. The Kaiser company will continue to monitor the performance of the developer during the construction and early occupancy periods in preparation of its report to HUD.

For Information:

Mr. Ralph Carey
Metropolitan Dade County
Dept. of Housing and Urban Development
Miami, Fla. 33157

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-342
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
May 14, 1970

EMERGENCY HOUSING MADE AVAILABLE BY HUD TO LUBBOCK STORM VICTIMS

Complete resources of the U.S. Department of Housing and Urban Development are being made available to homeless victims of the tornado in Lubbock, Texas, Secretary George Romney reported today.

Approximately 600 HUD acquired homes and 15 units in a public housing project are being made ready for the use of the storm-struck residents of the south Texas plains community.

The local housing authority has been notified to waive eligibility requirements for disaster victims.

Mr. Romney, noting that one of the hardest hit areas of the city is the Mexican-American section, said that Peter Hinojosa, HUD Deputy Regional Administrator for Equal Opportunity, has been sent to the community to assist in the emergency housing operation.

HUD is participating in the work as a member of a Federal recovery team under the direction of the Office of Emergency Preparedness.

The Department declared that if additional resources are needed, HUD is prepared to supply them.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-333
Phone (202) 755-6420

NOTICE OF PUBLICATION FOR RELEASE:
Monday
May 18, 1970

NEW HUD PUBLICATION FOR URBAN VOLUNTEERS

The U.S. Department of Housing and Urban Development today announced publication of a new bibliography, Citizen and Business Participation in Urban Affairs.

The 84-page bibliography was compiled by the HUD Library in response to President Nixon's call for voluntary action, and subsequent frequent requests from citizens asking how they may effectively involve themselves in urban affairs.

More than 600 published sources, including selected films, are described, indicating ways in which people have participated in the past, what has been accomplished so far, and what may be done in the future.

The subjects covered include urban renewal, model cities, non-profit housing, institutional participation, and business participation in housing, employment and civil rights.

Items listed are generally available in libraries and bookstores, or from publishers and issuing organizations. A list of publishers' addresses is included.

The publication (HUD-103-A) is for sale for 75 cents by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-334
Phone (202) 755-7327

FOR RELEASE:
Tuesday
May 19, 1970

CAMILLE MOBILE HOMES MOVED TO HOUSE TORNADO VICTIMS

Fifty-two families in Corinth, Miss., whose homes were destroyed last month by a tornado, are moving into mobile homes formerly used by Hurricane Camille victims in Biloxi, Miss.

Transfer of the vacant units was authorized by the U.S. Department of Housing and Urban Development through its Atlanta, Ga., Regional Office.

The mobile units were trucked from Biloxi to Corinth, a distance of some 350 miles, and placed on sites in the Highway 45 urban renewal project area in Corinth. They will be managed by the Tennessee Valley Regional Housing Authority (TVRHA). The Corinth Urban Renewal Agency has been designated the official disaster relief agency for the community.

In preparation for the move to Corinth, employees of the Biloxi Housing Authority secured all interior furnishings and placed inside trailers all the utility items, including empty butane tanks, and electrical service lines. The leading trailer in the convoy carried the banners, "Good Luck Corinth from Camille of Biloxi."

According to Troy Norris, Chairman, Corinth Urban Renewal Agency, some 140 homes were destroyed by the tornado which struck Corinth April 19.

In addition to the mobile units, Mr. Norris reported that 100 permanent homes are being rushed to completion by the TVRHA and the Community Development, Inc. He expects all dwellings to be finished and ready for occupancy by tornado victims by the end of August.

The new homes are being financed under several HUD-assisted programs for low and moderate income families, including sales and rental housing under Sections 235 and 236 of the Housing Act of 1968 and under the low-rent public housing program.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-353
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Tuesday
May 19, 1970

SPECIAL HOME FINANCING AID IS ANNOUNCED BY HUD FOR LUBBOCK, OTHER TEXAS AREAS

The U.S. Department of Housing and Urban Development today announced establishment of a special new program to aid home financing in Lubbock and other areas of Texas struck by tornadoes April 17 and 18 and May 11.

Woodward Kingman, President of HUD's Government National Mortgage Association, said the program provides for GNMA purchases of FHA and VA mortgages at par, or at the full amount of the mortgages.

In usual market practice, mortgages are purchased at discounts or "points," thus increasing financing costs.

This amounts to favorable financing for those who arrange for building of new homes and those who substantially rehabilitate damaged existing homes.

In each case, over-all costs will be reduced by the "no-points" arrangement. A bank, for instance, which makes a loan for construction of a home, will be able to sell the mortgage to GNMA at par rather than at a 4 percent discount now prevalent.

On a $20,000 home, this will mean a saving to the buyer of $800 which otherwise would have been included in the cost of the home.

The disaster program of GNMA may also benefit lower income families who wish to obtain interest subsidy (Section 235) housing. Section 235 mortgages may also be purchased by GNMA, and these purchases will contribute to lower housing costs.

The program was set up after President Nixon designated certain areas in Texas as major disaster areas. Besides Lubbock, nine counties were designated to receive this financing assistance: Cochran, Hockley, Lamb, Hale, Briscoe, Donley, Gray, Swisher and Parmer.

Funds used in this special financing program are those borrowed by GNMA from the Treasury under authority of Congress. Since the disaster financing program was established in 1962, 175 areas became eligible for this type of financing aid.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILLERS--USE AT WILL

HUD-No. 70-369
Phone (202) 755-7327

FERRY BOAT TO BE YOUTH FACILITY

A State-donated ferry boat is being converted into a multi-purpose youth facility by Pawtucket, R.I., as part of its Model Cities program. The U.S. Department of Housing and Urban Development offered Pawtucket a $1,632,000 contract so the city could begin the first-year action phase of its comprehensive five-year Model Cities program.

* * *

ERIE RELOCATES BUSINESSMEN

An innovative method called "commercial-turnkey" is helping to bring small businessmen displaced by urban renewal back to the central section of Erie, Pa.

Commercial-turnkey is a concept whereby a builder-developer purchases land from the local redevelopment authority on an interim basis, builds on the land and then sells the property to small businessmen displaced by urban renewal.

* * *

FILM DESCRIBES URBAN RENEWAL PROGRAM

Rebuilding America's Cities, a 9-1/2-minute film strip describing the federally-aided urban renewal program, can be obtained on free loan from: Sponsor Desk, Modern Talking Picture Service, 1212 Avenue of the Americas, New York, N.Y. 10036 or the nearest MTPS office. The film also is available from any of the HUD Regional Offices.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE AFTER:
12:15 p.m.
May 26, 1970

FILE COPY

REMARKS
BY

LAWRENCE M. COX
Assistant Secretary for Renewal and Housing Management
U. S. Department of Housing and Urban Development

NAHRO PACIFIC SOUTHWEST REGIONAL COUNCIL CONFERENCE

PRINCESS KAIULANI HOTEL
HONOLULU, HAWAII
May 26, 1970

ATTACKING POLLUTION -- A NEW DIRECTION FOR RENEWAL

SUMMARY

I am here today to announce the beginnings of a major new emphasis in urban renewal to insure that this billion dollar program makes the maximum possible contribution to the fight against environmental pollution. We can no longer afford a passive or unconcerned Federal posture. The time is growing too short for mankind's survival. Our preliminary thinking is concentrating on the establishment of standards the development of financial incentives, the development of a clearinghouse service, and the undertaking of a national demonstration to create a showcase of what can be done to create pollution-free urban renewal environments.

Ladies and Gentlemen, I am here today to announce the beginnings of a major new emphasis in urban renewal to insure that this billion dollar program makes the maximum possible contribution to the fight against environmental pollution.

There is no issue more important to future generations than the quality of our environment.

There is no area where the quality of our environment is more important and more threatened than the urban environment where most of us live.

As President Nixon stated in his State of the Union Message: "The truly significant environment for each of us is that in which we spend 80 percent of our time -- that is, our homes, our places of work, and the streets over which we pass."

Without being alarmist, we cannot ignore that many thoughtful observers and experts question our very ability to survive if we do not take strong measures -- and soon -- to conserve our land, the air we breathe, the water we drink.

It is incumbent on all of us -- especially those of us who administer urban development programs -- to take a long, hard look at the adequacy of our efforts to curb pollution and enhance the quality of the environment.

The urban renewal program is, and has been, probably one of the most important Federal programs designed to eliminate environmental blight and improve the physical quality of our urban areas.

But I am not satisfied that it has done enough. It can and it will do more.

The urgency of the environmental crisis demands that we consider every possible way in which the leverage of the urban renewal program can be used not only to prevent further abuse of the environment, but also to serve as a catalyst for local programs of positive action to improve the urban environment.

Today, let me share with you some of our thoughts on the nature and direction of the campaign we plan to launch.

Renewal's Present Environmental Role

First, however, let me say a few words about what urban renewal has been, and is presently doing, on behalf of environmental quality.

By definition, urban renewal is an environmental improvement program. Its statutory mandate is to help eliminate and prevent blight and to help achieve the national goal of "a decent home and a suitable living environment for every American family."

Although it has not been heralded as such, the urban renewal program is a major tool for combatting environmental pollution of all kinds: the pollution of rat-infested buildings; the pollution of overcrowded living conditions and dirty streets; the pollution of visual ugliness and traffic congestion; the pollution of inadequate water and unseparated sewer facilities, and even air pollution.

The renewal planning process attempts to achieve a higher level of urban design within the limits of the marketplace. Many cities have utilized the services of eminent architects and have sponsored design competitions to achieve the best possible environmental quality in the project. The renewal program has frequently stimulated better land use planning through the use of more flexible performance standards in local zoning. And it is able to protect the project area from future blighting influences through long-term land use controls and covenants. These controls include such measures as sign control covenants and covenants which

control obnoxious fumes by prohibiting the use of certain fuels for generating heat in buildings.

The program has also played a great role in restoring nature's touch to our cities, through the design and provision of landscaping, parks, playgrounds, and other open spaces.

The results of urban renewal's effort to improve the general quality of the environment can be seen across the face of the nation -- in Hartford with its dramatically designed Constitution Plaza, in New York City with its Lincoln Center, in Baltimore with its Charles Center, in Washington with its Southwest project, in Minneapolis with its Gateway Center and low and moderate income housing in the Glenwood area, in San Francisco with its Golden Gateway and Diamond Heights projects, and here in Hawaii with the Queen Emma project.

Anti-Pollution Renewal Projects

In addition to renewal's general role in upgrading the quality of the urban environment, some projects have been undertaken across the country with the specific intent of curbing a pollution problem.

For example, the so-called "mine fire" renewal project in Carbondale, Pa. started with a 133-acre residential area sitting atop a burning underground coal mine. Almost like a scene from Dante's Inferno, smoke and poisonous gases seeped from holes in the earth, and took several lives. Families had to be awakened periodically in the middle of the night and moved because of dangerous gas levels. Under the renewal program, land was acquired and cleared, the families were relocated, the fires were extinguished, the land was refilled and redeveloped for park use.

In San Francisco, the India Basin Area is a run-down industrial neighborhood polluted with auto junk yards and antiquated meat rendering plants that spew their foul odors in the direction of the adjacent Hunters Point residential area. The India Basin project is being redeveloped to eliminate the junk yards and to insure that the plants now there, and any new industries moving in, are rehabilitated or constructed and maintained in compliance with the stringent controls set forth by the Bay Area Air Pollution Control Commission.

In Denver, the local agency has designed its 80-acre Skyline Renewal project as a giant catchbasin to temporarily hold back rain runoff in order to prevent flooding and the

overloading of its storm sewer system. The roofs of buildings and the plazas and parking lots have been designed to catch, hold, and limit the runoff of storm water to a half or one inch an hour. Incidentally, this technique has possibilities which would be worth exploring to recycle the storm water to feed into man-made lakes and ponds for recreational enjoyment.

Renewal's Environmental Guidelines

At the national level, we have a number of requirements and policies in the Urban Renewal Handbook that are designed to curb pollution and enhance the environment.

In a certain sense, all our guidelines are related to improvement of the environment in its broadest context. But there are several that are particularly relevant and worth mentioning here. These are the guidelines relating to flood control, water and sewer construction, the undergrounding of utility lines, open space and urban design.

Flood Protection

One of our important environmental problems is flooding. While the renewal program cannot embark on projects that are primarily aimed at flood control, it can provide important flood protection assistance where the work is definitely related to the elimination and prevention of slums and blight.

As a general policy, we require that if a proposed project area is subject to flooding, a feasible and firm solution must be presented before the project goes into execution.

In addition, we allow as eligible project costs such flood protection measures as the construction of levees, flood walls, bulkheading, and bank erosion controls.

Water and Sewer

If redevelopment of a renewal area will increase the pollution load in the sewers, we require that the local agency take action to treat the sewage effectively. The wastes must receive at least secondary or equivalent treatment.

We also presently require that consideration be given during project planning to the development of a sewer system to serve the renewal area which will, to the maximum extent feasible, provide for the effective control of both storm and sanitary wastes.

Wherever there are long-range comprehensive sewer system plans in the community that provide for the separation of combined sewers, we require that sewer construction in the urban renewal area must provide for separate sewers. Where there is no such plan, we will allow as a project cost

the construction of combined storm and sanitary sewers only if there is adequate provision for treating the combined effluent.

Where a community provides for separate sanitary sewers in the project area, it may be necessary in order to make them function properly to extend them beyond the project boundary to logical points of connection with the local sewer system or to a treatment plant. In these cases, the community may offer the cost as a local noncash grant-in-aid.

Whenever a community proposes the construction of combined sewer facilities, it must include a finding from the State health department that the facility will not contribute to the pollution of local waterways.

Undergrounding Utility Lines

Overhead utility lines are one of the worst visual pollutants and often a hazard in many communities. For that reason, we allow as an eligible project cost the full cost of relocating existing publicly owned overhead utility lines underground. To the extent a private utility company may not legally be required to relocate existing lines underground, their costs may also be included as an eligible project cost.

Open Space and Urban Design

Often, our impressions and memories of environmental quality are formed by the little things that help make our cities seem more human in scale and more pleasant to look at. Think of the impact that the plaza fountain in the South Park renewal project has had on the image of Portland, Oregon.

Urban renewal has played an important role in this key area. Here are some of the things that the program helps finance: parks, playgrounds, pedestrian walks, malls, canopies, trees and other landscaping, benches, decorative pavements, pools of water, trash containers, and tot-lot equipment. Special architectural or other design features which enhance the esthetic quality of the improvement -- such as murals, clock towers, and covered malls -- may be included as an eligible cost. Works of art, such as sculptures and fountains, may be included as a local noncash grant-in-aid. We plan to make fountains and works of art eligible as direct project expenditures. Some local agencies have taken the lead in requiring redevelopers to allocate a percentage of their construction funds for works of art.

It should also be mentioned that the preservation of the historic landmarks is encouraged and assisted in the urban renewal program. The costs of acquiring and restoring, or moving, historic structures are eligible costs of an urban renewal project. This availability of important financial assistance has made the difference between retention and demolition in many instances. The Strawbery Banke project in historic Portsmouth, New Hampshire is a good example of what renewal can do. This project has sometimes been called the "Colonial Williamsburg of New England."

The Need for Greater Efforts

These illustrations indicate clearly that -- within its immediate sphere of influence -- the renewal program has played an important and affirmative role in the fight against pollution and for environmental quality. But it has not done all that it could and should be doing. Nor has the program concerned itself to date with the adequacy of the community's larger, overall efforts in the field of pollution and environmental quality.

Whether a community has been doing poorly or well in its overall efforts to clean up its air and water has been of no real concern in the administration of the urban renewal program at the federal level.

But, ladies and gentlemen, we can no longer afford a passive or unconcerned federal posture.

The time is growing too short for mankind's survival, as just a few statistics will indicate.

Each year the industries, businesses, and families of this nation generate more than 330 million tons of solid waste, or more than 9 pounds per person per day.

We are faced with a tremendous pollution problem in disposing of all this waste.

According to the report submitted to Congress in March of this year by HEW's Secretary Finch, in the 100 metropolitan areas which embrace 60 percent of the nation's population, 46 percent of our solid waste is disposed of in the most polluting manner possible, by open burning. About 16 percent is disposed of by the 300 municipal incinerators in the country -- 70 percent of which lack adequate air pollution control devices. The remaining 38 percent is disposed of by landfill, composting or dumping at sea. We all know how difficult it is to find suitable and acceptable sanitary landfill sites.

The combustion of coal, oil and gas fuels by stationary sources alone -- not counting automobiles, trucks and buses -- pour forth more than 8.9 million tons of particulates into the air each year, and more than 22.9 million tons of sulphur oxides.

As for water pollution, it has been estimated by the President's Council on Recreation and Natural Beauty that the nation's power generating plants are now pouring more than 50 trillion gallons of thermally polluted water into the nation's waterways each year. By 1980, this figure is expected to rise to 100 trillion gallons a year.

In the Northeast, Great Lakes, Ohio River Basin, and Pacific Northwest regions, more than 54 million people live in areas served by combined sanitary and storm sewer systems. Each time a heavy rain falls, the flow of storm water combines with the waste water and overflows the capacity of the waste treatment plants, thus dumping the raw sewage of 54 million people into our waterways. Industries also contribute their polluted effluent into our rivers and streams.

Now this may sound like a fishy story to you, but the problem of water pollution is getting so bad I understand a school of sturgeon has filed a lawsuit against the United States because they can't have any more caviar!

In all seriousness, we simply cannot ignore the implications of these statistics. We must have greater leadership at all levels of government and in the private sector.

The Council on Environmental Quality

An important beginning has been made by the establishment of the new Council on Environmental Quality, under the distinguished chairmanship of Russell Train.

This Council has a number of important duties, including the conduct of investigations and research, the review and appraisal of federal programs, and the development of recommendations to the President of national policies designed to enhance the quality of our environment.

The same Act creating the Council also requires each Federal agency to provide statements in connection with every legislative proposal and other major federal actions on the environmental impact of the proposed action.

Speaking for the urban renewal program, I want to assure you that we are not going to treat this statutory responsibility as a paper exercise. We plan to respond in the most affirmative way possible to the spirit of the National Environmental Policy Act of 1969.

Let me discuss some of our thinking at the present time.

Description of Renewal's New Role

In order to focus our efforts, we have established a high-level task force reporting directly to me to generate ideas and develop plans and programs for mounting a sustained renewal effort in the field of environmental pollution.

Our preliminary thinking is concentrating in three general areas.

*First, the establishment of standards in cooperation with HEW and the Interior Department to help evaluate renewal project applications and govern the allocation of our resources so as to give priority to those communities that are doing the best job in meeting our national environmental pollution objectives.

*Second, the development of financial incentives where needed to help achieve desired environmental plans. Where legislation is needed, we will so recommend to the Secretary.

*Third, the development of a clearinghouse service for dissemination of information about environmental techniques and innovations that can be used throughout the nation. As part of this effort, we are considering the possibility of undertaking a national demonstration in one or more renewal

projects to create a showcase of what can be done to create pollution-free urban renewal environments.

Let me discuss each of these areas in a little more detail.

Project Evaluation Standards

The Department is giving major attention at the present time to the development of systems for evaluating the relative merits of project applications in light of important national goals and objectives.

One area in which this effort is well advanced is the establishment of a Department-wide posture on noise abatement and control. Forthcoming guidelines will establish noise exposure standards for determining the acceptability or unacceptability of proposed residential site locations in terms of the noise levels generated in the area.

As far as the renewal program is concerned, we are going to establish much closer working relationships with HEW and Interior on air and water pollution matters.

For example, we are thinking of giving weight in our evaluation of renewal applications to whether a community has been cited by a court order in the area of air or water pollution control and has failed to perform under that order.

As far as air pollution is concerned, we will be considering requirements that all new power and heating installations in renewal project areas meet the national standards promulgated by HEW for the emission of sulphur oxides and particulates.

We will be taking a very hard look in connection with each project application at whether the community permits open burning of its waste materials, and what plans it has for ceasing that practice.

The technology exists for disposing of wastes in a more pollution-free manner. In fact, it has been reported that a multi-purpose combustion unit is being developed which would not only dispose of the waste, but also make use of the heat to generate between 5 and 10 percent of the community's electric power needs, thus offsetting part of the cost of the waste disposal plant.

Many apartment house incinerators are notorious air polluters. The Bureau of Solid Waste Management of the Environmental Control Admininstration in HEW has published a manual for incinerator guidelines, which describes the present "state of the art" and outlines suitable performance characteristics for present-day incinerators. We will be working, and we will expect local agencies and private developers to be

working closely with HEW to make sure that minimal standards are met. We will also be exploring alternatives to the use of incinerators, such as compactors.

In addition to our concern for compliance with national air and water standards, we know there are many state and local pollution ordinances that are sometimes more honored in the breach than in the observance. When a local agency disposes of renewal land, it has the opportunity and the leverage to induce greater compliance with applicable state and local pollution codes. We plan to encourage maximum attention to this opportunity for achieving local pollution requirements.

Financial Incentives

We all know that pollution control costs money. We are going to take a thorough look at areas where additional renewal assistance might be needed and appropriate. Here are some ideas that have been suggested which we will be considering:

*That allowances be provided for the cost of hooking up utility lines to private residences that are removed from overhead and placed underground. In low-income neighborhoods that are entangled in overhead wires, the costs of connecting underground wires to each home can be a burden on the individual homeowners.

*That higher non-cash credits be allowed for the development of modern, centralized waste treatment systems which serve the renewal project area. At present, these facilities are not eligible.

*That direct project expenditures or non-cash credits be allowed for the installation of air pollution control devices or pollution-free systems in existing schools, hospitals, and other public buildings directly serving the renewal project.

*That direct project expenditures or non-cash credits be allowed for the acquisition of rights-of-way for future mass transit use, with the land being used in the interim for park and recreational purposes.

*That direct project expenditures be allowed for special landscaping or buffering devices on existing heavy traffic streets and highways in renewal areas to help curb noise and air pollution.

*That the cost of landscaping existing public surface parking lots be made an eligible project expenditure.

*That project costs be allowed to upgrade waste treatment plants that directly serve the project area for the difference in cost between secondary and tertiary treatment.

A Renewal Clearinghouse Service

One thing that becomes forcibly clear is that there is much that the renewal program needs to know if it is to wage a successful fight against environmental pollution.

Therefore we are considering the feasibility and desirability of establishing a renewal clearinghouse service on environmental pollution which will have a twofold purpose: (1) to gather and disseminate information, ideas and innovations existing at the local level so that everyone in the nation can benefit; and (2) to gather the latest "state of the art" information existing in other agencies at the Federal level, and funnel it to local agencies so they can make use of it.

A National Demonstration

Out of this clearinghouse effort, we hope to assemble an array of information on techniques, practices, standards and devices which, if implemented in an urban renewal project, would serve as a showcase of what can be done to create pollution-free environments.

Therefore we are considering sponsoring a national renewal demonstration to incorporate the latest and most modern

environmental standards, practices, and devices. With the results of the demonstration, we will then be in a position to develop appropriate criteria for the allocation of funds throughout the nation to meet the clearly urgent need for a pollution-free urban environment.

In carrying out this demonstration, we would do everything possible to provide appropriate assistance, necessary waivers, and expedite processing.

While the exact nature of the demonstration would have to be worked out between HUD and the participating city or cities, we anticipate that it might consider the feasibility of such things as: special air and water pollution standards; the development of a central solid waste treatment facility (perhaps like the Centralsug vacuum system in Sweden); combined utility tunnels; traffic design patterns to minimize traffic noise and pollution; total energy systems; visually attractive street furniture; rodent control programs; smoke abatement programs; special covenants governing signs and other visual eyesores; and other environmentally-oriented design features.

* * *

In conclusion, let me emphasize that we cannot possibly succeed in making renewal more responsive to the issues of environmental pollution without the interest and active cooperation of every local agency official. We do not possess all the wisdom or the capacity at the Federal level to develop good, workable programs. We are counting on you for your ideas, your interest, and your inspiration. Together, we can make the renewal program the most exciting and most important instrument in the Federal arsenal to help achieve the kind of urban environment of which we -- and our children -- can be proud.

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HUD NEWS
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WASHINGTON D.C. 20410

HUD-No. 70-370
Phone (202) 755-7327

FOR RELEASE:
Wednesday
May 27, 1970

FOURTEEN MORE CITIES NOW ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

Fourteen more flood-prone U.S. communities, including two ravaged by Hurricane Camille last year, have established their eligibility for emergency flood insurance, the U.S. Department of Housing and Urban Development announced today.

Effective May 29, 1970, flood insurance policies can be sold in Pass Christian and Gulfport, Miss.; Galveston, La Marque, Seabrook, Clear Lake City, Groves, Lakeview, and Port Arthur, Texas; Long Beach Township, Ship Bottom Borough, Surf City Borough, and Harvey Cedars Borough, N.J.; and in Pensacola Beach, Fla.

George K. Bernstein, Federal Insurance Administrator, said these additions bring the total number of eligible communities to 62. By the end of June, it is expected that as many as 130 communities will be eligible for flood insurance.

According to an estimate by the Office of Emergency Preparedness, losses in Pass Christian and Gulfport from Hurricane Camille's winds and flooding last year contributed to a total of 284 deaths and about $1.5 billion in property damages. Now, the hurricane season is approaching again.

Mr. Bernstein praised all eligible communities for pledging to adopt land use measures to alleviate future flooding and property damage. "The average annual property damage from natural disasters is currently over $1 billion," he said. "Much of this loss, as well as loss of life, could have been prevented by prudent land use and preventive measures." Although these measures will vary according to the specific nature of the flood threat and the characteristics of the particular community, they might include guiding future development away from areas of special flood hazard and setting protective construction standards such as minimum foundation and floor elevations.

He added that "lending institutions in flood-prone communities can provide a vital public service by requiring flood insurance in their mortgages, thus assuring the necessary protection and effectively spreading the insurance risk."

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The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood loss that occurs after one year from the date he became eligible.

Insurance policies will be effective immediately as issued during the first 30 days. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Property and casualty agents and brokers doing business in the various eligible areas will sell the newly available flood insurance policies. Insurance at subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 of insurance, with rates increasing according to the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, Government-subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to a $5,000 maximum.

Official maps identifying the flood hazard area in the various communities now eligible for flood insurance can be examined at the following locations:

MISSISSIPPI: Pass Christian--Mayor's Office; Gulfport--Mayor's Office.

TEXAS: Galveston--City Manager's Office; La Marque--City Clerk's Office; Seabrook--Mayor's Office; Clear Lake City--General Manager's Office, Clear Lake City Water Authority, Houston; Groves--City Manager's Office; Lakeview--Mayor's Office, Port Arthur; Port Arthur--City Manager's Office.

NEW JERSEY: Long Beach Township--Mayor's Office; Ship Bottom Borough--Mayor's Office; Surf City Borough--Borough Clerk's Office; Harvey Cedars Borough--Mayor's Office.

FLORIDA: Pensacola Beach--General Manager, Santa Rosa Island Authority.

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HUD NEWS
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WASHINGTON D.C. 20410

HUD-No. 70-373
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FOR RELEASE:
Thursday
May 28, 1970

FILE COPY

HUD MODEL CITIES CONTRACT OFFERED TO BUFFALO, N.Y.

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the offer of a $5,360,000 Model Cities contract to Buffalo, N.Y.

Buffalo will also receive support from other programs administered by HUD and by the Department of Health, Education, and Welfare, Department of Agriculture, Office of Economic Opportunity, Department of Transportation and the Law Enforcement Assistance Administration of the Department of Justice.

Today's action by Secretary Romney will enable the City to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Buffalo program.

During the planning phase, individual citizens and the private sector contributed extensively their time and efforts. Canisius College contributed time to the program and local banking institutions provided supplementary demographic data and services in electronic data processing.

Voluntary and private organizations and agencies will sponsor, administer and operate some of the first-year projects. Three projects will be sponsored by the State University of

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New York at Buffalo. Two of these projects, dealing with health, will encourage students to enter the health professions and train residents for para-professional roles in health and social work.

The Buffalo Council of Churches, active in the planning process, will assist in the development of a cook book of nutritionally balanced meals for use of families with limited budgets. Model neighborhood residents will be trained in the recreation field, and subsequently employed for Model Cities program recreation activities, by the Buffalo Young Men's Christian Association (YMCA).

The Workers' Defense League will operate two projects. Vocational job training efforts in the construction trades will be supplemented for 250 trainees per year. The second project will provide assistance to skilled plumbers and electricians in the model neighborhood to aid them in passing the City contractor's examinations in their respective areas.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the City's comprehensive plan. The plan was thoroughly studied and analyzed by both the Regional and Washington Inter-agency Review Committees representing those Federal departments and agencies with urban programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Mayor Frank A. Sedita
City Hall, Room 201
Buffalo, N.Y. 14202

Director, Jesse Nash
City Demonstration Agency
City Hall, Room 311
Buffalo, N.Y. 14202

NOTE: A summary of the Buffalo Model Cities program is available upon request to the Office of Public Affairs, U.S. Department of Housing and Urban Development, Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

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FOR IMMEDIATE RELEASE:
Tuesday
June 2, 1970

FIRST LOCAL PUBLIC BODY AUTHORIZED TO APPROVE HUD REHABILITATION LOANS

The U. S. Department of Housing and Urban Development for the first time has authorized a local public body to approve applications from owners seeking HUD loans to finance property repairs and improvements.

This change in procedure, part of a policy recently inaugurated by the Department, was made with the Redevelopment Authority of Wilkes-Barre, Pa.

In the past, all applications for these loans have been approved by the HUD Regional Office.

Lawrence M. Cox, HUD Assistant Secretary for Renewal and Housing Management, called the agreement with Wilkes-Barre "a step toward more mutual trust and respect between Federal and local officials."

He said that giving local bodies the power to make these determinations will expedite rehabilitation loans and accelerate approvals.

The new policy of decentralized authority for approval of HUD rehabilitation loans empowers the HUD Assistant Regional Administrator for Renewal Assistance to rule whether a local body is qualified to approve or disapprove rehabilitation loans. This is done on the basis of:

- The agency's ability to process rehabilitation loans
- Its understanding of HUD requirements related to rehabilitation
- Its continuing capacity to train new staff
- The size of its workload

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Authorized by Section 312 of the Housing Act of 1964, as amended, HUD rehabilitation loans finance the cost of repairs, improvements, and other related expenditures necessary to make properties conform to local codes and meet the requirements and objectives of the urban renewal plan in certain federally-assisted project areas.

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HUD NEWS
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WASHINGTON D.C. 20410

HUD No. 70-392
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FOR RELEASE:
Wednesday
June 3, 1970

FOUR MORE HOUSING PRODUCERS GET BREAKTHROUGH CONTRACTS

Four more housing producers have been awarded design and development contracts by the U. S. Department of Housing and Urban Development for prototype housing to be built under Operation BREAKTHROUGH.

The companies are: Descon/Concordia of Montreal, Canada; Shelley System of San Juan, Puerto Rico; Rouse-Wates of Columbia, Md.; and Home Building Corporation of Sedalia, Mo.

Altogether, 22 housing system producers were tentatively selected to build housing units on one or more of the 10 sites selected throughout the Nation as part of a major HUD program to solve the problems blocking large scale production of housing throughout the country. Five companies have now signed design contracts in the program.

Under the contracts, all on a cost plus fixed fee basis, the companies or groups will prepare designs, develop engineering data, and work out with the site planners final plans for construction of their models at the prototype sites to which they were assigned recently.

Following are the site assignments, type of housing units involved, and contract amounts for each of the companies:

Descon/Concordia---$530,836; Jersey City, N.J., multifamily medium and low rise housing; St. Louis, Mo., multifamily low rise housing and single family town houses.

Shelley System---$352,657; Memphis, Tenn., high rise, multifamily housing.

Rouse Wates---$273,940; St. Louis, Mo., high, medium, and low rise multifamily housing.

Home Building Corporation---$105,767; St. Louis, Mo., town houses and multifamily, low-rise housing; Macon, Ga., and Indianapolis, Ind., single family detached and town houses.

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The Descon/Concordia contract includes $110,034 for an additional task of developing an advanced construction management system, which they had included in their original proposal for their housing system.

All the companies will prepare working drawings and construction specifications for their housing systems. When this work is completed, HUD said, the housing designs are expected to be in harmony with the sites where the companies have been tentatively selected to build their prototype housing units.

Other contract signings are expected shortly, HUD said.

More than 3,000 housing units will be built under the Operation BREAKTHROUGH program.

Also under study at this time is the selection of prototype site developers who will take complete charge of site development, construction, operation of the sites, and also serve as mortgagors. Eventually, they will also lease, rent, or sell the BREAKTHROUGH housing units under instructions by HUD.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-391
Phone (202) 755-7327

FOR IMMEDIATE RELEASE:
Thursday
June 4, 1970

SIXTEEN MORE CITIES NOW ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

Sixteen more flood-prone U.S. communities, from Honolulu, Hawaii, to East Providence, R.I., have established their eligibility for emergency flood insurance, an official of the U.S. Department of Housing and Urban Development announced today.

Federal Insurance Administrator George K. Bernstein said that, effective June 5, 1970, flood insurance policies will be sold in Hilo and Honolulu, Hawaii; in Elsmere, New Castle, and Newark, Del.; in Wildwood, Barnegat Light, and Pompton Lakes, N.J.; in Kemah, Friendswood, League City, and Texas City, Texas; in Madeira Beach, Fla.; DeKalb, Ga.; Smithville, Mo.; and East Providence, R.I.

These additions bring the total number of eligible communities to 78. By the end of this month, it is expected that as many as 130 U.S. communities will be eligible for flood insurance.

The emergency flood insurance program provides coverage at federally subsidized rates even before the completion of actuarial rate-making studies which are required for the regular long range flood insurance program.

Mr. Bernstein cited the efforts of the newly eligible communities in pledging to pursue sound flood plain management and land use control. "Although prudent land use and preventive measures will vary according to the specific nature of the flood threat and the characteristics of the particular community, they might include guiding future development away from areas of special flood hazard and setting protective construction standards such as minimum foundation and floor elevations so as to reduce future flood damage."

- more -

The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood loss that occurs after one year from the date he became eligible.

Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period. Property and casualty agents and brokers doing business in the various eligible areas will sell the newly available flood insurance policies.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 of insurance, depending on the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, Government-subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to a $5,000 maximum.

Official maps identifying the flood hazard area in the various communities now eligible for flood insurance can be examined at the following locations:

HAWAII: Hilo--County of Hawaii Planning Department: Honolulu--Office of the City Clerk, City Hall

DELAWARE: Elsmere, New Castle, and Newark--County Engineering Building

NEW JERSEY: Wildwood--Office of the Treasurer; Barnegat Light--Borough Hall; Pompton Lakes--Municipal Building

TEXAS: Friendswood--City Hall; Kemah--City Hall; League City--City Hall; Texas City--Office of the Building Inspector, City Hall

FLORIDA: Madeira Beach--Office of the City Clerk, Municipal Building

GEORGIA: DeKalb--Dekalb County Planning Department

MISSOURI: Smithville--City Hall

RHODE ISLAND: East Providence--Department of Planning and Urban Development

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-395
Phone (202) 755-7327

FOR RELEASE:
Thursday
June 4, 1970

'IN-CITIES' PROJECT TO GET 400 MORE HOUSING UNITS

About 400 additional housing units will be built under the "In-Cities" Program in Miami and Metropolitan Dade County, Fla., the U. S. Department of Housing and Urban Development announced today.

HUD reported it has authorized Kaiser Engineers, prime contractor in the program, to expand its work in the Research and Development project to provide the added units through the public housing "Turnkey" programs. Under the "Turnkey" program housing is built by private firms and then purchased by the government for public housing.

The first phase of the "In-Cities" construction in Miami is now in progress with 45 units to be built by the early Fall. These units are being constructed under HUD leasing procedures on small scattered sites. The additional units will come from existing authorizations to the Dade County Housing Authority.

HUD officials said the expanded program will permit comparisons between "Turnkey" and leased public housing programs, between acquisition procedures and costs for scattered sites and larger areas, and between "Turnkey" and other home ownership programs.

Kaiser Engineers will locate and take options on the needed land, prepare specifications to be used by the Metropolitan Dade County Department of Housing and Urban Development in obtaining proposals for the construction of the housing units, assist the County in evaluating proposals, and verify the financial and operational aspects of the program as part of the In-Cities project.

This project, which has been substantially reduced from its original scope, will be concluded with the completion of the Miami/Metropolitan County activities, and preparation by the Kaiser firm of a final report and analysis of the construction activities.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-401
Phone (202) 755-7327

FOR RELEASE:
Saturday
June 6, 1970

HUD RENEWS SEATTLE MODEL CITIES CONTRACT

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the offer of a $5,215,000 contract to Seattle, Wash., for the second year of its Model Cities program.

The Secretary's action enables the City to implement the second phase of its five-year comprehensive Model Cities plan. The contract includes approval of seven new projects and activities and continuation of 33 projects and activities initiated in the first-year action phase of the program.

Seattle will also receive support from other programs administered by HUD and by the Department of Health, Education, and Welfare, Department of Agriculture, Office of Economic Opportunity, Department of Labor, the Law Enforcement Assistance Administration of the Department of Justice, Small Business Administration, the Department of Commerce's Economic Development Administration, and State, county, and local public and private resources.

The majority of the projects are designed to deal with problems in education, health, social services, and manpower and job development. A neighborhood Social Service Centers project will secure and coordinate services of approximately 15 public, private, and voluntary social agencies in the model neighborhood. A single registration system using unified forms and procedures for application, referral, and follow up will be developed and implemented under this project. The City considers this project a key element in channeling and supporting other objectives of the Seattle Model Cities program.

FILE COPY

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Seattle was selected to participate in the Model Cities program in November 1967, and subsequently received a $209,720 grant to develop a comprehensive five-year plan for a concentrated, coordinated attack on the serious social, economic, and physical problems in the model neighborhood area. On May 10, 1969, Seattle was offered a $5.2 million Model Cities contract for implementation of the first-year action phase of its program.

For further information: Mayor Wes Uhlman
City Hall
Seattle, Wash. 98122

Walter Hundley, Director
Model Cities Agency
1700 East Cherry
Seattle, Wash. 98122

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-397
Phone (202) 755-7327

FOR RELEASE:
Tuesday
June 9, 1970

'BREAKTHROUGH' WILL DEMONSTRATE TOTAL ENERGY UTILITY SYSTEMS

The U. S. Department of Housing and Urban Development is financing a demonstration of total Energy Utility Systems to provide heating, cooling and lighting, to be carried out by the National Bureau of Standards, Building Research Division. Total Energy Utility Systems to be considered will include coal, gas, electricity and oil.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, said a $218,000 interagency agreement has been negotiated with NBS to provide these advisory and operating services for housing being built under the Operation BREAKTHROUGH program. NBS will make its experimental applications of total energy utility systems on several prototype sites in the BREAKTHROUGH program which is designed to find solutions to the problems blocking large scale production of housing in the Nation.

The total energy project includes site demonstration, engineering qualification studies, and evaluation of institutional, marketing, social, economic, and environmental factors. The experimentation will be carried out through interagency cooperation and under contracts with qualified research and development, and industry organizations.

Results of this NBS research will be used to guide larger scale construction programs in the future, Mr. Finger said. The use of total energy systems as the sole source of household energy in large commercial or apartment buildings is a relatively new technology, he emphasized.

Depending on various limiting factors such as climate, adaptability of the various appliances and household mechanisms requiring power, fuel costs, and availability of other services, HUD hopes to make application in Operation BREAKTHROUGH of total energy systems which may be competitive with conventional multiple energy systems as previously used, the Assistant Secretary said.

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Under terms of the agreement, NBS will develop technical standards and assist HUD in the analysis and selection of various energy systems, the establishment of scientific laboratory, and field testing to install and evaluate the various systems at several sites.

In short, Mr. Finger said, the data sought will determine the systems' versatility, effectiveness, ease of operation for management, reliability, and economy.

The experiment is scheduled for completion about June 30, 1973. Alan R. Siegel, Director of the Office of Utilities Technology is technical representative for HUD.

P. R. Achenbach, Chief, Sensory Environment Branch, of the NBS Building Research Division, will be the Project Director for NBS.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-410
Phone (202) 755-7327

FOR RELEASE:
Wednesday
June 10, 1970

TEN MORE CITIES NOW ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

Federal Insurance Administrator George K. Bernstein of the U.S. Department of Housing and Urban Development announced today that 10 more flood-prone U.S. communities, from Anchorage, Alaska, to Key West, Fla., have established their eligibility for emergency flood insurance.

Effective June 12, 1970, flood insurance policies will be sold in Wrightsville Beach, N.C.; Cameron Parish, La.; Baton Rouge and East Baton Rouge Parish, La.; Swansea, Mass.; Anchorage, Alaska; Fairway, Kans.; Pembina, N.D.; Monroe County, Key West, and Key Colony Beach, Fla.

These additions bring the total number of eligible communities to 88. By the end of this month, it is expected that more than 130 U.S. communities will be eligible for flood insurance coverage.

The emergency flood insurance program provides coverage at federally subsidized annual rates even before the necessary actuarial rate studies are completed for the regular long range flood insurance program.

Mr. Bernstein explained that all of the eligible communities have pledged to pursue sound flood plain management and land use control. "Although prudent land use and preventive measures will vary according to the specific nature of the flood threat and the characteristics of the particular community," Mr. Bernstein said, "they might include guiding future development away from areas of special flood hazard and setting protective construction standards such as minimum foundation and floor elevations so as to reduce future flood damage."

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The National Flood Insurance Act specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood loss that occurs after one year from the date he became eligible.

Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period. Property and casualty agents and brokers doing business in the various eligible areas will sell the newly available flood insurance policies.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 of insurance, depending on the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, Government-subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to a $5,000 maximum.

Official maps identifying the flood hazard area in the various communities now eligible for flood insurance can be examined at the following locations:

NORTH CAROLINA: Wrightsville Beach--Town Hall

LOUISIANA: Cameron Parish--Office of the Parish Treasurer, Police Jury Annex
Baton Rouge and East Baton Rouge Parish--Chief Engineer, Municipal Building

MASSACHUSETTS: Swansea--Board of Selectman, Town Hall

ALASKA: Anchorage (Chester and Campbell Creeks)--Planning Department, Greater Anchorage Borough

KANSAS: Fairway--City Hall

NORTH DAKOTA: Pembina--City Hall

FLORIDA: Monroe County--Zoning Director, County Court House
Key West--City Manager, City Hall
Key Colony Beach--City Clerk

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-411
Phone (202) 755-5272

FOR RELEASE:
Wednesday
June 10, 1970

THREE MORE HOUSING PRODUCERS GET BREAKTHROUGH CONTRACTS

Three more housing producers have been awarded design and development contracts by the U. S. Department of Housing and Urban Development for prototype housing to be built under Operation BREAKTHROUGH.

These companies are: Aluminum Company of America (ALCOA), through its subsidiary, ALCOA Construction Systems, Inc., of Pittsburgh, Pa.; Keene Corporation of New York, N.Y.; and Scholz Homes, Inc. of Toledo, Ohio.

Altogether, 22 housing system producers were tentatively selected to build housing units on one or more of the 10 sites selected throughout the Nation as part of a major HUD program to solve the problems blocking large scale production of housing throughout the country. Eight companies have now signed design contracts in the program.

Under the contracts, all on a cost plus fixed fee basis, the companies or groups will prepare designs, develop engineering data, and work out with the site planners final plans for construction of their models at the prototype sites to which they were assigned recently.

Following are the site assignments, type of housing units involved, and contract amounts for each of the companies:

ALCOA---$462,068; low rise, multifamily, and town houses in both Macon, Ga., and Sacramento, Calif.

Keene Corporation---$496,700; medium and high rise multifamily in Jersey City, N.J., and low and medium rise in Seattle, Wash.

Scholz Homes, Inc.---$142,168; multifamily low rise and town houses in both Kalamazoo, Mich., and Indianapolis, Ind.

All the companies will prepare working drawings and construction specifications for their housing systems. When this work is completed, HUD said, the housing designs are expected to be in harmony with the sites where the companies have been tentatively selected to build their prototype housing units.

Other contract signings are expected shortly, HUD said.

More than 3,000 housing units will be built under the Operation BREAKTHROUGH program.

Also under study at this time is the selection of prototype site developers who will take complete charge of site development, construction, operation of the sites, and also serve as mortgagors. Eventually, they will also lease, rent, or sell the BREAKTHROUGH housing units under instructions by HUD.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-418 (Rev.)
Phone (202) 755-7174

FOR RELEASE:
Thursday
June 11, 1970

URBAN COALITION GETS GRANT FOR 'OPEN SPACE' REPORT

The U. S. Department of Housing and Urban Development today announced an $11,580 Urban Renewal Demonstration grant to the National Urban Coalition to publish a report, Open Space for Human Needs.

The report, prepared by Marcou, O'Leary and Associates in collaboration with Kevin Lynch, Marvin J. Cline, and Carl Feiss, focuses attention on small open spaces and parks in built-up areas, as an essential link in the total open space system of a metropolitan area. Some of its conclusions are that open space should be:

--designed to offer a greater stimulus and challenge to people, particularly young people in the city, going beyond the traditional formal recreation activities which often represent the preferences of planners, not users, of open space;

--designed by a process which gives greater consideration to the human needs and preferences of the diverse racial, ethnic, and age groups in the city;

--located, designed, and managed in a manner that will open up and expose the edges of the open space, increase its accessibility, and remove both the physical and psychological barriers to full participation by all of the groups in the city;

--designed as an integral part of the city, providing contrast, and opening up views which will make the structure of the city more apparent to its inhabitants.

The approach developed by the study covered two neighborhoods within Washington, D.C., Meridian Hill, and Anacostia. These case studies play particular attention to increased use accessibility and more imaginative design.

Considerable attention has been given to the conservation and formal recreation potential of open space, but little to increasing the capacity to meet diverse human needs, particularly in the center city. This report is expected to help fill the information gap in open space planning as well as to challenge previously unquestioned ideas.

- more -

For More Information:

Mr. James Bailey
The National Urban Coalition
2100 M Street, N.W.
Washington, D.C. 20037
Phone: (202) 293-7625

Project No.: D.C. D-16

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-420
Phone (202) 755-5272

FOR RELEASE:
Friday
June 12, 1970

BREAKTHROUGH AWARDS
THREE MORE CONTRACTS

Three more housing producers have been awarded design and development contracts by the U. S. Department of Housing and Urban Development for prototype housing to be built under Operation BREAKTHROUGH.

The companies are: Henry C. Beck Company of Atlanta, Ga.; Hercules, Inc. of Wilmington, Del.; and Pemtom, Inc. of Bloomington, Minn.

Altogether, 22 housing system producers were tentatively selected to build housing units on one or more of the 10 sites selected throughout the Nation as part of a major HUD program to solve the problems blocking large scale production of housing throughout the country. Eleven companies have now signed design contracts in the program.

Under the contracts, all on a cost plus fixed fee basis, the companies or groups will prepare design, develop engineering data, and work out with the site planners final plans for construction of their models at the prototype sites to which they were assigned recently.

Following are the site assignments, type of housing units involved, and contract amounts for each of the companies:

Henry C. Beck Company---$247,236; multifamily low rise in Wilmington, Del.; multifamily low rise and medium rise in Macon, Ga.

Hercules, Inc.---$332,651; multifamily low rise and town houses in Kalamazoo, Mich., and Macon, Ga.; townhouses in Wilmington, Del.

Pemtom, Inc.---$320,720; townhouses and multifamily low rise units in both Indianapolis, Ind., and Kalamazoo, Mich.

All the companies will prepare working drawings and construction specifications for their housing systems. When this work is completed, HUD said, the housing designs are expected to be in harmony with the sites where the companies have been tentatively selected to build their prototype housing units.

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Other contract signings are expected shortly, HUD said.

More than 3,000 housing units will be built under the Operation BREAKTHROUGH program.

Also under study at this time, is the selection of prototype site developers who will take complete charge of site development, construction, operation of the sites, and also serve as mortgagors. Eventually, they will also lease, rent, or sell the BREAKTHROUGH housing units under instructions by HUD.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-422
Phone (202) 755-5272

FOR RELEASE:
Friday
June 12, 1970

HUD INSURANCE OFFICIAL CALLS MEETING ON NEW FAIR PLAN REGULATIONS

Federal Insurance Administrator George K. Bernstein of the U.S. Department of Housing and Urban Development announced today the calling of a public meeting for comments and recommendations on several proposed new FAIR Plan regulations prior to their adoption.

The meeting on June 24, 1970 is open to all parties concerned about the problem of making basic property insurance more readily available in states which have adopted FAIR Plans or which have them under consideration. FAIR Plans (Fair Access to Insurance Requirements)--operated by the insurance industry, reinsured by HUD, and regulated by insurance authorities of the state governments--provide fire and extended coverage for eligible urban properties.

As published in the Federal Register on April 9, 1970, the new regulations could require significant changes in the FAIR Plan operations of a number of states. The proposed regulations include the following:

1. The addition of vandalism and malicious mischief coverage as mandatory lines to be offered by all FAIR Plans except in states where the state insurance authority certifies that the normal market is adequate.

2. A limitation on condition charges and surcharges to allow only those based on objective and identifiable physical conditions of the property.

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3. An expansion of the definition of urban area.

4. A requirement for a binder or "deemer" provision in the FAIR Plan to assure prompt coverage of properties.

5. A prohibition of automatic reinspection of properties at the time of each renewal.

6. A requirement that insurers give 30 days prior notice to insureds on cancellation or nonrenewal of coverage on any risk eligible for the FAIR Plan in order to allow sufficient time for the property owner to apply for FAIR Plan inspection and coverage.

The June 24 meeting begins at 10 a.m. in Room 2253 of HUD's Washington headquarters. Among those attending will be representatives of state insurance authorities, FAIR Plan facilities, reinsured companies, and the Advisory Board appointed under the 1968 Urban Property Protection and Reinsurance Act.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-430
Phone (202) 755-5275

FOR RELEASE:
Wednesday
June 17, 1970

WASTE DISPOSAL STUDY IS FINANCED BY HUD

New techniques to take care of solid waste material in housing will be studied in a project being financed by the U. S. Department of Housing and Urban Development.

The Department of Health, Education and Welfare will do the work under a $276,000 agreement announced today by Harold B. Finger, HUD Assistant Secretary for Research and Technology.

The HUD official said it will be a demonstration of solid waste management utility systems to provide new workable techniques for storage, collection, and processing of solid waste, by HEW's Environmental Health Services, Bureau of Solid Waste Management (BSWM). High priority will be given to health and esthetic benefits. It will provide the opportunity to experiment with techniques for separation of waste materials at the source and ideas for resource recovery and recycling.

Systems to be considered include vacuum collection systems, compactors, incineration, network collecting (including small vehicles), storage, distribution systems, specially designed containers, prepackaged refuse, pneumo-slurry systems, and on-site refuse incineration, he said.

BSWM will carry out some experimental applications of solid waste systems on several prototype sites in Operation BREAKTHROUGH, HUD's major demonstration program to find solutions to the problems blocking large scale production of housing in the Nation.

The solid waste project will include site demonstration, engineering qualification studies, and evaluation of marketing, and social, economic and environmental factors. The experimentation will be carried out through interagency cooperation and under contracts with qualified research and development, and industry organizations.

Results of this BSWM research and demonstrations effort will be used to build larger scale construction programs in the future, Mr. Finger said.

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The use of solid waste management systems in these sites will represent different types and configurations of housing, ranging from single-family houses to town houses and garden apartments to high-rise apartment houses. Each site, being different, may require a different solution to its solid waste management problems; thus, several different systems will need to be provided. In addition BSWM will examine the potential for integration of solid waste management with that of other utilities systems so that an optimum overall system can be provided, if feasible, he said.

Under terms of the agreement, BSWM will develop technical standards and assist HUD in the analysis and selection of various solid waste management systems, the establishment of laboratory and field testing to install and evaluate the various systems at several sites.

In short, Mr. Finger said, the data sought will determine the systems' versatility, effectiveness, ease of operation for management, reliability and economy.

The experiment is scheduled for completion about June 30, 1973. Alan R. Siegel, Director of the Office of Utilities Technology is technical representative for HUD.

Claude A. J. Schleyer, Chief, Systems Section, Technical Assistance and Investigation Branch, will be the Project Director for the Bureau of Solid Waste Management.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-437
Phone (202) 755-7174

FOR RELEASE:
Thursday
June 18, 1970

URBAN OBSERVATORY PROGRAM
EXTENDED FOR YEAR BY HUD

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced that funding for the Urban Observatory Program has been extended for another year.

A contract extension of $996,500 to the National League of Cities, coordinator of the program, will continue the program at its present level of funding until December 31, 1971.

Launched in January, 1969, the Urban Observatory Program establishes alliances of local government and universities to conduct research and community service activities aimed at meeting the needs of local officials. The cooperation between participating universities and local governments has permitted concentration of the broad resources of universities in seeking solutions to the physical, social and economic problems of the cities, the Secretary said.

The program includes 10 cities: Albuquerque, N.M.; Atlanta, Ga.; Baltimore, Md.; Boston, Mass.; Cleveland, Ohio; Denver, Colo.; Milwaukee, Wis.; Nashville, Tenn.; San Diego, Calif.; and both Kansas City, Mo., and Kansas City, Kans., which are working together as a single observatory.

In addition to HUD funds for the Urban Observatory Program, support is provided by the U. S. Office of Education through Title I of the Higher Education Act and also by matching local contributions for the participating cities and universities.

Dr. York Wilbern, Professor of Government and Chairman of the Committee on Urban Studies at Indiana University in Bloomington, will continue as the project supervisor for the National League of Cities.

For further information: Mr. Patrick Healy
Executive Director
National League of Cities, Rm. 600
1612 K St., N.W.
Washington, D.C. 20006

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

REMARKS

BY

LAWRENCE M. COX
Assistant Secretary for Renewal and Housing Management
U. S. Department of Housing and Urban Development

NATIONAL REHABILITATION TRAINING INSTITUTE
BOSTON COLLEGE, BOSTON, MASSACHUSETTS

June 22, 1970

THE PLACE OF REHABILITATION IN URBAN RENEWAL

SUMMARY

Urban renewal has a tremendous -- but to date almost totally unused -- capability to achieve volume rehabilitation where the property is owned by an absentee landlord. At the same time, urban renewal can serve as a powerful stimulus to the transfer of ownership of residential properties from absentee to resident ownership, which is vital to any long-range strategy for keeping properties well maintained and preventing the spectre of abandonment. The approach which offers this opportunity is LPA rehab -- the acquisition of properties by the LPA who would rehabilitate them and resell them.

THE PLACE OF REHABILITATION IN URBAN RENEWAL

I am glad to be here today for two reasons. First because it provides a good opportunity to pay tribute to the very important work you are doing in one of the most difficult aspects of the urban renewal process -- rehabilitation.

Second, this provides a good opportunity to share with you some of our thinking about the place of rehabilitation in urban renewal and where we should be heading.

In the early days of urban renewal, the program gained the reputation as a bulldozer operation that swept out low income families, destroyed their homes, and replaced them with luxury housing or commercial enterprises. And there is no doubt that many mistakes were made in carrying out the program at the outset to give substance to the charge.

In the early sixties, in an effort to counteract the bulldozer image of the program, a wave of enthusiasm developed for the concept of rehabilitation. Supporters saw rehabilitation as a great opportunity to upgrade deteriorated neighborhoods without creating vast problems of dislocation, and at lower cost than clearance and new construction. They also saw it as a means for creating job opportunities and community involvement which would help

strengthen the social fabric of the neighborhood.

Then came the hard realities of trying to make rehabilitation work in slum and deteriorating areas -- trying to convince skeptical absentee owners that rehabilitation would make economic sense to them, trying to convince elderly property owners to assume obligations and risks to upgrade their homes when they may no longer have the necessary motivation, trying to explain the complexities of the rehabilitation process to poorly educated families, trying to find qualified and honest contractors to do the work, trying to arrange for necessary financing from hard-nosed lenders, trying to determine the costs and economic feasibility of rehabilitation in light of the family's income, and last but not least, trying to lead the families through the labyrinth of federal rules and regulations.

To the practitioners in the field, it soon became clear that rehabilitation was a tough, painstaking and time-consuming undertaking. It became clear that in many deteriorating areas, the properties were so far gone, or the incomes so low, or the market so weak, that the arithmetic of rehabilitation simply would not add up to

a feasible operation.

Some observers have gone so far as to write rehabilitation off as having very little potential for dealing with the ills of our cities, especially in light of the levels of administrative overhead necessary to carry out a rehabilitation program on a family-by-family, or retail, basis.

Where do we stand today on the place of rehabilitation in urban renewal?

We remain strong supporters of the value and importance of rehabilitation in urban renewal undertakings. But with our eyes open.

New HUD Rehab Program

As you probably all know, the Department has launched a major new effort in the field of rehabilitation, which is designed to find ways of stimulating large-scale rehabilitation of as many as 2,500 absentee-owned residential properties in each of a number of selected cities over the next two years.

As part of this effort, HUD has issued a Request For Proposal (RFP) to select a qualified bidder who will:

1. Develop a complete, well-illustrated and practical guide or handbook on how to

carry out large-scale rehabilitation. This handbook will cover the whole range of issues involved in rehabilitation: methods and techniques for acquiring properties, methods for assessing the feasibility of rehabilitation, how to select and supervise contractors, and how to handle relocation, among other things.

2. Develop training materials and techniques of all kinds to be used to train and upgrade the skills of those groups around the country who are attempting to undertake large scale rehabilitation programs, and
3. Undertake in-depth case studies of 10 to 15 rehabilitation projects to develop information on a comparative basis on the elements of success and failure in these selected projects.

The efforts getting underway are a reflection of both the Department's commitment to rehabilitation and to a growing sophistication in getting down in a knowledgeable way to the very practical and thorny issues involved in rehabilitation.

It is worth noting that this new program represents an effort to undertake large-scale rehabilitation mostly outside of the urban renewal process.

Yet it is precisely in urban renewal and code enforcement areas where the largest amount of rehabilitation has taken place to date.

As of June 30, 1969, more than 107,000 dwelling units had been rehabilitated in urban renewal areas, and an additional 135,000 dwelling units were in the workload to be rehabilitated as of that date. A total of 129,000 more units have been rehabilitated to at least code standard through our concentrated code enforcement program, which is funded with Title I urban renewal appropriations.

As of March 1969, a total of 42,000 dwelling units had been rehabilitated through other HUD programs.

More importantly, only the urban renewal program has the capacity to deal with many of the problems which are critical to the success of rehabilitation.

Some rehabilitation efforts founder because an individual property owner doesn't want to make a substantial investment to upgrade his property unless

he is sure his neighbors will. Urban renewal provides a comprehensive plan for upgrading the entire neighborhood and has the power to acquire properties from owners unwilling or unable to rehabilitate. It also has the ability to demolish and clear dilapidated properties that are beyond repair, or properties which are a blight on the neighborhood because they are put to incompatible uses.

Some rehabilitation efforts founder because the character of the neighborhood is fundamentally deficient, because of inadequate street designs, poor water and sewer facilities, run-down schools, lack of playgrounds and other amenities necessary to maintaining viable neighborhoods. Urban renewal can provide the wherewithal to help meet these needs.

Some rehabilitation efforts founder because relocation assistance is unavailable to families displaced, either permanently or temporarily while the rehabilitation work is being undertaken. Urban renewal can provide that assistance.

Some rehabilitation efforts founder for lack of economic feasibility. Urban renewal can provide important financial

assistance to lower income families. More about this later.

The point here is that urban renewal provides the greatest range of assistance to insure the success of rehabilitation programs.

Because of the inherent actual and potential advantages of carrying out successful rehabilitation programs through the urban renewal process, it is all the more important that we give intensive thought to ways in which we can improve the capacity of the urban renewal program to carry out large-scale rehabilitation in those communities where it is needed, wanted and appropriate.

We recognize of course the important work that is being done through the concentrated code enforcement program. And we certainly need to strengthen and expand our efforts in this area. But with the limited time today, I want to address my remarks primarily to things we can do to improve our rehabilitation effort through the urban renewal process.

Whatever we do to improve rehabilitation through urban renewal, however, in no way diminishes the need and importance of our rehabilitation efforts through the concentrated code enforcement program.

IMPROVING RENEWAL'S CAPACITY FOR REHABILITATION

In my judgment, urban renewal has a tremendous -- but to date almost totally unused -- capability to achieve volume rehabilitation in two key, untouched, areas: where the property is owned by an absentee landlord, and where

resident owners find it economically infeasible to rehabilitate with either 312 rehabilitation loan or 115 grant assistance.

At the same time, urban renewal can serve as a powerful stimulus to the transfer of ownership of residential properties from absentee to resident ownership.

I cannot stress too strongly the importance of resident ownership and management of residential properties in our urban areas if we are to lessen the already deep and growing hostilities between absentee landlords and tenants, especially when the landlord is white and the tenants are black. The transfer of ownership to resident owners is also vital to any long-range strateg for keeping properties well maintained and preventing the spectre of abandonment that is with us now and may engulf us in the future when the housing market loosens up and housing choices expand for inner city residents.

As Dr. George Sternlieb of Rutgers University has noted on a number of occasions, there is a higher level of care and maintenance of property by owners who live on the premises than by absentee investor owners whose only concern is with the return on their dollar.

Incidentally, Dr. Sternlieb has developed some interesting concepts for facilitating the transfer of multiple-family units

to resident owners under an "urban homestead" approach which would provide reasonable government financing for a multi-family property to a prospective owner, with the title being transferred after an appropriate period of tenure and upon condition that the property is appropriately managed and maintained. Training programs would be devised to assist the new "homesteaders."

The point is that we can help achieve this objective right now through the urban renewal program.

LPA Rehab

The approach which offers this opportunity, but which we have not used to any significant extent to date, is LPA rehab -- the acquisition of properties by the LPA who would rehabilitate them and resell them.

So far almost all our rehabilitation efforts in urban renewal have been on a "retail" basis -- that is, working with resident owners to encourage and assist them in upgrading their own properties.

Rehabilitation has been started on only 190 units throughout the nation under the LPA rehab technique.

The main reason, of course, is that it was not until the passage of the 1968 Act that it became possible to undertake LPA rehab in volume.

Prior to the 1968 Act, LPAs were limited to a demonstration program in which they could acquire and rehabilitate for resale only 5 percent of the units in a project, or 100 units, whichever was less. Further the regulations limited rehab by the LPA to properties which could be sold for no less than the cost of acquiring and rehabilitating the properties. This left many, many units which could not meet that test of economic feasibility, because the market was such that the cost of the rehabilitation did not reflect itself in a corresponding increase in the value of the property.

Now, however, we have a much different, and more favorable, set of groundrules for undertaking LPA rehab.

The 1968 Act eliminated the demonstration aspect of the program, together with the 5 percent, or 100 unit, limitation.

More importantly, our present guidelines permit resale of properties for a price no lower than the cost of the land, plus 20 percent, plus the cost of rehabilitation. This makes many more properties available at economically feasible prices, especially when sold in conjunction with 235 and 236 financing.

So what we have here is an opportunity on the part of LPAs to acquire properties from absentee owners in renewal areas -- and many of these absentee owners would be only too happy to sell -- and to rehabilitate and resell these properties to resident owners, on condition that they occupy and, in the case of multi-family structures, to manage the property in a satisfactory manner for a reasonable number of years. We would not only be creating entreprenurial opportunities but also achieving a higher level of day-to-day management of our housing stock.

Another potential advantage of LPA rehab is the opportunity to begin doing rehab with the kind of volume that may yield considerable economies of scale.

By acquiring large numbers of properties at a time, an LPA could then contract the rehabilitation of those units out in batches to a single firm with sufficient expertise and management skill to reap the potential economies of scale that are possible. And the LPA could contract out the work in a manner designed to develop and expand minority employment opportunities.

The LPA rehab approach can also be used to great advantage with resident owners, where the rehabilitation work would not be economically feasible under Sections 115 or 312.

The problem here is to be able to resell the property back to the previous owner after the LPA has acquired and rehabbed it.

At the present time, our regulations give the previous owner no priority to repurchase a unit that the LPA has acquired from him. If our goal is to use rehabilitation for the benefit of the present residents of an urban renewal area, and if we want to preserve resident ownership wherever possible, we should be giving first priority to the previous owner upon resale of the property.

We are going to look very closely into the possibilities of revising the present policy on this point.

Another problem to the achievement of volume production through LPA rehab is the difficulty of obtaining reasonable financing -- indeed any financing at all -- to enable prospective purchasers to buy the properties that the LPA has rehabilitated.

An idea which to us deserves consideration is legislation which would permit the use of 312 loans to provide mortgage financing to new purchasers, when alternative financing is not available on reasonable terms. At the present time, would-be purchasers are dependent on conventional or FHA commitments. If FHA authorizations have been used up or committed elsewhere, the whole concept of LPA rehab is substantially reduced.

As you probably know, our proposed 1970 legislation permits the use of 312 loans for refinancing purposes. This would carry the idea a step further.

Relocation

Contrary to some of the mythology surrounding the subject of rehabilitation, one of the realities we are faced with is that intensive rehabilitation work inevitably entails relocation of the owners or tenants of the properties, at least on a temporary basis.

Obviously the greater the vacancy rate in a given community the easier it will be to undertake LPA rehab. But even where vacancy rates are low -- as they are in most cities for low and moderate income families -- volume rehab by the LPAs can be made to work.

Just as many LPAs have developed sophisticated techniques for undertaking staged clearance in a manner to minimize neighborhood dislocation, so too LPA rehab can carry out staged rehabilitation.

There are a number of techniques available to handle temporary relocation of families while their units are being rehabilitated. Vacant units can be acquired and held for use as temporary relocation resources. Mobile homes are another

possibility. With help from the city, arrangements can be made for temporary hotel accommodations. Of course, in urban renewal, moving expenses both to the temporary housing and back again are eligible for reimbursement. I might add that steps are currently underway to permit the same moving expense payments in concentrated code enforcement areas.

One of the advantages of LPA rehab with respect to relocation is that the families displaced are not faced with the problem of double housing costs. This advantage highlights, however, an important problem that exists whenever we are talking about rehabilitation involving temporary relocation under 312, 115 or other FHA assistance. The families displaced while their homes are being rehabilitated are forced to meet two housing costs -- one on the unit being rehabilitated and one for their temporary quarters. This obviously poses a serious problem for many families.

At the present time, we have no means for assisting these families to minimize the added financial burden, except for payment of moving expenses. We are examining possible remedies to this problem, either administrative or legislative.

Gearing up for volume rehabilitation

In essence, then, we have two major avenues for achieving rehabilitation through urban renewal.

The one approach is assisting individual property owners in rehabilitating their own units. This is an important dimension of our overall effort, and frankly, it is one in which we could and should be doing a better job than we have been.

The other is the new approach I have been discussing -- volume rehabilitation through LPA acquisition and resale.

This, in my judgment, is the next frontier in rehabilitation. We must begin gearing up to do both jobs more rapidly and more effectively than we have done in the past.

This training institute is a most valuable means for expanding our capacities and skills to get the job done. I am pleased to see the scope of your agenda, where you are covering such aspects as community involvement, quality control, management supervision, financing, inter-agency coordination, and techniques for scheduling and expediting the work.

For our part we are actively working at the federal level to evaluate and reshape our policies and procedures in the areas I have mentioned. At the local level, the LPAs and local agencies need to constantly upgrade your skills, and to begin organizing for undertaking volume rehab. This means new ways of doing business, new roles for the LPAs as contracting agencies, new

skills for handling the work, and higher levels of sophistication if we are to avoid the serious mistakes that a few cities have made. Let me just emphasize that if these mistakes become widespread, they could give rehabilitation a black eye and cause a crippling setback to the vital cause of upgrading and maintaining the quality of our housing stock.

In conclusion, I want to earnestly seek your advice and counsel on the ideas we have been discussing here. We need all the insight and guidance we can get if we are to make effective progress in the area of LPA rehab. There is probably more knowledge and expertise assembled here in this room than we could hope to gather in any one assembly. We hope you will let us have the benefit of it.

Thank you.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-443
Phone (202) 755-6685

FOR RELEASE:
Monday
June 22, 1970

HUD MOVES TO STREAMLINE KEY PROGRAMS AND SERVICES

Responding to a Presidential directive, the U.S. Department of Housing and Urban Development has taken steps to scrape off the administrative barnacles which have caused a drag on the delivery of HUD's programs and services to the public.

HUD Secretary George Romney announced that six key programs have been revamped to step up their efficiency and delivery time. Represented in the six are about 75 percent of the funds available to HUD for program assistance this year.

In a report to the Budget Director, Secretary Romney said special task forces zeroed in on cutting processing time, simplifying requirements, and eliminating paperwork. New approaches place greater reliance on State and local government. The Department's field structure was strengthened and more authority is being delegated to regional and sub-regional levels.

The Secretary said he was particularly pleased that a substantial number of man-years would be recaptured and used now to give greater service to communities within existing budget ceilings.

In March 1969, President Nixon ordered a review of all Federal assistance programs and called for a status report on accomplishments within the past year.

The six HUD programs studied were urban renewal, water and sewer, open space land, low rent housing, multifamily housing, and Model Cities. In his report of accomplishments, Secretary Romney listed these highlights:

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* In urban renewal, the documentation required from a city for a project's planning stage was cut in half and 40 percent of the processing steps were eliminated. This makes it possible to slash the average planning stage from 35 to 15 months. One-hundred man-years will be redirected for reassignment to other urban renewal program work.

* In water and sewer, HUD's application processing time was reduced from 32 to 11 weeks, applicants' requirements were simplified, and 10 percent of program manpower was made available for assisting communities.

* In low rent housing, application processing time was cut by 52 weeks, community requirements were lowered, and 67 man-years will be redirected for other essential low-rent program needs.

* In multifamily housing, final project reviews and fund allocations were delegated all the way down to the insuring offices, saving three weeks in pipeline time as well as savings in duplicate review time. In addition, special teams were sent to the insuring offices to help speed processing at that level.

* In Model Cities, greater coordination was achieved among Federal agencies, reviews and decisions were decentralized, community requirements were simplified, and 30 States were given grants to improve state coordination with local efforts.

A number of other related programs were merged, some were terminated as no longer essential to today's needs, and legislative proposals were submitted to achieve further consolidation and simplification.

"During the year we have restructured the Department along functional lines, established the framework for the new 10-region field pattern, and developed a new field structure which includes area offices located in population centers, offering easy access to the full scope of HUD services," Secretary Romney said in his transmittal letter.

"Our program is, of course, a long range one. We look forward to another year of continued progress."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-446
Phone (202) 755-7174

FOR RELEASE:
Monday
June 22, 1970

BREAKTHROUGH AWARDS
TWO MORE CONTRACTS

Two more housing producers have been awarded design and development contracts by the U.S. Department of Housing and Urban Development for prototype housing to be built under Operation BREAKTHROUGH.

The companies are: General Electric Company of Philadelphia, Pa.; and TRW Systems Group of Redondo Beach, Calif.

Altogether 22 housing system producers were tentatively selected to build housing units on one or more of the 10 sites selected throughout the Nation as part of a major HUD program to solve the problems blocking large scale production of housing throughout the country. Thirteen companies have now signed design contracts in the program.

Under the contracts, all on a cost plus fixed fee basis, the companies or groups will prepare designs, develop engineering data, and work out with the site planners final plans for construction of their models at the prototype sites to which they were assigned recently.

Following are the site assignments, type of housing units involved, and contract amounts for each of the companies:

General Electric Company---$368,745; garden apartments in Memphis, Tenn.; town houses in Wilmington, Del.

TRW Systems Group---$609,638; town houses in Houston, Texas; garden apartments, single family detached units in Indianapolis, Ind.; single family detached units in Sacramento, Calif.

All the companies will prepare working drawings and construction specifications for their housing systems. When this work is completed, HUD said, the housing designs are expected to be in harmony with the sites where the companies have been tentatively selected to build their prototype housing units.

Other contract signings are expected shortly, HUD said.

More than 3,000 housing units will be built under the Operation BREAKTHROUGH program.

Also under study at this time, is the selection of prototype site developers who will take complete charge of site development, construction, operation of the sites, and also serve as mortgagors. Eventually, they will also lease, rent, or sell the BREAKTHROUGH housing units under instruction by HUD.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-452
Phone (202) 755-7174

FOR RELEASE:
Wednesday
June 24, 1970

HUD DEMONSTRATION GRANT AIDS BOSTON REHABILITATION

The U. S. Department of Housing and Urban Development has awarded a $253,234 Urban Renewal Demonstration Grant to the Low-Cost Housing Corporation in Boston, Mass., to assist it in carrying out a program of residential rehabilitation.

The Low-Cost Housing Corporation will rehabilitate residential structures for low-income families in the South End of Boston. In doing so, it will employ disadvantaged minority youths in housing rehabilitation, and encourage potential tenants and owners to participate in the rehabilitation process on a volunteer basis and thereby gain home maintenance skills.

The project is being implemented with the cooperation of the Boston Redevelopment Authority which will provide the structures to be rehabilitated.

Volunteers from the suburbs and inner-city are used in housing rehabilitation not only to reduce costs, but also to improve understanding between suburban and inner-city groups. The Low-Cost Housing Corporation has been encouraging such volunteers since 1968, officials said.

Several local organizations are cooperating with and providing continuing support for the Corporation's housing programs. These organizations include the Committee of the Permanent Charity, the Christian Science Monitor, the Urban League of Greater Boston, and the Boston Urban Coalition. Many churches, civic groups, and individuals have given financial contributions and provided volunteer work.

For further information:

Mr. Rutledge Waker
Executive Director
Low-Cost Housing Corporation
162 West Concord St.
Boston, Mass. 02118
Phone: (617) 262-6714

PROJECT NO.: Mass. D-8

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-454
Phone (202) 755-7174

FOR RELEASE:
Wednesday
June 24, 1970

SHAW UNIVERSITY GETS HUD CONTRACT TO DEVELOP TRAINING MATERIALS

The U.S. Department of Housing and Urban Development has awarded a $75,000 contract to Shaw University, Raleigh, N.C., to develop training materials for personnel in community development programs.

Shaw, one of the Nation's leading Black universities, was one of three successful bidders of more than 50 applicants. The other two contracts went to Temple University, Philadelphia, Pa., and, Training, Research and Development, Inc., Washington, D.C., for $25,000 and $31,000, respectively.

Announcing the award today at Shaw, Samuel C. Jackson, HUD Assistant Secretary for Metropolitan Planning and Development, said, "HUD aid for development of new techniques and training for personnel in community-oriented programs will lead to more effective response to the critical human as well as physical ills in communities across the Nation."

He applauded the "innovative and imaginative" approach to training contained in the Shaw proposal, which involves a "three-dimensional" training program in the fields of social services aide, services expediter and public planning.

For each field, the University will conduct detailed analyses of the jobs as they are performed in a variety of settings, develop a series of job descriptions, create appropriate career ladders for employees in or entering the field, and produce three interrelated training programs.

The basic training program in each field will be designed to prepare an individual for full-time employment at sub-professional or paraprofessional levels.

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The second program will be designed to provide supervisors with the special knowledge and understanding needed to successfully utilize and supervise the trainees.

The third program will be designed to provide for the training of additional instructors for both the basic and specialized training.

States participating in the HUD-funded Community Development Training Program, which Mr. Jackson administers, will receive complete sets of material to be used in conducting their own training.

It is expected that during the first year of use, the material will result in the training of 1,500 to 2,000 trainees, 600 to 800 supervisors, and 80 to 100 future trainers.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-467
Phone (202) 755-7174

FOR RELEASE:
Tuesday
June 30, 1970

GRADUATE FELLOWSHIPS IN URBAN STUDIES AWARDED 101 STUDENTS AT 47 UNIVERSITIES

George Romney, Secretary of Housing and Urban Development, today announced the award of graduate fellowships in urban studies to 101 students at 47 institutions of higher education in 30 States and the District of Columbia.

Among the successful candidates are 35 recipients of fellowships awarded last year. These renewals will permit the candidates to complete their programs of study. Approximately 1,200 applications were received for the 67 new awards that were available this year.

Secretary Romney said that "HUD regards the Urban Studies Fellowship Program as an important component in the development of a skilled, professional manpower base to meet the Nation's urban needs, and as a means for increasing the number of minority group members in urban professions."

Of the 101 Fellows, over 43 percent are minority group members, including Negroes, Spanish-Americans, Mexican-Americans, American Indians, and Oriental-Americans.

Fellowships in a wide range of urban-related fields of graduate study are made available to qualified students preparing for careers in the urban public service. Students selected receive grants up to $3,000 for a year of study, plus $500 for each dependent up to two. A cost-of-education allowance in the amount of tuition and fees is paid directly to institutions at which the Fellows are studying.

Students pursue full-time degree work in programs concerned with the social, economic, and physical development of modern cities, with emphasis on the coordination of all aspects of community development.

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The fellowships make up the fourth group of awards made under HUD's Urban Studies Fellowship Program authorized by Title VIII of the Housing Act of 1964.

Following are the HUD Fellows, their home addresses, and the institutions they will attend during the 1970-71 academic year:

ARIZONA

Phoenix--David S. Levine, 1030 E. Bethany Home Rd.; Princeton U.

CALIFORNIA

Encino--Perla R. Eston, 15515 Meadowgate Rd.; U. of California, Berkeley
Granada Hills--Gregory J. Kermgard, 16841 Bircher St.; Syracuse U.
Lamirada--Ronald R. Gastelum, 15616 Olive Branch Dr.; U. of California, Los Angeles.
Los Angeles--Kenneth E. Ford, 1937 Corning St.; U. of Southern California
Los Angeles--Marien A. Spinrad, 2448 Vasanta Way; U. of California, Los Angeles.
Los Angeles--Barbara J. Williams, 514 Kelton Ave.; U. of California, Los Angeles.
National City--Alex J. Torres, 1931 Wilson Ave.; U.S. International University.
Oakland--Leonard A. Banda, 502 Fairbanks; U. of California, Berkeley.
Oakland--John H. Warren, 212 Bywood Dr.; U. of North Carolina.
Palo Alto--Neil S. Mayer, 2211 Carleton; U. of California, Berkeley.
Salinas--Fernando M. Torres--Gil, 39 Hacienda Pl.; Brandeis U.
San Diego--Joseph T. Flynn, 3503 Crowell; San Diego State College.
San Diego--Steven R. Rikala, 153 Park Ave.; U. of Wisconsin.

COLORADO

Denver--Kathleen M. Connell, 1677 Oneida; U. of Pittsburgh
Denver--George H. Turner, 2971 Newport St.; U. of Denver

CONNECTICUT

Danbury--David L. Kirkland, 10 Starr Rd.; U. of North Carolina

DISTRICT OF COLUMBIA

Washington--Maxin A. Bigby, 1505 D St., N.E.; Syracuse U.
Washington--Jewel D. Griggs, 2006 Kearney St., N.E.; Yale U.
Washington--Dietra I. Leake, 5344 Central Ave., S.E.; Boston U.

FLORIDA

Opa Locka--Charles C. Stafford, 15830 Bunche Park School Dr.; Florida State U.
Tallahassee--Bernard R. Hyde, 546-1/2 Whitehall St.; Florida State U.

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GEORGIA

Macon--John A. Bell, 2512 Delaware Ave.; Georgia State U.
Macon--Edward L. Prince, 1015 Adams St.; Georgia State U.

HAWAII

Honolulu--Dennis S.Q. Kim, 2076 Mott-Smith Dr.; Michigan State U.
Honolulu--Gregory A. Kamm, 1310 Center St.; U. of Hawaii

ILLINOIS

Chicago--Freddie L. Bonner, 900 W. Belden Ave.; U. of Chicago
Chicago--James H. Dawkins, 10022 S. Prairie Ave.; U. of Chicago
Chicago--Greggory W. Morris, 7314 S. Morgan St.; Cornell U.
Chicago--Mary V. Whalen, 1439 W. Roscoe; Loyola U.
White Hall-James W. Piper, 323 S. Main St.; U. of Colorado

INDIANA

Ft. Wayne--Sheddrick Mitchell, 1218 Summit St.; American U.

IOWA

Adel--Lance S. Clarke, 207 N. 15th St.; U. of Colorado
Shell Rock--Philip A. Leone, Box 68; Virginia Polytechnic Inst.

KENTUCKY

Covington--Joseph U. Meyer, 2801 Indiana Ave.; St. Louis U.

LOUISIANA

New Orleans--Ronald C. Davis, 6234 Providence Pl.; Yale U.

MARYLAND

Baltimore--Elbert R. Bishop, 3601 Wabash Ave.; Harvard U.
Baltimore--Ronald J. Doswell, 2531 Kirk Ave.; Howard U.
Baltimore--Portia A. Smith, 3009 Hanlon Ave.; Massachusetts Inst. of Technology
Silver Spring--Lorraine E. Levinson, 11009 Inwood Ave.; Massachusetts Inst., of Technology
Silver Spring--Joseph D. Russo, 8011 Eastern Ave.; George Washington U.

MASSACHUSETTS

Cambridge--John F. Beatty, 98 Larch Rd.; Harvard U.
Cambridge--Joseph H. Brevard, 35 Oulton St.; Massachusetts Inst. of Technology
Cambridge--Bruce T. Tsuchida, 32 Cogswell Ave.; Harvard U.
Needham--Kathleen E. Stein, 167 Fisher St.; U. of North Carolina
Newton Highlands--Alfred D. Smith, 1139 Beacon St.; Boston College
Wakefield--Richard A. Ungerer, 68 Preston St.; Boston College

- more -

MICHIGAN

Ann Arbor--Angella P. Current, 1131 Neilson Court; U. of Michigan
Detroit--Thomas H. Randolph, 70 W. Alexandria St.; Wayne State U.
Detroit--Paul E. Reehil, 7306 Thatcher; U. of Detroit
Detroit--Sherry A. Suttles, 15536 Normandy St.; U. of Michigan

MINNESOTA

Anoka--Robert W. Kirchner, 2920 - 9th Ave., N.; U. of Minnesota
Minneapolis--Susan M. Caspers, 4635 Casco Ave.; U. of Wisconsin
Minneapolis--Edwina L. Hertzberg, 1950 Kenwood Pkwy.; U. of Minnesota
St. Paul--Willie Mae C. Wilson, 168 N. Lexington Pkwy.; U. of Minnesota

MISSISSIPPI

Houston--David Ray Vickery, 243 Pontotoc; Massachusetts Inst. of Technology

MISSOURI

Ladue--Henry S. Allen, 12 Fleetwood Dr.; Cornell U.
St. Louis--Barbara K.W. Allen, 10610 Bellefontaine Rd.; U. of Iowa

NEW JERSEY

Maywood--Thomas J. O'Brien, 36 Cedar Ave.; U. of North Carolina
Newark--Donald Bernard, 133 - 11th Ave.; U. of North Carolina
Princeton--David A. Witcher, 505 West Dr.; Princeton U.

NEW MEXICO

Dulce--Richard H. Tecube, P.O. Box 117; U. of Washington

NEW YORK

Bronx--Joan Moskowitz, 2078 Creston Ave.; Boston U.
Bronx--Harry J. Quintana, 1800 Bryant Ave.; Columbia U.
East Aurora--April L. Young, 750 Oakwood Ave.; Columbia U.
Flushing--Sam Black, 138-08 Jewel Ave.; Massachusetts Inst. of Technology
Ithaca--Stephen M. Snyder, Pleasant Grove Apts.; Cornell U.
Merrick--James C. Lynn, 164 Elsie Ave.; U. of North Carolina
New York--Margaret M. O'Brien, 173 Bleeker St.; Hunter College
New York--Rodica B. Seward, 340 E. 80th St.; Columbia U.
Rye--Kenny Johnson, Barlow Lane; Yale U.
Rye--Jennifer P. Silver, 5 Woodland Dr.; Loyola U.
Vestal--Robert P. Jones, 109 Charles St.; American U.

NORTH CAROLINA

Chapel Hill--Susan W. Cheek, Rte. 4, Box 412; American U.
Chapel Hill--Edward Symes III, Old Oxford Rd.; U. of North Carolina
Durham--Howard J. Stanback, 2401 Red Oak Ave.; Case-Western Reserve U.

- more -

OHIO

Centerville--Daniel F. Durig, 160 E. Alex-Bellbrook Rd.; U. of Kansas
Cincinnati--Robert R. McCabe, P.O. Box 522; U. of Cincinnati
Dayton--Samuel D. Burns, 2008 LaGrange; U. of Pennsylvania
Fairborn--Gary L. Hunt, 57 Blossom Court; U. of Kansas
Lorain--James B. Hudak, 1161 - 8th St.; U. of Michigan

OKLAHOMA

Muskogee-Thomas M. Crossland, 1128 E. Aberdeen Dr.; U. of Oklahoma
Norman--Thomas A. Baldwin, 2736 Ryan; U. of California, Berkeley
Pauls Valley--Ray E. Willis, 415 N. Hickory; Kansas State U.

PENNSYLVANIA

Allentown--Melvin B. Hill Jr., 2018 Bert Lane; Cornell U.
Philadelphia--Robert S. Berry, 18th and The Parkway; Princeton U.
Philadelphia--Cheryl M. Miller, 4318 Reno St.; Massachusetts Inst. of Technology
York--William J. Conn, 453 Carlisle Ave.; Pennsylvania State U.

PUERTO RICO

Santurce--Caesar Rosado, P.O. Box 8795, Fernandez Juncos Station, U. of Puerto Rico

SOUTH CAROLINA

Georgetown--Carla J. Smalls, 409 Orange St.; U. of South Carolina

TEXAS

El Paso--Emilio A. Escudero, 1014 N. Virginia; U. of California, Berkeley
Kingshill--Roland Castaneda, 320 W. Nettie; Harvard U.
Laredo--Ernesto J. Pena, 1701 Guerrero St.; Columbia U.

WASHINGTON

Bremerton--John E. Graham Jr., Rte. 7, Box 1279; U. of Washington
Olympia--Roland J. Cole, 2917 S.E. 30th St.; Harvard U.
Seattle--Roger W. Black, 6202 N.E. Radford Dr.; U. of Washington
Seattle--Frank L. Doolittle, 6138 N.E. Radford Dr.; U. of Washington
Tacoma--James B. Stanton, 2218 S. 25th St.; U. of Washington

WISCONSIN

Menasha--Patrick L. Kenny, 752 Warsaw St.; U. of Michigan
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GR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-470
Phone (202) 755-7174

FOR RELEASE:
Saturday-Sunday
June 27-28, 1970

COLLEGE HOUSING FUND RESERVATIONS ANNOUNCED BY SECRETARY ROMNEY

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced fund reservations under the College Housing Loan Program which will support construction of nearly $250 million in college housing and dining facilities.

Additional debt service grant reservations are expected after Congressional approval of HUD supplemental appropriations. Total HUD assistance will support about 37,000 student housing units and 50,000 dining spaces.

Today's action involves reservations for 62 direct loans to educational and medical teaching institutions totaling $53,657,000 and reservations for 107 debt service grants amounting to $6,494,080.

The debt service grants are annual payments for up to 40 years and will support the construction of $189,365,000 in housing, dining facilities and student unions.

Under the debt service grant program, the annual payments represent the difference between the market interest rate on a private loan and that which would be required to amortize a direct Federal loan.

For example, University A goes into the private market and borrows for the construction of housing facilities. Over a 40-year period, the interest and principal payments would amount to $45,000 a year. If the University had received a Federal loan, its payments would have been $23,000. Under the debt service program, HUD provides the University with $22,000 a year -- the difference between the private loan amortization cost and the annual payments under the direct Federal loan.

- more -

In the direct loan program, HUD provides the entire loan to the institution, which repays the loan at 3 percent interest for a period of up to 40 years.

Since the first loan was approved in August 1951, HUD and its predecessor agencies have made 3,236 loans amounting to more than $3.6 billion and providing accommodations for nearly 850,000 students.

The institutions receiving the direct loan and debt service grant reservations are attached.

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To Accompany HUD-No. 70-470

ALABAMA

Direct Loan Reservation

Birmingham--Samford University, $1,000,000, addition to Student Union.
Talladaga--Talladega College, $515,000, dormitory for 54 men, 116 women.

Debt Service Grant Reservations:

Gadsden--Gadsden State Junior College, $68,800 (to support loan of $2,085,000), student center with dining facilities for 2,400 students and dormitory for 124 men, 100 women.
Montgomery--Alabama State University, $59,100 (to support loan of $1,790,000), dormitory for 202 women, dining hall addition, renovation of existing dormitory for 192 women.
Montgomery--Auburn University, $29,700 (to support loan of $900,000), student union.
Normal--Alabama Agricultural & Mechanical University, $57,700 (to support loan of $1,750,000), two dormitories for 152 women, 163 men.

ARIZONA

Direct Loan Reservation:

Flagstaff--Navajo Community College, $530,000, dining facilities for 500 students.

ARKANSAS

Debt Service Grant Reservation:

Jonesboro--Arkansas State University, $10,400 (to support $314,000 loan), student union addition.

CALIFORNIA

Direct Loan Reservations:

Azusa--Azusa Pacific College, $571,000, 42 apartments for married students.
Los Angeles--University Cooperative Housing Association, $2,289,000, housing for 132 men, 132 women, and dining facilities for 472 at UCLA.
Los Angeles--White Memorial Medical Center, $1,772,000, housing for 50 student nurses and 75 married students and interns.
Sacramento--University of Pacific, McGeorge Law School, $585,000, housing for 54 single men, 3 single women, 12 married student families.
St. Mary's College--St. Mary's College, $919,000, student union.

Debt Service Grant Reservations:

Fresno--Fresno State College, $50,800 (to support $1,540,000 loan), residence dining facility for 2,000 students.

Los Angeles--Los Angeles State College, $108,900 (to support $3,300,000 loan), student union.
Northridge--San Fernando Valley State College, $27,700 (to support $840,000 loan), dining facility for 1,200 students.
Quincy--Peralta Junior College District, Feather River College, $16,500 (to support $500,000 loan), housing for 96 single men, 96 single women.
Rocklin--Sierra Junior College, $18,400 (to support $558,000 loan), addition to student union.
Rohmert Park--Sonoma State College, $71,400 (to support a $2,163,000 loan), dormitory complex for 400 men, dining facility for 800.
Sacramento--Sacramento State College, $105,600 (to support a loan of $3,200,000), housing for 386 single women, dining facilities for 1,100.
Santa Rosa--Santa Rose Junior College, $12,800 (to support a $388,000 loan), rehabilitation of student union.
Stanford--Leland Stanford Jr. University, $185,100 (to support a $3,630,000 loan), apartments for 208 married student families.
Susanville--Lessen Junior Collebe, $12,200 (to support a $370,000 loan), a student center.
Tulare--Stanislaus State College, $42,600 (to support a $1,291,000 loan), housing for 200 single men, 200 single women.

COLORADO

Debt Service Grant Reservation:

Durango--Ft. Lewis College, $16,500 (to support a $500,000 loan), dormitory to house 99 single women.

CONNECTICUT

Debt Service Grant Reservation:

Middletown--Wesleyan University, $84,600 (to support a $1,658,000 loan), housing for 131 student families.

FLORIDA

Direct Loan Reservation:

Jacksonville--Edward Waters College, $475,000, student union.

Debt Service Grant Reservations:

Daytona Beach--Bethune-Cookman College, $38,500 (to support $755,000 loan), dormitory for 198 women.
Gainesville--University of Florida, $95,100 (to support $2,880,000 loan), apartment complex for 222 married student families.

GEORGIA

Debt Service Grant Reservations:

Douglas--South Georgia College, $28,700 (to support $870,000 loan), dormitory for 300 men.

Tifton--Abraham Baldwin Agricultural College, $39,600 (to support $1,200,000 loan), dormitory for 200 women.

HAWAII

Debt Service Grant Reservation:

Honolulu--University of Hawaii, $99,000 (to support $3,000,000 loan), dormitory for 250 men, 250 women, and dining facilities for 500.

IDAHO

Direct Loan Reservation:

Caldwell--College of Idaho, $627,000, dining facilities for 885 students.

Debt Service Grant Reservation:

Boise--Boise State College, $94,300 (to support $2,858,000 loan), housing for 450 single women and dining facilities for 800.

ILLINOIS

Direct Loan Reservations:

Lincoln--Lincoln College, $215,000, addition to dormitory for 46 men.
Lombard--National College of Chiropractic, $530,000, apartments for 28 married student families.
River Forest--Concordia Teachers College, $1,585,000, student union.

INDIANA

Direct Loan Reservations:

Anderson--Anderson College, $380,000 student center addition.
Franklin--Franklin College, $135,000, housing for 48 men, 48 women.

Debt Service Grant Reservations:

Ft. Wayne--Purdue University, $99,000 (to support $3,000,000 loan), student union.
Terre Haute--Indiana State University, $90,700 (to support $2,750,000 loan), addition to and remodeling of student union.

IOWA

Direct Loan Reservations:

Decorah--Luther College, $260,000 apartments for 24 student families.
Esterville-Iowa Lakes Foundation Inc., Iowa Lakes Community College, $695,000, dormitories for 56 men, 56 women, and dining hall for 300.
Iowa Falls--Ellsworth Dormitories Inc., Ellsworth College, $780,000, dormitory for 200 men.

Mason City--North Iowa Area Community College Dormitories Inc., Northern Iowa Area Community College, $1,640,000, residence halls for 80 men.
Pella--Central University, $880,000, dormitory for 144 men.

KANSAS

Direct Loan Reservation:

Olathe--Mid-America Nazarene College, $525,000, dormitory for 104 men.

Debt Service Grant Reservations:

Hutchinson--Hutchinson Community Junior College, $16,500 (to support $500,000 loan), dormitory addition to house 100 women.
Lawrence--University of Kansas, $99,000 (to support $3,000,000 loan), student health facility with 42 beds and outpatient facilities.

KENTUCKY

Direct Loan Reservation:

Georgetown--Georgetown College, $1,105,000, dormitories for 164 students.

Debt Service Grant Reservation:

Richmond--Eastern Kentucky University, $29,000 (to support $880,000 loan), apartments for 54 married student families.

MAINE

Direct Loan Reservation:

Biddeford--St. Francis College, $690,000, student union.

Debt Service Grant Reservation:

Castine--Maine Maritime Academy, $15,700 (to support $475,000 loan), dormitory for 165 men.

MARYLAND

Debt Service Grant Reservation:

Frostburg--Frostburg State College, $58,600 (to support $1,775,000 loan), college union building.

MASSACHUSETTS

Direct Loan Reservations:

Amherst--Hampshire College, $2,900,000, dormitory for 151 men, 151 women, and student union.

Auburndale--Lasell Junior College, $1,005,000, dormitory for 150 women.
Worcester--Assumption College, $378,000, dormitory for 50 women.

Debt Service Grant Reservations:

Boston--Wentworth Institute, $49,500 (to support $1,500,000 loan), dormitory for 220 men.
Framingham--Framingham State College, $65,900 (to support $1,993,000 loan), dormitory for 416 women.
Lowell--Lowell Technological Institute, $99,000 (to support $3,000,000 loan), dormitory for 570 men.
Medford--Tufts College, $105,600 (to support $3,200,000 loan), housing for 168 student families.

MICHIGAN

Direct Loan Reservations:

Detroit--St. John Hospital, $870,000, purchase and rehabilitation of apartments for 48 interns or residents.
Holland--Hope College, $395,000,apartments for 44 men, 44 women.

Debt Service Grant Reservations:

Ann Arbor--University of Michigan, $115,800 (to support loan for $3,510,000), housing for 224 student and faculty families.
Bloomfield Hills--Oakland Community College, $33,700 (to support $1,020,000 loan), student union.
Kalamazoo--Western Michigan University, $52,800, apartments for 108 student families.
Sault Ste. Marie--Lake Superior State College, $44,200 (to support $1,340,000 loan), dormitory for 280 men, 80 women, and dining facility.

MINNESOTA

Direct Loan Reservation:

Minneapolis--Northwestern Hospital, $155,000, purchase of apartments for 17 interns or residents.

Debt Service Grant Reservations:

Bemidji--Bemidji State College, $47,500 (to support $1,440,000 loan), student union addition.
Duluth--University of Minnesota, $21,400 (to support $650,000 loan), dormitory for 400 students.
Duluth--University of Minnesota, $82,500 (to support $2,500,000 loan), food service facility for 522 and student center addition.
Marshall--Southwest Minnesota State College, $45,700 (to support $1,385,000 loan), student union.
Moorhead--Moorhead State College, $56,100 (to support $1,700,000 loan), student union addition.
Morris--University of Minnesota, $50,200 (to support $1,520,000 loan), dormitory for 284 students.

St. Cloud--St. Cloud State College, $61,900 (to support $1,875,000 loan), student union addition.
St. Paul--Macalester College, $61,700 (to support $1,210,000 loan), apartments for 160 students.

MISSISSIPPI

Direct Loan Reservation:

Lexington--Saints Junior College, $175,000, dormitories for 52 men, 52 women.

Debt Service Grant Reservations:

Booneville--Northeast Mississippi Junior College, $36,800 (to support $1,115,000 loan), student union and renovation of dining hall.
Senatobia--Northwest Mississippi Junior College, $11,200 (to support $340,000 loan), apartments for 24 married student families.

MISSOURI

Direct Loan Reservation:

Springfield--Evangel College, $824,000, dormitory for 216 men.

Debt Service Grant Reservations:

Columbia--Stephens College, $116,280 (to support $2,280,000 loan), student union.
Kansas City--Research Hospital and Medical Center, $49,900 (to support $979,000 loan), dormitory addition for 192 student nurses.
Rolla--University of Missouri, $49,500 (to support $1,500,000 loan), student union addition.

NEBRASKA

Direct Loan Reservation:

York--York College, $375,000, dormitory for 60 men.

NEW HAMPSHIRE

Direct Loan Reservations:

Center Harbor--Belknap College, $563,000, dormitory for 81 men.
Keene--Elliot Community Hospital, $693,000, dormitory for 78 women, 6 men.

NEW JERSEY

Direct Loan Reservation:

Madison--Drew University, $1,365,000, dormitory-apartment complex for 78 men, 78 women and 24 families.

Debt Service Grant Reservations:

Upper Montclair--Montclair State College, $113,800 (to support $3,450,000 loan), combination student union and dinning hall.
Wayne--Paterson State College, $113,800 (to support $3,450,000 loan), combination student union and dining hall.

NEW YORK

Direct Loan Reservations:

Keuka Park--Keuka College, $831,000, dining hall addition, student activities complex.
Oakdale--Dowling College, $1,399,000, dormitories for 100 men, 100 women.

Debt Service Grant Reservations:

Alfred--State University Agricultural & Technical College, $76,700 (to support $2,323,000 addition), dormitory for 405 women.
Binghamton--State University of New York, $99,000 (to support $3,000,000 loan), dormitories for 1,023 men.
Cortland--State University of New York, $99,000 (to support $3,000,000 loan), dormitory for 512 women and 257-seat dining facility.
Geneseo--State University of New York, $99,000 (to support $3,000,000 loan), dormitories for 419 men, 431 women.
New Hyde Park--Long Island Jewish Medical Center, $146,400 (to support $2,870,000 loan), housing for 140 interns and residents.
New York--Fordham University, $99,000 (to support $3,000,000 loan), dormitory for 258 men, 258 women.
New York--New York University, $99,000 (to support $3,000,000 loan), residence hall for 381 men.
Plattsburgh--State University of New York, $99,000 (to support $3,000,000 loan), dormitories for 409 men, 409 women.
Potsdam--State University of New York, $99,000 (to support $3,000,000 loan), dormitory for 806 men and dining facility seating 550.
Purchase--State University of New York, $99,000 (to support $3,000,000 loan), dormitory for 800 men.

NORTH CAROLINA

Direct Loan Reservations:

Buies Creek--Campbell College, $1,900,000, apartments for 16 faculty families, dormitory for 375 men and addition to dining hall.
High Point--High Point College, $750,000, addition to and renovation of student union.
Kittrell--Kittrell College, $425,000, dormitory for 48 men, 41 women.
Louisburg--Louisburg College, $500,000, dormitory for 96 men.
Rocky Mount--North Carolina Wesleyan College, $510,000, dormitory for 60 men, 60 women.
Salisbury--Livingstone College, $715,000, dormitory for 160 men and 18-bed health center.

Debt Service Grant Reservations:

Boone--Appalachian State University, $52,800 (to support $1,600,000 loan), apartments for 103 married student families.
Fayetteville--Fayetteville State University, $19,800 (to support $600,000 loan), student union.
Greensboro--North Carolina Agricultural & Technical State University, $49,500 (to support $1,500,000 loan), cafeteria.
Greensboro--University of North Carolina, $77,200 (to support $2,340,000 loan), dormitories for 300 men, 300 women.
Greenville--East Carolina University, $84,100 (to support $2,550,000 loan), student union.
Pembroke--Pembroke State University, $25,700 (to support $780,000 loan), dormitory for 200 women.

NORTH DAKOTA

Debt Service Grant Reservations:

Fargo--North Dakota State University, $49,500 (to support $2,500,000 loan), dormitory for 272 men.
Wahpeton--North Dakota State School of Science, $29,700 (to support $900,000 loan), residence hall and addition for 218 women.
Williston--University of North Dakota, $15,800 (to support $480,000 loan), dormitory for 98 women.

OHIO

Direct Loan Reservation:

Wilberforce--Wilberforce University, $1,115,000, dormitory for 148 men.

Debt Service Grant Reservation:

Akron--University of Akron, $51,500 (to support $1,560,000 loan), student center expansion and remodeling.

OKLAHOMA

Direct Loan Reservation:

Oklahoma City--Southwestern College, $480,000, student union.

Debt Service Grant Reservations:

Midwest City--Oscar Rose Junior College, $16,500 (to support $500,000 loan), student union.
Seminole--Seminole Junior College, $11,500 (to support $348,000 loan), student union.

OREGON

Direct Loan Reservations:

Astoria--Adult Student Housing Inc., Clatsop Collebe, $1,008,000, apartments for 100 students and student families.
Corvallis--Co-Resident Women Inc., Oregon State University, $414,000, cooperative house for 50 men, 50 women.
Gresham--Adult Student Housing Inc., Mt. Hood College, $1,603,000, apartments for 150 student families and single students.
Portland--Portland Student Services Inc., Portland State University, $2,998,000, housing for 220 student families.

Debt Service Grant Reservation:

LaGrande--Eastern Oregon College, $65,300 (to support $1,980,000 loan), college center, including centralized food service.

PENNSYLVANIA

Direct Loan Reservations:

Annville--Lebanon Valley College, $905,000, dormitory for 126 women.
Coraopolis--Robert Morris College, $2,030,000, dormitory for 186 men, 146 women, and 10-bed infirmary.
Dallas--College Misericordia, $965,000, dormitory for 200 women and 10-bed infirmary.

Debt Service Grant Reservations:

Schuylkill Haven--Pennsylvania State University, $68,600 (to support $2,000,000 loan), dormitory for 104 men, 104 women and dining facilities.
Williamsport--Williamsport Area Community College, $89,400 (to support $2,710,000 loan), dormitory for 326 men, 326 women and dining facilities.

PUERTO RICO

Debt Service Grant Reservation:

Mayaguez--University of Puerto Rico, $92,900 (to support $2,814,000 loan), housing for 480 students.

RHODE ISLAND

Direct Loan Reservation:

Bristol--Rogert Williams College, $745,000, student center.

Debt Service Grant Reservations:

Kingston--University of Rhode Island, $39,000 (to support $1,181,000 loan), housing for 100 student families.

Providence--Bryant College of Business Administration, $61,400 (to support $1,860,000 loan), student union and dining facilities.

SOUTH CAROLINA

Direct Loan Reservations:

Charleston--Palmer College, $165,000, housing for 45 men.
Charleston--Palmer College, $425,000, dormitory for 48 men, 72 women.

Debt Service Grant Reservations:

Columbia--University of South Carolina, $72,600 (to support $2,200,000 loan), dormitory for 462 women and dining hall addition.

SOUTH DAKOTA

Debt Service Grant Reservations:

Brookings--South Dakota State University, $72,600 (to support $2,200,000 loan), student union.
Springfield--Southern State College, $22,300 (to support $675,000 loan), student union.

TENNESSEE

Direct Loan Reservations:

Henderson--Freed-Hardeman College, $595,000, dormitory for 152 women.
Nashville--George Peabody College for Teachers, $825,000, apartments for 52 married student families.
Nashville--Trevecca Nazarene College, $575,000, apartments for 48 married student families.

Debt Servive Grant Reservations:

Chattanooga--University of Tennessee, $85,300 (to support $2,585,000 loan) student union.
Clarksville--Austin Peay State University, $14,500 (to support $440,000 loan), apartments for 32 married student families.
Cookeville--Tennessee Technological University, $49,500 (to support $1,500,000 loan), apartments for 100 married student families and a community facility building.
Johnson City--East Tennessee State University, $83,200 (to support $2,520,000 loan), dormitories for 248 men, 192 women.
Knoxville--University of Tennessee, $92,100 (to support $2,790,000 loan), apartments for 420 married student families.

TEXAS

Direct Loan Reservation:

Abilene--Abilene Christian College, $1,443,000, dormitory for 224 men.

Debt Service Grant Reservations:

Austin--University of Texas, $94,000 (to support $2,850,000 loan), apartments for 200 married student families.
Carthage--Panola County Junior College District, $9,900 (to support $299,000 loan), dormitory for 60 men, 24 women.
Clarendon--Clarendon Junior College, $15,200 (to support $460,000 loan), dormitory for 76 women.
Kingsville--Texas A & I University, $55,600 (to support $1,684,000 loan), addition to student union.
Prairie View--Prairie View A & M College, $94,100 (to support $2,850,000 loan), dormitory for 768 men.
Uvalde--Southwest Texas Junior College, $29,500 (to support $894,000 loan), dormitory for 192 men.

UTAH

Debt Service Grant Reservation:

Cedar City--Southern Utah State College, $20,800 (to support $630,000 loan), housing for 46 married students.

VERMONT

Debt Service Grant Reservations:

Bennington--Bennington College, $18,000 (to support $545,000 loan) dormitories for 30 men, 60 women.
Burlington--University of Vermont, $99,000 (to support $3,000,000 loan) dormitories for 302 men, 298 women and connecting dining commons.

VIRGINIA

Debt Service Grant Reservations:

Petersburg--Virginia State College, $82,500 (to support $2,500,000 loan), dormitory for 108 men.
Wise--Clinch Valley College, $17,300 (to support $525,000 loan), dormitory for 102 women.

WASHINGTON

Debt Service Grant Reservations:

Ellensburg--Central Washington State College, $57,700 (to support $2,960,000 loan), apartments for 182 married student families.
Pullman--Washington State University, $75,800 (to support $2,297,000 loan), residence hall for 300 students.
Spokane--Whitworth College, $11,500 (to support $225,000 loan), 10-bed infirmary.

WEST VIRGINIA

Direct Loan Reservation:

Elkins--Davis and Elkins College, $745,000, student union.

Debt Service Grant Reservation:

Glenville--Glenville State College, $50,700 (to support $1,535,000 loan), dormitory for 300 men.

WISCONSIN

Direct Loan Reservations:

Appleton--Lawrence College, $780,000, dormitory for 143 men.
LaCrosse--LaCrosse Lutheran Hospital, $410,000, apartments for 24 interns and residents.

WYOMING

Debt Service Grant Reservations:

Casper--Casper Community College, $9,800 (to support $296,000 loan), apartments for 18 married student families.
Riverton--Central Wyoming College, $26,500 (to support $802,000 loan), dormitory for 60 women, 60 men and dining facilities.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-481
Phone (202) 755-7174

FOR RELEASE:
Monday
June 29, 1970

FILE

COPY

HUD MODEL CITIES CONTRACT OFFERED TO NEW ORLEANS, LA.

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the offer of a $9,249,000 Model Cities contract to New Orleans, La.

New Orleans will also receive support from other programs administered by HUD and by the Department of Health, Education and Welfare, Office of Economic Opportunity, and Department of Agriculture.

Today's action by Secretary Romney will enable the City to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic, and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the New Orleans program.

During the planning phase, private organizations and individuals contributed time and services. Studies of problems and development of projects were aided by the professional time contributed by Southern University of New Orleans (SUNO), Tulane University, Louisiana State University (New Orleans), and Xavier University.

Financial and technical assistance in various component areas was provided by the Mott Foundation and the Educational Systems Development Corporation. Others assisting during the planning phase include the Social Welfare Planning Council, Committee on Alcoholism and Drug Abuse, Free Southern Theater, Desire Community Center, Amalgamated Builders and Contractors of Louisiana, the Orleans Parish School Board and the Archdiocese, and local businessmen.

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Private and voluntary organizations and institutions will also sponsor or operate some of the first year projects and activities. Xavier University will operate two education projects for young children. Recreation opportunities will be made available for more than 130 boys by the Better Young Men's Boy's Club.

Amalgamated Builders and Contractors of Louisiana, Inc., will assist minority contractors by providing bonding, short term loans, technical assistance, information on available construction jobs, and educational services. Others involved in first year projects include: Committee on Alcoholism and Drug Abuse, Inc.; Free Southern Theatre; New Orleans Release-on-Recognizance Program; Thugs United, Inc.; Red Cross; Young Mens Christian Association (YMCA); Boy Scouts; Delgado College; private businesses; and three established neighborhood credit unions.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the City's comprehensive plan. The plan was thoroughly studied and analyzed by Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are participating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information:

Mayor Moon Landrieu
City Hall
New Orleans, Louisiana 70112

James R. King, Director
City Demonstration Agency
City Hall
New Orleans, Louisiana 70112

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NOTE: A summary of the New Orleans Model Cities program is available upon request to the Office of Public Affairs, U.S. Department of Housing and Urban Development, Washington, D.C. 20410.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-493
Phone (202) 755-7174

FOR RELEASE:
Tuesday
June 30, 1970

3714

HUD MODEL CITIES CONTRACT OFFERED TO OAKLAND, CALIF.

COPY

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced the offer of a $4,944,000 Model Cities contract to Oakland, Calif.

Floyd H. Hyde, Assistant Secretary for Model Cities, stated that "the contract offered by HUD would require the City to make several changes to comply with HUD policies on City responsibility and the role of the citizen participation structure."

"These changes would more effectively mobilize the talents of the City and the citizens in addressing the exceptionally difficult problems confronting Oakland," Mr. Hyde added.

Oakland will also receive support from other programs administered by HUD and by the Department of Health, Education, and Welfare, Office of Economic Opportunity, and Department of Labor.

Today's action by Secretary Romney will enable the City to begin the first-year action phase under its comprehensive five-year Model Cities program. State, county, and local public and private resources will also be used by the City in its concentrated, coordinated attack on the serious social, economic, and physical problems within the Model Cities area.

Secretary Romney, Chairman of the President's Cabinet Committee on Voluntary Action, noted the extensive private and public involvement in the Oakland program.

During the planning phase, numerous private and voluntary groups were involved through the West Oakland Planning Committee, Inc. (WOPCI), an umbrella group responsible for community participation. This group represented approximately 100 organizations

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operating or having an interest in the model neighborhood area.

Membership in the West Oakland Planning Committee, Inc. is comprised of the Young Mens Christian Association (YMCA), Urban League, American Friends Service Committee, Tax Payers and Voters Union, Negro Business and Professional Women, Human Relations Commission, and Elks Club.

Three first-year projects--community service center, citizen particpation and the West Oakland Community Corporation--will be operated by WOPCI.

Commenting on the decision to offer a contract, Secretary Romney explained that this was done after a careful review of the City's comprehensive plan. The plan was thoroughly studied and analyzed by Inter-agency Review Committees representing those Federal departments and agencies with urban aid programs.

A total of 150 communities in 45 States, the District of Columbia and Puerto Rico are particpating in the Model Cities program. The first applications for planning grants were approved in November 1967.

For further information: Mayor John H. Reading
City Hall
Oakland, Calif. 94612

Maurice Dawson, Director
City Demonstration Agency
Room 205, City Hall
Oakland, Calif. 94612

NOTE: A summary of the Oakland Model Cities program is available upon request to the Office of Public Affairs, U.S. Department of Housing and Urban Development, Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-492
Phone (202) 755-7174

FOR RELEASE:
Wednesday
July 1, 1970

NEW COMMUNITY GUARANTEE GRANTED BY HUD FOR CHARLES COUNTY DEVELOPMENT

The U.S. Department of Housing and Urban Development today announced a $24 million guarantee for a new community in the Washington, D.C. area--St. Charles Communities. This is the second new community guarantee by HUD.

Acting Secretary Richard C. Van Dusen said St. Charles Communities, 25 miles southeast of Washington, will "provide new homes, new jobs and new opportunities for a better life" for 75,000 residents over a 20-year development period in an area currently suffering economic depression.

"The main emphasis in St. Charles and its five villages will be to provide moderately-priced homes rather than supply housing for the relatively affluent," Mr. Van Dusen said. "This will be the first major new community in the nation to focus primarily on the housing needs of those who are precluded by reason of income from finding adequate housing."

Eighty percent of the almost 10,000 single family homes planned for the area will sell for $25,000 or less, and one out of four apartment rental units will lease for $150 or less a month. Included will be rental and sale units for the elderly. One thousand new homes already have been built on the St. Charles site.

Developer of the new town is Interstate Land Development Co., whose parent organization, Interstate General Corporation, has headquarters in Puerto Rico.

U.S. Highway 301, formerly a main road along the East Coast, cuts through the St. Charles site. However, new interstate routes to the west have caused many restaurants, filling stations and motels to go out of business.

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Also, tobacco farming and seafood industries in rural Charles County, where the new town is located, have declined in recent years.

An affirmative action program will be undertaken by the developer to ensure no discrimination in employment, housing, public, and recreational facilities.

Rather than a single town center, the five villages of St. Charles Communities will stretch four miles from Waldorf to La Plata on a 7,900-acre tract linked by pedestrian paths. Each village will contain schools, retail stores, recreation areas and a public health service center for out-patient care. A major shopping center is planned and a 700-acre industrial section will provide a tax and job base.

St. Charles will depend upon the rapid growth of the Metropoli tan Washington area, and eventual construction of an outer beltway and southeast corridor highway network to spur economic activity.

Federal guarantees for obligations of the private developers of the new town are provided under the New Communities Act of 1968, under which HUD can guarantee up to $50 million for any one project for land acquisition and development costs. The first new community guaranteed under the Act was Jonathan, southwest of Minneapolis-St. Paul.

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Attachment: FACTUAL SUMMARY

To accompany HUD-No. 70-492

FACTUAL SUMMARY

Project Name: St. Charles Communities was named for the local governing jurisdiction, Charles County, Maryland.

Developer: Interstate Land Development Company, Inc., a wholly-owned subsidiary of Interstate General Corporation, Puerto Rico. Principal officer in both firms: James J. Wilson.

Location: Between LaPlata and Waldorf, 25 miles southeast of Washington, D.C., on U.S. Highway 301.

Acres: Total of 7,900 acres in the tract, all but 900 acres are currently owned by the developer.

Terrain: Attractive, wooded area, relatively flat with few elevations of more than 150 feet. Vegetation is Virginia pine.

Access: Four lane, divided highway access to Washington, D.C., via U.S. 301 and Maryland Rte. 5 to the Beltway. Southeast corridor and an outer Beltway is proposed for the St. Charles area for the future. Rail access: Penn Central.

Population: 75,000 by 1990. Majority of population expected to be young families with children in beginning years.

Dwelling Units: A total of 23,872 dwelling units, in addition to the 1,000 units already occupied. Of these, 9,927 are planned as single family detached units, 4,750 as townhouses, 5,505 as garden apartments, and 3,690 as mid-rise apartments.

Land Uses: 4,900 acres (62%) residential; 1,525 acres (18%) recreational and open space; 700 acres industrial; 230 acres commercial; 125 acres community facilities.

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Income Housing Range: About 80 percent of the single family homes will sell for $25,000 or less. One-fourth or more of the rental units will cost less than $150 a month. Developer will build low-cost housing for elderly, both for sale and rental.

Innovation: Each village will have a health service clinic in addition to a hospital on a 25-acre site. Schools will be located in the center of each village and heighborhood, serving total community needs on a year-round basis. Modular school construction is proposed to handle changes in enrollment quickly and cheaply.

Planning: Project is consistent with the State of Maryland and Tri-County Council existing land use plans.

Equal Opportunity: Developer has agreed to an affirmative action program of non-discrimination in employment, housing, public and recreational facilities; membership in community facilities shall include renters as well as homeowners.

Economic Growth: St. Charles Communities is expected to absorb a major part of residential, commercial and industrial development of Charles County. Emphasis will be on residential and light commercial development during early stages; larger scale commercial and industrial development when the Outer Beltway and Southeast Corridor highways become realities.

# # #

HUD NEWS
U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-499
Phone (202) 755-7174

FOR RELEASE:
Wednesday
July 1, 1970

ILLINOIS NEW COMMUNITY GRANTED HUD GUARANTEE

A Federal guarantee of up to $30 million for the development of Park Forest South, a new town of 110,000 to be built 30 miles south of Chicago, was pledged today by the U.S. Department of Housing and Urban Development.

In signing the guarantee commitment for the development under the New Communities Act of 1968, Acting Secretary Richard C. Van Dusen called Park Forest South "an excellent example of what teamwork between local and Federal government and private enterprise can do."

A new "senior college" of 15,000 students and a unique linear town center will serve as focal points for the 8,291-acre community. More than 11,000 single family and 24,000 multifamily units will be built over a 15-year period, including 4,500 units of federally backed housing for low and moderate income families. The community was designed by Arcop Associates of Montreal and Carl Gardner Associates of Chicago.

Rapid rail transit will link Park Forest South to Chicago's Loop, while three expressways will provide fast auto access to growing industrial areas in Joliet, Ill.; Gary, Ind., 20 miles away; and Chicago.

Bicycle paths and walkways separated from auto traffic will join residential areas with shopping centers, 26 schools and the 750-acre campus of Governor's State University.

Park Forest South adjoins a pioneer new town, Park Forest, built by Nathan Manilow and Associates during the 1940's and 1950's. Manilow and his group own one-half of Park Forest South Developers and are building the new town in conjunction with Mid-America Improvement Corp. (a subsidiary of Illinois Central Industries Inc.) and U.S. Gypsum Urban Development Corp. (a subsidiary of U.S. Gypsum Company).

The multi-level town center calls for pedestrian malls and terraced plazas ringed by stores, restaurants, shops, and theaters. It is connected to an internal transit system and rapid commuter lines to the Chicago loop, and the road network.

-more-

A general hospital is planned for early construction, and a community health facility will provide 24-hour emergency service, medical advice and meeting facilities for health-oriented organizations.

More than one in every four acres will be preserved as open space or recreation areas. Included will be a substantial portion of Thorn Creek Woods, a heavily-forested area partly in the new town, which local conservation groups have sought to preserve. Plans for preservation of Thorn Creek acreage will be subject to review by the Northeastern Illinois Planning Commission.

The industrial base for the new town will be a 700-acre industrial park, affording job opportunities for residents and will provide the new community with a tax base.

Twenty-three elementary schools, two junior highs, one senior high and a private school are contemplated for the new town. The developer has agreed to build an elementary school on a lease-purchase basis until the local school district can provide the funds.

The new Governor's State University, a state "senior college" designed to offer continuing education for commuting students who have graduated from community and junior colleges, will provide junior and senior year classes leading to bachelor degrees and post-graduate courses leading to masters degrees.

Water will be provided by a $10 million system of wells, elevated storage and mains to deliver an ultimate 44 million gallons a day. Sewage treatment will be provided by a three-stage system which the developer will build at a cost of $16 million to prevent added pollution of streams and rivers.

Equal opportunity provisions will apply to all construction, housing and use of public facilities. A Human Relations Committee to assist Negroes and Mexican-Americans already is at work in the new town area.

# # #

To Accompany HUD-No. 70-499

SUMMARY

Project Name: Park Forest South. Project adjoins developer's first large community: Park Forest.

Developer: Park Forest South Developers, a general partnership, composed of Park Forest South Investors, Mid-American Improvement Corporation (subsidiary of Illinois Central Industries, Inc.), and U.S. Gypsum Urban Development Corp. (subsidiary of U.S. Gypsum).

Location: Northeast Will County, 30 miles south of Chicago.

Acres: Planning area covers 8,291 acres, of which approximately 4,600 acres are planned to be covered by the guarantee.

Terrain: Gently rolling, sparsely-developed farmland; heavily wooded area in northeast corner.

Access: Rail access within project; commuter station planned. Interstate Highway 57 to Chicago forms west boundary; planned new South Suburban Freeway, encircling metropolitan Chicago, forms north boundary; Western Avenue (east boundary) and U.S. 54 (running through project) connect with Tri-State Tollway to north.

Population: 110,000 people in 15 years.

Dwelling Units: 35,000 -- single family units, 11,000; multifamily units, 24,000.

Land Uses: 4,624 acres for residential; 1,137 acres open space; 483 acres commercial and multifunctional; 1,052 acres educational; 995 acres industrial.

Low and Moderate Income Housing: Estimated 4,500 units under Federal low and moderate income housing programs.

Innovation: Linear town center will encourage pedestrian movement and use of advanced internal transit system.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-497
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 2, 1970

HUD AWARDS 9 TYPE B CONTRACTS IN OPERATION BREAKTHROUGH

The U. S. Department of Housing and Urban Development today awarded nine Type B research contracts in connection with Operation BREAKTHROUGH, its major program to find solutions to problems impeding large scale production of housing nationally.

Slated for study are research projects covering housing subsystems, components, materials, and techniques in connection with the BREAKTHROUGH program.

Previously, HUD had selected 22 Type A proposals which represent complete housing systems essentially ready for construction. Sixteen design contracts have already been signed with housing system producers, and the remaining six are under negotiation. HUD proposes to build approximately 3,000 prototype housing units in the BREAKTHROUGH research and demonstration program.

The Type B proposals selected today include those for improvement of tangible products or systems, such as: improvements for waste plumbing systems, more flexible service and utility cores, better concrete materials for rapid casting of housing modules and promising new methods for electric power distribution. They include among various studies and analyses, such topics as market aggregation, advancement of cooperative home ownership, furnishing housing assistance for workers, determining the special housing requirements for Mexican Americans, and changes in housing designs as related to fire codes.

Harold B. Finger, HUD's Assistant Secretary for Research and Technology, under whose direction Operation BREAKTHROUGH is being carried on, said, "These Type B proposals cover items which have generally received inadequate consideration in the past. We are making intensive efforts to find new techniques, new materials, and innovative ideas for many aspects of housing.

"The proposals chosen today are a beginning in those efforts to encourage continued advancement and to help us escape from tradition-bound, conventional ideas."

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Mr. Finger added that other Type B proposals are still under consideration, and that although it is not certain, more Type B contracts may be awarded at a later date.

The companies and their proposals chosen today for negotiations are:

American Standard Research and Development - New Brunswick, N.J. - $333,800

--Will examine and demonstrate the technical suitability of innovative, modern waste disposal plumbing systems. Promising new systems, including European systems, will be investigated, analyzed and tested for American adaptability.

Dow Chemical Co. - Midland, Mich. - $102,075

--Will evaluate six combinations of lightweight concrete mixtures that can be rapidly cast into panels or modules, have adequate fire resistance, strength, thermal insulation and sound proofing. Such a material would have great value for the construction of housing modules.

Forest City Enterprises, Inc. - Cleveland, Ohio - $85,000

--Will develop a program for Home Ownership As A Fringe Benefit Of Employment. The company will devise the system and implement it, and make the resulting data available to all companies.

Institute for Personal Effectiveness in Children - San Diego, Calif. - $185,000

--Working closely with the Cabinet Committee on Opportunity for the Spanish-speaking, will study the relationship of Mexican-American living patterns to residential designs, and develop a design manual for use by builders, developers, and mortgage insurers.

International Technology, Inc. - Baltimore, Md. - $88,269

--Will develop an electric power distribution system for home use employing wire mesh sandwiched into a plastic composite instead of the conventional wiring. This system would make possible a large number of locations from which power can be tapped, compared with the limited number of wall receptacles as is now the case.

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National Association of Home Builders (NAHB) Research Foundation - Rockville, Md. $169,717

--Will carry out an analysis and design to use the maximum number of cost-savings techniques for conventional frame housing construction, including more efficient foundation systems, efficient use of wood products, etc. A determination will be made of the factors that inhibit industry from using these techniques, and recommendations will be made on how the housing industry can be encouraged to adopt the less costly techniques.

SMS Partnership - Stamford, Conn. - $145,000

--Will develop a complete new system for residential service and utility cores. The concept involves the use of panel components that contain the piping and wiring for water, waste disposal, air, and power distribution in a manner that will provide flexible and economical arrangements of bathroom, kitchen, laundry and heating/cooling appliances. The system will have application to both new and established housing.

Urban Design and Development Corporation and Building Systems Development - Washington, D.C. - $268,000

--Will work with a state agency to identify and organize into a group, a number of housing systems developers to purchase industrialized housing, demonstrating that it is feasible to build a steady, volume market for housing.

Washington Center for Metropolitan Studies - Washington, D.C. - $90,937

--This non-profit institute sponsored by five universities, will study and develop performance criteria and procedures for design, production, and distribution of suitable economical furniture to meet the needs of low-income families.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-496
Phone (202) 755-7174

FOR RELEASE:
Monday
July 6, 1970

FUNDS FOR DISASTER HOUSING INCREASED BY $5 MILLION

Special assistance funds for financing disaster housing have been increased by $5 million under authorization of the President, it was announced today by the U.S. Department of Housing and Urban Development.

Woodward Kingman, President of HUD's Government National Mortgage Association, said this sum will provide for assistance that may be requested in Lubbock, Texas and other areas struck by tornadoes last April and May.

The authorization also will provide for special financing in other areas which may suffer future disasters.

Mr. Kingman said that prior to the new authorization the GNMA-administered program had a balance of $692,000, and HUD believed that existing funds did not appear sufficient for the program.

The program's resources were reduced substantially through assistance given victims of Hurricane Camille, which struck Southeastern states last November. As a result of requests that developed from that disaster, GNMA has purchased 58 mortgages amounting to $1 million.

Those obtaining assistance under the program benefit by the prices at which GNMA buys eligible FHA and VA mortgages. The agency buys such loans at par -- the full amount of the mortgage -- whereas under usual market practice they are bought at discounts. In the case of a 4 percent discount on a $20,000 mortgage, the saving on the sale would be $800.

Funds used in this special financing program are those borrowed by GNMA from the Treasury under authority of Congress. Since the disaster financing program was established in 1954, 184 areas have been designated to receive this financing aid for limited periods.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-500
Phone (202) 755-7174

FOR RELEASE:
Monday
July 6, 1970

BOEING AWARDED FIRST CONTRACT AS BREAKTHROUGH SITE DEVELOPER

The Boeing Company of Seattle, Wash., has been awarded the first site developer contract in Operation BREAKTHROUGH, the major program of the U. S. Department of Housing and Urban Development to find solutions to problems obstructing large scale housing production in the Nation.

The $1,968,000 contract, covering a two-year period, calls for Boeing to take full charge of all operations connected with construction of prototype housing on a main site in King County, Washington, and a subsite in downtown Seattle. The Washington construction is part of a total of over 3,000 housing units to be built in 10 areas throughout the country in the HUD research and demonstration program.

HUD officials said discussions and negotiations are going on to select the nine site developers who will serve on the other nine sites of the program, and the remaining developers are expected to be named within a few weeks. Sixty-eight companies made applications to serve as site developers.

Boeing and the other site developers, under HUD guidelines, will be responsible for nearly every phase in the life of a site, from groundbreaking to eventual disposal. These duties include supervision of the housing system producers throughout construction of their prototype housing, as well as for maintenance, custodial requirements, local government and community relations, and supervision of the management of the property through the rental, lease, and sales periods.

The developers will also serve in an evaluation role, making judgments and keeping records of all the performance factors of the housing units, including their durability, functionalism, public acceptance, marketability, testing procedures, and habitability.

Finally, the developers will also serve as the mortgagors for the property. In substance, HUD officials said, the site developers will serve as developers-builders-managers-mortgagors-sellers-lessors-and critical experts.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-495
Phone (202) 755-7174

NOTICE OF PUBLICATION FOR RELEASE:
Tuesday
July 7, 1970

BREAKTHROUGH BIBLIOGRAPHY COMPILED BY HUD LIBRARY

The U. S. Department of Housing and Urban Development has published a bibliography on Operation BREAKTHROUGH, HUD's major program to find solutions to the problems impeding volume production of housing in the Nation.

The new booklet titled Operation BREAKTHROUGH - Mass Produced and Industrialized Housing, lists books, reports, and periodical articles primarily dating from 1965. The annotated bibliography was compiled by the HUD Library to provide sources of information for the increasing number of people who are interested in the potential of industrialized building, and the application of modern industrial technology to building.

Subjects covered include: Housing, Building Industry, HUD Housing Research, Operation BREAKTHROUGH, Industrialized Building, Systems Building, Methods and Materials, Specific Building Systems, Mobile Homes, Constraints, and Communication of Information.

Copies may be obtained for 70 cents each from the Superintendent of Documents, U. S. Government Printing Office, Washington, D.C. 20402.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-504
Phone (202) 755-7174

FOR RELEASE:
Tuesday
July 7, 1970

ALL BREAKTHROUGH DESIGN CONTRACTS ARE AWARDED

All 22 housing system producers chosen to build prototype housing units in Operation BREAKTHROUGH have signed design and development contracts, the U. S. Department of Housing and Urban Development announced today.

Operation BREAKTHROUGH is HUD's major research and demonstration program to solve the problems impeding large scale housing production throughout the Nation.

The roster of producers was completed during the past few days with the signing of contracts by the last six of the 22 producers chosen last February from 236 proposals by companies or consortiums.

Under the contracts, all on a cost plus fixed fee basis, the companies or groups will prepare designs, develop engineering data, and work out with the site planners final plans for construction of their models at the prototype sites to which they were assigned recently.

Following is the list of final signers, contract amounts, sites, and housing assignments:

Boise Cascade of Boise, Idaho ---$680,000; multifamily low rise and single family attached in Macon, Ga.; multifamily low rise and single family attached in Sacramento, Calif.; and multifamily low rise, single family attached, and single family detached in Seattle, Wash.

Christiana Western Structures of Los Angeles, Calif.---$217,483; multifamily low rise and single family attached in Houston, Texas; single family detached in New Castle County, Del.; multifamily and single family attached in Sacramento, Calif.; and single family detached in Seattle, Wash.

Levitt Technology Corp. of Lake Success, N.Y.---$ 473,275; single family attached in Kalamazoo, Mich., New Castle County, Del., and Seattle, Wash.

- more -

National Homes Corp. of Lafayette, Ind.---$545,285; multifamily medium rise in Indianapolis, Ind.

Republic Steel Corp. of Youngstown, Ohio---$675,555; single family detached in Houston, Texas, Indianapolis, Ind., and Kalamazoo, Mich.

Stirling-Homex Corp. of Avon, N.Y.---$188,200; multifamily medium rise in Kalamazoo, Mich., and multifamily high rise in Memphis, Tenn.

All the companies will prepare working drawings and construction specifications for their housing systems. When this work is completed, HUD said, the housing designs are expected to be in harmony with the sites where the companies have been tentatively selected to build their prototype housing units.

Approximately 3,000 housing units will be built under the Operation BREAKTHROUGH program.

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Attachment

HOUSING SYSTEM PRODUCERS DESIGN, AND DEVELOPMENT
CONTRACTS, SITES, AND TYPES OF HOUSING UNITS

Aluminum Co. of America of Pittsburgh, Pa. - $462,068
Macon, Ga. - low rise multifamily and town houses
Sacramento, Calif. - low rise multifamily and town houses

Henry C. Beck Co. of Atlanta, Ga. - $247,236
New Castle County, Del. - multifamily low rise
Macon, Ga. - multifamily low rise and medium rise

Boise-Cascade Corp. of Boise, Idaho - $680,000
Macon, Ga. - multifamily low rise and single family attached
Sacramento, Calif. - multifamily low rise and single family attached
Seattle, Wash. - single family attached, and single family detached

CAMCI, Inc. (Module Communities Incorporated) of Yonkers, N.Y. - $557,617
Jersey City, N.J. - multifamily high rise
Memphis, Tenn. - multifamily low rise and single family attached

Christiana Western Structures of Los Angeles, Calif. - $217,483
Houston, Texas - multifamily low rise and single family attached
New Castle County, Del. - single family detached
Sacramento, Calif. - multifamily and single family attached
Seattle, Wash. - single family detached

Descon/Concordia of Montreal, Canada - $530,836
Jersey City, N.J. - multifamily medium and low rise
St. Louis, Mo. - multifamily low rise and single family town houses

FCE-DILLON, Inc. (Forest City Enterprises, Inc.) of Cleveland, Ohio - $297,231
Indianapolis, Ind. - multifamily low rise and single family attached
Macon, Ga. - multifamily low rise
Sacramento, Calif. - multifamily medium rise

General Electric Co. of Philadelphia, Pa. - $368,745
Memphis, Tenn. - garden apartments
New Castle County, Del. - town houses

Hercules, Inc. of Wilmington, Del. - $332,651
Kalamazoo, Mich. - multifamily low rise and town houses
Macon, Ga. - multifamily low rise and town houses
New Castle County, Del. - town houses

Home Building Corporation of Sedalia, Mo. - $105,767
St. Louis, Mo. - town houses and multifamily low rise
Macon, Ga. - single family detached and town houses
Indianapolis, Ind. - single family detached and town houses

- more -

Keene Corporation (Townland) of New York, N.Y. - $496,700
Jersey City, N.J. - medium and high rise multifamily
Seattle, Wash. - low and medium rise

Levitt Technology Corporation of Lake Success, N.Y. - $473,275
Kalamazoo, Mich. - single family attached
New Castle County, Del. - single family attached
Seattle, Wash. - single family attached

Material Systems Corporation of Washington, D.C. - $242,018
Sacramento, Calif. - single family detached
Houston, Texas - multifamily low rise
New Castle County, Del. - single family detached
Kalamazoo, Mich. - single family detached

National Homes Corporation of Lafayette, Ind. - $545,285
Indianapolis, Ind. - multifamily medium rise

Pantek Corporation (Ball Brothers) of Boulder, Colo. - $559,000
Indianapolis, Ind. - single family detached
Sacramento, Calif. - multifamily low rise and single family attached

Pemtom, Inc. of Bloomington, Minn. - $320,720
Indianapolis, Ind. - town houses and multifamily low rise
Kalamazoo, Mich. - town houses and multifamily low rise

Republic Steel Corp. of Youngstown, Ohio - $675,555
Houston, Texas - single family detached
Indianapolis, Ind. - single family detached
Kalamazoo, Mich. - single family detached

Rouse-Wates of Columbia, Md. - $273,940
St. Louis, Mo. - high, medium, and low rise multifamily

Scholz Homes, Inc. of Toledo, Ohio - $142,168
Kalamazoo, Mich. - multifamily low rise and town houses
Indianapolis, Ind. - multifamily low rise and town houses

Shelley System of San Juan, Puerto Rico - $352,657
Memphis, Tenn. - high rise multifamily

Stirling-Homex Corp. of Avon, N.Y. - $188,200
Kalamazoo, Mich - multifamily medium rise
Memphis, Tenn. - multifamily high rise

TRW Systems Group of Redondo Beach, Calif. - $609,638
Houston, Texas - town houses
Indianapolis, Ind. - garden apartments, single family detached
Sacramento, Calif. - single family detached

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-508
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 9, 1970

CONTRACT AWARD FOR STUDY
OF HOUSING FOR DISABLED

The U. S. Department of Housing and Urban Development announced today the award of a $100,000 contract for a demonstration project in housing the severely disabled in public housing.

The contract, awarded to the Fall River Housing Authority of Fall River, Mass., will be jointly funded by HUD and the Department of Health, Education and Welfare.

The main purpose of the project will be to study and help implement a program developed by the Fall River Housing Authority and the medical staff of Hussey Hospital. Under this program, elderly individuals more severely handicapped than those usually able to reside in public housing will be housed in a public housing project designed to meet their needs.

The analysis of the housing project will be conducted by a group of medical researchers and social scientists selected by the Housing Authority. The group will evaluate the effectiveness of the housing project, and develop guidelines from its performance for use by other housing authorities.

The group will also review the Fall River experience to develop better methods of housing the large numbers of people who are unable to maintain themselves in conventional housing but are not so disabled that they require nursing home care.

For further information:

Mr. John M. Arruda
Executive Director and Secretary
Fall River Housing Authority
85 Morgan Street
Fall River, Mass. 02721

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-509
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 9, 1970

CREDIT UNIONS TO TRAIN PUBLIC HOUSING TENANTS

A two-year, $199,812 demonstration grant aimed at using credit unions to expand tenant participation in management of public housing projects, was announced by the U. S. Department of Housing and Urban Development today.

The grant was awarded to the National Association of Housing and Redevelopment Officials, which will conduct the demonstration in collaboration with the National Credit Union Administration.

This demonstration project is based on the assumption that credit unions are particularly well suited to provide the leadership required to meet two of the social objectives of public housing--expanded participation of tenants in project management affairs, and strengthened self-sufficiency of tenants, HUD officials said.

The NCUA, which charters Federal credit unions, will be responsible for the tenant training under an agreement with NAHRO. Several tenants from each of several public housing projects selected to participate in the demonstration will attend a course developed by the NCUA in collaboration with NAHRO.

The persons participating in this training course will, upon returning to their homes, be employed as staff members of their local credit unions. The cooperative techniques of management learned through handling the affairs of the credit union are expected to assist tenants and tenant councils in participating in project management.

The demonstration grant will provide continuing technical assistance and training during the two-year period.

A report will be published for the guidance of other communities.

The total cost of the project is estimated at $216,750, of which NAHRO will contribute $16,938.

For further information:

Mr. George R. Genung, Jr.
Associate Director for Housing
National Association of Housing
and Redevelopment Officials
2600 Virginia Avenue, N.W.
Washington, D.C. 20037

PROJECT No.: D. C. D-18

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-513
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 9, 1970

LOCAL HOUSING AUTHORITIES COMPLETE RENT ADJUSTMENTS

The U.S. Department of Housing and Urban Development today reported that as of July 1, 95 percent of all local housing authorities in the country managing public housing projects had adjusted rents for their tenants.

Lawrence M. Cox, HUD Assistant Secretary for Renewal and Housing Management, explained that Section 213 of the Housing Act of 1969 required local housing authorities to charge tenants no more than 25 percent of the family income for rent under a definition of income set by HUD Secretary George Romney.

Mr. Cox said that 1880 of over 1980 local housing authorities with programs in management are now in compliance with the 1969 Act. The Act was signed into law Dec. 24, 1969, with the 25 percent limitation becoming effective March 24, 1970.

To put the law into effect, Mr. Cox explained that all local housing authorities were required to recompute their tenants' incomes under the new definition. If any rents exceeded 25 percent of the family income, the rents were to be rolled back to not more than 25 percent of the income.

Family income is defined as the income of the household, with certain exclusions, such as workman's compensation payments and educational scholarships. In addition, each family is allowed a blanket deducation of 10 percent of total income, plus $100 for each minor and each dependent adult. This definition of income is mandatory only for computing rents of families affected by the 25 percent limitation. Payments by HUD under Section 213 will make up the difference between the reduced rents and the costs of operating and maintaining each dwelling unit.

- more -

FILE COPY

Mr. Cox said HUD recognized that many local housing authorities would have questions on interpreting the new policies. To give all help possible to the authorities, personnel from HUD's six regional offices held a series of face-to-face meetings with hundreds of housing authority staffs.

Mr. Cox emphasized that no tenant would be penalized by the necessary lapse of time to make the individual determinations of rent and income, since all rent adjustments would be retroactive to March 24, 1970.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-515
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Thursday
July 9, 1970

HUD FILES FIRST SUIT ALLEGING VIOLATIONS OF LAND SALES ACT

In a major step toward implementing the consumer protection aspects of the Interstate Land Sales Full Disclosure Act, the first suit has been filed by the Federal Government against Maine land developers for alleged violations of the Act.

A hearing on the suit is scheduled for July 20 in Federal District Court, Boston, where the action was filed.

The action was brought by Secretary George Romney of the U.S. Department of Housing and Urban Development through Justice Department attorneys.

The suit asks the court for a permanent injunction to restrain the defendants from "continuing to act in violation of the Interstate Land Sales Act." It also seeks a temporary injunction pending a hearing on the merits of the case.

The HUD Program administered by the Office of Interstate Land Sales Registration headed by Alfred J. Lehtonen, requires the registration of land sales offerings by sellers who offer 50 or more lots for sale by use of the mails or interstate commerce. It also requires that the seller furnish the prospective buyer with a comprehensive property report giving a full and fair disclosure of the subdivision offering.

The court complaint alleges that the developers violated the Act in the sale of subdivision lots in Rome, Maine following mail solicitations of potential buyers.

The suit said the developers failed to file with HUD, as required by law, a statement of record registering the offering and detailing facts about the property including dimensions of the lots to be sold; condition of title; condition of access roads, and availability of water and sewage facilities and public utilities.

- more -

In addition, the suit declares, the developers failed to supply the named purchasers with a printed property report containing an extract of the information required in the statement of record. Submission of a property report to a purchaser prior to signing a land sales contract is also a requirement of the Act.

The subdivision named in the suit is Black Horse Acres in Rome, Maine.

Named as defendants are Charles Geotis, Great American Discount Corporation, Charles Geotis doing business as Charles Endicott, doing business as Charles Endicott Development Co. and doing business as Black Horse Acres.

The suit said that the sales to New England purchasers followed the mailing of offering letters from Boston to a party in Hartford, Conn., and from Seabrook, N.H., to a party in New Britain, Conn. Another letter was mailed to a Braintree, Mass., party.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-522
Phone (202) 755-7174

FOR RELEASE:
Tuesday
July 14, 1970

SPECIAL PROJECTS DIRECTOR
NAMED FOR BREAKTHROUGH

Samuel E. Carpenter of McLean, Va., today was appointed Director of Special Projects in Operation BREAKTHROUGH, a major research and demonstration program of the U. S. Department of Housing and Urban Development. Mr. Carpenter was previously a consultant to the Office of Research and Technology in HUD.

Operation BREAKTHROUGH is HUD's major program to find solutions to the problems impeding large scale production of housing in the Nation.

In his new capacity Mr. Carpenter will handle special assignments and report directly to Alfred A. Perry, Director of Operation BREAKTHROUGH.

A native of Ossining, N.Y., Mr. Carpenter was graduated from the University of Virginia in 1948 with a B. S. degree in business.

His business career started in 1948 when he joined the Liquid Carbonic Corporation for a period of three years. He later spent six years with Owens Corning Fiberglass Corporation, two years with Hampshire Corporation, three years with A. W. Lee Co., accoustical contractors, and from 1962 until this year, was involved in real estate development and diverse investments.

He is a director of the McLean Civic Association, and the Langley School in McLean, and a member of the Building Committee at the Madeira School, Greenway, Va. He was formerly vice president of the Accoustical Contractors Association of Washington, and is a member of the Washington Building Owners and Managers Association.

Mr. Carpenter is married to the former Lois W. Waterbury of New York City. They have two daughters, Perry H., 19, a student at the University of Pennsylvania, and Brien W., 16.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-519
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 16, 1970

FILE

COPY

HOUSING HEAD SETS GUIDELINES FOR IMPROVED PUBLIC HOUSING

A judicious blend of money, management reform and tenant participation plus responsibility is needed to solve the complex problems facing the public housing program, according to Lawrence M. Cox, Assistant Secretary for Renewal and Housing Management in the U.S. Department of Housing and Urban Development.

The Assistant Secretary, who is in charge of housing after it is produced, maintains that all three elements are required to cope with the major changes that have recently taken place in the housing program.

Writing for the July-August edition of HUD Challenge, a bi-monthly publication of the Department, Mr. Cox noted that inflation has hit operating costs in public housing "at least as hard as every other sector of the economy."

But he called attention to two pieces of legislation which he said should help to offset current and future operating deficits. One was last year's housing bill, which authorized payment of the full maximum statutory subsidy -- two percent more than the going Federal interest rate on its long-term bonds. The second is this year's proposed 1970 legislation, designed to meet future operating deficits.

"It is equally clear," he said, "that money alone is not the answer. Improvements in management operations, as well as tenant participation and responsibility, must also be achieved if presently solvent housing authorities are to avoid future deficits and if the additional Federal money is not to be wasted on those already in financial difficulty.

"Congress is not likely to provide funding forever, if it sees no corresponding effort at the local level, or thinks it is just pouring good money after bad -- and this Department would have no intention of asking for it."

The HUD official pointed out that the payment of funds to cover operating deficits under the 1969 Act is limited to "those cases where the local housing authority has demonstrated that satisfactory standards of management and tenant responsibility have been or will be achieved."

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Management of housing has never been an easy task, whether public or private, he said. Tenants of every income level have always had gripes against housing management and probably always will.

Citing the difficulties facing public housing authorities, Mr. Cox called for a greater concern and leadership on the part of local elected officials in supplying policy guidance and supervision to the authority's executive director and his staff.

"The elected officials," he said, "hold the key to such matters as whether adequate police protection and public service will be provided, whether social needs of tenants shall be met, and whether new housing units are located properly in the community on a non-discriminatory basis or are relegated instead to the poorest sites in town."

In the area of tenant rights, participation and responsibility, the Assistant Secretary conceded that in the past more attention was given to the interests of the landlord rather than the tenant.

But this Administration, he said, is supporting a $5 million appropriation for a new Tenant Services program which would offer special counseling and referral service for the increasing number of elderly, disabled and broken families in public housing.

The Department has also brought together the National Association of Housing and Redevelopment Officials and the National Tenants Organization for a joint discussion of management-tenant problems.

In addition, HUD's 1970 legislation will permit continued occupancy by over-income tenants -- eliminating the paradox of rewarding a tenant who improves his income with an eviction notice.

Arguing for tenant representation on the boards of local housing authorities, Mr. Cox said this would close the gap between commission members and tenants and would develop a greater sense of responsibility among the tenants.

"In this field," he said, "as in so many other areas of human endeavor, it is indeed a question of hanging together, or hanging separately."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-518
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 16, 1970

CHIP ERASES BLIGHT IN CAMDEN HOUSING

Until recently Camden, N. J., like many industrial cities of its size (pop. 117,000), had its shabby side, but it was well hidden from the eyes of passing motorists on the New Jersey Turnpike.

A private, nonprofit corporation called CHIP is beginning to change its image.

CHIP is an acronym for Camden Housing Improvement Projects, an organization formed with the blessing and financial support of five prominent local concerns -- Campbell Soup Co., Radio Corporation of America (RCA), The Bank of New Jersey, the Dorrance Foundation, and the South Jersey National Bank.

The story of how these local businessmen are chipping away at local blight by restoring rundown housing and selling them to low income families at prices they can afford is told in the July-August issue of HUD Challenge, a bi-monthly publication of the Department of Housing and Urban Development.

The five companies launched the program with no interest loans of $100,000 each. With this money CHIP picks up vacant properties at an average of less than $1,400, renovates them and sells them for about $12,700.

The houses are sold under HUD's home ownership assistance program (Section 235) and the 221(h) low interest mortgage insurance program available to nonprofit groups.

By April of this year CHIP had 168 houses completed, with 20 undergoing rehabilitation, 14 awaiting FHA approval, and another 38 in the acquisition and planning stage.

CHIP's executive board is drawn from local neighborhood representatives as well as experts in civil rights, real estate and law. Four of its seven general contractors are black.

One of its earlier obstacles was the number of tax delinquent properties tied up in foreclosures. Through the State Attorney General's office, CHIP asked the State to exercise its powers to condemn abandoned properties, freeing them from the foreclosure process.

The State complied, and CHIP is now buying state-condemned houses for rehabilitation.

With houses deteriorating faster than new construction can replace them, the Challenge article points out that productive nonprofit housing corporations that specialize in rehabilitation, like CHIP, will remain indispensable for some time.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-525
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 16, 1970

MORE HOMES IN BLIGHTED AREAS APPROVED FOR HUD-FHA MORTGAGES

About 14 percent of all home mortgages insured by the Federal Housing Administration in 1969 covered new and existing homes in blighted areas of cities. This ratio doubled the proportion of home mortgages insured in such areas in 1967.

The figures were reported today by Secretary George Romney of the U.S. Department of Housing and Urban Development.

He disclosed that 51 percent of all homes purchased with FHA mortgage insurance last year were in central cities. This compared with 47 percent in 1967 and 41 percent in 1964, when most FHA mortgage volume involved homes in the suburbs, small towns, and outlying areas.

The figures were obtained in a survey by FHA insuring offices and covered mortgages insured during the first 11 months of 1969. Similar surveys had been made in 1967 and 1964.

The new survey reveals that, in addition to the 14 percent of mortgages covering homes in blighted areas of cities, 13 percent were on homes in other "in-city" areas and 24 percent in the remainder of cities. Two years earlier, 7 percent were in blighted places, 11 percent in other "in-city" places, and another 29 percent elsewhere in cities.

Eugene A. Gulledge, FHA Commissioner and HUD's Assistant Secretary for Housing Production and Mortgage Credit, attributed the greater share of activity in the core areas of cities to FHA's greater efforts to help central city residents and to new housing programs that provide special assistance for lower income people.

Some of the higher concentrations of this mortgage activity were under these programs. Under Section 221(d)(2), which has liberal financing terms for low-price homes, more than a third (34 percent) of homes insured were in blighted areas. Activity in blighted areas was also high under Section 235, the new program of interest subsidies for homeownership. Under this program, 18 percent of all homes purchased were in blighted areas. The ratio under FHA's regular home mortgage insurance program was 10 percent in blighted parts of cities.

-more-

New construction, which accounted for only one-fifth of insured mortgages, continued to be more prevalent outside larger cities last year. Sixty-two percent of all new homes with FHA mortgages were in the suburbs around central cities, and another 10 percent were in small towns and rural areas. In contrast, suburban areas accounted for only 37 percent of existing home mortgages, and small towns and rural area mortgages totaled only 7 percent of existing homes.

The classifications of locations of properties represent the judgment and experience of the FHA officers who conducted the study. Copies of the survey are available from the Division of Research and Statistices, HPMC-FHA, U.S. Department of Housing and Urban Development, Washington, D.C. 20411.

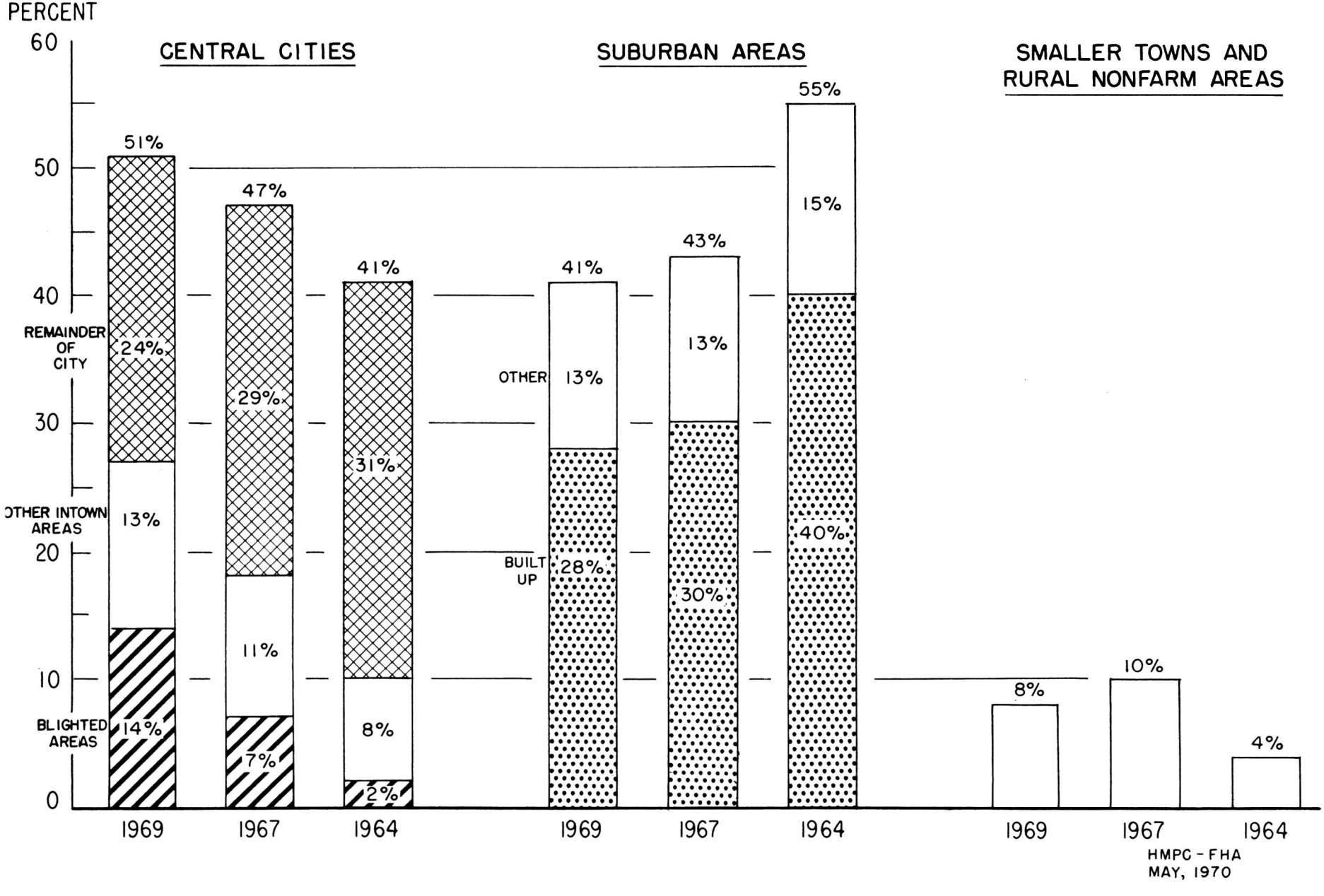
# # #

MR

Attachments (3)

FHA HOMES INSURED BY LOCATION OF PROPERTY - SELECTED YEARS

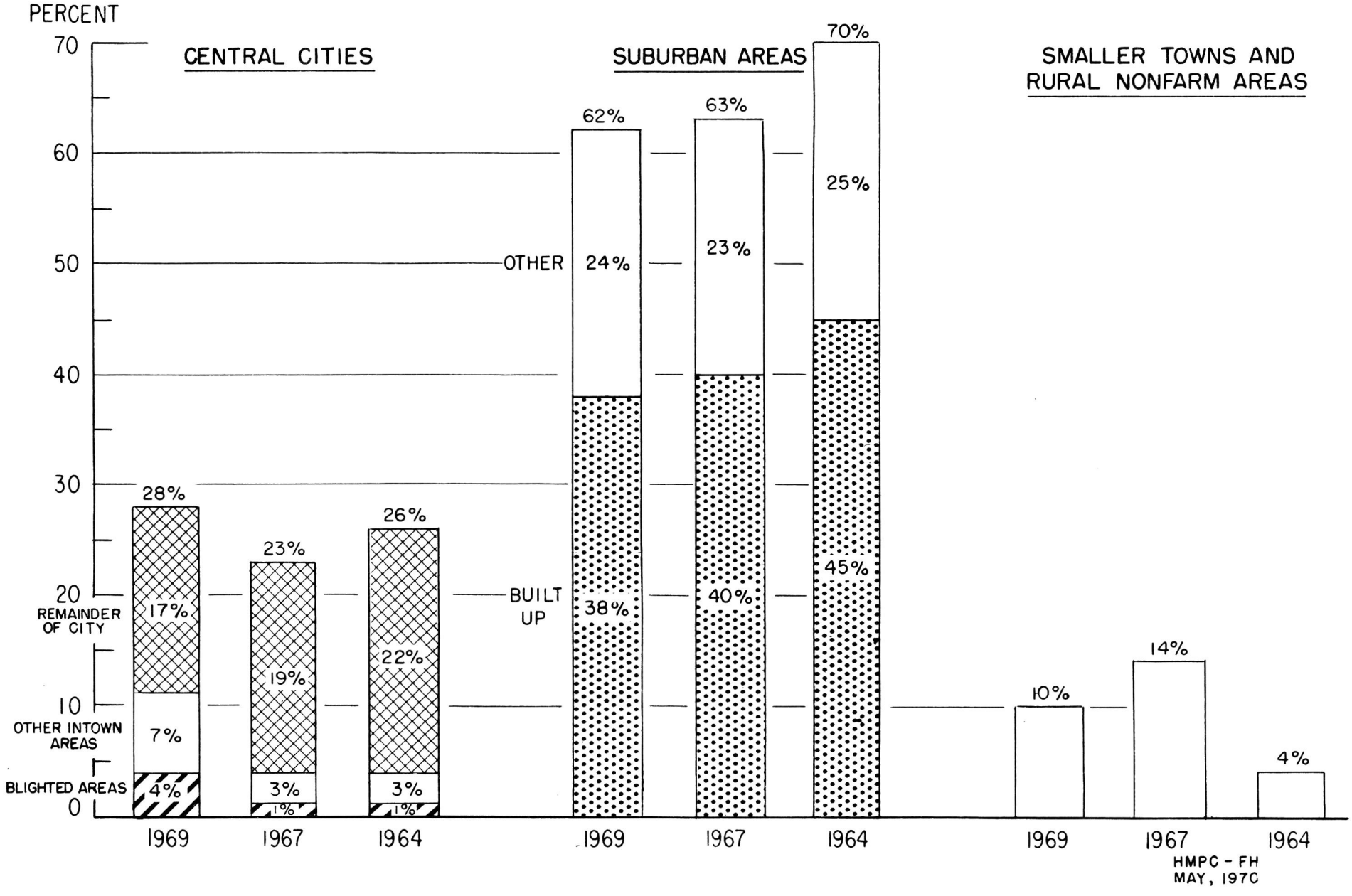
TOTAL HOME MORTGAGES INSURED



HMPC - FHA
MAY, 1970

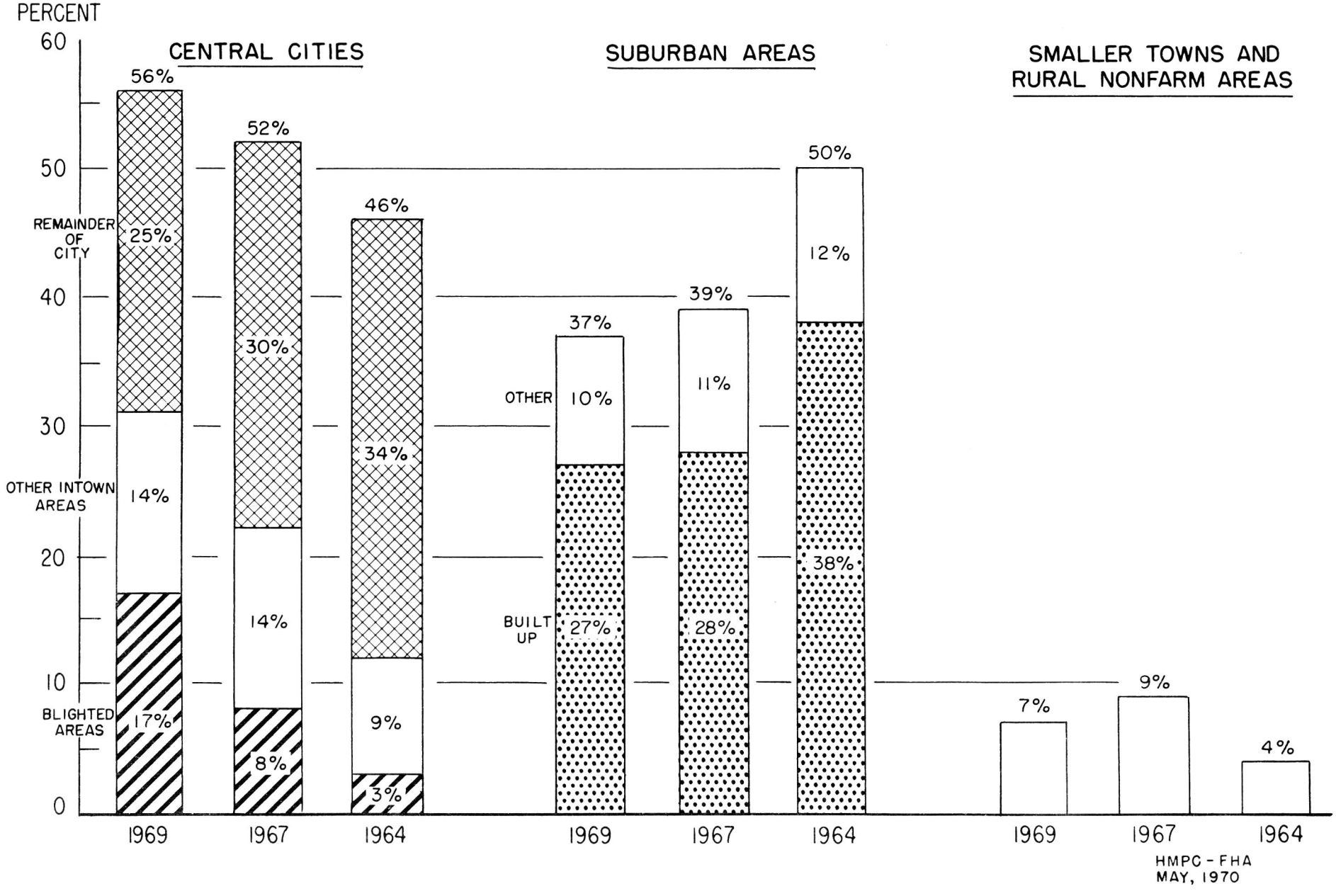
FHA HOMES INSURED BY LOCATION OF PROPERTY - SELECTED YEARS

NEW HOME MORTGAGES INSURED



FHA HOMES INSURED BY LOCATION OF PROPERTY - SELECTED YEARS

EXISTING HOME MORTGAGES INSURED



HMPC - FHA
MAY, 1970

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-536
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Thursday
July 16, 1970

MORE LOCAL PROPERTY OWNERS ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

The U.S. Department of Housing and Urban Development announced today that 12 more flood-prone U.S. communities have established their eligibility for emergency flood insurance.

Effective July 17, 1970, flood insurance policies will be sold in Russellville, Ark.; Corte Madera, Calif.; Indian Rocks Beach, Manalapan, Everglades, and Belleair, Fla.; Terrebonne Parish, La.; Harrison County, and Pascagoula, Miss.; Peguannock Township, N. J.; Griffing Park, Texas; and Chesapeake, Va.

According to Federal Insurance Administrator George K. Bernstein, "now that these communities have established their eligibility, homeowners and owners of small businesses should take prompt advantage of this vital insurance protection." He pointed out that annual U.S. property damage resulting from natural disasters averages $1 billion and that about 5,000 communities in the nation have some kind of flood threat.

The National Flood Insurance Act of 1968 specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood losses that occur after one year from the date he became eligible.

Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities pledge to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future development away from flood hazard areas and set construction standards such as minimum foundation and floor elevations."

- more -

The total number of flood-prone U.S. communities eligible for flood insurance has now reached 185.

Under the regular flood insurance program, a community cannot become eligible for flood insurance until an actuarial rate-making study has been completed for that community. These studies generally take six to eight months. On the other hand, the emergency flood insurance program, which has been adopted here, is designed to provide limited coverage at federally subsidized rates even before actuarial studies are completed.

Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 of insurance, depending on the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, federally subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to $5,000 maximum.

Official maps identifying the local flood hazard areas can be examined at the following locations:

ARKANSAS	:	Russellville	Office of City Building - Official
CALIFORNIA	:	Corte Madera	Town Hall
FLORIDA	:	Belleaire; Everglades Indian Rocks Beach; Manalapan	Town Hall; City Clerk's Office City Hall; Town Office
LOUISIANA	:	Terrebonne	Office of Secretary-Treasurer
MISSISSIPPI	:	Harrison County Pascagoula	Clerk, Board of Supervisors Office of City Clerk
NEW JERSEY	:	Pequannock	Office of Township Clerk
TEXAS	:	Griffing Park	City Hall
VIRGINIA	:	Chesapeake	Department of Planning

# # #

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-540
Phone (202) 755-7174

FOR RELEASE:
Friday
July 17, 1970

DEPUTY DIRECTOR IS NAMED IN OPERATION BREAKTHROUGH

Arthur S. Newburg of McLean, Va., has been named Deputy Director of Operation BREAKTHROUGH, the U. S. Department of Housing and Urban Development announced today.

Mr. Newburg has been serving in the program as Director of Building Systems and Operations since October, 1969.

Joseph Sherman of Alexandria, Va., a Special Assistant to Harold B. Finger, HUD's Assistant Secretary for Research and Technology, has been named Acting Director of Building Systems and Operations.

Operation BREAKTHROUGH is HUD's major program to overcome the obstacles to large scale production and delivery of housing throughout the Nation.

Announcing the appointments, Mr. Finger said, "I think these appointments will serve some very useful purposes in meeting the heavy demands of the BREAKTHROUGH program.

"It will enable us to relieve Alfred A. Perry, Director of Operation BREAKTHROUGH, from some of the operating details of the program and free him for additional policy and management work, and it will also permit us to employ more of Mr. Newburg's broad talents instead of confining his efforts to building systems and operations. Mr. Sherman, who will continue to serve as one of my Special Assistants, as time permits, is well qualified by experience and background to serve in the position being vacated by Mr. Newburg."

A native of Philadelphia, Pa., Mr. Newburg was graduated with a Bachelor of Arts Degree, Magna Cum Laude, from Harvard College in 1952, and received the degree of Master of Business Administration in 1954, from the Harvard Business School.

For 11 years prior to joining HUD he was president and owner of his own design and general contracting firm in Virginia.

His earlier experience included one year as Vice President and General Manager of Contemporary Homes of Philadelphia, Inc., Devon, Pa., a subsidiary of Techbuilt, Inc. Also, for two years, he was employed by the Techbuilt, Inc., Cambridge, Mass., home office with varied duties.

He is married to the former Janice Rita Serle of Brooklyn, N.Y. They have two children, Christina, 10, and Douglas, 9.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-532
Phone (202) 755-7174

FOR RELEASE:
Friday
July 17, 1970

BREAKTHROUGH SITE DEVELOPER NAMED FOR JERSEY CITY, N. J.

A site development contract has been signed for the BREAKTHROUGH site in Jersey City, N. J., the U. S. Department of Housing and Urban Development announced today.

Volt Information Services of New York, N. Y., will be the developer for the site in that city under a $2,659,232, two-year contract. About 500 housing units are to be built on the site, the highest density on any of the 10 BREAKTHROUGH sites throughout the country.

Operation BREAKTHROUGH is HUD's major research and demonstration program to find solutions to the problems impeding vitally needed large scale production of housing in many areas of the Nation.

Associated with Volt Information Services in the Jersey City site are Lasker Goldman, Inc., Janoff & Olshan, Inc., and John P. Miraglia Associates, all of New York, N. Y.

The Boeing Company of Seattle, Wash., was named last week to develop the main BREAKTHROUGH site in King County, Wash., and a subsite in downtown Seattle.

HUD officials said discussions and negotiations are going on to select the site developers who will serve on the other eight sites of the program, and the remaining developers are expected to be named within a few weeks. Sixty-eight companies made applications to serve as site developers.

All site developers, under HUD guidelines, will be responsible for nearly every phase of activity on the site, from groundbreaking to eventual disposal. These duties include supervision of the housing system producers throughout construction of their prototype housing, as well as for maintenance, custodial requirements, local government and community relations, and supervision of the management of the property through the rental, lease, and sales periods.

The developers will also serve in evaluation roles, making judgments and keeping records of all the performance factors of the housing units, including their durability, functionalism, public acceptance, marketability, testing procedures, and habitability.

Finally, the developers will also serve as the mortgagors for the property. In substance, HUD officials said, the site developers will serve as developers-builders-managers-mortgagors-sellers-lessors-and evaluators.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-529
Phone (202) 755-7174

FOR RELEASE:
Monday
July 20, 1970

COLORADO SPRINGS RECEIVES HUD GRANT TO STUDY PLAYGROUND EQUIPMENT

The U.S. Department of Housing and Urban Development today announced a $250,000 grant to Playart Foundation of Colorado Springs, Colo., to study, design, and test playground equipment for preschool children.

A nonprofit, charitable organization, Playart Foundation seeks to combat community deterioration and juvenile delinquency by designing and constructing improved playgrounds and equipment. The project just approved will demonstrate how safe, attractive, and stimulating playgrounds can be when designed as a total environment contributing to the physical and mental development of small children.

Much existing play equipment is dull, dangerous, nondurable, and of limited use to small children. Hank Ketcham, creator of "Dennis the Menace" and president of Playart, will guide a team of landscape architects, industrial designers, sculptors, artists, psychologists, mothers, and pre-school children in a search for imaginative and durable equipment that can be used year-round.

Four prototype playgrounds will be constructed to demonstrate and evaluate the new equipment and the overall approach.

The demonstration will have two phases. The first will be a study of existing recreation equipment including designs, materials, and sites, with the results presented in an interim report. The second phase will be the design and testing of the new equipment. A final report will document these results.

- more -

If the demonstration proves successful, other communities and play equipment manufacturers will be able to use the designs, methods, and approaches demonstrated by Playart Foundation.

The total budget for the project is $500,000. The Federal grant, covering 50 percent of the cost, is made under the Title VII Demonstration authority of the Housing Act of 1961, as amended.

For additional information:

Col. Carlton Johnson
Executive Director
The Playart Foundation
1065 Holly Sugar Building
Colorado Springs, Colorado 80906

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-544
Phone (202) 755-7174

FOR RELEASE:
Tuesday
July 21, 1970

ADDITIONAL COLLEGE HOUSING FUND
RESERVATIONS ANNOUNCED BY HUD

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced additional fund reservations under the College Housing Loan Program, bringing this year's support to more than $300 million in college housing and dining facilities construction.

The reservations announced today are 51 debt service grants totaling $3,066,600, which will support $85,604,000 in construction. Earlier, the Department had announced reservations for 62 direct loans to educational and medical teaching institutions totaling $53,657,000 and reservations for 107 debt service grants amounting to $6,494,080.

The year's support program will result in the provision of 33,531 single student housing units, 4,194 student family apartments and 52,828 dining spaces.

The debt service grants are annual payments for up to 40 years and represent the difference between the market interest rate on a private loan and that which would be required to amortize a direct Federal loan.

In the direct loan program, HUD provides the entire loan to the institution, which repays it at 3 percent interest for a period of up to 40 years.

The institutions receiving debt service grant reservations are:

ALABAMA

Bay Minette--Faulkner State Junior College, $6,400 (to support $195,000 loan), housing for 6 student and 6 faculty families.

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Huntsville--University of Alabama, $31,700 (to support $960,000 loan), dormitory for 68 men and 68 women students.
Mobile--University of South Alabama, $69,000 (to support $2,090,000 loan), cafeteria to serve 4,500 students.
University--University of Alabama, $118,300 (to support $4,000,000 loan), student union and cafeteria.

CALIFORNIA

San Bernardino--San Bernardino State College, $13,200 (to support $400,000 loan), domomg faco;otu fpr 400 students.
San Luis Obispo--California Polytechic State College, $108,900 (to support $3,300,000 loan), housing for 300 single men and 300 single women students and dining facilities for 1,140 students.
Santa Catalina Island--University of Southern California, $25,500 (to support $500,000 loan), housing and dining facilities for 62 students.

COLORADO

Greeley--Colorado State College, $100,000 (to support $3,030,000 loan), housin for 456 students.

CONNECTICUT

Fairfield--Fairfield University, $70,400 (to support $1,380,000 loan), dormitories for 192 men students.

FLORIDA

Daytona Beach--Embry-Riddle Aeronautical Institute, $98,400 (to support $1,930,000 loan), dormitory for 380 men students.

GEORGIA

Tifton--Abraham Baldwin Agricultural College, $7,800 (to support $235,000 loan), dormitory for 200 men students.

INDIANA

Vincennes--Vincennes University, $83,700 (to support $2,535,000 loan), dormitory for 388 men students.

KANSAS

Great Bend--Barton County Community Junior College, $16,500 (to support $500,00^ loan), student union.
Shawnee Mission--Johnson County Community Junior College, $35,800 (to support $1,084,000 loan), student union.

MASSACHUSETTS

Chestnut Hill--Boston College, $110,900 (to support $3,360,000 loan), dormitory for 288 men and 287 women students.

Worcester--Worcester Polytechnic Institute, $64,580 (to support $1,955,000 loan), dormitory for 164 men and 60 women students and dining facilities.

MICHIGAN

Bloomfield Hills--Oakland Community College, $43,200 (to support $1,310,000 loan), student union.

Mt. Clemens--Macomb County Community College, $38,100 (to support $1,155,000 loan), student union.

MINNESOTA

Mankato--Mankato State College, $77,100 (to support $2,335,000 loan), addition to student union.

MISSISSIPPI

University--University of Mississippi, $65,700 (to support $1,990,000 loan), dormitory for 261 men students and dining facilities for 350 students.

NEW HAMPSHIRE

Hanover--Dartmouth College, $42,500 (to support $833,000 loan), housing for 50 student families.

NEW JERSEY

Glassboro--Glassboro State College, $103,000 (to support $3,120,000 loan), combination student union-dining hall.

NEW YORK

Annandale-on Hudson--Bard College, $27,200 (to support $534,000 loan), residence for 48 men and 48 women students.

Farmingdale--State University of New York, Agricultural & Technical College, $89,600 (to support $2,715,000 loan), dormitories for 352 women students.

Hamilton--Colgate University, $72,400 (to support $2,194,000 loan), dormitory for 348 women students.

Oneonta--State University for New York, $99,000 (to support $3,000,000 loan), dormitory for 500 women students and dining hall.

Poughkeepsie--Vassar College, $58,300 (to support $1,768,000 loan), dormitory for 144 men and 150 women students.

Troy--Rensselaer Polytechnic Institute, $78,000 (to support $2,363,000 loan), housing for 240 men and women students and 40 student families.

-more-

NORTH CAROLINA

Charlotte--University of North Carolina, $62,700 (to support $1,500,000 loan), dormitory for 500 men students.
Cullowhee--Western Carolina University, $9,100 (to support $275,000 loan), housing for 20 faculty families.
Pembroke--Pembroke State University, $7,600 (to support $230,000 loan), addition to student union.

NORTH DAKOTA

Bismarck--Bismarck Junior College, $16,200 (to support $490,000 loan), dormitory for 106 men students.
Fargo--North Dakota State University, $31,000 (to support $940,000 loan), food service facility for 800.

OKLAHOMA

Oklahoma City--University of Oklahoma Medical Center, $95,000 (to support $2,880,000 loan), housing for 232 students.

OREGON

Corvallis--Oregon State University, $96,800 (to support $2,932,000 loan), residence hall for 372 single women students and dining facility for 980.

PENNSYLVANIA

Bethlehem--Lehigh University, $123,200 (to support $2,415,000 loan), housing for 16 male graduate students and 132 student families.
Philadelphia--Drexel University, $144,800 (to support $2,840,000 loan), dormitory for 406 mail students.

PUERTO RICO

San Juan--University of Puerto Rico, Medical Sciences Campus, $30,800 (to support $933,000 loan), housing for 248 students.

RHODE ISLAND

Providence--Brown University, $46,200 (to support $1,400,000 loan), dormitory for 215 women students.

TENNESSEE

Murfreesboro--Middle Tennessee State University, $47,700 (to support $1,445,000 loan), housing for 96 student families and central storage building, renovation of laundry facility.
Nashville--Fisk University, $59,700 (to support $1,170,000 loan), dormitory for 159 men and 159 women students.

-more-

TEXAS

Beeville--Bee County College District, $23,200 (to support $704,000 loan), dormitory for 100 single men and 40 single women students.
Snyder--Scurry County Junior College District, $50,900 (to support $1,543,000 loan), dormitories for 256 single students.
Texas City--College of the Mainland, $17,600 (to support $533,000 loan), student union.

UTAH

Salt Lake City--University of Utah, $99,000 (to support $3,000,000 loan), housing for 322 married students.

VERMONT

Burlington--Trinity College, $25,500 (to support $500,000 loan), dormitories for 160 women students.

VIRGIN ISLANDS

St. Thomas--College of the Virgin Islands, $33,000 (to support $1,000,000 loan), dormitory for 192 students.

VIRGINIA

Hampton--Hampton Institute, $105,600 (to support $2,070,000 loan), combination student union-dining hall.

WASHINGTON

Bellingham--Western Washington State College, $110,900 (to support $3,360,000 loan), student activity center.

WEST VIRGINIA

Shepherdstown--Shepherd College, $33,000 (to support $1,000,000 loan), addition to student union.

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GR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-542
Phone (202) 755-7174

FOR RELEASE AFTER:
10:00 a.m., Tuesday
July 21, 1970

BREAKTHROUGH SITE DEVELOPERS NAMED FOR INDIANAPOLIS, MEMPHIS

Site development contracts have been signed for Operation BREAKTHROUGH sites in Indianapolis, Ind.,and Memphis, Tenn., the U. S. Department of Housing and Urban Development announced today.

Urban Systems Development Corp., of Arlington, Va., in association with the College Park Corp., of Indianapolis, was named to take charge of the Indianapolis site under a $1,997,000 two-year contract. Approximately 300 units will be built on the site, one of 10 BREAKTHROUGH sites throughout the Nation.

The Alodex Corp. of Memphis was named for the Memphis site in a two-year $1,917,000 contract. Approximately 450 units will be erected on the Memphis site.

Operation BREAKTHROUGH is HUD's major research and demonstration program to find solutions to the problems impeding vitally needed large scale production of housing in many areas of the Nation.

Developers have previously been named for the sites in the State of Washington and in Jersey City, N.J.

HUD officials said discussions and negotiations are going on to select the site developers who will serve on the other seven sites of the program, and the remaining developers are expected to be named within a few weeks. Sixty-eight companies made applications to serve as site developers.

All site developers, under HUD guidelines, will be responsible for nearly every phase of activity on the site, from groundbreaking to eventual disposal. These duties include supervision of the housing system producers throughout construction of their prototype housing, as well as for maintenance, custodial requirements, local government and community relations, and supervision of the management of the property through the rental, lease, and sales periods.

- more -

The developers will also serve in evaluation roles, making judgments and keeping records of all the performance factors of the housing units, including their durability, functionalism, public acceptance, marketability, testing procedures, and habitability.

Finally, the developers will also serve as the mortgagors for the property. In substance, HUD officials said, the site developers will serve as developers-builders-managers-mortgagors-sellers-lessors-and evaluators.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-546
Phone (202) 755-7174

FOR RELEASE:
Tuesday
July 21, 1970

ROMNEY ANNOUNCES 'PROJECT REHAB' TO REBUILD SLUMS ON LARGE SCALE

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced details of HUD's new Project Rehab, a plan to help cities undertake large-scale, low-cost rebuilding of rundown housing.

The new project, launched quietly last winter, has thus far helped get big rehabilitation efforts under way that will involve nearly 22,000 housing units in 10 cities. All units are in absentee-owned slum buildings. Work has already begun on more than 6,000 of the units, the Secretary said.

"Few things," the Secretary said, "can provide more immediate and more tangible improvement to living conditions in slum areas than volume rehabilitation. It can also provide much needed jobs and entrepreneurial opportunities to residents of the affected neighborhoods, especially members of minority races."

The first cities getting HUD approval of plans, technical assistance, and program funds are Cincinnati, Detroit, El Paso, Hartford, Indianapolis, Memphis, New York, Philadelphia, Pittsburgh, and Seattle. Mr. Romney said more cities are expected to get plan approvals within a few weeks.

"We have held up announcement of the program," the Secretary said, "because of the need to develop special procedures required for large-scale rehabilitation projects. We have had to innovate in developing this program. Now we are confident we have the tools to do the job."

HUD fund assistance includes financing under the low-rent public housing program, rent supplements, and mortgage interest subsidies for both rental projects and homes bought by lower income families. HUD also assists the program by providing speedy processing of applications. This requires highly effective work at all levels of HUD's organization -- local, regional and national.

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Secretary Romney said that "Even more important than the fund subsidies is the HUD guidance and organization assistance needed to get Project Rehab going in each city. This includes on-the-spot technical and policy guidance to local officials, contractors, housing sponsors, and neighborhood groups."

Project Rehab is directed by a team of officials from such HUD areas as the Federal Housing Administration, Renewal and Housing Management, Model Cities, Equal Opportunity, and Research and Technology. Project Director is M. Carter McFarland, FHA Assistant Commissioner for Rehabilitation.

Six criteria determine selection of cities by project teams that visit localities seeking HUD assistance. These are:

1. Suitable rental properties in large numbers that can be improved at low enough cost to be rented or sold under HUD programs for lower income people.

2. Skilled contractors who are ready and able to carry out the work.

3. Capable sponsors that can acquire properties, manage them, provide relocation housing, communicate effectively with neighborhood residents, provide job and business opportunities to local people, and perform housing counseling services.

4. Job and enterprise opportunities for neighborhood residents through skills training and related programs for the unemployed, and recruitment of minority contractors, with bonding and other assistance.

5. Neighborhood acceptance. This requires skill, time, and patience in achieving understanding among program participants and neighborhood residents.

6. Assistance for displaced families.

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MR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-537
Phone (202) 755-7174

FOR RELEASE:
Wednesday
July 22, 1970

FLORIDA COUNTY GETS HUD GRANT FOR OPEN SPACE DEMONSTRATION

The U.S. Department of Housing and Urban Development today announced a $402,111 grant to Metropolitan Dade County, Fla., to demonstrate how electric power transmission rights-of-way may be used for linear parks.

The project will be a demonstration of the legal and administrative methods needed to convert such properties to public open space and obtain community support.

There are more than 100 miles of electric power transmission rights-of-way in Dade County. A 3-1/4-mile stretch will be used in the demonstration. When completed, the linear park will connect recreation facilities, community services, commercial districts, and residential areas.

The park can be used for hiking, bicycle and horseback riding, jogging, and other activities that require long stretches of land. Usually, such land is expensive to obtain and develop, but the joint use concept saves money and has wide applicability to urban areas everywhere.

Since most cities have power and transportation rights-of-way, Dade County's development of legal instruments to convert them to public open space could be a model for the entire country.

Designs and plans for the linear park will be prepared in consultation with the communities involved. Construction of the park is contingent upon community acceptance.

The first phase of the demonstration will concentrate on determining the existing legal interests in the property and obtaining the land for open space use. An interim report will document the project's feasibility and the degree of community acceptance.

If the results are favorable, planning and construction of the park will begin. The final report will discuss and evaluate the demonstration.

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The project, expected to take about 2-1/2 years to complete, should be finished by January 1973. Estimated total cost is $804,222. The Federal grant covering 50 percent of the cost was made under the Title VII Demonstration authority of the Housing Act of 1961, as amended. Matching funds will be provided by Dade County. The Dade County Planning Department will supervise the project.

For additional information: Charles Crumpton
Assistant Planning Director
Metropolitan Dade Co.
702 Justice Bldg.
1351 N.W. 12th Street
Miami, Florida 33125

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-548
Phone (202) 755-7174

FOR RELEASE:
Wednesday
July 22, 1970

BALTIMORE GETS HUD DEMONSTRATION GRANT FOR SCHOOL PLAYGROUND DEVELOPMENT

The U.S. Department of Housing and Urban Development today announced a $29,810 grant to Homewood Education Corporation, of Baltimore, to aid in the development of a playground in front of the Margaret Brent elementary school.

The recipient of the grant is a nonprofit organization in Maryland working for the improvement of neighborhood schools.

Purpose of the project is to demonstrate how citizens in a diverse community can cooperate to build a school playground as part of a program to improve the schools and thereby stabilize their neighborhoods. Citizens participation in the planning and evaluation process is an integral part of the demonstration and will be thoroughly documented in the final report.

The area surrounding the Margaret Brent school has a population of low-, middle-, and upper-income whites, blacks, students, and young professionals. These varied groups have been working together through the Homewood Education Corporation in an attempt to furnish the asphalt area in front of the school with interesting, durable, play equipment that relates to the needs of the school children and the community. Equipment for the playground will be specially designed and tested for educational value and success with the children.

The entire project has a budget of $59,620. The Federal grant, amounting to 50 percent of the total, was made under the Title VII Demonstration authority of the Housing Act of 1961, as amended. Matching funds have been raised from community projects including a neighborhood house tour and a local ballet, and from grants from the Hoffberger Foundation, the Educational Facilities Laboratories, the Baltimore City Public Schools, the Baltimore Department of Recreation and Parks, and private individuals.

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The Johns Hopkins University and other nearby institutions have supported the residents' efforts. Johns Hopkins is allowing teachers in the schools in the Homewood Community to take courses at no cost in a further attempt to improve the schools in the area.

The playground construction and evaluation should be completed by April 1972 and a report on the project available by July 1972.

For further information: John Neff
2840 St. Paul St.
Baltimore, Md. 21218

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-548
Phone (202) 755-7174

FOR RELEASE:
Wednesday
July 22, 1970

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Baltimore, Md. 21218

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-543
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 23, 1970

NEW YORK CITY GETS HUD GRANT TO DEVELOP STREET PARK IN HARLEM

The U.S. Department of Housing and Urban Development today announced a $192,704 grant to the Architects' Renewal Committee in Harlem, Inc., a nonprofit professional group responsive to community needs, to develop a street park in New York City's Randolph Square.

The conversion of a street into a recreation area will demonstrate a new method of creating open space in the inner city. The project will examine the problems of police, fire, and insurance protection and the necessary rerouting of traffic. The solutions to these and other problems will serve as models for future development of street parks in Harlem and other communities.

In its request for assistance, the Architect's Renewal Committee stressed the urgent need for recreation space in Harlem. At present, only 9.4 percent of the land is being used for recreation. Children ages 6 to 12 have no place to play after school hours, and senior citizens are often confined in their homes by the lack of quiet spaces to walk and sit in.

The committee has recommended reducing the percentage of land used for streets in Harlem from 41 percent to 30 percent. The gain of 11 percent could be added to open space.

The demonstration will be in two phases. The first will be an attempt to close the street. Efforts to do this will be made through appropriate New York City agencies. The success or failure of this step will be documented in an interim report.

- more -

The second phase of the demonstration is contingent upon the street closing. It will involve citizen participation in the development of an appropriate design for the park, consideration of design limitations, and construction. This phase will be documented in a final report.

Estimated cost of the project is $385,408. The Federal grant, amounting to 50 percent of the total, was made under the Title VII Demonstration authority of the Housing Act of 1961, as amended. The remaining funds are expected to come from community and private sources and the New York City Parks, Recreation and Cultural Affairs Administration.

Construction should be completed by June 1971.

For additional information:

Arthur L. Symes
Executive Director
Architects' Renewal Committee In Harlem, Inc.
221-3 West 116 Street
New York, New York 10026

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-553
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 23, 1970

ADDITIONAL PROPERTY OWNERS ELIGIBLE FOR HUD EMERGENCY FLOOD INSURANCE

The U.S. Department of Housing and Urban Development announced today that effective July 24, 1970, local property and casualty agents can start selling HUD emergency flood insurance in Concord, Calif.; Gulfport, and Tarpon Springs, Fla.; LaFourche Parish, La. (unincorporated areas); North Wildwood, N.J.; Las Cruces, N.M.; Mesquite, and Nassau Bay, Texas.

According to Federal Insurance Administrator George K. Bernstein, "Now that the community has established its eligibility, homeowners and owners of small businesses should take prompt advantage of this vital insurance protection." He pointed out that annual U.S. property damage resulting from natural disasters averages $1 billion and that about 5,000 communities in the nation have some kind of flood threat.

The National Flood Insurance Act of 1968 specifies that anyone eligible to buy flood insurance who chooses not to do so generally will not be able to get Federal financial disaster aid for flood losses that occur after one year from the date he became eligible.

Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities pledge to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future development away from flood hazard areas and set construction standards such as minimum foundation and floor elevations."

The total number of flood-prone U.S. communities eligible for flood insurance has now reached 193.

Under the regular flood insurance program, a community cannot become eligible for flood insurance until an actuarial rate-making study has been completed for that community. These studies generally take six to eight months. On the other hand, the emergency flood insurance program, which has been adopted here, is designed to provide limited coverage at federally subsidized rates even before actuarial studies are completed.

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Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 of insurance, depending on the value of the structure. Contents may be insured up to $5,000 with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, federally subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to $5,000 maximum.

Official maps identifying the local flood hazard areas can be examined at the following locations:

California:	Concord	City Hall
Florida:	Gulfport	City Hall
	Tarpon Springs	City Manager's Office
Louisiana:	LaFourche Parish	Court House, Thibodaux
New Jersey:	North Wildwood	Office of Tax Collector
New Mexico	Las Cruces	City Hall
Texas	Mesquite	Department of Public Works
	Nassau Bay	City Hall

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

J O I N T H U D - C O M M E R C E R E L E A S E

HUD-No. 70-557
Phone (202) 755-7174

FOR RELEASE AFTER 11 A.M.
Thursday, July 23, 1970

TWO U.S. AGENCIES SIGN AGREEMENT AIMED AT BOOSTING HOUSING PRODUCTION

Secretary George Romney of the U.S. Department of Housing and Urban Development and Secretary Maurice H. Stans of the U.S. Department of Commerce today signed an agreement authorizing use of technological resources of the National Bureau of Standards in broad HUD programs dealing with housing.

The agreement, intended to boost housing production through improved construction techniques, supplements technical assistance already being provided by the National Bureau of Standards to HUD's Operation BREAKTHROUGH Program.

Authorization for this assistance was established in an agreement signed last year by HUD Assistant Secretary for Research and Technology, Harold B. Finger, and Dr. Myron Tribus, Assistant Secretary for Science and Technology, Department of Commerce.

This agreement has resulted in technical support being provided by the National Bureau of Standards in areas including testing and evaluation, leading to certification of housing systems.

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Hailing the new action, Secretary Romney cited HUD's authority to enter into agreements with other Federal agencies in meeting the Nation's housing needs.

"Improving the housing process," he said, "hinges on greater industrialization and 20th century technology, founded on a firm base of research and performance data."

Secretary Stans said, "The Department of Commerce is pleased to make available to HUD its technological facilities and expertise as part of the Government's efforts to meet the Nation's urgent housing needs.

"We look forward," he said, "to constructive results in the housing field from our interdepartmental teamwork."

The National Bureau of Standards has for a long time been providing technological assistance in the building and construction field to local bodies. It acts as executive secretariat for the National Conference of States on Building Codes and Standards, which was formed as a mechanism for increasing the compatibility of building codes across the country through state and local action.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-545
Phone (202) 755-7174

FOR RELEASE:
Friday
July 24, 1970

OFFICE OF INTERSTATE LAND SALES: A SELF-SUSTAINING FEDERAL AGENCY

It is the rare Federal agency that brings money into the United States Treasury repaying the cost of its operation...plus.

Such a phenomenon is the Office of Interstate Land Sales registration of the U.S. Department of Housing and Urban Development.

For the first six months of 1970 it took in $259,932.75. Salaries for the same period for its entire staff of 39 people came to $235,839.25.

Interstate Land Sales is charged with the administration of a consumer-oriented act designed to protect buyers of land being sold in interstate commerce from the consequences of material misrepresentations made by land developers.

Under the act, land developers are required to file statements with Interstate Land Sales that will tell prospective purchasers for what they are agreeing to spend their money. Along with the statements, developers pay fees based on a scale ranging from $300 for developers offering for sale in interstate commerce a minimum of 50 lots of five acres or less up to a charge of $1,000 for offerings of 701 or more lots.

The agency's jurisdiction is not limited to land situated only in the United States. Its authority is based rather on the fact that the land is being offered for sale in the United States. To date, there have been filings of land in Greece, Ireland, Mexico, the Bahamas, Canada, and Costa Rica, being offered for sale in this country.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-561
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Friday, July 24, 1970

MENNONITE GROUP HONORED BY HUD FOR PUBLIC SERVICE

The U.S. Department of Housing and Urban Development will present its "Public Service Award" to the Mennonite Disaster Service for outstanding volunteer efforts in helping to provide housing for Hurricane Camille victims in Mississippi and Virginia.

The presentation will be made Sunday evening, July 26, 8:00 p.m. in the Goshen College Student Union Auditorium, Goshen, Indiana. Kenneth C. Cavanaugh, Acting Director of HUD's Office of Housing Management will represent HUD Secretary George Romney at the ceremonies. Chris Garber will accept the award on behalf of the Mennonite Disaster Service. The presentation will highlight a public meeting in Goshen commemorating the 50th Anniversary of the Mennonite Central Committee.

According to Mr. Cavanaugh, the Mennonite Disaster Service is being honored for its work in Mississippi and Virginia following the August 1969 hurricane which destroyed thousands of homes in those states. The organization donated all labor, and using materials supplied by the Red Cross and others, built 18 new homes and repaired 600 dwellings in Mississippi and built 14 new homes, repaired 30 more as well as 10 farm buildings in Virginia.

Mr. Cavanaugh said that the award being made is in line with Secretary Romney's role as Chairman of the Cabinet Committee on Voluntary Action.

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"The work of both the Mennonite Central Committee," said Secretary Romney, "and the Mennonite Disaster Service are outstanding examples of humanitarian efforts in behalf of their fellow citizens. HUD's award is in keeping with the Administration's policy with regard to volunteer efforts--to foster the maximum effective voluntary application of the nation's private resources to today's human, social, and community problems--in a free creative partnership with government."

The full text of the citation follows:

"Hurricane Camille devastated areas of Mississippi and several other states leaving thousands of families homeless.

"The Mennonite Disaster Service unselfishly devoted its time and talent to over 700 families in the states of Mississippi and Virginia in the repair or new construction of housing at no cost to the hurricane victims.

"The Department of Housing and Urban Development recognizes this act of distinguished public service as a most worthwhile contribution to the development and preservation of our country."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7174

FOR RELEASE:
Monday
July 27, 1970

Excerpts from statement of Secretary George Romney to Meeting of Suburban Officials Warren, Michigan - July 27, 1970

What HUD Policy Is and Isn't:
"Fair Housing," not "forced integration"

To set the tone for this evening's meeting, I would like to read briefly from President Nixon's statement on school desegregation:

> "Freedom has two essential elements: the <u>right</u> to choose, and the <u>ability</u> to choose. The right to move out of a mid-city slum, for example, means little without the means of doing so..."
>
> "In speaking of 'desegregation' or 'integration', we often lose sight of what these mean within the context of a free, open, pluralistic society. We cannot be free, and at the same time be required to fit our lives into prescribed places on a racial grid -- whether segregated or integrated, and whether by some mathematical formula or by automatic assignment. Neither can we be free, and at the same time be denied -- because of race -- the right to associate with our fellow-citizens on a basis of human equality."

-more-

"An open society does not have to be homogeneous, or even fully integrated. There is room within it for many communities. Especially in a nation like America, it is natural that people with a common heritage retain special ties: it is natural and right that we have Italian or Irish or Negro or Norwegian neighborhoods; it is natural and right that members of those communities feel a sense of group identity and group pride. In terms of an open society, what matters is mobility; the right and the ability of each person to decide for himself where and how he wants to live, whether as part of the ethnic enclave or as part of the larger society -- or, as many do, share the life of both."

The issues we discuss this evening do not concern primarily the "right to choose," but rather the "ability to choose" and our responsibility as public officials under the law to insure that the ability to choose can be reasonably assured to all citizens.

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There has been a lot of loose talk about a HUD policy of "forced integration" of the suburbs. There is no such policy.

The Department does encourage integration through voluntary action, and we have a statutory mandate to enforce a national policy of fair housing. But our role is not to prescribe quotas or numerical standards which a community must meet. Instead, our duty is to see that fair housing opportunities exist, and that communities seeking Federal assistance are acting affirmatively to prevent discrimination from denying the right and ability of people of all races and incomes to choose where they will live.

Let me repeat and expand on this:

There is not now and will not be any HUD policy mandating forced racial integration in suburbs. Rather, the position of this Department is that we must carry out what the law requires of us: affirmative action to implement the fair housing provisions of Title VIII of the Civil Rights Act of 1968. This means a policy of non-discrimination in housing, and that is what this Department will enforce.

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In practical terms, this means that HUD will not set numerical quotas for the suburbs, and that we are opposed to the creation, either in the cities or the suburbs, of new concentrations of housing for minorities or low income families. It also means that we will encourage dispersal, in cities and suburbs alike, of housing of good quality available to families of all races and income levels; so that insofar as possible, all Americans have the opportunity to live within a reasonable distance of their jobs and daily activities.

Nobody should be pressured to go anywhere, but it is the essence of a free society that every family should have a choice.

This means that for any community to receive our HUD grants they must take affirmative action to prevent discrimination in the choice of a house of the community in which to live.

In summary this involves two HUD policies:

1. Enforcement of non-discrimination in housing, and,
2. Encouragement of voluntary action to provide greater housing opportunity for families of all income levels, but particularly those of low and moderate income levels.

Confusion has arisen with respect to these two policies and particularly as they were applied to Warren's latest Urban Renewal grant.

In March, our Chicago regional office submitted to Warren a twelve point program that called for both positive voluntary integration actions by Warren and mandatory actions to prevent discrimination. When Warren rejected those proposals requiring positive voluntary integration actions, they were dropped, and only those requirements essential to the elimination of discrimination required. Specifically, that Warren appoint a Human Relations Council. This Warren has agreed to do and as a result we are prepared to move ahead with our grant as the Mayor has already been notified by a letter from the regional office dated July 21st.

-more-

These policies recognize and respect local decision making. They have been applicable nationally for some time and do not make Warren a testing place. They do not force integration.

Regardless of what Warren ultimately does, or any other community does, the Federal Fair Housing law prohibits discrimination as does the Michigan State Civil Rights Act. Both apply to Warren.

But Federal and State action alone are not sufficient to eradicate discrimination. Local action is needed and required if HUD funds are to be secured.

Our nation faces no more difficult and complex problem than this one. But if we have learned no other lesson in our long and often bitter history of conflict on racial issues, we have at least learned beyond question that progress only comes as the result of deliberate and committed effort, both governmental and private. Throughout the history of the struggle for equal opportunity, every civil rights law and every effort to carry out the law affirmatively has been opposed by people who say that these measures are unnecessary -- not wrong in principle or in objective, but not necessary.

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In light of these policies, the following published statements made continuously during the past week were unjustified:

"U.S. picks Warren as prime target in move to integrate all suburbs."

"Washington -- the Federal government intends to use its vast power to force integration of Americas white suburbs and it is using the Detroit suburbs as a key starting point."

"The Detroit News, in a copyrighted series of articles last week, reported that HUD intends to use its funds to force integration of white suburbs, with Detroit suburbs -- the city of Warren, in particular, as a key starting point."

If, after my clear statement of our policy in Warren, and elsewhere, such statements are repeated publicly or privately, they are deliberately false, inflammatory and dangerously irresponsible.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-565
Phone (202) 755-7174

FOR RELEASE:
Thursday
July 30, 1970

RURAL WEST VIRGINIA COUNTIES TARGET OF HUD RESEARCH GRANT

The U.S. Department of Housing and Urban Development has awarded a $149,798 grant to the Tech Foundation, Inc., of the West Virginia Institute of Technology for a project designed to provide improved public services in some thirty rural communities in the State.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, said the study will focus on government and public services in Fayette and Kanawha Counties.

The project is part of a three-part program to analyze and develop means of improving the efficiency of governmental units and public services in 30 rural communities in the Upper Kanawha Valley of West Virginia.

Joining HUD in support of the program are the U.S. Department of Health, Education, and Welfare (under the Title I Higher Education Act) and the Office of Equal Opportunity.

Highlights of the program include:

- Examining the organizational structure and financing of public services.
- Defining alternative levels of service and their costs.
- Identifying and evaluating untapped resources for improving public services.
- Evaluating and reporting on citizen response to efforts to improve their public services.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-590
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Thursday
August 6, 1970

BUDGET CUTS CANCEL TWO BREAKTHROUGH SITES

Budget cuts by Congress have forced cancellation of two prototype sites in Operation BREAKTHROUGH, and consideration of further changes in the program, the U. S. Department of Housing and Urban Development announced today.

The cancelled sites are in New Castle County, Del., near Wilmington, and in Harris County, Texas, near Houston, officials said.

Curtailment of the BREAKTHROUGH program, HUD's major effort to find solutions to problems impeding large volume production of housing throughout the Nation,was indicated last week when Congress cut deeply into the HUD budget for Urban Research and Technology, under which the BREAKTHROUGH program operates.

President Nixon's budget for fiscal year 1971, which started July 1, called for $55 million for HUD research and technology, with $35 million of the total scheduled for the BREAKTHROUGH program. The budget finally approved by Congress was for $30 million, an amount less than that needed for the BREAKTHROUGH program alone.

The cancellations today eliminate approximately 200 prototype housing units in Delaware and 175 units in Texas.

Harold B. Finger, HUD's Assistant Secretary for Urban Research and Technology, said the cancellations on the two sites were made immediately, because it was apparent that the BREAKTHROUGH program would have to be cut back, since funds would not be available to complete work on all the 10 sites which had been previously selected.

Mr. Finger also pointed out that other reductions may still be required to keep within the budget limitations. The cancellations announced today will make it necessary to renegotiate numerous contracts and terminate others. These contract changes and terminations will involve Housing System Producers, Site Planners, and Site Developers, he said.

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However, all of 22 Housing System Producers, selected in February, are expected to be represented on the remaining sites, although some multiple assignments may be reduced or eliminated.

Various test and research work, planned during construction and for a period after the prototype housing units are occupied, may be affected or curtailed, he said, including some important features of the entire Operation BREAKTHROUGH.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-599
Phone (202) 755-7174

NOTICE OF PUBLICATION
FOR RELEASE:
Friday
August 14, 1970

HUD PUBLISHES TWO PAPERS ON ENVIRONMENTAL PLANNING

The first two publications in a new series titled Environmental Planning Papers have been issued by the U.S. Department of Housing and Urban Development.

They are Airport Environs: Land Use Controls and Proceedings of the National Conference on Sediment Control.

In an introduction to Airport Environs, Samuel C. Jackson, Assistant Secretary for Metropolitan Planning and Development, said the series "will cover a variety of environmental problems and proposals and will, we hope, contribute meaningfully to the improvement of the quality of life for all of our citizens."

Airport Environs: Land Use Controls (35 pages) discusses the need for comprehensive planning in building airports and the relationship between the airport and the surrounding community.

The comprehensive planning technique involves various concepts, including the use of metropolitan or interjurisdictional councils. The paper suggests that these areawide councils might tackle some of the most pressing concerns such as noise abatement, building codes, soundproofing, and more effective use of the land immediately surrounding the airport.

The publication maintains that "the land use strategy, or combination of strategies to be used, must be based on a comprehensive planning approach and consider both the requirements of the airport and of the neighboring communities."

Proceedings of the National Conference on Sediment Control (54 pages) discusses the relationship between increasing technology and its effects on soil erosion and sedimentation.

It has been reported that one billion tons of sediment are now reaching our waterways and three times that amount is creeping across fertile valleys and moving down mountainsides.

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Most sedimentation problems are caused by builders of housing, industry, and highways, and most solutions are commonsense applications of basic techniques. Adequate planning, design, and maintenance are the major factors in preventing and alleviating erosion and sedimentation.

Control measures, including permanent vegetation, lateral channel diversions, outlet channels, bench terraces, and time of construction, can help prevent erosion and sedimentation. Control measures can cut down on water pollution, the threat to wildlife, and the curtailment of recreational activities.

Single copies of the publications can be obtained from: Publications Service Center, Supplies and Facilities Management Branch, Room B-258, HUD, Washington, D.C. 20410.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

OMO
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HUD-No. 70-610
Phone (202) 755-7174

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FOR RELEASE:
Tuesday
August 18, 1970

HUD SET TO DECENTRALIZE
ITS PROGRAM OPERATIONS

With its brand new field structure scheduled to be firmly anchored in place by the end of next month, the U.S. Department of Housing and Urban Development is funneling its program operating authority down to its Regions and new area offices in a move to speed up delivery of its services to local communities, HUD Secretary George Romney announced today.

The decentralization process represents part of a major overhaul of HUD's administrative machinery, the Secretary said, to improve departmental efficiency and delivery time.

The improvements this year in program administration and management were itemized in a 22-page report submitted by the Secretary to the Senate and House Banking and Currency Committees.

Along with decentralization, the Secretary reported that HUD had:

. Cut processing time, simplified requirements and eliminated paperwork on six key programs, with eight additional programs scheduled to go under the scalpel this year.

. Completely restructured the Washington office to combine related functions and programs, eliminate functional overlaps and pinpoint appropriate areas of responsibility.

. Created four new Regions, raising the total to 10, with the same geographical boundaries as four other human resources agencies of the Federal Government, and established 23 new area offices in key cities across the country. All are scheduled to be operational by September 30.

. Consolidated and simplified related programs, including the proposed merger of 50 FHA insuring programs into eight, and terminated programs no longer essential to today's needs.

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With the installation of the 23 area offices next month, they will be given authority to process and approve HUD programs at the field level, without first referring them to the Regions or to the Washington office for approval.

Many of the area directors have already been appointed, and the remainder are expected to be in office before the September 30 deadline.

The area offices will absorb the functions of the FHA insuring offices in the 23 cities in which they are located. The other FHA insuring offices untouched by the realignment will be authorized to commit funds for multi-family housing programs, including the Rental Housing Assistance program and the Home Ownership Assistance program.

Both the area and insuring offices will be under the supervision of the regional offices in their geographical jurisdiction. Under the new procedures Regional Administrators can approve applications for water and sewer projects and open space land projects, and will be authorized to approve contracts with local housing authorities for new public housing.

Authority also will be given to qualified local urban renewal agencies to approve applications for individual rehabilitation loans, speeding up service to homeowners in urban renewal areas.

Mr. Romney reported that the Department has developed an audit and evaluation system to monitor the improvements already made and to make sure they are applied effectively.

The second phase of the field reorganization, in which the number of area offices will be expanded to 44, will be carried out next year.

The new Regions are created in Boston, Kansas City, Mo.; Denver and Seattle. The six already in existence are New York, Philadelphia, Atlanta, Chicago, Fort Worth and San Francisco.

# # #

12 copies Improving Program management - FR

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-613
Phone (202) 755-7327

FOR RELEASE:
Wednesday
August 19, 1970

HUD DEMONSTRATION GRANTS TO AID FLOOD AREA CODE ENFORCEMENT

The U. S. Department of Housing and Urban Development has announced two demonstration grants totaling $150,000 for designing, field testing, and evaluating a system of regional building code enforcement in a four-county area heavily damaged by Hurricane Camille last August.

The grants, to cover a period of one year, were awarded to the Mississippi Research and Development Center which is co-ordinating the program based on the studies and recommendations of the Governor's Emergency Council of Mississippi, created September 6, 1969, in the wake of the massive destruction caused by Hurricane Camille.

The project covers the three coastal counties of Hancock, Harrison and Jackson, and nine incorporated communities within the three-county region. The coastal counties are those most damaged by Hurricane Camille. The devastation was such that it was beyond the capability of the communities to provide competent professional code administrators needed to implement and evaluate systems of regional code enforcement and to train local code enforcement personnel.

Problems to which the study will address itself are: An appropriate agency for this region; the appropriate role for a regional agency and the proper coordinative relationships between local communities, the State and local and regional planning agencies; the most appropriate method for local government bodies' participation in the agency's activities; the administrative mechanism needed to assure proper inspections and review procedures in view of local autonomy.

The large number of dwelling units and other buildings destroyed, the regional impact of the disaster and the local desire to use the occurence to create greater potential for future development than would occur from a simple process of replacement, has contributed to the willingness of the local communities to adopt some planning on a regional basis.

The project is being funded through HUD's 701 comprehensive planning assistance program; $100,000 under the 701(b) urban planning research program, and $50,000 under the 701(a) program to foster sound community, regional and statewide planning. The local share of $16,667 is being provided by the Governor's Emergency Council.

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The demonstration project will have significance and applicability in areas of the U. S. susceptible to abnormal flooding, which cause continual losses of life and property. As far as can be ascertained, no codes have yet contained clauses covering specific construction provisions for these areas. In addition, the project will have broad application in establishing guidelines for local, State, and Federal programs related to uniform regional code enforcement in a multi-jurisdictional area.

The results of this comprehensive study will be presented in a special report to the Department of Housing and Urban Development at the conclusion of the one-year demonstration.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No.-70-624
Phone (202) 755-7175

FOR RELEASE:
Friday
August 21, 1970

ROCK SPRINGS, WYO., GETS GRANT TO CONTROL SINKING OF LAND

The U. S. Department of Housing and Urban Development has made a $170,000 grant toward the cost of testing a new system for preventing the sinking and shifting of land caused by the collapse of underground mines.

In addition to the HUD grant for the test to be undertaken at Rock Springs, Wyo., the Bureau of Mines, Department of the Interior, will provide $55,000, and the Dow Chemical Co., which will carry out the test, will contribute $20,000.

The method to be tested is the injection of slurry, a mixture of sand and water, through a hole bored from the surface into the mine cavity. High velocity and pressure is expected to spread the slurry over a much wider area, through a single hole, than has been possible through existing methods.

Parts of Rock Springs, underlain by abandoned coal mines, have been troubled by this land subsidence since 1957, and drops of up to two feet have affected at least 18 homes.

During recent years there has been increasing evidence of subsidence throughout the community which is attributed to the undermining of the city. Damage to public and private property currently is occurring at an alarming rate. Streets and sidewalks are buckled; residences are separating from their moorings; water and gas lines are breaking.

Residents in the affected areas are being required to shore up their foundations and make other structural improvisations to meet the demands of the shifting earth. Some residents have abandoned their homes.

The Rock Springs area was an important coal mining center for many years and produced two million tons a year for half a century, but since 1920 production decreased steadily and all mine working was abandoned by 1935.

Results of the experiment will be published for the guidance of other communities facing subsidence problems.

For further information: Hon. Paul J. Wataha
Mayor of Rock Springs
P. O. Box 1030
Rock Springs, Wyo. 82901
Phone:(307) 362-2222

PROJECT NO: WYO. D-1

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HUD news feature
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

HUD-No. 70-606
Phone (202) 755-7174

FOR WEEKEND RELEASE:
Saturday, Sunday
August 22 - 23, 1970

MORE MEXICAN-AMERICAN FAMILIES BECOME HOMEOWNERS UNDER HUD PROGRAMS

More lower-income Mexican-American families are achieving homeownership through Federal housing programs today than in all previous years combined, according to the U.S. Department of Housing and Urban Development. The reason? Independent, proud and hardworking Mexican-American families find HUD-FHA's 235 program (Homeownership for Lower Income Families) meets their particular housing needs.

Under "235," the family can select the style of home it likes, of a size big enough to accommodate large families, under a financing arrangement they can afford. By providing his own building or renovation labor, the buyer lowers the cost of the home substantially below what it would be otherwise. His labor can be applied as "sweat equity" which may cover more than the $200 cash payment required to purchase a new home. Large, poor families might have difficulty in raising $200 -- a contingency that is provided for under the program.

The most popular style of home selected by Mexican-American families from FHA's building plans is some variation of the Spanish-style stucco, with at least four bedrooms and 1-1/2 baths. Traditionally, the grandparents live with the family or at least close enough to have daily contact. Not only do they have a prominent role in rearing the grandchildren but, by tradition, hold an esteemed and respected position in the household.

Large-scale participation of Mexican-American families in Federal housing is a comparatively new thing. Eligible Mexican-American families usually refused to move into available FHA housing, regardless of the terms. Any change that meant moving away from the family or the community did not interest them.

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While the younger generation is more likely to strike out for where the jobs are located, the elderly continue to place close family ties before modern kitchens and tiled bathrooms. Records from past FHA files show instances where available units in modern housing for the elderly stood unoccupied because eligible grandparents chose to live near their families.

Their culture was a source of frustration to HUD-FHA officials charged with helping provide good and decent housing where needed.

Concern over the housing needs of low-income Mexican-Americans was shared by Washington as well as local officials. When a decision was made in Washington in 1967 to concentrate on low-income housing, the search for new approaches at local levels intensified. Mexican-American families, whether living in urban centers or in the largely-rural Southwest, often remained at the bottom of the economic ladder. Frugal and hardworking, the families were highly eligible for Federal housing programs.

But, for the most part, they continued to shun any governmental contract.

One of the most successful of the local FHA insuring offices to break through local cultural and language barriers has been the Santa Ana office, which serves three counties in Southern California. The office realized it could no longer wait for eligible Mexican-Americans to walk in or call. Today the practice is to send FHA speakers into Mexican-American communities to talk about housing programs.

"We never go into a community unless invited, "said FHA Director Richard C. Keyser. "Meetings are held in the evening because people who work during the day, can't afford to take time off. When an invitation comes to our office for a speaker, we send out an official who holds a bi-lingual meeting if necessary."

Meetings are usually held in a community leader's home, the school, or church. The priest is often present at the meetings since housing is a matter of parish concern.

"The presence and support of local priests has been an important influence with parishioners, many of whom traditionally regard the Anglo community with suspicion and distrust," Mr. Keyser said.

FHA visits into the community do not stop after the first meeting. Officials go back as needed to help get projects underway and provide preliminary counseling and guidance to prospective homebuyers.

One reason for Santa Ana's outstanding record in Mexican-American housing assistance has been the dedicated efforts of staff appraiser Frank Benjamin, graduate engineer with 12 years Federal housing experience.

"They love their homes," Mr. Benjamin explained. "But they are by nature conservative. When you tell the family that houses are available in another area, they would say 'o.k., you move down there. We'll stay here.'"

Mr. Benjamin's dedication goes beyond his duties as an FHA appraiser. His travels about the Santa Ana area of jurisdiction have taken him as far away as 200 miles into the most distant barrios (villages). Once there, he provides whatever FHA expertise is needed, including helping the community set up its own non-profit sponsoring organization. He often joins construction crews to advise, teach, and encourage so their new or renovated homes will meet FHA technical standards.

The record in Mexican-American housing is encouraging but there is still a long way to go. Other FHA offices serving large Mexican-American populations have developed a reservoir of ways and means of getting more and better housing built. A big problem is still how to make this Federal effort known and accepted by the Mexican-American people.

"They know us by our works," said Mr. Benjamin. "Word gets around."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-627
Phone (202) 755-7175

FOR RELEASE:
Monday
August 24, 1970

ALL OPERATION BREAKTHROUGH SITE DEVELOPERS ARE SIGNED

The U. S. Department of Housing and Urban Development announced today that it has signed contracts with site developers for all eight Operation BREAKTHROUGH sites throughout the Nation.

The final contract, for the St. Louis, Mo., site, was signed with Millstone Construction, Inc., and Millstone Associates, Inc., a joint venture, of St. Louis, Mo., to take charge of the St. Louis site. The contract is for $1,602,320 under a two-year contract. Approximately 450 prototype housing units will be built on this site.

HUD also announced that the National Corporation for Housing Partnerships of Washington, D. C., is associated with Bert L. Smokler & Company of Southland, Mich., on the BREAKTHROUGH Kalamazoo, Mich., site, and with Fickling & Walker, Inc., of Macon, Ga., on the Macon BREAKTHROUGH site.

Site developers have now been named for the following BREAKTHROUGH sites: Macon, Kalamazoo, St. Louis, King County, Wash., Jersey City, N. J., Indianapolis, Ind., Memphis, Tenn., Sacramento, Calif., and a Seattle subsite.

All site developers, under HUD guidelines, will be responsible for nearly every phase of activity on the site, from groundbreaking to eventual disposal. These duties include supervision of the housing system producers throughout construction of their prototype housing, as well as for maintenance, custodial requirements, local government and community relations, and supervision of the management of the property through the rental, lease, and sales period.

The developers will also serve in evaluation roles, making judgments and keeping records of all the performance factors of the housing units, including their durability, functionalism, public acceptance, marketability, testing procedures, and habitability.

Finally, the developers will also serve as the mortgagors for the property. In substance, HUD officials said, the site developers will serve as developers-builders-managers-mortgagors-sellers-lessors-and evaluators.

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STATEMENT OF

GEORGE ROMNEY

SECRETARY

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

BEFORE THE

SENATE SELECT COMMITTEE ON EQUAL EDUCATIONAL OPPORTUNITY

AUGUST 26, 1970

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Mr. Chairman and members of the Committee:

I am pleased to be here to take part in these hearings on the relationship of housing to school segregation. Mr. Samuel Simmons, our Assistant Secretary for Equal Opportunity, and Mr. Eugene Gulledge, Assistant Secretary for Housing Production and Mortgage Credit, are with me today.

Mr. Simmons is responsible for the enforcement of the fair housing statutes, and for the development of equal opportunity standards and criteria for all of HUD's programs. Mr. Gulledge is responsible for housing production under all of the federally subsidized programs, including public housing, as well as for the FHA mortgage credit insurance programs. We are all available to respond to questions at the conclusion of my opening statement.

The relationship between school and housing segregation is of great concern to all of us at the Department of HUD. We recognize that if a child is to learn in school, he must have a decent, safe and sanitary place in which to live. His home should be located in a desirable environment where he and his parents are safe and secure, and have access to a variety of community services and facilities which play such an important role in shaping aspirations and goals. In our site selection policy for public housing, we are concerned about the impact that the project will have on public and private institutions. We are concerned that there be adequate parks, play areas and open space opportunities. We are aware, as studies prepared by the U. S. Commission on Civil Rights and HEW have pointed out, that a child's playmates and schoolmates importantly affect his level of achievement in schools.

I would now like to turn to one of the questions raised in your letter of invitation, Mr. Chairman, "the question of whether or not the Federal Government -- through past or present policies -- has contributed to the creation of segregated housing patterns." The answer, of course, is "yes".

Before elaborating on that answer, however, I would like to caution against an exaggerated view of the Federal government's role in creating segregated housing patterns. It has become fashionable to say that FHA and VA insurance programs were responsible for building the suburbs on a segregated basis during the population explosion in our metropolitan areas after World War II. The facts are that in the late 1940's and throughout the 1950's, which were the peak years of FHA and VA activity, two out of three homes built in the United States were financed without any Federal involvement at all.

I make this point not to defend past federal policies which were clearly indefensible, I make it because simplistic notions about the impact of Federal policy in the past can lead to equally simplistic conclusions about the power of the Federal government by itself to correct present conditions and shape the future. The Federal leadership role is indispensable in meeting the problems before your committee, but in addition the solution requires a reconciliation between the races which will energize our local and private institutions and bring about a truly open society.

The reasons that racial reconciliation continues to elude us are deeply imbedded in our country's tormented history of race relations. Throughout most of that history, the dominant majority supported or condoned social and institutional separation of the races. This attitude became fixed in public

law and public policy at every level of government and every branch of government, and thus it was adopted as a matter of course by the Federal government when it entered the housing field in the 1930's.

The FHA was created in 1934 for the purpose of increasing the flow of money into mortgages for housing construction, thereby creating employment in the housing industry and increasing the supply of new housing. FHA long term mortgages replaced a system under which home owners were burdened by multiple short term mortgages, frequent and heavy refinancing costs, and the high risk of foreclosure when full principal amounts came due during financial distress.

Unfortunately, the sound policy objectives of FHA were accompanied by both official and informal Federal encouragement of racial segregation. FHA refused to provide insurance in integrated neighborhoods on the grounds that the financial risk to the government was too great. FHA also actively promoted the use of racially restrictive covenants which would prohibit "the occupancy of properties except by the race for which they are intended."

In addition to preventing minorities from gaining access to new housing, FHA policies also generally withheld insurance from existing housing in central city areas. This practice, called "red-lining," involved an unwritten but well understood agreement between financial institutions and FHA that many central cities neighborhoods occupied largely by minority groups had an unfavorable economic future.

Fire insurance companies were also part of this institutional pattern, for there were certain sections of the inner city where they would not insure against fires. There was for a long time no challenge to this kind of

restriction by the Federal government, and there was in fact through the years a hardening of its effects.

FHA's policies have changed, of course. The Supreme Court ruled in 1948 that racial covenants were not enforceable in the courts, and the requirement of neighborhood racial homogeneity as a condition of eligibility for FHA mortgage insurance was dropped from the FHA manual. The practice of "red-lining" ceased in 1965. However, not until the establishment of the "special risk fund" in the 1968 Housing Act, did FHA take effective action to make mortgage insurance available in such areas. The same statute also makes fire insurance available under the FAIR plan.

But changes in FHA policies have thus far had little practical effect on the pattern of residential segregation which has come to characterize our great metropolitan areas. Deep divisions exist. Our metropolitan areas today consist of miles of slums, miles of gray areas, and miles of sprawling suburbs, some modest and some affluent. These are the miles which separate the black and the poor from good schools, and from new promising job opportunities. And with this physical separation has come a decreasing ability of people of differing backgrounds to communicate with each other about the problems which clearly affect everyone.

Urban Renewal, the interstate highway network and other Federal programs have contributed to the segregation and isolation of the poor and minority groups in our cities. These Federal programs have thus aggravated the magnitude of the problem by preventing families from living within a reasonable distance of their daily activities.

The forces which produced such segregation and mislocation form an incredibly complex network of social attitudes; governmental actions; major population movements from South to North, rural to urban, and city to suburb; and major technological changes in industry, transportation, agriculture, and communications. No single Federal program, no single Federal department, no single strategy can be expected by itself to bring about all the necessary changes in this pattern of residential segregation.

We have begun to understand the policies, actions and influences which brought us to where we are today. We have more to learn, but we have made a beginning.

Equal Housing Opportunity

We have begun to define new goals for the future. In his school desegregation message, the President said:

> "The goal of this Administration is a free and open society. In saying this, I use the words 'free' and 'open' quite precisely."
>
> "Freedom has two essential elements: the right to choose, and the ability to choose. The right to move out of a mid-city slum, for example, means little without the means of doing so. The right to apply for a good job means little without access to the skills that make it attainable. By the same token, those skills are of little use if arbitrary policies exclude the person who has them because of race or other distinction."
>
> "Similarly, an 'open' society is one of open choices -- and one in which the individual has the mobility to take advantage of those choices."

As part of this Administration, this Department is deeply involved in assuring all Americans both "the right to choose" and the "ability to choose." These are the basic goals of our Department's evolving "open communities" policy.

"The right to choose" seems beyond debate; yet even on this point we cannot afford complacency. Opposition to equal housing opportunity as a legally guaranteed right is deeply entrenched in the minds of many citizens, though fortunately a diminishing percentage. Fair housing laws are mainly the product of the 1960's, passed only after close and hard-fought legislative battles. The Congress did not complete action until April of 1968, and spaced out coverage of the statute so that most single-family homes covered under the law have been under coverage only since this year, January 1, 1970.

I can assure you that we are affirmatively carrying out both the letter and the spirit of the Civil Rights Act of 1968. In addition to the disposition of fair housing complaints, our Department, under Mr. Simmons' leadership, is engaged in a wide range of cooperative efforts with other Federal departments, state and local governments, and numerous private organizations. Mr. Simmons and I will be pleased to go into further detail on these activities if the Committee has any questions.

Title VIII of the Civil Rights Act of 1968 addresses itself not only to the "right to choose", but also to the "ability to choose". The Secretary of HUD is charged not only with dealing with specific cases of housing discrimination, but also with a broad range of affirmative activities. Title VIII begins with a statement that:

> "It is the policy of the United States to provide, within Constitutional limitations, for fair housing throughout the United States."

Section 808 of Title VIII concludes with a directive to the Secretary of HUD that he

> ". . . administer the programs and activities relative to housing and urban development in a manner affirmatively to further the policies of this title."

I take this statutory mandate seriously. Throughout our Department, program managers, regional administrators, and other key personnel are fully familiar with my conviction that we must encourage equal housing opportunities for all citizens.

I don't believe it would be useful to detail each and every program guideline or administrative action which we are taking to carry out our responsibilities in this field. Indeed, many of those guidelines are still evolving. But there are certain aspects of our program administration which I believe I should discuss, and we will be pleased to answer your questions about matters I do not cover here.

1. Housing production. If housing policy is to have any impact on the problem of school segregation, it will be necessary to expand significantly housing opportunities for members of minority groups, as well as low and moderate income families generally. It is impossible to effect any substantial change in residential patterns without an increase in overall housing supply. Congress has recognized this need, and has established as a national goal the construction, in the current decade, of six million units of housing for low and moderate income families. Therefore, HUD has committed itself to achieving a breakthrough in housing production through innovations in technology, land assembly, marketing, and financing. In spite of inflation, the shortage of mortgage finance

and soaring housing costs, HUD is making a maximum effort to spur housing production, both conventional and Federally assisted.

We are beginning to make significant progress in the field of Federally assisted housing for low and moderate income families. In calendar 1970, over 500,000 units of housing for low and moderate income families will be started with Federal assistance. This is an enormous increase over past production figures. Depending on the overall level of housing starts, Federally assisted housing will account for between one-fifth and one-thrid of all housing (other than mobile homes) produced in 1970.

2. Site selection. Obviously, the selection of sites for this major new volume of Federally assisted housing is of critical importance. And if there is one lesson we have learned in our national experience with Federally assisted housing, it is that the concentration of large numbers of institutional-style units in areas of minority racial concentration produces undesirable results. It fosters the social isolation of the poor and minority groups. In many instances, it also deprives the poor and members of minority groups from living within a reasonable distance of jobs. When such concentrations have occurred in central cities, they have contributed to the physical and social deterioration of the city, and have hastened the exodus from the cities of the more stable elements of society.

Accordingly, it seems obvious that if the nation's housing goals are to be met without further exacerbation of the problems resulting from past policies, the Federally subsidized housing of the future must be designed and located differently than has been the case in the last thirty years.

If housing opportunities for low and moderate income families, and particularly for members of minority groups, are to be expanded in developing areas and other areas not previously open to them, we must make two key changes in past policies. First, we must avoid large concentrations of drab, institutional facilities. Second, we must make sure that in design and construction, new Federally assisted housing is architecturally and environmentally compatible with the surrounding neighborhoods.

In this connection, it is important to have in mind that, with the exception of such experimental activities as providing prototypes in Operation Breakthrough, HUD does not build housing or select sites. Housing production and site selection decisions and actions are taken by local organizations, public and private -- builders, developers, local housing authorities, and the like. HUD reserves the right to approve or reject a site proposed by a local sponsor, but the initiative in site selection and the decision to build is local. To be eligible for Federal assistance, any proposed new housing must conform to local zoning and building code requirements.

HUD has a published site selection policy with respect to sites for publicly sponsored housing, the most significant part of which -- relevant here -- seeks to avoid additions to public housing in areas of minority racial concentration. Site selection policies for FHA-assisted programs are being developed. A joint HUD-Department of Justice Task Force has been reviewing site selection (and tenant assignment) policies for all Federally assisted housing for several months. Pending adoption and publication of such policies the FHA is pursuing an informal policy designed to avoid further concentrations of Federally assisted housing in

large, institutional settings or in areas of minority racial concentration.

In some localities there have been objections to the construction of new Federally-assisted housing. The tenor of these objections has usually suggested that those who protest fear the introduction of the type of institutional buildings and poor maintenance which have characterized some of the past public housing. That is why we regard good design environmental compatibility, and compliance with non-discriminatory local zoning as having such great importance.

3. Proposed legislation. I would like to emphasize one point -- the importance of non-discriminatory local zoning. We have begun to see examples of local zoning or other similar action which discriminates against otherwise acceptable housing developments solely because the proposed housing is to receive federal subsidy.

The Federal government should not, in my view, require a community to accept a housing development which does not conform to code or zoning requirements imposed for the benefit of the community as a whole and which are uniformly enforced. But neither should a community be permitted to exclude an otherwise conforming development just because of its eligibility for Federal assistance.

This is the thrust and purpose of legislation which I proposed in May of this year. My proposal would expressly prohibit such discrimination, and would permit either the Attorney General or an aggrieved private litigant to challenge it in court. Because it has been somewhat misunderstood, I should perhaps review quickly for you those situations in which it would apply.

What the Legislation Would Do. Subsection (a) would prohibit local governments or their agencies from using any form of land use controls to prevent the reasonable provision of low and moderate-income housing eligible for Federal assistance in undeveloped or predominantly undeveloped areas which are in the path of development if the exclusion of such housing would be inconsistent with state or local comprehensive or master plans applicable to the areas.

Subsection (b) would prohibit similar local discrimination against low- and moderate-income housing in any area on the basis of its eligibility for Federal assistance. That is, a residential structure or its site plan that is permitted under local law or ordinance in the absence of Federal assistance could not be barred solely because of that assistance.

Subsection (c) contains provisions for judicial enforcement through actions brought either by the Attorney General of the United States or by any person who would be entitled to financial assistance or other benefits under a Federally assisted housing program.

What the Legislation Would Not Do. Subsection (a) would not apply to any area which was predominantly built up; and would not bring apartment houses into established single-family neighborhoods and would not bring row houses into areas where large lots predominate.

Subsection (a) does not apply to open areas which are not in the path of development. Thus portions of a county which are not ripe for development and for which the county is not yet ready to provide roads, sewer, and water lines and schools would not be affected by this provision.

Finally, the subsection does not apply to local ordinances or actions unless there is an inconsistency with state or local comprehensive or master plans applicable to the area. Thus, the provision, by its own terms, is inapplicable to areas which are not covered by any comprehensive or master local plan or to areas which have such plans if the plans make no provision for low- or moderate-income housing.

While subsection (b) does apply to all areas (whether or not built up, and whether or not in the path of development) it applies only where there is local discrimination against housing solely on the basis of Federal aid -- a type of discrimination that would undoubtedly be held invalid even in the absence of the proposed legislation.

Nothing in the legislation substitutes Federal plans for local plans. Subsection (a) does not go into effect unless there is inconsistency with applicable State and local master planning. Subsection (b) does not go into effect unless federally-assisted housing is barred for an identical structure or site plan that would be eligible under local law. Nor does the judicial remedy in subsection (c) substitute Federal or judicial zoning or subdivision rules for local land use controls. Instead it strikes down specific and narrowly limited local provisions or actions, leaving basic controls over local land use in the hands of local governments.

4. Planning. Because the availability of a broad range of housing opportunities is to a very great extent a function of local government action, the Congress in the 1968 Housing Act stressed the importance of including a "housing element" in local comprehensive and land use planning. Our Department administers the principal comprehensive planning grant program of the Federal government. Since 1968, the act governing the program

has required all local, regional, and state grantees to include a "housing element as part of...comprehensive land use plans, and this consideration of the housing needs...shall take into account all available evidence of the assumptions and statistical bases upon which the projection of zoning, community facilities, and population growth is based, so that the housing needs of both the region and local communities studied in the planning will be adequately covered..."

We in HUD look upon this planning requirement as extremely important and far-sighted legislation. We have made it clear to our grantees that planning for housing and land use must include full recognition of the need for low- and moderate-income housing throughout a metropolitan region. Our experience with this requirement is obviously limited, but we believe the potential value of these planning efforts is considerable, particularly to the extent that the resulting plan can be linked to a wide range of Federal grant programs.

Another form of planning which is significant here is the so-called "workable program for community improvement". This is a locally developed program which has been required by law since 1954 as a condition of eligibility for certain Federal grants, most notably urban renewal. The theory of this statutory requirement is that if the local community seeks Federal assistance in upgrading itself, it should also adopt a program designed to avoid recurring deterioration and decay. Zoning ordinances, building and housing codes and the means of their enforcement, and the like are typical elements of a workable program. Provision for low and moderate income housing has also been recognized as an essential element of any feasible program to prevent urban blight, particularly to accommodate the relocation needs of persons who may be displaced by urban renewal activities.

The enactment of the Civil Rights Act of 1968, with its mandate for affirmative action to further the fair housing policy of Title VIII, has in effect required consideration of a community's fair housing program as a part of the Department's review of each workable program submission.

Because the existence of a workable program, locally developed but certified by the Secretary of HUD, is a necessary condition of eligibility for urban renewal grants, it follows that eligibility for urban renewal funds requires some showing of local effort to implement the fair housing policy of Title VIII. The precise nature of that effort is not dictated by statute or regulation, but is subject to review in light of the circumstances obtaining in the community in question.

5. Allocation of scarce resources. Except where statutes, operating in combination, impose conditions of eligibility, HUD has not adopted the approach recommended by a recent Presidential Task Force, of denying Federal funds to a community which does not take steps to make housing available to low- and moderate-income families. However, most HUD grant programs have far more applications for grants than can be accommodated with available funds. Project selection criteria have been developed for some programs, and are being developed for others, as appropriate, which will take account of the local effort to meet housing needs in assigning relative priority to otherwise qualifying applications.

As an example, applications for new community loan guarantees are evaluated, in part, on the basis of the appropriate balance of housing opportunities for low- and moderate-income families and assurance of nondiscrimination in housing.

Mr. Chairman, these are some of the activities and plans of our Department as they relate to your Committee's studies.

In conclusion, I would like to refer again to the President's statement on school desegregation. The President said:

> "An open society does not need to be homogeneous, or evenly fully integrated. There is room within it for many communities. . . In terms of an open society, what matters is mobility: the right and the ability of each person to decide for himself where and how he wants to live, whether as part of an ethnic enclave or as part of the larger society -- or, as many do, share the life of both.
>
> "We are richer for our cultural diversity; mobility is what allows us to enjoy it. . .
>
> "Instead of making a man's decisions for him, we aim to give him both the <u>right</u> and the <u>ability</u> to choose for himself -- and the mobility to move upward."

The plain facts are that too many people do not have mobility, but are caught in a tangled web of public policies and private prejudices which effectively keep low income and minority persons in substandard conditions surrounded by severely limited opportunities.

The Federal government cannot realistically assume the entire burden for bringing about change. But the Federal government must assume the indispensable role of leadership, both in shaping its own policies and in stimulating state and local governments to take the actions necessary for a truly open society for all Americans.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-625
Phone (202) 755-5581
(202) 755-7174

August 28, 1970

THE NATIONAL FLOOD INSURANCE PROGRAM

QUESTIONS AND ANSWERS

1. Q. What is the National Flood Insurance Program and what is it designed to do?

   A. The program was established under the Housing and Urban Development Act of 1968 to make limited amounts of flood insurance, which was previously unavailable from private insurers, available to property owners by means of a Federal subsidy. In return for this subsidy, the Act requires that State and local governments adopt and enforce land use and control measures that will guide future development of land in flood-prone areas in order to avoid or reduce future flood damage. A 1969 Amendment to the Act expands the definition of flood to include mudslides.

2. Q. Who is responsible for the operation of the program?

   A. The Federal Insurance Administrator in the U. S. Department of Housing and Urban Development (451 - 7th Street, S. W., Washington, D. C. 20410) has been delegated this authority by the Secretary of HUD. An advisory Committee composed of representatives of the insurance industry, State and local governments, lending institutions, the home building industry, and the general public assists the Administrator in carrying out the program.

3. Q. How does a community become eligible for flood insurance?

   A. A community may qualify for eligibility by submitting to the Administrator a complete application which meets all of the requirements of the regulations (24 C.F.R. 1910) governing the flood insurance program.

4. Q. What are these requirements?

   A. Appropriate officials of the community or county must indicate that there is a local need for flood and/or mudslide insurance coverage and give evidence of their desire to participate in the program. In doing so, the community's application must first cite the jurisdiction's legal authority to regulate land use; summarize measures (i.e., codes, ordinances, regulations) already in effect which are designed to reduce property damage from flooding and/or mudslides; provide copies of maps showing the areas in the community prone to flooding and/or mudslides and a brief history of flooding and/or mudslide experience in the community; and, if available, furnish copies of any official reports on the community's flooding or mudslide problems. Second, the community must take legislative action formally committing itself to enact by December 31, 1971, and to maintain in force for areas having special flood hazards, adequate land use and control measures designed to reduce exposure to these hazards. These measures must be consistent with standards set forth in the criteria published by the Administrator in the Federal Register (24 C.F.R. 1910, Subpart A). The community must also cooperate with the Administrator in his efforts to bring the benefits of the program to the community.

5. Q. Is there an application form?

   A. No. However, the Administrator will, on request, furnish local officials a check list describing in detail the data required for submitting a satisfactory application.

6. Q. How may a community get assistance in qualifying for flood insurance coverage?

   A. Assistance in qualifying for flood insurance is available directly from the Federal Insurance Administration. In addition, the Governors of most States have appointed a State coordinating agency to assist their communities in qualifying for this coverage and in the development of acceptable land use and control measures.

7. Q. How will it be know when a community becomes eligible?

   A. Notice is published in the Federal Register when a community becomes eligible, and officials of the community are advised of the date when insurance will be made available. Press releases are also made available to the local papers and radio and television stations, and local insurance agents and brokers are informed of the availability of coverage.

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8. Q. How does a property owner obtain a flood insurance policy?

   A. After a community is declared eligible and flood insurance is made available, flood insurance policies may be purchased from any local property and casualty insurance agent or broker licensed to do business within the State.

9. Q. What types of properties are eligible for flood insurance coverage?

   A. One- to four-family dwellings, properties principally occupied by small business concerns, and the contents of these types of properties, are thus far the only types of properties for which flood insurance is available.

10. Q. What is a small business concern?

    A. For flood insurance purposes, a small business concern is defined as one which, together with its affiliates, does not have assets in excess of $5 million, does not have a net worth in excess of $2½ million, and does not have an average net income per year after Federal income taxes for the preceding 2 fiscal years in excess of $250,000 (average net income to be computed without benefit of any carryover loss).

11. Q. How are claims handled under this program?

    A. Flood loss claims are processed in the same way as loss claims for other types of property insurance. A claim is filed with the local insurance agent or broker who sold the policy or with the local insurance company which serviced the policy.

12. Q. What losses are covered by flood insurance?

    A. The policy covers losses resulting from the inundation of normally dry land areas from (1) the overflow of inland or tidal water, (2) the unusual and rapid accumulation or runoff of surface waters from any source, and (3) mudslides which are caused by accumulations of water on or under the ground. It does not, however, cover water damage which results principally from causes on the insured's property or within his control, or from a condition that does not cause general flooding in the area.

13. Q. What are the premium rates for flood insurance?

A. Insurance at subsidized premium rates may be purchased for existing properties anywhere in the community and for new construction outside the areas of special flood hazards. Construction which was begun after the date of identification of the areas having special flood hazards cannot be covered until a detailed rate study for the community can be completed. Actuarial premium rates will then apply to such coverage. The following is a table of the subsidized premium rates:

SUBSIDIZED RATES
(premium per $100)

Estimated Actual Cash Value of Structure	Insurance Coverage on -- Structure	Contents
For Residential Properties		
1-family, under $17,501; and 2-to 4-family under $30,001	$0.40	$0.50
1-family, $17,501 to $35,000; and 2-to 4-family $30,001 to $60,000	0.45	0.55
1-family, over $35,000; and 2-to 4-family, over $60,000	0.50	0.60
For Small Business Properties		
Under $30,001	$0.50	$1.00
$30,001 to $60,000	0.60	1.00
Over $60,000	0.70	1.00

14. Q. May additional coverage be obtained?

A. After a rate study has been completed and actuarial premium rates have been established for the area, an additional $17,500 on a single-family structure and an additional $5,000 on contents will be available. Additional coverages for two- to four-family structures and for small businesses up to a maximum of $30,000 for the structure and $5,000 for the contents of each unit will also be available. All additional coverages are at actuarial premium rates.

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15. Q. Is there a requirement for minimum coverage?

A. No minimum amount of insurance coverage is required. However, the amount of insurance carried should be adequate to cover anticipated losses. The minimum premium charged on each policy is $25, with a $4 minimum charge for any change in coverage during the life of a policy.

16. Q. Do flood insurance policies have a deductible clause?

A. Yes. The amount of the deductible, applicable separately to both the structure and the contents, is either $200 or 2 percent of the amount of insurance covering the type of loss, whichever is greater.

17. Q. Is it possible to obtain Federal disaster relief in addition to flood insurance?

A. The Act is designed to encourage individuals who reside in flood-prone areas to pay at least part of the cost of insurance against flood damage. In order to avoid any duplication of benefits, the legislation provides that Federal disaster benefits ordinarily will not be available to reimburse losses covered under flood insurance policies. However, certain types of emergency relief -- evacuation, temporary shelter and feeding, medical care, and loans for the reconstruction of structures for which adequate flood insurance cannot be obtained -- will remain available.

18. Q. What if a property owner doesn't buy insurance once it is available, and his property is damaged by flood?

A. Unless he is a low-income person for whom such a restriction would cause undue hardship, the owner will not be able to get Federal disaster relief to the extent that he could have obtained flood insurance coverage. This restriction against the duplication of Federal benefits applies only if flood insurance has been made available in the area for more than a year and the damaged property is eligible for flood insurance.

19. Q. What is the difference between the "emergency program" and the "regular program"?

A. The Federal Insurance Administration has been authorized to provide flood insurance for a two-year emergency period ending December 31, 1971, without the necessity of first determining the individual community's actuarial premium rates, which is a prerequisite for coverage under the regular program. No substantive change was made in the Act's requirements for the adoption of local land use and control measures as a condition of obtaining flood insurance, and no change was made in the requirement that new construction in special flood hazard areas must pay full actuarial premium rates. The emergency program is intended primarily as an interim program to provide earlier coverage for potential flood victims pending the completion of actuarial studies. The Federal Insurance Administration has no authority under the emergency program either to offer additional limits of coverage or subsidized premium rates to new construction in special flood hazard areas. New construction within a special flood hazard area cannot be covered by any Federal flood insurance under the emergency program but it must wait until actuarial premium rates are established.

20. Q. What is a special hazard area?

A. The statute requires the identification of areas having special flood and mudslide hazards. For inland and coastal regions, an area of special flood hazards generally means the area of the flood plain which is likely to be flooded at least once every hundred years. The special mudslide hazard area is the area where mudslides can reasonably be anticipated by engineers and geologists. These are the areas where property damage could result from slope failure because their soil and geologic characteristics make them subject to instability, when water accumulates above or below the surface of the ground.

21. Q. Can apartment buildings be considered small businesses?

A. No. However, the Secretary of HUD is authorized, once he has determined it to be feasible, to extend flood insurance coverage to other residential properties, such as apartment houses and to other types of properties not presently covered.

It is anticipated that, as the program develops, coverage will ultimately be extended to these classes of property.

22. Q. What is the National Flood Insurers Association?

A. The NFIA is an association of private insurance companies formed specifically to provide flood insurance under the cooperative Government-industry program. It is open to all qualified companies licensed to write property insurance under the laws of any State. The NFIA consists of more than 95 property insurance companies which have subscribed a total of over $40 million of risk capital. Companies that do not wish to pledge risk capital may act as fiscal agents for the association; thus, small companies with limited capital resources are not excluded from participating in the program. The National Flood Insurers Association is governed by a constitution and by an agreement with the Federal Insurance Administrator.

23. Q. What are land use regulations?

A. These are measures such as zoning ordinances; subdivision regulations; building codes; health regulations and other controls for the health, safety and welfare of the people. In flood hazard areas, these are designed to minimize the risks from flooding and/or the impact of flowing water. The objectives are to develop the wisest or most economic use compatible with the flood risks. As an example: (1) The areas most frequently flooded can be reserved for open space types of use, such as playgrounds, parks, parking areas, agriculture, storage areas, etc; (2) Areas less frequently flooded can be used for industrial, commercial and multi-story residential use, with controls on first floor elevations or use, to minimize damages from flooding; (3) The fringe areas, least frequently flooded, might permit all uses including single family homes, provided the structures are anchored properly and first floors are above a safe elevation.

24. Q. Who establishes and enforces the land use regulations?

A. Each State has the primary authority to control land use. In most cases, however, local governments are granted the authority through enabling legislation to adopt the necessary land use controls.

25. Q. What is the meaning of adequate land use and control measures?

A. The Federal Insurance Administration's policy is that the minimum area for control and regulations related to its

Flood Insurance Program should be predicated on the risks associated with the 100-year flood probability. Regional differences in storms of record and topographical characteristics as related to flood hazards must be considered. It is expected that local governing bodies, working with State agencies, will develop standards for land use that will meet the criteria in the flood insurance regulations.

26. Q. Once regulations are established, do existing structures have to meet the new building requirements?

A. Generally, no. There is ordinarily no requirement to either improve or modify existing structures for flood damage protection, since zoning and subdivision regulations are not usually retroactive. However, the flood proofing of existing structures should be an objective of sound flood plain management in developing the highest and best uses of land and in protecting owners against unnecessary losses.

27. Q. Who approves the required land use and control measures?

A. Under the flood insurance program, the Federal Insurance Administration is responsible for establishing the criteria for the required land use and control measures and ascertaining that State and local regulations are consistent with these criteria. The States are also given an opportunity to review local regulations to insure that they meet the objectives of any statewide program for flood plain management. However, final authority for approval, for insurance purposes, lies with the Federal Insurance Administrator.

28. Q. What will happen if land use and control measures are not adopted by communities by December 31, 1971?

A. The National Flood Insurance Act of 1968, as amended, requires that adequate land use and control measures with effective enforcement provisions be adopted and maintained by this date in those communities in which flood insurance is being sold. If this provision is not met, the statute prohibits any new flood insurance from being sold within the community after that date, and existing flood insurance policies will not be renewed.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-638
Phone (202) 755-7174

FOR RELEASE:
Friday
August 28, 1970

RESEARCH CONTRACT AWARDED FOR REHABILITATION GUIDE

The U. S. Department of Housing and Urban Development has awarded a $750,000 research contract to develop a complete handbook for carrying out large scale rehabilitation.

The contract went to Arthur D. Little of Cambridge, Mass., which will develop the guide book covering the whole range of rehabilitation activities including:

--Methods and techniques for acquiring properties.
--Assessing the feasibility of rehabilitation.
--Selection and supervision of contracts.
--Relocation procedures and financing.
--Methods of rehabilitating various elements of the physical structures.
--Organization and management rehabilitation work including cost control and supervision.
--Training and developing neighborhood workers and entrepreneurs.
--Relations with neighborhood residents and project management.

From the data acquired, the company will develop training materials and techniques of all kinds to train and improve the skills of groups throughout the Nation attempting to undertake large scale rehabilitation of programs.

The company will also undertake in-depth case studies of 10 to 15 rehabilitation projects to develop information on a comparative basis to determine the elements which go into the success or failure of these selected projects.

The project is scheduled for completion in 12 months.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-643
Phone (202) 755-7174

FOR RELEASE:
Tuesday
September 1, 1970

HUD BARS 'UNFAIR' PROVISIONS FROM PUBLIC HOUSING LEASES

The U.S. Department of Housing and Urban Development has ordered deleted from public housing leases certain provisions which have the effect of undermining the legal rights of tenants.

The new policy was stated in a directive, dated August 10, to local housing authorities operating federally assisted, low-rent public housing programs.

Aimed at effecting greater balance in tenant-landlord rights in public housing, the HUD directive termed provisions "unfair" or "unreasonable" that "focus more on the interests of the landlord than that of the tenant."

"The Department's position," said Norman V. Watson, Acting HUD Assistant Secretary for Renewal and Housing Management," is fully consistent with our objective to achieve more efficient management and improved conditions in public housing."

"Hopefully," he added, "equalization of tenant-landlord rights in public housing will foster partnerships built on mutual respect and cooperation that cannot but improve circumstances for all parties involved in the contractual agreement."

Referring to new developments in Landlord and Tenant Law, the directive lists by classification certain clauses that local authorities should take "immediate steps" to delete in existing leases and should not include in future leases.

The HUD directive lists the following classifications of prohibited provisions, all of which were taken from actual LHA leases:

(1) Confession of Judgment: Constitutes prior consent by tenant to any lawsuit the landlord may care to bring against him in connection with the lease and to a judgment in favor of the landlord.

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(2) Distraint for Rent or Other Charges: Agreement by tenant that landlord is authorized to take property of the tenant and hold it as a pledge until the tenant performs the obligation which the landlord has determined the tenant has failed to perform.

(3) Exculpatory Clauses: Agreement by tenant not to hold the landlord or landlord's agents liable for any acts or omissions whether intentional or negligent on the part of the landlord or the landlord's authorized representatives or agents.

(4) Waiver of Legal Notice by Tenant Prior to Actions for Eviction or Money Judgments: Agreement by tenant that the landlord may institute suit without any notice to the tenant that the suit has been filed, thus preventing the tenant from defending against the lawsuit.

(5) Waiver of Legal Proceedings: These clauses authorize the landlord to act to evict the tenant or hold or sell the tenant's possessions whenever the landlord determines that a breach or default has occurred, without notice to the tenant or any determination by a court of the rights and liabilities of the parties.

(6) Waiver of Jury Trial: These clauses authorize the landlord's lawyer to appear in court for the tenant and waive the right to a trial by jury.

(7) Waiver of Right to Appeal Judicial Error in Legal Proceedings: These clauses authorize the landlord's lawyer to waive the right to appeal for judicial error in any suit or the right to file a suit in equity to prevent the execution of a judgment.

(8) Tenant Chargeable with Costs of Legal Actions Regardless of Outcome: These clauses provide that the tenant agrees to pay attorney's fees or other legal costs whenever the landlord decides to take action against the tenant even though the court determines that the tenant prevails in the action. This does not mean that the tenant as a party to a lawsuit may not be obligated to pay attorney's fees or other costs if he loses the suit.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILLERS--USE AT WILL

HUD-No. 70-631
Phone (202) 755-7174

HUD ISSUES NATIONAL REGISTRY

The first registry of minority construction contractors ever produced--a listing in six volumes of 2,051 Negro and Spanish surnamed building contractors and subcontractors in 48 cities--has been published by the U.S. Department of Housing and Urban Development.

* * *

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MOBILE HOME LOANS

Total holdings of mobile home loans by sales finance companies came to $1.2 billion at the end of 1965, and to $2.3 billion at the end of 1969.

According to a projection of the U.S. Department of Housing and Urban Development, holdings of mobile home loans by sales finance companies will expand to $3.9 billion by 1974.

* * *

SEES BIG JUMP IN S&L's RESOURCES

Total resources of savings and loan associations are projected to rise, reports the U.S. Department of Housing and Urban Development, from $162 billion at the end of 1969 to $309 billion at the end of 1978.

* * *

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FHA INSURANCE COVERAGE UP

During the first five months of 1970, Federal Housing Administration mortgage insurance was written on 247,052 housing units. The U.S. Department of Housing and Urban Development notes that this represented an increase of 14 percent over the 216,627 housing units insured by FHA in the same period in 1969.

* * *

SITE-VALUE RATIOS TO CONTINUE UPWARD

Because of the limited supply of usable urban land, the U.S. Department of Housing and Urban Development expects that site-value ratios will continue to rise in coming years--increasing at an average rate of 2 percent per year to about 25 percent by 1978.

* * *

PREDICTS SHIFT IN LOANS

In the future, there will be a continued shifting away from loans on one- to four-family homes toward loans on multifamily residential and nonresidential properties, predicts the U.S. Department of Housing and Urban Development.

The absolute level of home mortgage loans outstanding will continue to rise, however, but their relative importance in the mortgage portfolios of financial institutions can be expected to diminish.

* * *

September 7, 1970 DY

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-654
Phone (202) 755-7174

FOR RELEASE:
Wednesday
September 9, 1970

RUTGERS GETS $68,000 GRANT TO CONTINUE ZONING STUDY

The U. S. Department of Housing and Urban Development has announced an additional grant of $68,000 to Rutgers - The State University to continue preparation of a report of an intensive study of zoning laws throughout the United States.

The report, which already involves about three years of research, will cover such areas as residential zoning, commerical zoning, and industrial zoning, as well as non-conforming uses and display of signs.

Estimated cost of the entire project is $194,960, of which HUD is supplying $171,460.

SP

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7147

FOR RELEASE AFTER:
9:30 a.m., Thursday
September 10, 1970

"HOUSING AND EQUAL OPPORTUNITY"

Address By

Samuel J. Simmons
Assistant Secretary for Equal Opportunity
U. S. Department of Housing and Urban Development

NAHRO Housing Workshop
Palmer House
Chicago, Illinois
September 10, 1970

SUMMARY

The goal of the Nixon Administration is a free and open society where an individual has the right and the ability to choose where he wishes to live. The achievement of this goal will require Federal standards of compliance with the letter and spirit of laws designed to achieve equal opportunity, a meaningful complaint mechanism for solving problems, removal of discriminatory land use controls, an increase in the supply of low income housing, and the involvement and participation of minority groups and low income individuals in planning, constructing, and the operation of housing activities. Moreover, although the Federal government must provide leadership, the achievement of an open society requires the commitment and support of public and private institutions and organizations at the State and local level. NAHRO can and should develop an institutional means for supporting this goal.

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Two and one half years after the enactment of the Federal Fair Housing Act of 1968, I have been afforded this opportunity to appear before the 5th National Housing Workshop of NAHRO. I appreciate the opportunity because of the scale of your involvement, personally, professionally and organizationally in the national effort to provide housing for all Americans at a price they can afford. Many of you have worked throughout your adult lives to provide decent housing and environment for low income American families. This organization can justifiably take pride in the fact that it provided leadership in securing the passage of the major housing Acts of 1949, 1954 and 1968, and the establishment of specific goals to ensure a safe and sanitary house for every individual.

I am here today to request your support, dedication, energies and experience in another phase of the fight. This is to provide decent housing to Americans of all races, colors, national origins and religions. I am certain that everyone here today recognizes that not every American has the freedom and the ability to secure adequate housing in a desirable environment. In approaching this task, all of us must recognize that the goals sought will require not only commitment and dedication to an open society, but also major changes in institutional policies and practices.

Except for establishing a historical perspective it does very little good to dwell on past policies and practices of Federal, State and local governments which provided legitimacy, form and substance to a society segregated by race and class. Although by Congressional, Administrative, and Court actions these

practices are being removed, we continue to be thwarted by custom, tradition, and economic limitations. In other words, we must now devote our resources and energies to the establishment of practices which will eliminate the effects of previous discrimination, and assure equality in the future.

The Congress in addressing itself to this matter in the 1968 Civil Rights Act said this: "It is the policy of the United States to provide, within constitutional limitations, for fair housing throughout the United States." It places upon all executive departments and agencies an obligation to administer their programs and activities relating to housing and urban development in a manner affirmatively to further the purposes of this title.

The Supreme Court in the case of Jones v. Mayer in 1968 held that the Civil Rights Act of 1866 prohibits "all racial discrimination, private as well as public, in the sale or rental of property."

HUD's authority to deal with discrimination is also supported by other Administrative and legislative authority. In addition, almost half of the States and several hundred localities have laws and ordinances outlawing housing discrimination.

The point is that all the Federal institutions with the support of states, localities and private organizations of all kinds, have come down hard on the rights of all Americans to share equally in housing options, and to receive equal acceptance when they decide for themselves where they want to live.

To what extent do minority groups truly have the housing options the law says they should? My office recently did a study on the changing status of Black Americans based on data from this year's census. It showed that Black suburban population grew by 590,000 during the period from 1964 to 1969, as compared with 207,000 between 1960 and 1964.

But we have reason to believe this statistic is deceptive. We believe almost of these people live in Black ghettoes that have grown up at the outskirts of central cities or have spread from existing ghettoes over city lines.

It is also true that while one million Blacks moved into central cities, 2.3 million whites moved to the suburbs, and the percentage of Blacks in the suburbs in 1969 comprised only 4.7 percent of suburban population, almost unchanged since 1960 when it was 4.5 percent.

So at the end of ten years, a decade in which the Legislative, Executive and Judicial branches of the Federal Government moved strongly into the relatively new field of housing rights, there has been very little benefit from these actions for America's minority group population.

This is not because minority Americans have had an option, and have decided not to share in the grass and picket fences of the suburbs with their fellow Americans.

All of the major minority group organizations, those that represent Black, Spanish Speaking, American Indians and Orientals, as well as countless state and local organizations dealing in human rights have pushed hard to make equal housing opportunity a reality.

Minority group individuals through the courts and by filing complaints with our office or with State or local agencies have made their desires known. But while we have helped individuals, and there have been some conciliation agreements signed between parties to complaints before the Secretary, and while the Justice Department has brought civil actions in an increasing number of pattern or practice suits, we still have not achieved our goals.

Now let me be very clear as to what I believe our goals are.

In his school desegregation message, President Nixon said, "The goal of this Administration is a free and open society. In saying this, I use the words 'free and open' quite precisely"

"Freedom has two essential elements: The right to choose and the ability to choose. The right to move out a mid-city slum, for example means little without the means of doing so. The right to apply for a good job means little without access to skills that make it attainable. By the same token, those skills are of little use if arbitrary policies exclude the person who has them because of race or other distinction. Similarily an open society is one of open choices--and one in which the individual has the mobility to take advantage of those choices."

Secretary Romney and all of the top officials at the Department of Housing and Urban Development are deeply involved in developing the means of insuring 'the right to choose', and the 'ability to choose'.

As I see it there are at least five elements involved in achieving these goals.

They are:

1. Standards of compliance with the letter and spirit of the law in both equal housing and equal economic opportunity.
2. A meaningful mechanism for the prompt redress of mistreatment or unequal treatment.
3. Removal of barriers relating to the location of low and moderate income housing.
4. An increase in the supply of low and moderate income housing.
5. Increased involvement and participation of minority group and low income individuals in the planning, construction, and operation of housing and urban development activities.

Although many of the policies to implement these targets are being shaped and developed, I think it worthwhile to review with you the direction in which we are going.

Since standards of compliance and complaint procedures are interrelated I will deal with them here as a unit.

HUD is responsible for a variety of statutes and Presidential Executive Orders designed to affirmatively insure equal opportunity in housing and employment and business opportunities in connection with HUD-aided housing.

a. Equal Housing Opportunity

Pursuant to Title VI of the Civil Rights Act of 1964, HUD has promulgated equal opportunity regulations or standards relating to tenant assignment and site selection in public housing.

The tenant assignment policy was most recently revised and published in 1967, and the site policy in 1968. Neither policy reflects the affirmative action requirement of Title VIII of the Civil Rights Act of 1968. Both have been severely criticized by local housing officials and civil rights organizations for different reasons. Many local officials have stated that the present tenant assignment policy is the primary basis for the high vacancy rate in many projects. Others, say that the policy is defeating the purpose for which it was intended. And, still others say that it is possible to be in compliance with the regulations, but in violation of the requirements of the fair housing law. We recognize that the tenant assignment plan must be changed for a variety of reasons. We have had a HUD Task Force working with the Department of Justice for the last several months. It is expected that a new procedure will be published for comment in the very near future. It would not be appropriate for me to discuss the details of these deliberations, but I would like to share with you some of the problems which confront all of us.

Approximately 43 percent of the projects currently in existence are 50 percent or more Black. Many of these projects are in poor condition and located in areas with inadequate schools, and other community services. Another approximate 30 percent of the projects are all white or populated by minorities other than Blacks. In other words, less than 27 percent of our present projects have a majority white population with from 1 to 49 percent Black occupancy. The practical aspects of this problem is further complicated by the fact that in most large cities there are an insignificant number of whites on the eligible applicant list even though they are a significant percentage of the potential eligibles.

Among the practical problems we must face are:

1. How do you effectively desegregate a project which is located in an area of racial concentration?
2. How do you affirmatively achieve an eligible applicant list which is representative of all potential users without denying an opportunity to individuals who have been on the list for years?

Local Housing authorities have for some time been required to follow a site selection policy which prohibited a repetition of previous practices which allowed a concentration of public housing in certain sections of the city or only in areas of racial concentration. All of us are aware of situations where a site was determined to be unacceptable for public housing, but was acceptable for a private developer to build subsidized FHA housing. We recognize that this practice must be corrected. We will issue a site selection policy for FHA assisted housing very soon. Pending adoption and publication of such

a policy, the Assistant Secretary for Housing Production and Mortgage Credit is pursuing an informal policy designed to avoid further concentrations of federally-assisted housing in large institutional settings or in areas of minority racial concentration.

In 1969 HUD issued a regulation to provide for the prompt processing of fair housing complaints. As a result of additional staff and the opening of new regional offices, individuals are assured of the prompt processing of all complaints. During this fiscal year it is expected that the emphasis in Title VIII will shift from individual complaints to conducting community pattern reviews which might provide the basis for pattern and practices suits being brought by the Department of Justice.

Many of HUD's grant-in-aid programs have been covered by nondiscrimination requirements since the enactment of the Civil Rights Act of 1964. Up until recently our activities have consisted primarily of securing statements of compliance and processing individual complaints. We have recently received White House approval of new regulations which will consolidate all Title VI enforcement activities in my office and we are planning to expand our compliance review efforts at the local level.

b. Equal Economic Opportunity

Open communities and equal housing opportunity is only a half of the major program thrust of my office. The other half, which is equally important, relates to equal economic opportunity in activities benefitting from HUD involvement.

It has been estimated that in order for 26 million units of housing to be built over the next ten years, roughly 2.4 million man-years of skilled construction craftsmen will be needed. It must also be recognized that in addition to skilled workers, a similar growth in the number of entrepreneurs in related housing and urban development industries is needed and must be stimulated.

In many ways minority groups and residents of areas where housing is to be built have unmistakably asserted their rights to have a larger share of the action. HUD further recognizes its statutory and Executive Order responsibilities to provide minority groups and low-income residents with opportunities for training and employment, and to provide opportunities for businesses located in or owned in substantial part by residents of the area. Regulations implementing Executive Order 11246, nondiscrimination on government contracts, and Section 3 of the Housing Act of 1968, as amended, are currently in Departmental clearance. In essence, these regulations will establish compliance standards for all contractors on HUD-assisted projects, whether they are under the jurisdiction of a local funded agency, or a HUD area or FHA insuring office. Each HUD-assisted contracting agency will be mandated to secure affirmative compliance from contractors. Aggrieved individuals will have a right to file complaints of noncompliance which will be processed expeditiously.

It implementing this program it is not enough to establish standards, and to enforce the law. We must provide advice and assistance to majority and minority group organizations in developing programs and activities which make opportunity more than a paper promise.

We must use our good offices to stimulate the establishment of consortiums of minority group entreprenuers and joint ventures between majority and minority group businesses.

In this connection, HUD has initiated several activities which should be of assistance to all of you. It has recently published a Directory of approximately 2,000 Black and Spanish speaking contractors in 48 cities. The Directory contains information concerning the identity, capacity and history of each of these firms--data which will be helpful in making greater use of these firms in your programs.

In October and November, we will be sponsoring several seminars for minority group and small entreprenuers--architects, contractors, lawyers, housing consultants, property managers, mortgage bankers, etc. The success of this whole program, however, depends on a cooperative effort between local officials on the firing line and HUD.

The next point is the removal of barriers relating to the location of low and moderate income housing.

No community has ordinances specifically stating "No low income residents or minority group individuals allowed." Too often, however, through the use of land use controls, and building codes, communities have in effect denied housing opportunities to individuals because of their income. We have observed many examples of local zoning or other similar action which discriminates against otherwise acceptable developments solely because the proposed housing is to receive Federal subsidy. Similarly, although not specifically directed at Federally subsidized housing, the trend in local zoning laws is toward stiffer rather than relaxed zoning laws. For example, in Connecticut 92 percent of vacant land that is zoned for residences is reserved for lots of half an acre or more. In the New York metropolitan area 99 percent of such land is restricted

to single family residences. Such figures are not atypical of America's major metropolitan areas.

Within the past two years several legal defense organizations have instituted legal actions to correct this problem. There is an excellent possibility of one of these cases being considered by the Supreme Court.

Secretary Romney in recognizing the significance of this area, has proposed legislation which would prohibit such discrimination in undeveloped or predominately undeveloped areas which are in the path of development if the exclusion of such housing would be inconsistent with state or local comprehensive or master plans applicable to the areas. The Attorney General or an aggrieved private litigant would be permitted to challenge these discriminatory practices in court.

Since decisions on availability of a broad range of housing is essentially a local government function, Congress in 1968 stressed the importance of a "housing element" in local comprehensive land use planning. HUD is responsible for administering the principal planning grant program of the Federal government. We require that the housing element reflect the projected needs for adequately planning for housing all elements of the region's population.

In another form of planning--the "Workable Program for Community Improvement"--there are requirements for provision of low and moderate income housing as well as zoning ordinances and housing codes. The enactment of the Fair Housing Law, with its mandate of affirmative action to achieve the purposes of the title, requires HUD to consider a community's fair housing posture as a part of the Department's review of each workable program submission. The precise nature of a community's effort in this regard is not spelled out by statute or regulation, but is subject

to review the context of circumstances prevailing in the community.

A significant increase in the supply of low and moderate income housing is a prerequisite to achievement of equal housing opportunities. Since Eugene Gulledge, Assistant Secretary for Housing Production and Mortgage Credit and the FHA Commissioner, has already discussed with you our efforts to expand production, it is not necessary for me to do more than emphasize this as a major factor in our equal opportunity efforts.

Next is an increased involvement and participation of minority group and low income individuals.

One of the most critical factors affecting the increasing polarization in our cities, is the systematic exclusion of minorities and low income persons from the decision making process relating to the allocation of resources within a community. Whenever a group feels that it is denied meaningful involvement in determining its own destiny, despair, apathy, alienation and hostility become the order of the day. All of us must face the challenge of finding new approaches and techniques for involving all segments of the population in local decisions relating to community planning, production and management of our housing supply.

Tenant councils and associations are springing up, and the days when landlords--public and private--could run housing with little or no regard for tenant opinions are ending.

The same kind of citizen awareness, often verbal and sometimes abusive, has made itself apparent as a result of clearance and relocation policies in urban renewal areas. The citizen will be heard. It is better to seek him out and solicit his view than to wait until he stages a sit-in in your offices, or sets up a human barrier on a project site.

The achievement of the five goals I have outlined requires the involvement, leadership and participation of Federal, state and local government, leaders of private organizations and citizens.

NAHRO is in an excellent position to provide leadership. You have demonstrated your effectiveness in bringing about reforms in housing and urban development. You have demonstrated your commitment to equal housing by your support of HUD's equal opportunity program for which I am grateful. In your 1967-1969 program policy resolutions you spoke clearly on this subject when you said:

"The nation is entering a new era in civil rights. NAHRO states its firm conviction that appropriate actions should be taken at every level of government to assure an equal opportunity for good housing in a suitable living environment for all Americans. It further states its support for all measures that will insure a choice of housing opportunities and options in housing locations, in order that each individual citizen can achieve a maximum level of economic and social fulfillment. Further, the Association believes that these goals should not be left to unplanned development but that specific actions and programs should be formulated, on a time schedule, to bring about their accomplishment."

I would like to suggest that NAHRO take action to further institutionalize its commitment by establishing a Committee on Equal Opportunity. This committee should be a standing committee similar to others on housing, codes and renewal. It should have adequate staff support so that it can effectively relate and participate with HUD, local funded agencies, and private organizations concerned

with these problems. I can assure you that everyone will profit by your expertise, experience and knowledge in finding solutions to the problems which have eluded us for so long

In conclusion, I share with you a lesson from Dickens. He wrote about the beginnings of an era of strife, of dissatisfaction, of change, or revolution. He wrote about hope, and the lack of it. He wrote about men chained by the rigidity of tradition, or blinded by the narrowness of provincial ideology. He wrote about men without vision, unable to see what was before them today, much less able to contemplate what tomorrow is capable of bringing forth.

I confront NAHRO with a message of hope. The hope that as an organization it will meet the three-fold challenge of the urban crisis, the social crisis and the crisis of confidence in the capacity of government to do its job. We would suggest that the hour grows late, for our urban problems are more threatening than we are aware of and wholesale urban paralysis is a real possibility.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-662
Phone (202) 755-7174

FOR RELEASE:
Thursday
September 10, 1970

HUD ENDORSES APPOINTMENT OF TENANTS AS HOUSING AUTHORITY COMMISSIONERS

The U.S. Department of Housing and Urban Development is encouraging the selection of tenants as commissioners of local housing authorities.

In a recent directive to the more than 2,700 housing authorities participating in the federally aided low-rent public housing program, HUD pointed to the growing trend for active participation by tenants in the management of low-income housing projects.

Norman V. Watson, HUD Acting Assistant Secretary for Renewal and Housing Management, called the new policy an important shift in emphasis.

The policy is based on two factors. One is, as the circular states, "the rapidly mounting desire by tenants of low-rent public housing to make their voices heard, and to share in the decision-making process." The second factor is "the sharp discrepancy between the background, interests, and socio-economic characteristics of present local housing authority commissioners and those of the tenants, whose welfare they are responsible for serving."

The new policy notes that under state law, the basic responsibility for determining the composition of a local housing authority rests with responsible local officials. HUD, however, endorses the appointment of tenants to a local housing authority's board of commissioners, when desired by the community.

"The Department believes there is great merit to this apporach," Mr. Watson said, "and suggests that every community give this its most serious and sympathetic consideration."

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"By encouraging the naming of tenants to boards of commissioners" he added,"HUD recognizes that there is no guarantee that the tenant-commissioner will 'represent' the views of the tenant body or insure that the program is operated in the best interests of all--just as having a businessman, a banker or a member of organized labor on the board will not guarantee that the groups they represent in the community will respond effectively to the needs of the program."

The HUD directive points out that when a tenant is selected to serve on a board of commissioners, every effort should be made to assure that he is generally acceptable to the tenants.

"There is no substitute, for the appointment of thoughtful, intelligent and hard-working individuals to local housing authority boards who understand the many-faceted dimensions of the job and who are totally dedicated to serving the best interests of the program as a whole, including the interests of the tenants," according to the circular.

HUD declared that tenant representation on a board of commissioners does not represent a conflict of interest with any Federal regulation or statute.

According to HUD, a number of cities have tenants serving on boards of commissioners. Columbia, Mo. was one of the first. Latest available information shows these cities with tenants as board members: Boston and Cambridge, Mass., New Haven and Norwalk, Conn., St. Louis, Mo., Catskill, N.Y., Cumberland, Md., and Saginaw, Mich.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-674
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Friday
September 11, 1970

FIRST CODE ENFORCEMENT GRANT TO INDIAN RESERVATION ANNOUNCED

The Mescalero Apache community in south central New Mexico has been awarded the first grant from the U.S. Department of Housing and Urban Development for code enforcement activities on an Indian reservation.

The $221,742 award to the progressive Mescalero reservation was made possible by the Housing and Urban Development Act of 1969, which extended federal urban renewal and code enforcement assistance to Indian tribes.

The five-year old Federal Code Enforcement Program provides for financial and technical assistance to cities, counties, and other municipalities for planning and executing what are usually three-year programs to restore stability to basically sound but deteriorating neighborhoods where this can be accomplished by effective code enforcement.

The program also provides for direct three percent interest loans and grants up to $3,500 for eligible area residents.

Norman V. Watson, Acting HUD Assistant Secretary for Renewal and Housing Management, recently met with tribal council president, Wendell Chino, and applauded passage last year of the authorizing legislation. He pledged the full range of HUD technical and financial resources to the Mescalero project.

Other Programs Underway

While the federally-assisted project on the Mescalero reservation will be the first such code enforcement program on an Indian reservation, over 146 federally-assisted code enforcement programs are underway in some 130 communities across the country.

Target of the Mescalero program is four neighborhoods, covering 566 acres, which will be brought into compliance with the reservation's new housing codes to prevent further deterioration, and provide the residents with safe and attractive living areas.

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The community's code enforcement program was instituted as a part of a larger drive conducted over the last few years to improve housing conditions and bring about economic reform.

This comprehensive improvement program has been made possible by financial and technical assistance from the Bureau of Indian Affairs, the U.S. Public Health Service, the Farmers Home Administration, and the Office of Economic Opportunity.

Mr. Chino said the community is looking forward to greater use of HUD assistance, mainly through use of programs of the Federal Housing Administration.

Tribe 'On the Move'

Withdrawn and protective of their beautiful homeland during the first half of this century, the Mescalero tribe, says Mr. Chino, "is on the move again. We are developing our people and land so that we can participate fully in the total scheme of American life."

Occupying a half million acre area rich in natural resources and scenic mountainous beauty, the Mescalero reservation of 1600 Apaches offers signs of notable progress as a result of improvement programs underway.

Reminders of the tribe's impressive progress include commercial and industrial enterprises, a new community center as well as other public buildings, and social, economic, and housing reforms due to a high order of leadership, organization, and initiative.

The tribe operates Head Start nursery programs, extensive summer youth programs, and programs for special education.

Major enterprises include ranching, lumbering, and recreational resorts.

The Mescalero Apache tribe is proud of its progress at this time and is working on imaginative plans for further improvement of housing and overall quality of life through the use of HUD programs.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-684
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Friday
September 18, 1970

FIVE MORE AREAS BECOME ELIGIBLE FOR REGULAR FLOOD INSURANCE PROGRAM

The U.S. Department of Housing and Urban Development announced today that five more flood-prone communities, all in Mississippi, have established eligibility for flood insurance under the regular program.

Effective September 18, 1970, flood insurance policies under the regular program will be sold in Moss Point, Ocean Springs, Pascagoula, and in the unincorporated areas--Southern parts of Harrison and Jackson Counties. These communities had previously been made eligible for the sale of flood insurance under the emergency program.

According to Federal Insurance Administrator George K. Bernstein: "Coverage under the regular flood insurance program should not be confused with coverage under the emergency program. Under the emergency program, only structures existing at the time the community is made eligible for the sale of flood insurance and new construction outside the area of special flood hazard, once defined, can purchase limited amounts of flood insurance at federally subsidized rates."

"Now that individual rate studies have been completed," Mr. Bernstein stated, "new construction begun after the emergency program became effective and which is located in the areas of special flood hazard cah purchase flood insurance at actuarial rates. Existing structures within the entire area eligible for flood insurance are eligible for the second layer of coverage, also at actuarial rates."

In this second layer of coverage under the regular program, an additional $17,500 on a single family structure and an additional $5,000 on contents will be available. Additional coverage for two to four family structures and for small businesses up to a maximum of $30,000 for the structures and $5,000 for the contents of each unit will also be available.

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Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities pledge to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future developments away from flood hazard areas and set construction standards such as minimum foundation and floor elevations."

Official maps identifying the area in which flood insurance may be purchased can be examined in the following Mississippi locations:

Moss Point	Office of Building Inspector
Ocean Springs	City Hall
Pascagoula	Office of City Clerk
Harrison County (unincorporated areas--Southern Part)	Clerk of Board of Supervisors Gulfport
Jackson County (unincorporated areas--Southern Part)	Jackson County Planning Commission, Courthouse Pascagoula

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-685
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Friday
September 18, 1970

PROPERTY OWNERS IN 16 MORE AREAS ELIGIBLE FOR EMERGENCY FLOOD INSURANCE

The U.S. Department of Housing and Urban Development announced today that 16 more flood-prone communities in 10 States have established eligibility for emergency flood insurance. The total number of eligible communities has now reached 275 in 31 States.

Effective September 18, flood insurance policies will be sold in Monrovia, and the unincorporated areas of Ventura County, Calif.; Mexico Beach, Ocean Ridge, and Sarasota, Fla.; the unincorporated areas of Chatham County, and Savannah, Ga.; Maui, Lanai, Molokai, Hawaii; Franklin, and Long Beach, N.C.; Garfield Heights, Ohio; Narragansett, and North Kingstown, R.I.; Sullivan's Island, S.C.; Harriman, Tenn.; and Water Control and Improvement District No. 60 in Harris County, Texas.

According to Federal Insurance Administrator George K. Bernstein: "Now, it is up to all those concerned with the flood insurance program, from state insurance commissioners to local officials and press, to get the word out to the public that this insurance protection is available and should be obtained as soon as possible."

Mr. Bernstein stressed the need for area-wide publicity in order to inform the residents of communities eligible for flood insurance that this vital coverage is now available. He cited as an example the Gulf Coast and Florida communities, many of which are now eligible for flood insurance. "With the hurricane season upon us and the dangers of flooding ever present during this season," he said, "property owners along these coastal areas can now take advantage of this essential protection."

The National Flood Insurance Act of 1968 specifies that anyone who does not choose to buy flood insurance in a community which is eligible will not be able to get Federal financial disaster aid for flood losses that occur after one year from the date his community became eligible to the extent that the loss would have been covered by flood insurance.

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Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities pledge to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future development away from flood hazard areas and set construction standards such as minimum foundation and floor elevations."

Under the regular program, a community cannot become eligible for flood insurance until an actuarial rate-making study has been completed for that community. These studies generally take six to eight months. On the other hand, the emergency flood insurance program, is designed to provide limited coverage at federally subsidized rates even before actuarial studies are completed.

Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 for insurance, depending on the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

For small business coverage, federally subsidized premium rates will also be graduated: 50 cents per $100 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to $5,000 maximum.

Official maps identifying the area in which flood insurance may be purchased can be examined at the following locations:

CALIFORNIA

Monrovia	Public Works Department
Unincorporated areas of Ventura County	Public Works Department Ventura

FLORIDA

Mexico Beach	Office of Mexico Beach Corporation
Ocean Ridge	Town Hall
Sarasota	Office of City Clerk and Auditor

GEORGIA

Unincorporated areas of Chatham County	Metropolitan Planning Commission Savannah
Savannah	Department of Inspections

HAWAII

Maui, Lanai, Molokai	Department of Planning Wailuku

NORTH CAROLINA

Franklin	Town Office
Long Beach	Town Hall

OHIO

Garfield Heights	Building Department

RHODE ISLAND

Narragansett	Town Hall
North Kingstown	Department of Planning

SOUTH CAROLINA

Sullivan's Island	Office of Township Clerk

TENNESSEE

Harriman	Office of City Treasurer

TEXAS

Water Control and Improvement District No. 60 in Harris County	Harris County Water Control and Improvement District 60, Seabrook

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-667
Phone (202) 755-7174

FOR RELEASE:
Monday
September 21, 1970

COMPUTER TO RIDE HERD ON LAGGING HUD PROGRAMS

This is a story about an apoplectic computer.

Its name is RAMIS, but it claims no lineal linkage to the kings of ancient Egypt.

By September 30, RAMIS will be a figure to reckon with in the 10 regional and 23 area offices that will comprise the U.S. Department of Housing and Urban Development's field structure.

RAMIS is an acronym for Regional Administrators' Management Information System, which is too long a name for any self respecting computer, especially one with a low boiling point.

Actually, it's a computerized operation that, for the first time, enables HUD's Regional Administrators to know where they're at in terms of HUD programs under their geographical domain.

RAMIS has an incorruptible memory. It keeps track of HUD projects by name, locality, age and estimated budget cost from the time of incubation until they're fully grown. At any given stage it knows where each project should stand along the sometimes rocky road to its completion.

If a project shows signs of lagging behind schedule, RAMIS dashes off a crisp warning note to the field where the delinquent project is located.

Should that warning be ignored over a reasonable time period, RAMIS gets positively livid. To be sure, it doesn't literally send off sparks. But it flashes another warning, this time to the regional office, advising in effect that somewhere along the line somebody has goofed.

From that point on, it's up to the Administrator to take remedial action.

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RAMIS is on excellent terms with Lester P. Condon, HUD's Assistant Secretary for Administration, who regards it as a form of systematic physical checkup for HUD programs.

"It helps us to diagnose an illness before it becomes terminal," he explains.

Mr. Condon has found it to be an especially effective management tool.

"We expect it to be the glue which holds together our realignment and decentralization efforts," he said.

RAMIS was spawned as the aftermath of a routine query to the New York Regional Office, asking the extent of HUD activity in Massachusetts. That was back in 1968.

The query put regional officials in a dither. Nobody, it turned out, knew the answer. An ad hoc committee was hastily formed to pull the information together.

When word reached HUD's Washington office of the dilemma, and how it was solved, the Office of Management and Organization, part of the Administration setup, was given the assignment to design and develop a system that would keep management informed of the status of all HUD projects.

The design was completed by the end of 1968 and the New York Region was selected as the laboratory to test the system. Harried officials there welcomed the opportunity, and cooperated cheerfully with OMO staff in gathering the necessary data.

A total of 19 major programs was selected for study, ranging from demolition of structures to urban renewal, and representing about 75 percent of the budget allotment for the New York Region,

RAMIS became "operational" in New York by the end of June last year. But then somebody discovered there was no computer in the field capable of handling and digesting the huge data load compiled by the study teams. And the computer then in use in HUD's Washington office was too overloaded to be of any help.

Luckily, the General Services Administration in New York came through with computer equipment that had exactly the right dimensions and specifications. Not only that, but GSA had similar equipment in the other HUD regions, and generously agreed to handle the computer processing for the entire system.

With that problem solved, RAMIS was tested by audit in New York and not found wanting. It has since been extended to the other five existing regions, and will be installed in the four new regions and 23 area offices by the end of next month.

Assistant Secretary Condon summed up some of its accomplishments:

. It has already put some delinquent programs back on schedule.

. Administrators can use it to balance manpower with workload.

. It's no longer necessary for Administrators to mobilize their staffs to respond to inquiries on the status of projects.

. It has boosted HUD's efforts to reduce red tape in its programs.

As a potential long range benefit, Mr. Condon thinks it can be helpful in building the profile of a city, and may therefore be instrumental in preventing civil disturbances by calling attention to project delays before they balloon to serious proportions.

"RAMIS may seem rambunctious to some people," Mr. Condon, said, "but so far it has proved its mettle."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-697
Phone (202) 755-7174

FOR RELEASE:
Tuesday
September 22, 1970

$36,500 GRANT TO AIA FOR OPEN SPACE REPORT

The American Institute of Architects will prepare a report on urban open space under a $36,500 urban renewal demonstration grant, the U. S. Department of Housing and Urban Development announced today.

The AIA, which will also publish and distribute the report for HUD, will base it on the proceedings of an international conference now underway in Washington, by the Commission on Town Planning of the Union Internationale des Architects. About 20 foreign architects for 15 nations are attending the conference for which the AIA is the host. Sessions, which started yesterday, will be held through Friday.

In applying for the grant the AIA stated: "For too long the preponderance of urban open space has been that which is left over after building has occurred. Open space in cities is becoming too precious for such a casual approach. Architects as members of the urban development team must insist that the spaces between buildings be designed with the same care as the space within buildings, for it is only through the exercise of the designer's ability to humanize space that the city will be a truly fit habitat for man."

Miss Jeanne Davern, former Managing Editor of Architectural Record, will prepare the report for the AIA.

For further information:

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Executive Vice President
The American Institute of Architects
1735 New York Avenue, N.W.
Washington, D.C. 20006
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PROJECT NO.: D. C. D-21

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-693
Phone (202) 755-7174

FOR RELEASE AFTER:
11:00 A.M., Wednesday
September 23, 1970

U.S. INSURANCE ADMINISTRATOR COMPLIMENTS AGENTS ON CONSTRUCTIVE APPROACHES

Federal Insurance Administrator George K. Bernstein of the U.S. Department of Housing and Urban Development today complimented the National Association of Insurance Agents for its "constructive approach" to solving current insurance problems.

In a speech delivered at Miami Beach, Fla., to the association's annual convention, Mr. Bernstein urged other segments of the insurance industry, which "continually look to the Federal Government for solutions" to emulate the self-help attitude of the agents.

"It is refreshing to see that the NAIA, rather than adopting a supine attitude of merely deploring current developments in the insurance business, is giving serious consideration to proposals for alleviating insurance market problems and for broadening the range of insurance protection available to policyholders," Mr. Bernstein said.

He noted with approval the recent speech by NAIA President Lyle Huggins, who pointed out that government--local, State, and Federal--is gradually working its way into the insurance business. "The NAIA is not content with merely viewing the situation with alarm," Mr. Bernstein said, referring to Mr. Huggins' statement that the NAIA has been working on specific solutions to insurance problems "without waiting for industry default and government bailout and takeover."

The HUD official cited the recent action of the Senate Banking and Currency Committee in reporting out legislation to put the Federal Government directly in the crime insurance business, and the action of the Housing Subcommittee of the Housing Banking and Currency Committee in reporting out a bill to put the Federal Government directly in the general property insurance business, as examples of the result of industry and State inaction in meeting the insurance needs of the Nation.

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"Although we continue to espouse the proposals contained in our recent report to the President and Congress on crime insurance and surety bonds, in which we recommended specific types of State and private industry action to make crime insurance available," Mr. Bernstein noted, "I cannot take issue with the approach of the Senate variation on our proposal, in light of significant divisions within the industry which will operate to block our proposals.

"The public is entitled to an adequate insurance market to serve its valid and demonstrated needs. We do not intend to oppose reasoned and realistic solutions, if those approaches we prefer do not appear to have the broad-based support necessary for implementation."

Anticipating the argument that the Senate approach, limited as it is to crime insurance and consequential losses, plays into the hands of those in the insurance industry who espouse a Federal insurance regulatory system and who, in the area of unavailability, look to the Federal Government to write only loss-producing lines of insurance, Mr. Bernstein chided the naivete of such industry members.

"Even if the Senate limitation to crime insurance survives the Conference Committee," he pointed out, "anyone who expects that the entry of the Federal Government into the property insurance business will long be limited only to crime is, at best, blind to history. The odds are that the industry that rides the Federal Tiger will end up being eaten."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-701
Phone (202) 755-7174

FOR RELEASE AFTER:
9:15 A.M., Wednesday
September 23, 1970

HUD OFFICIAL CALLS OPEN SPACE KEY ELEMENT IN METROPOLITAN GROWTH

"The provocative challenge in the field of metropolitan open space is the task of linking the overall planning process to environmental problems so as to resolve not only physical needs but also mounting social inequities," Samuel C. Jackson, Assistant Secretary of Metropolitan Planning and Development of the U.S. Department of Housing and Urban, said today.

In an address delivered before a meeting of the Union Internationale des Architects in Washington, D.C., the HUD official acknowledged that the use up to now of open space in the United States left much to be desired.

"Even at this late date," he said, "we have not yet evolved the political and economic machinery to successfully guide the growth and development of our burgeoning metropolitan areas. As a result, our use of precious open space has been wasteful and largely improvident."

"Until recently," he pointed out, "we were seemingly content to permit our growth to result in ever larger cities and a helter-skelter expansion to suburbs on the fringe of the cities."

The Assistant Secretary advised his audience of distinguished foreign architects and planners that the Administration was fully aware of the problem and committed to its solution. As evidence of this he quoted President Nixon's statement:

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> "In the future, government decisions as to where to build highways, locate airports, acquire land, or sell land should be made with a clear objective of aiding a balanced growth for America."

The rapid population growth and accompanying social inequities call for drastic changes in this pattern. Mr. Jackson suggested that emphasis on sophisiticated metropolitan planning was essential to improving the quality of life for all citizens.

"Open space in metropolitan areas must be regarded as a precious national asset," he said. "An asset to be used as a tool to reduce population density, to provide decent housing without regard to race or socio-economic levels, to eliminate isolated enclaves and to permanently preserve nature's bounty for the enjoyment of future generations."

This presupposes, he said, the evolution of national growth policies with clearly enunciated objectives and the development of modus operandi for implementing those objectives. Such policies will probably vary from country to country, he observed, but cautioned that "social and human concerns should not be neglected in the interest of providing an improved physical environment."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE:
After 12 Noon
September 24, 1970

FILE COPY

URBAN RENEWAL AND THE RELOCATION PROCESS

Remarks Prepared for Delivery

by Norman V. Watson
Acting Assistant Secretary
for Renewal and Housing Management
Department of Housing and Urban Development

at the

Biennial Conference
National Association of Housing and Redevelopment Officials
Pacific Northwest Regional Conference

Sun Valley, Idaho
September 24, 1970

SUMMARY

RELOCATION INVOLVES BOTH PHYSICAL AND PSYCHOLOGICAL DISRUPTION IN THE LIVES OF URBAN RENEWAL AREA RESIDENTS. The goals of urban renewal as it relates to project relocation are clear: minimum displacement, minimum hardship, decent, safe and sanitary rehousing, improvement of the total environment, and cooperation with families being relocated. The goals can be fulfilled only if they are adopted by both HUD and all local public agencies. The future of the urban renewal program is at stake.

The world of Sun Valley has very few urban problems. Nothing seems so far removed from the clean, mountain air of Idaho as the obsolescence and decay found in many sections of our nation's cities. This is an unlikely setting for a speech about urban renewal.

However, a recent occurence did bring the world of urban squalor and the world of natural splendor closer together, if just for a brief time. It involved a unique relocation claim for a "family" being displaced by an urban renewal project in an Eastern city. The family was not the usual type of family displaced by urban renewal - it was instead a "hippie family", residents of an urban commune. The relocation payments were not used to purchase a home under Section 235 or to move into an apartment recently renovated under a Section 312 loan. The payments were used as a down payment on some acreage in the West, so that the "family" could move back to the land.

This, of course, is rare. Most persons relocated by renewal do not have the option of returning to nature, and urban renewal has very little occasion for relocating communes.

But the renewal process, HUD-assisted programs ranging from model cities to FHA rehabilitation, and other govern-

mental programs such as highway construction and school construction do involve an extensive amount of relocation of families, of single individuals (some of whom are elderly and handicapped), and of business concerns.

Indeed, it has been estimated that, by June 30, 1969, HUD-assisted activities alone had resulted in the displacement of 536,160 families, individuals and organizations. It is further estimated that the number of such displacements increased 17% annually between 1964 and 1969.

And these estimates cover only HUD-assisted programs. Other governmental actions have resulted in much additional displacement.

Relocation is a matter of great concern to those of us who are involved with urban renewal. The reasons are obvious.

First, there have been numerous examples of flagrant overuse and misuse of relocation.

Second, we are going through a period of time when the housing supply is very tight, and when adequate relocation resources are hard to locate.

Third, we find that public animosity to the urban renewal program often centers on its relocation practices. We must learn to respond to our critics, who are now using

the courts as well as the newspapers. But we cannot afford to respond defensively. We must analyze the criticisms, accept those which have validity, and alter our ways.

Fourth, relocation is expensive. It is expensive in terms of dollars for the federal government, although localities must pay a share of administrative costs plus the costs of moving large business concerns. It is estimated that 14% of all urban renewal funds for the current fiscal year will go to pay relocation expenses. Each year, this percentage has grown.

There is still another, more compelling reason which causes us to look so carefully at the relocation process.

Most of all, relocation concerns us because it involves great disruption in the lives of project area residents.

It involves both physical and psychological disruption. Familiar patterns are broken and life styles are changed. Families must become accustomed to new houses, new shopping facilities, new transportation routes and new neighbors. Children often must leave their friends and their schools. The elderly, often psychologically vulnerable and deeply rooted to their existing homes and neighborhoods, must cope with new surroundings. Businesses often must face the loss of their regular clienteles.

More often than not, families and businesses relocated by the renewal process are, in the long run, benefitted by their displacement. But this is by no means universally the case. And often even those who receive these long range benefits must undergo considerable trauma and face many short range deprivations.

We cannot simply eliminate relocation. The realities of the urban situation will not allow this. The desirability of assisting the poor, the overcrowded and the ill housed in establishing themselves in better surroundings is too apparent.

Yet it is not enough to be concerned. The time to turn concern into action has long passed. The local agencies which carry out relocation plans and the Department of Housing and Urban Development each has its job to do. And the jobs are big.

I am going to speak today mainly about relocation caused by the urban renewal program. And I am going to address myself largely to residential relocation.

In doing this, I realize that I am being unfair to my subject in two ways. By glossing over business relocation in this speech, I do not mean to imply that we can ignore the various problems caused by this type of displacement.

For we must give very careful attention to this subject.

And by limiting myself to the urban renewal program, I do not mean to imply that we do not have to concern ourselves with concurrent displacement caused by other governmental programs. We must realize that urban renewal relocation cannot be looked at in a vacuum, and that all relocation efforts within a city are interconnected.

It has often been said by our critics that we have been unresponsive to the relocation needs of project residents. It has been said, for example, that urban renewal is nothing more than Negro removal. It has been said that we consider relocation as no more than a hurdle which must be overcome to implement the urban renewal plan, and that we pay scant attention to relocation practices. We have been accused of violating the law and of contravening our own administrative regulations. And today we are being called "legal lawbreakers."

It is time to be honest with each other and to admit that there is some validity to these allegations.

It is not true that the urban renewal program has been totally unresponsive towards the relocation needs of project residents. Urban renewal was the first major program for urban areas in which the government accepted responsibility to assure adequate housing for those displaced by

government action. And many people who have been working in urban renewal have worked to provide additional relocation assistance for those who are displaced.

It is also not true that all local public agencies can be justly accused of mishandling urban renewal relocation. Some have done excellent jobs.

I do not have to recite for you the various statutory provisions which relate to relocation. In recent years, these provisions have been strengthened. One example is the HUD Act of 1968, which provided for increased Additional Relocation Payments and for the $5000 Replacement Housing Payment. Another is section 210 of the HUD Act of 1969 which requires that, in cases of newly recognized projects, replacement housing be provided within the jurisdiction of the LPA equal in number to those units which were occupied by low and moderate income families, and which were removed by the renewal program.

In addition, the Uniform Relocation Assistance and Land Acquisition legislation, currently pending before Congress, would strengthen relocation benefits, and extend them to all federally assisted programs.

But it is clear that we are not doing the job we could be doing - or the job we should be doing.

The Urban Renewal Handbook currently lists two overall objectives for project relocation.

One: Families and individuals displaced by an urban renewal project must be provided the full opportunity of occupying housing that is decent, safe, and sanitary, is within their financial means, is in reasonably convenient locations and is available on a non-discriminatory basis.

Two: Displacement shall be carried out with a minimum of hardship to site occupants.

These are commendable objectives, but they have not proven sufficient. And they have not proven easy to attain. It is time for us both to augment our goals and to devise new methods for their fulfillment.

First, I want to speak to strengthening the objectives. I am proposing three additional objectives.

The first is that project activities should be planned and carried out in such a way that they involve the smallest amount of displacement consonant with the needs of the project and the betterment of the project residents.

The second is that the end result of all relocation activity shall be the improvement of the total environment of those being relocated.

The third is that at all times relocation should be carried on in a spirit of cooperation and partnership with those being relocated.

The goals are clear: minimum displacement, minimum hardship, decent, safe and sanitary rehousing, improvement of the total environment, and working in a spirit of cooperation.

The goals are necessary.

But whose goals are these? They cannot be the objectives of HUD alone. They must be the goals and objectives of all local public agencies as they carry out their urban renewal projects. Only if you wholeheartedly adopt these objectives - if you view them as central to your urban renewal efforts - will they be meaningful.

The role of this department should not be the role of a policeman. We should not have to look continually over your shoulder to check the accuracy of your data. We should not have to act as a full time watchdog over your displacement activities.

We must share our responsibilities.

When you prepare an urban renewal application, you should be honest about your relocation submission. HUD should never be forced to say: "Your relocation plan is not feasible." But HUD also should be prepared to say it.

When, during the course of project execution, you find there are not adequate rehousing resources, you should admit it honestly. You should immediately restructure your project activities. HUD should never be forced to say: "You must halt project activities because you lack relocation resources." But HUD must be prepared to say just that.

You should always be one step ahead of us. You should never give us reason to require you to redirect your activities.

If you operate your program in this manner, you will not be bothered by HUD. You will not be faced with court injunctions.

We must determine how to implement the goals - how you, as local officials, can do your part - and how the Federal government can do its part. We must show that we both have the capability, the inventiveness and the determination to perform our statutory duty and to carry out our moral responsibilities to the citizenry of urban renewal areas.

We must bring the urban renewal program to a new level of maturity.

We at the Department are taking a close look at the relocation process. We are looking for specific ways to implement the five objectives. We trust you will do the same.

Let us now look at some of these facets of the relocation process which give us the most cause for concern.

Perhaps the best example concerns the relocation feasibility data which you submit to us as a part of project applications. We both are going to have to take a more serious look at that data.

For instance, how often have each of you, as a part of an application submission, stated that project relocation feasibility depended on the provision of particular new housing to be developed over the course of project execution? Perhaps, it was public housing, or some other form of HUD-assisted housing. And how often, over the course of project execution have you learned that, for one reason of another, such housing was to be delayed or was not to be built at all?

You are not always to blame. Working together, we are going to have to develop better ways to ensure that housing which is proposed for relocation purposes does get built - and that it gets built within a time span that will permit

it to be used for those purposes.

We also are going to have to examine closely the types of data which you submit. We wonder whether the information we require from you is adequate for either of our purposes.

In a traditional sense, we are going to have to pay more attention to the prospective effects of renewal projects on those types of residents who require the most skill in relocating. I am thinking of the elderly, the large family, and the single man. I am also thinking of members of minority groups.

In a less traditional sense, we are going to have to begin to look at project relocation as an organic process which affects the city as a whole. When planning an urban renewal project, you should attempt to forecast the movement of persons displaced by your project. Into what portions of your city are displaced families going to move? Will this cause any secondary population movements? What will be the effect on school populations or the provision of social services?

In addition, urban renewal displacement can no longer be viewed in isolation from other governmental and non-governmental displacement.

We are going to have to continue to work with cities in developing means to centralize the administration of

their relocation activities and to increase the accuracy of their overall relocation data. If we do not do this, neither of us will ever be able accurately to gauge your city's relocation needs, and the feasibility of urban renewal relocation plans will remain in question.

But improvements in project documentation and centralized administration can only carry us so far. We must do much more.

It is necessary to develop a better means by which the local public agencies can ensure that those families and individuals who are being displaced will be successfully rehoused. We have to find means by which local public agencies will have better control over possible relocation resources. This might include better use of the LPA rehabilitation program. It might include allocation of particular units of housing provided under programs most particularly attuned to relocation needs.

Additional efforts will have to be made by all of us to get additional assisted housing units built for relocation purposes. We also have to improve our ability to provide temporary relocation resources, including the increased use of mobile homes. Perhaps we can make use of the Operation Breakthrough program.

It may be that we further must develop new programs to deal with those persons for whom we have a hard time finding adequate resources, persons such as a single, non-elderly individual and members of large, poor families.

Most importantly, we have to put this all together. We must develop realistic staging programs which will permit us to time relocation activities to the availability of resources. We have to eliminate all premature displacement.

We both must do everything we can to improve the environment of displaced families. We cannot limit our aid to the provision of standard housing, but should provide other services which are necessary for relocated families to fully utilize their new housing.

For many families, this will involve various forms of social services. It will also require the agency to provide follow-up services to relocated families.

I am not suggesting that the LPAs should necessarily provide these services, although in some instances this will be desirable. But they should have sufficient expertise to recognize the existence of a condition requiring assistance. And they should have the ability to enable relocated families to obtain these services.

Again this is an area where HUD should play a minor role. Again, if you take your job seriously, you will always be one step ahead of us.

LPA staff expertise is very important here. A relocation program can only be efficient if the relocation staff is efficient. It can only be sensitive if the relocation staff is sensitive. It can only be innovative if the relocation staff is innovative.

Relocation activities are difficult to administer. We all recognize that and, in some ways, what we are proposing will increase these difficulties. But we cannot shrink from that task.

Local agencies should be very careful in the selection and training of their relocation staffs. HUD and local public agencies both must perfect techniques whereby local relocation supervisors and workers can be better equipped to meet their awesome responsibilities.

We are going to be looking at ways to increase and improve the amount of information on relocation techniques which we send to the localities, so that relocation workers can benefit from each other's innovations, from each other's problems, from each other's successes and failures.

Local agencies are going to have to integrate the relocation workers more into the general LPA staff. Too many relocation staff members are in the dark in regards to the LPA's plans for the project area. Too often they are treated as less than professionals, expected to respond on short notice to sudden needs to relocate familites to prepare particular sites for demolition. Relocation workers can only serve project residents successfully if they are fully apprised of and have a voice in land acquisition and other project activities.

An additional aspect of our attempts to improve the environment of relocated families and individuals concerns the payments of relocation benefits. The urban renewal program has been the pioneer in providing not only moving expenses, but also additional monetary benefits for those displaced. We should be proud of this accomplishment.

But we should not be complacent. We must study the current payments to ensure that they are sufficient and that they are directed toward the proper recipients. In addition, we have to take steps to ensure that all displaced families and individuals get the full payment to which they are entitled.

A three way partnership has to be developed between HUD, the local public agency, and displaced project residents and

their representatives. We have to be sure that a spirit of cooperation goes along with our relocation efforts, and should be willing to bend a little to bring about that cooperation.

We should utilize the Project Area Committees, and other neighborhood oriented organizations, to assist us in our efforts, to prod us along, and to offer us suggestions. PACs are well equipped to aid in the collection of data, to assist in actual relocation work, and to serve as a forum for particular citizens' grievances and complaints. We should attempt to maintain a personal relationship between staff members and those families and individuals to be displaced.

Only this type of sensitive and responsible relocation administration can bring about a truly successful program. A successful program from the standpoint of both the project residents and the community.

We have a long way to go before we develop the capability to attain our goals in their entirety. We have to undertake a thorough study to determine exactly why relocation works so well in some communities and why it encounters so many obstacles in others. We have to develop methods to apply our goals to ongoing projects and not simply to newly approved projects.

I did not come here today to offer you quick and foolproof answers. I am here to tell you that we must recognize the problems, that we must shift our emphasis, and that we must work very hard to improve this vital aspect of the renewal program. If we fail in this task urban renewal will have failed as a viable method to rebuild our cities.

Thank you.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-709
Phone (202) 755-7174

FOR RELEASE AFTER:
12:00 Noon, Thursday
September 24, 1970

HUD TO STRENGTHEN RELOCATION POLICIES

Steps being taken by the U.S. Department of Housing and Urban Development to achieve significant improvements in the relocation phase of the urban renewal program were outlined today by Norman V. Watson, HUD Acting Assistant Secretary for Renewal and Housing Management.

Speaking in Sun Valley, Idaho, Mr. Watson told the Pacific Northwest Regional Council of the National Association of Housing and Redevelopment Officials that the relocation process was of prime concern to HUD because it "involves great disruption in the lives of project area residents."

Mr. Watson said that the present relocation policies call for giving displaced families and individuals full opportunity to occupy decent safe and sanitary housing in reasonably convenient locations and within their financial means. This housing should be available on a non-discriminatory basis. The second objective is that displacement shall be carried out with a minimum of hardship to site occupants.

While these objectives are commendable, Assistant Secretary Watson stated "they have not proven sufficient and have not been easy to attain."

In order to improve the relocation process, Mr. Watson proposed three additional objectives:

1. Project activities should be planned and carried out in such a way that they involve the smallest amount of displacement consonant with the needs of the project and the betterment of the project residents;

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2. The end result of all relocation activity shall be the improvement of those being relocated, and

3. At all times relocation should be carried out in a spirit of cooperation and partnership with those being relocated.

Mr. Watson emphasized that the broadened goals of relocation are necessary, but "they cannot be the goals of HUD alone." Only if local urban renewal agencies wholeheartedly adopt these objectives, and view them as central to their urban renewal efforts, will they be meaningful, he declared.

He also told the renewal officials that they should always be one step ahead of HUD in carrying out their relocation responsibilities. "You should never give us reason to require you to redirect your activities. If you operate your program in this manner, you will not be bothered by HUD. You will not be faced with court injunctions." He declared that HUD would not hesitate to require renewal authorities to curtail their activities when necessary.

While recognizing the validity of many of the criticisms of current relocation practices, Mr. Watson rejected the charge that the urban renewal program has been totally unresponsive to the relocation needs of project area residents. He pointed out that urban renewal was the first major program for urban areas in which the government accepted the responsibility to assure adequate housing for those displaced by government action. He also cited various Congressional actions which provide additional help for displaced families.

Finally, Mr. Watson said that all those concerned with relocation, "must recognize the problems, must shift emphasis, and must work very hard to improve this vital aspect of the renewal program. If we fail in this task, urban renewal will have failed as a viable method to rebuild our cities."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-700
Phone (202) 755-7174

FOR RELEASE:
Friday
September 25, 1970

PROPERTY OWNERS IN 13 MORE AREAS ELIGIBLE FOR EMERGENCY FLOOD INSURANCE

The U.S. Department of Housing and Urban Development announced today that 13 more flood-prone communities in 5 States have established eligibility for emergency flood insurance. The total number of eligible communities has now reached 288 in 32 States.

Effective September 25, flood insurance policies will be sold in Hawaiian Gardens, Calif.; Navarre Beach, Hastings, St. Augustine, St. Augustine Beach, and the unincorporated areas of St. Johns County, Fla.; Austin, Minn.; Middlesex Borough, Woodbridge Township, and Parsippany-Troy Hills Township, N.J.; Lake Jackson, Port Neches, and the unincorporated areas of Kleberg County, Texas.

According to Federal Insurance Administrator George K. Bernstein: "Now, it is up to all those concerned with the flood insurance program, from state insurance commissioners to local officials and press, to get the word out to the public that this insurance protection is available and should be obtained as soon as possible."

Mr. Bernstein stressed the need for area-wide publicity in order to inform the residents of communities eligible for flood insurance that this vital coverage is now available. He cited as an example the Gulf Coast and Florida communities, many of which are now eligible for flood insurance. "With the hurricane season upon us and the dangers of flooding ever present during this season," he said, "property owners along these coastal areas can now take advantage of this essential protection."

The National Flood Insurance Act of 1968 specifies that anyone who does not choose to buy flood insurance in a community which is eligible will not be able to get Federal financial disaster aid for flood losses that occur after one year from the date his community became eligible to the extent that the loss would have been covered by flood insurance.

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Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities pledge to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future development away from flood hazard areas and set construction standards such as minimum foundation and floor elevations."

Under the regular program, a community cannot become eligible for flood insurance until an actuarial rate-making study has been completed for that community. These studies generally take six to eight months. On the other hand, the emergency flood insurance program, is designed to provide limited coverage at federally subsidized rates even before actuarial studies are completed.

Insurance policies will be effective immediately as issued during the first 30 days the insurance becomes available. Insurance purchased after the first 30 days of community eligibility will become effective after a 15-day waiting period.

Insurance at federally subsidized premium rates may be purchased in amounts up to $17,500 for single-family homes and up to $30,000 for two- to four-family homes. On structures, rates will range from 40 to 50 cents per $100 for insurance, depending on the value of the structure. Contents may be insured up to $5,000, with rates ranging from 50 to 60 cents per $100 of insurance.

Small business coverage is available in amounts up to $30,000. The federally subsidized premium rates will also be graduated: 50 cents per $00 for properties valued up to $30,000 and increasing to 70 cents per $100 for properties valued at $60,000 or more. Contents may be insured at $1 per $100 of insurance up to $5,000 maximum.

Official maps identifying the areas in which flood insurance may be purchased under the emergency program can be examined at the following locations:

CALIFORNIA

Hawaiian Gardens	City Hall

FLORIDA

Navarre Beach	Santa Rosa County Beach Administration
Hastings	Town Office
St. Augustine	Office of City Manager
St. Augustine Beach	Office of Town Clerk
Unincorporated areas of St. Johns County	County Court House St. Augustine

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MINNESOTA

Austin	Municipal Building

NEW JERSEY

Middlesex Borough	Municipal Building
Woodbridge Township	Division of Engineering
Parsippany-Troy Hills Township	Municipal Building

TEXAS

Lake Jackson	City Manager's Office
Port Neches	City Hall
Unincorporated areas of Kleberg County	Kleberg County Court House

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-712
Phone (202) 755-7174

FOR RELEASE:
Monday
September 28, 1970

HUD DOING SHARE TO IMPROVE PHYSICAL ENVIRONMENT OF STUDENTS

The U.S. Department of Housing and Urban Development is doing its share to improve the physical environment of students at colleges and universities throughout the country.

By the opening of the 1970 fall semester, HUD had approved loans for about 850,000 housing accommodations, including dining halls, cafeterias, infirmaries, student centers and unions.

This does not mean, of course, that the Department is diverting its energies from urban problems. Thanks to its Urban Studies Fellowship grants, 101 young men and women from some 30 States are spending the 1970-'71 academic year doing graduate work in urban and related fields at 46 leading universities.

HUD's contributions to the cause of higher education are described in the September-October issue of the Department's official magazine, HUD Challenge, a bi-monthly publication which seeks to stimulate ideas and action toward solving the nation's housing and urban problems.

HUD's entry into the education field is authorized by two basic laws, the National Housing Acts of 1950 and 1959, which enable qualified applicants to obtain construction loans at three percent interest.

Since it is Administration policy to serve students from low income families, the College Housing Program gives priority to colleges with substantial enrollment from lower income homes.

HUD also encourages the use of innovative designs and construction methods and techniques to build attractive housing at lowest costs, breaking away from the traditional long double-loaded corridors with double rooms and formal reception areas.

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The Urban Studies Fellowship program, now in its fourth year, was authorized under the 1964 Housing Act and is designed to respond to the critical national need for trained urban generalists and specialists.

Candidates are students accepted or enrolled for full-time study working toward graduate degrees in eligible programs. They receive stipends of $3,000, plus $500 for each dependent up to two. In addition, HUD pays tuition and fees directly to participating schools.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-717
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Tuesday
September 29, 1970

AVERAGE STUDENTS SPURRED TO GO ON TO COLLEGE

Given the right incentive, high school students with average or below average grades can still become good college material.

This is the thesis which is being tested in an experimental program conducted by the Center for Higher Education, a nonprofit organization sponsored by the Chicago Housing Authority.

"We are not concerned with the high achievers -- they can make it on their own," said Richard C. Wade, a professor of history at the University of Chicago, co-founder of the Center and CHA Commissioner.

"Our purpose is to give a hand to those in the middle groups, those who can make it too, but need a little encouragement and assistance."

The Center's efforts to help students from lower income families living in Chicago Housing Authority projects are described in the September-October issue of HUD Challenge, a bi-monthly publication issued by the U.S. Department of Housing and Urban Development.

The publication seeks to stimulate ideas and action toward solving the Nation's housing and urban problems.

The Center supplies information about types of financial aid, offers guidance in planning school programs to include college-required courses, conducts tests and arranges group visits to nearby campuses.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-719
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Tuesday
September 29, 1970

FHA CHANGES CRITERIA TO SPEED PRODUCTION OF UNSUBSIDIZED HOUSING

The U.S. Department of Housing and Urban Development today announced changes in Federal Housing Administration criteria for approval of mortgage insurance under Section 221(d)(4) of the National Housing Act.

This section applies to mortgage insurance for low- and moderate-income housing projects at the market rate.

Rental housing financed with a mortgage insured under Section 221(d)(4) must be designed to best serve the needs of moderate income families and displaced families.

Design emphasis should be placed upon providing comfortable and attractive living quarters while keeping construction and land costs at a level which will permit rental rates that a family of moderate income can afford without governmental subsidy. These rental rates will vary from community to community and are determined by the appropriate HUD Area Office or HUD-FHA Insuring Office having jurisdiction.

Priority in occupancy will be given to those families displaced by urban renewal or other governmental action. No income limits will be imposed by FHA.

This change has been made to accelerate the production of unsubsidized housing, giving recognition to the fact that of the Congress' goal of 26 million housing units to be produced in the next 10 years 20 million will be unsubsidized.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-723
Phone (202) 755-7174

COPY

FOR RELEASE:
Wednesday
September 30, 1970

FILE

STATEMENT BY SECRETARY GEORGE ROMNEY

The President has approved proposals that would make the Model Cities efforts a more effective part of this Administration's national urban policy. Indeed, Secretary Richardson's presence here today and his continuous support of and commitment to the program provide visible testimony to the growing federal response to Model Cities.

Model Cities is a process, more than a program. Flexible funding helps cities develop their own analysis of specific problems and develop and carry out a comprehensive plan for attacking these problems. The Model Cities process enables local government to bring together all available Federal, State and local public and private resources for implementation of the locally conceived plan. In this way Model Cities builds the capacity of local government working with its citizens to solve their own problems.

The President directed the Domestic Council to develop proposals which would help to significantly (1) improve the Federal capacity to respond to the Model Cities process (2) increase the ability of Model Cities to build local capacity to meet locally defined problems. Equally as important, the President directed the Council to improve opportunities for the Model Cities process to be used as a laboratory to test new urban strategies.

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After deliberations involving the Secretaries of all major domestic agencies, the officials of OMB, and the White House staff, they recommended the immediate initiation of significant "planned variations" in a limited number of participating model cities. The major variations would: (1) eliminate all but statutorily defined Federal reviews concerning the use of supplemental and categorical funds in cities; (2) permit development of Model Cities plans and programs for entire cities rather than just limited model neighborhoods; (3) grant local chief executives the right to review, comment and sign off on all Federal agency categorical programs prior to use in their cities.

Each variation would be directed at "testing" means to improve the Federal and the local capacity to respond to urban problems. For example:

- Elimination of federal reviews will go a long way towards testing the feasibility of block grants and revenue sharing. Further this variation will demonstrate the impact of a simplified Federal delivery system on city ability to define and carry out innovative programs.
- Development of city wide Model Cities plans and programs will demonstrate city abilities to deal comprehensively with their economic, social and environmental problems.

-more-

- Granting chief executive review, comment and sign off will increase local coordination of federal urban programs; reduce duplication of federal efforts; eliminate inconsistencies in the use of Federal programs; coordinate all public and private resources.

The President, consistent with his support of Model Cities, has endorsed the Council's recommendations. He has directed HUD, working closely with HEW, DOL, DOT, OEO and other Federal Agencies, to immediately carry them out. The selection process will be announced shortly.

Each of the variations, as well as various combinations of them will be tried out in a limited number of cities. Their implementation will parallel continuous efforts to improve the Federal and State response to the program in all participating cities.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-716
Phone (202) 755-7174

FOR RELEASE
Thursday
October 1, 1970

SERVICE TO REGIONAL COUNCILS GETS HUD DEMONSTRATION GRANT

A $96,000 grant has been made to the National Service to Regional Councils to develop and implement Operation BREAKTHROUGH market aggregation, and to encourage Regional Councils to assume leadership in promoting housing for low and moderate income families.

The U.S. Department of Housing and Urban Development, announcing the grant, said the project will be a one-year demonstration program to provide stimulus for promoting housing as well as concentrated technical assistance to 10-to-12 Regional Councils.

HUD said the scope of the work includes:

---Training of two field staff workers on the operations of Regional Councils, and the HUD objectives for regional housing planning, and market aggregation for the BREAKTHROUGH program. Operation BREAKTHROUGH is HUD's major program for identifying and providing solutions to the problems impeding large volume production of housing.

---Identification of noteworthy regional housing planning techniques and action programs, and preparation of information publications for use in other areas throughout the Nation.

---Selection, with HUD, of 10 to 12 Regional Councils and supplying them with concentrated technical aid to develop and demonstrate how Regional Councils can assist in aggregating markets for BREAKTHROUGH housing, as well as stimulating housing production for low and moderate income families throughout a region.

---Preparation of case studies on the successes and failures of housing efforts by Regional Councils.

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---Preparation of reports summarizing the activities and achievement of this project, including an evaluation of the role Regional Councils can, or cannot, perform in market aggregation, and stimulation of communities in a region to become involved in encouraging and accommodating housing for low and moderate income families.

For further information: James Dowden, Assistant Director
National Service to Regional Councils
1700 K Street, NW
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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FILE COPY

HUD-No. 70-726
Phone (202) 755-7174

FOR RELEASE AFTER:
12:00 Noon, Friday
October 2, 1970

INCREASED GROWTH OF MINORITY ENTERPRISE CALLED ESSENTIAL BY TOP HUD OFFICIAL

Meaningful minority business ownership is an essential factor in reducing tensions as well as a vehicle for enhancing the Nation's economic well-being, a top official of the U.S. Department of Housing and Urban Development said today.

In a speech to the 70th Annual Convention of the National Business League in Detroit, HUD Assistant Secretary Samuel C. Jackson noted that "considerable progress" has been made by the Administration in stimulating minority entrepreneurship. But in spite of this, he said, "minority business enterprise is still in its infancy."

"Coexistent with equal employment opportunities" Mr. Jackson said, "is the right to participate freely in the economic mainstream by engaging in private enterprise in the American tradition."

The HUD official asserted that the Administration has placed high priority on encouraging increased minority business activity and listed several Federal actions designed to help accomplish this goal:

....The establishment of the Office of Minority Business Enterprise (OMBE) to coordinate 116 Federal programs relevant to minority enterprise and to mobilize the private sector.

....The charter to the Small Business Administration to actively encourage minorities by providing financial, technical and management assistance as its foremost objective.

....The organization of the Minority Enterprise Small Business Investment Co. (MESBIC) to aid disadvantaged small businessmen with provision for $15 million in direct government financing.

- more -

The Assistant Secretary, who heads the Office of Metropolitan Planning and Development, noted that these Federal efforts have produced the following tangible results:

1. SBA loans to minorities doubled in 1969 over 1968 - 5,385 loans ($131 million) vs. 2,739 ($54 million).

2. The number of non-white managers, officials and proprietors rose from 154,000 in 1968 to 254,000 in 1969 -- a gain of 65 percent.

3. The commitment of $1 billion of working capital over the next five years by members of the American Banker's Association.

4. A pledge of 3,000 franchise opportunities by franchise companies plus a pledge of 20,000 service station locations by the petroleum industry.

Mr. Jackson observed, however, that while minorities comprise some 15 percent of the population, they own only 3.7 percent of all businesses. In addition, estimates of industry distribution reveal that minorities are concentrated in low income-yielding, marginal types of enterprises.

"It is plain that we have a long way to go," he said,"before the racially disadvantaged have an equitable share of this important feature of the American dream."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-724
Phone (202) 755-7174

FOR RELEASE:
Monday
October 5, 1970

ABANDONED CEMETERY BECOMES MEMORIAL PARK

An Open Space, Urban Beautification, and Historic Preservation Demonstration project to convert a deteriorated public cemetery into a public park has been completed in Pulaski, Tenn.

This is the first such project to be carried out with the aid of a grant from the U.S. Department of Housing and Urban Development. The amount of the grant, which was approved in June 1967, was $133,474.

Abandoned and derelict cemeteries constitute one of the most neglected open space problems of modern cities. The Pulaski demonstration project has met this dual problem of ugliness and wastefulness successfully: a blighted area has been transformed into a serene, beautiful, and useful area.

No one had been buried in Old Pulaski Cemetery since 1888, and maintenance gradually fell off over the years and finally ceased. Weeds and unmowed grass covered the burial plots. Many of the markers had tilted out of position, and others were crumbled and broken.

In conjunction with planning the restoration of the cemetery, a number of delicate aspects were considered. Satisfactory answers had to be obtained to questions concerning religious beliefs, local customs and superstitions, and conformance with law.

Without disturbance to graves, headstones and monuments were cleaned, repaired, and put in order. Landscaping followed. Walks were built and benches installed. In addition, proper maintenance has been assured.

- more -

An illustrated report on the Pulaski project is now available. It fully documents all problems involved in converting a shabby, neglected cemetery into a spacious area that serves both as a memorial and municipal park.

Single copies of the report may be obtained from:

Robert Abernathy
Project Coordinator
City of Pulaski
203 South First Street
Pulaski, Tennessee 38478

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-728
Phone (202) 755-7174

FOR RELEASE AFTER:
10:00 A.M., Monday
October 5, 1970

HUD OFFICIAL SAYS UNIFIED POLICY NEEDED TO COPE WITH LAND PROBLEMS

The "peacemeal approach" to solving land development problems is "wholly inadequate" in coping with anticipated urban growth, a ranking official of the U.S. Department of Housing and Urban Development said today.

In an address to the Annual Seminar of the American Land Development Association in Washington, D.C., Assistant Secretary Samuel C. Jackson noted that it has long been customary to treat land problems of cities, suburbs and rural areas as separate situations requiring separate solutions.

"It was not until recently," he said, "that we began to realize that we have been treating a brain tumor with an assortment of aspirin tablets -- we have been treating the sysptoms and ignoring the disease."

The HUD official said there is an urgent need for an overall national strategy to deal with the growing land crisis. He called for a concerted effort which would (1) define the problem, (2) propose solutions, and (3) devise and implement the mechanisms by which results could be efficiently and effectively achieved.

To help meet this challenge, Mr. Jackson said, the Administration had assigned a high priority to the first step -- defining the problem -- through such agencies as the Domestic Affairs and Environmental Quality Councils.

Mr. Jackson discussed at length what he termed "a tool kit of ideas, concepts and devices which are being or will be considered as a national growth policy is formulated."

"As any good tool kit should," he said, "it will contain some aspects of each of these devices: land banks, encouragement of new community development, encouragement and incentives for private developers, changes in tax policy and tax laws and the use of federally-owned land to shape desired development."

In concluding his remarks the Assistant Secretary pointed out that it was logical to assume that the ultimate national land policy would require a meaningful partnership between private and Federal and local interests working together for the common good of all people.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7174

FOR RELEASE AFTER:
Noon, Monday
October 5, 1970

LAND DEVELOPMENT - NATIONAL BOON OR NATIONAL DISGRACE?

REMARKS BY

SAMUEL C. JACKSON
ASSISTANT SECRETARY FOR METROPOLITAN PLANNING
AND DEVELOPMENT
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C.

BEFORE THE

AMERICAN LAND DEVELOPMENT ASSOCIATION
MARRIOTT TWIN BRIDGES HOTEL
WASHINGTON, D. C.

October 5, 1970

SUMMARY

One of the major problems in evolving a national land development policy will be to determine the balance between land as a national resource to be used in the public interest, and land as a private commodity to be traded for its "highest and best use" in the market place.

Some time ago, a distinguished dramatist, Robert Ardrey, wrote two books which, to say the least, took a controversial view of man and his motivations. In these books, African Genesis and The Territorial Imperative, Mr. Ardrey advanced the hypothesis that the prime drive of the male species in the animal world, including man, was not the pursuit of the female, as is generally accepted.

Instead, according to Mr. Ardrey, the fundamental drive has been -- and is -- the acquisition of real estate.

Now, I am not here today to get into an Avis versus Hertz kind of argument over which of these drives is Number One, or whether Number Two really ought to be Number One because when you are Number Two, you try harder.

But I am here to discuss this matter of man on the land which Mr. Ardrey considered of such prime importance and in which each of us has a basic concern. As private land developers, your major concerns are, of necessity, different than mine as a Federal official. But we do have a common denominator, and that is to make the best use of the land we can, because the uses to which land is put will largely determine the shape of our Country and the quality of life of future generations.

At this point, I would like to pay special tribute to the members of ALDA. I have read your organization's statement of principles and your commitment to making sensitive and meaningful use of the Nation's limited basic natural resource--the land. This is surely an excellent beginning for your young organization. The goals to which you have pledged yourselves are fundamental: goals such as consideration of the public good; enhancement of the total environment; innovation in design, site preparation and construction; cooperation with government at all levels; renunciation of caveat emptor in favor of full disclosure of conditions and value to prospective buyers; no denial of purchase or lease because of race, color, creed, religion or national origin--to mention just a few.

Unfortunately, as we all know, our country has not been noted for its respect for the land or for adherence to many of these principles. To our forebears, our supply of land must have appeared limitless. If intensive farming ruined the land, there was always more room for another farm over the next hill or mountain range. If all the trees in one state were cut down, there were plenty more a little farther

west. If the topsoil blew away in one state, the answer was to "Go West, young man," and find land where there was still some available.

A great many young men did just that--black and white, rich and poor--in wave upon wave, forming farming and mining villages, towns and eventually cities in massive movement from the East Coast outward into the hinterlands in numbers which seemed to have no end.

Yet, in a very real sense we did respect the land. We recognized the importance that it held for our people. That is why Thaddeus Stevens, for example, trying to make full citizenship a reality for the newly freed slaves, advanced the proposal of "forty acres and a mule." That promise of land to make freedom real was never fulfilled, but it illustrates that the importance that land and land ownership hold for Americans--not just for the affluent, but for all citizens--not just in the 1860's, but today as well.

The time came, as we all know, when the movement away from the cities and developed areas finally came to an end. Not only did the thrust into what was called America's heartland stop. It reversed itself to the point where in

the 1960's one out of every three counties in the United States lost population. Many previously thriving rural communities were left without heart or hope. Many of those who moved away were young. If they were white and college-educated, they ended up in the suburbs. If they were black, more often than not, they moved to the central cities.

The result of this exodus of high-income whites and business and industry from the central cities to the suburbs, was to aggravate that current phenomenon which, for lack of a better phrase, we call the urban crisis.

One of the curious aspects of this crisis is that it took so long for those not directly affected by it to recognize it, and to note the harm it was doing. Not only were our citizens becoming increasingly separated by race and by income level, but also by inequities in access to good schools, good jobs, public facilities, and recreational opportunities. At the same time, the problems of slums and blight increased, as did air and water pollution, our traffic arteries hardened, and we watched as our open space and natural resources were ravaged and misused.

These destructive forces were not confined to the central cities. They have spread, and are continuing to spread, to the suburbs. And they occurred simultaneously in many of our rural areas.

For several decades and to the accompaniment of the expenditure of billions of dollars, we treated the cities, the suburbs and rural areas separately. Only recently, have we begun to realize that are confronted not with three separate problems, but rather with three separate facets of the same problem. In effect, we had been treating the symptoms and largely ignoring the disease.

It is now obvious that what is needed is a national strategy to get at the growing land crisis, a concerted effort which would, first, define the problems, second, propose solutions, and third, devise and implement the mechanisms by which results can be efficiently and effectively achieved.

The present Administration has set in motion the machinery to develop and create this national policy for growth. In his State of the Union Message to the Congress last January, President Nixon proposed "...that before these problems become insoluble, the nation develop a national

growth policy. Our purpose will be to find those means by which Federal, State and local government can influence the course of urban settlement and growth so as positively to affect the quality of American life."

He pointed to the "vast areas of rural America emptying out of people and of promise" and the "violent and decayed central cities of our great metropolitan complexes." which he termed "the most conspicuous area of failure in American life."

The President said that "in the future, decisions as to where to build highways, locate airports, acquire land or sell land should be made with a clear objective of aiding a balanced growth..."

We are still at Step One: namely, defining the problem. Basic instruments have been formed in the White House which have the assigned role of assisting in this task. In 1969, the President created the Council on Urban Affairs and the Council on Rural Affairs, which were later merged into the Domestic Affairs Council, with broad policy development responsibilities. Another related new executive body is the Environmental Quality Council. In addition, the House and

Senate are considering legislation which would assist states in developing their own growth plans, and which provide substantial assistance to state and local governments for such devices as new community development and land banking to implement an eventual National Growth Policy.

One of the major problems in developing a policy will be to determine the balance between land as a national resource to be used in the public interest, and land as a private commodity to be traded for its "highest and best use" in the market place.

There is little doubt that the concept of land as a private commodity was paramount throughout most of our history. Perhaps the words of Philosopher John Ise of Kansas best sum up our past experience.

"Americans are land value animals," said Mr. Ise. "For three hundred years they have moved westward seeking titles to land they hoped would rise in value; for three hundred years they have been following the lure of the unearned increment, the beacon of light of 'something for nothing'..."

There are those who adapt a contrary view. They state that the role of the private developer is just about over,

that land must be treated almost totally as a public resource, and that there must be a major intrusion of public agencies into the land conversion process. They argue against a system in which most of the increases in land value resulting from governmental action and investment are given not to the government or the ultimate consumer, but to the land speculator who often has done nothing to earn this benefit other than simply holding onto the land. They also point to the suburban sprawl, spawned by relatively uncontrolled and unplanned private development, as a significant, continuous burden on suburbia. This burden seriously hampers the construction of low and moderate income housing in the suburbs.

The cost of land is soaring. Last year land prices rose at a rate twice that of the general price levels. High land costs inevitably lead to high housing costs, and many critics argue that land costs can be reduced only by government acquisition of land a number of years prior to actual development.

Others, equally critical, are not so sure that direct government intervention -- at whatever level -- is the answer.

They argue persuasively for local property tax reforms, and an end to taxes which penalize the property owner for improvements he makes to the land and reward the speculator who simply sits and waits until growth overtakes his property.

Australia and New Zealand, for example, are using a land value tax method which provides a higher tax rate for promising land ready for development.

In Denmark, land is divided into three categories: urban, rural and urban reserve. When land changes from an agricultural zone to urban use, the owner is faced with an annual land increment tax levied on the basis of the eventual higher value of the land. He is also taxed for part of the cost of the installation of sewers and roads to reduce the amount of speculative profit he might make.

Still others, argue for the economies of scale to be realized by the development of new communities. They point to the vastly improved life style which new communities can bring, the potential that new towns have for influencing the location of future population growth, the forum they provide for the demonstration of innovative social and technological solutions to current urban problems, and the promise they

offer for curtailing the environmental and economic waste inherent in piecemeal development.

The New Communities Act of 1968 is a useful beginning, with its program of guarantees of up to $50 million for the obligations of the private developers of a new town, along with supplementary grants for water, sewer and open space land acquisition and development. Commitments for three new towns with a total ultimate population of 235 thousand have already been made by the Federal government, and twice that number are expected to be approved by the end of the current fiscal year. However the time will come in the not-to-distant future when economically feasible new town sites of sufficient size and in the proper location will be all but impossible for the private developer to obtain.

Sites which are the most feasible for new town development are also the sites which make for the best industrial parks, shopping centers, commercial and warehouse facilities. Generally, they are located within or at the fringe of urban development of a large metropolitan center. They are close to a major interstate highway interchange and within reasonable distance of other modes of transportation.

Because such locations are so desirable for other uses, and because several thousands of acres are required to build a new community, complete with sites for homes, recreation areas, commercial and shopping centers and industrial base, the time approaches when private land acquisition will be inadequate, and the eminent domain powers of state and local governments will have to be brought to bear on the problem.

Further, if the decision is made to create new growth centers in advance of or outside the path of anticipated economic expansion, then a variety of Federal and State programs will have to be focused on the stubborn problem of creating an economic base in areas that are either marking time or suffering actual economic decline.

There should be no misunderstanding of the difficulties inherent in new community development. Even under the best of circumstances, the amount of "patient money" necessary for the developer to carry his heavy front-end financial load during the initial years of development and the complexity of the development process itself can be formidable obstacles.

But the benefits to the Nation, the developer and the ultimate residents of these new towns seem more than worth

the effort involved. With the help of programs such as the New Communities Act and Title IV guarantees, a developer doesn't have to plan in two year or eighteen month segments. He can plan for an entire development period of a decade or more, with the realization that he can do what needs to be done for the entire period with the support of the Federal government to assure that development will take place substantially as planned.

Secondly, he has reasonable assurance that he will be able to maintain control over development if he applies for the guarantee program. Federal guarantees make new town debentures as marketable as U.S. Government bonds. The developer doesn't have to go to firms which demand a substantial "piece of the action" for the use of their funds. More than one new town developer prior to the Title IV guarantee program found himself suddenly sitting on the outside looking in, while his financial source took over control of development.

Not every developer, of course, views the Federal program as an unmixed blessing. The requirements for information, for justification, for proof of financial and economic feasibility, the quality of the physical plan and its housing

components, including adequate provisions for low and moderate income housing, are demanding. In the end, however, these requirements are as much a safeguard for the private developer as they are for the government.

As you know, support for new communities is by no means the first federal program to influence the local shape of urban growth. The location of federally assisted transportation and water and sewer facilities control to a considerable extent the direction and speed of development. More recently, programs of open space land acquisition and development have provided communities and developers with an additional means of preparing for future growth along orderly lines, helping to bridge the gap between building a house and creating a home.

Earlier, I mentioned some of the ideas under discussion in and out of government which will supplement existing programs and which call for greater involvement by government in the land development process. In general, no one has called for Federal pre-emption in this field. While there is likely to be some increased Federal involvement in community development, there is also likely to greater emphasis on State and local government involvement, on private profit-making enterprises, and on voluntary effort.

I think it is safe to say that while the role of the private developer may change, it will not lessen. In fact, the developer's role as a manager and a provider of utilities and other public and semi-public facilities will increase. As you know, growth patterns call for an ever-increasing list of amenities and facilities which must be provided in commercial, residential and industrial developments. In the case of new communities, this list of amenities is long and complicated, often requiring that almost all the ingredients of a complete community be in place before major residential development occurs.

There is no reason to believe that this trend toward a greater amenity package will change. If anything, we can expect that as living standards rise and leisure time for the average worker increases, even greater demands will be made upon the developer, and his involvement with a particular project will be spread over a greater time span.

One other aspect of the problem of land development must be mentioned, and that is the role of the private developer on public land. The Federal government owns some 755 million acres in the continental United States. Of this,

more than 700 million acres are in the public domain. While most of this land is remote from current urban and suburban development, there are nevertheless, some 5.6 million acres of Federal real estate within Standard Metropolitan Statistical Areas. Some of this land, if no longer needed for its present uses by the government, might well be used as sites for a substantial number of new communities and large developments.

What I have been talking about today is essentially a tool kit of ideas, concepts and devices which are being, or will be, considered as a national growth policy is formulated.

The eventual outcome will be, I believe, a partnership between government, local and Federal, and private interests such as are represented here today in the ALDA.

When we speak of the need for housing, we too often speak only in terms of numbers of units, forgetting that a well-built residential structure in a bad neighborhood cannot be regarded as a good home in which to raise a family. In the months and years to come, cooperation between the developer, the community, the State and the Federal government will inevitably grow and flourish. Out of that cooperation will come a better Nation, and an opportunity for richer lives for all of our people.

President Nixon has identified three areas of urgent priorities. One of these is to increase the range of individual opportunities. "We can fulfill the American dream," he has said "only when each person has a fair chance to fulfill his own dreams. This means equal voting rights, equal employment opportunity and new opportunities for expanded ownership. In order to be secure in their human rights, people need access to property rights."

That is our hope. That is our belief. That is our goal. We ask you to join with us.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

COMMITTEE ON HOUSING, BUILDING AND PLANNING

THIRD SEMINAR ON THE BUILDING INDUSTRY

Moscow, October 5-17, 1970

National Response Paper: Subject A - Progressive Methods of Building Design and Construction

OPERATION BREAKTHROUGH

A New Approach is Being Taken in the United States to Improve the Process of Producing and Providing Housing

By

The Honorable Harold B. Finger
Assistant Secretary for Research and Technology
Department of Housing and Urban Development
Washington, D.C.

Operation Breakthrough

A New Approach is Being Taken in the United States to Improve the Process of Producing and Providing Housing

By
The Honorable Harold B. Finger
Assistant Secretary for Research and Technology
Department of Housing and Urban Development
Washington, D.C.

Prepared for
The Economic Commission for Europe
Committee on Housing, Building and Planning
Third Seminar on the Building Industry

Moscow
October 5-17, 1970

Although our discussion in this symposium concerns the means by which we can produce and provide housing, I believe it is important to open with brief comments that describe some of the urban developments that contribute significantly to the definition of the housing problem in the United States.

OUR POPULATION MOVES

Since 1940, with increased agricultural productivity and increased reliance on equipment that leads to the aggregation of small farms into large farms, we have had a major migration of about 21 million people from rural areas and small towns into our more heavily populated metropolitan areas that include our major cities. A sizable part of this migration has been migration of black people. Most black migration has been into the central city areas. In addition, during this same period, we had a net foreign immigration of 9 million people. It is estimated that most of these people settled in our metropolitan areas.

With the development in 1934 of federal insurance on long-term (20, 30, 40 years), privately financed, mortgage loans for housing units, opportunities were provided for middle income families to buy homes and most of this new home development occurred in the suburbs. Therefore, simultaneously with the in-migration from rural areas and from other countries, there has been a large out-migration from our central cities of middle income, primarily white people, into newly developed suburban areas around the periphery of our cities.

This movement of middle income people from central city to suburb has been encouraged also by our federal highway program that has built major highways around our cities and linked suburbs to the central city. Manufacturing and stock distribution facilities, transportation terminals, research industries and warehousing facilities have developed along these highways. The job opportunities they offer require the capabilities of lower skilled people, who are generally concentrated in central city areas. By contrast, our past urban renewal programs in central cities have increased the revenue producing capacity of the city, and have helped to provide job opportunities for professionally trained and skilled people. However, most of these people now live in suburban areas.

As a result of these population movements, many of our central cities have become enclaves of the poor, the elderly white, the black, and other minority groups. Two of our large cities, Washington, D.C. and Newark, N.J., have a black population of more than 50 percent of the total population. Three other large northern cities–Detroit, Mich., Baltimore, Md., and St. Louis, Mo.–are over 40 percent black, as are the southern cities of New Orleans, La., Atlanta, Ga., and Memphis, Tenn.–where the same trend toward concentration of blacks in the central cities has set in. Again, suburban areas around these cities tend to be populated, almost exclusively, by white, middle income families.

Also, as a result of these various population movements, some of the major cities within our metropolitan areas have actually decreased in population over the past several decades. For example, Boston's population has decreased in the 10-year period from 1960 to 1970 from 697,000 to 628,000 people; St. Louis' population has decreased from 750,000 to about 608,000; Chicago's has decreased by about 200,000 from its 1960 population of a little over 3.5 million people; Detroit's population has decreased from 1,670,000 to 1,490,000; Cleveland's from 876,000 to 739,000. The population in the borough of Manhattan in New York City has decreased from 2.3 million in 1910 to about 1.5 million.

However, the overall metropolitan areas that include these cities have increased in population. This is to be expected since our overall national population has grown from 132 million to 205 million over the period from 1940 to 1970. As we look ahead, we expect that our population will increase from the present 205 million people to between 266 and 320 million people by the year 2000—only 30 years away.

OUR HOUSING PROBLEM

We have examined our problems and compared them to those that have been identified by various other nations. We find that we all face a deficit in housing, a need for far more housing, a need to build at a rate faster than we built in the past to accommodate to our growing and shifting population. We all need to reduce the costs so that more housing can be made available to all of our people at all income levels.

However, it is not only a matter of building larger numbers of housing units but of locating them where our people want to live. Moreover, the housing we build must be acceptable and marketable to our public. It must suit the aesthetic taste of our people as well as provide them with the number of rooms, the space, the appliances and living environment that they need and are accustomed to. There is no question that over the years, features that were once luxuries—such as air conditioning, garages and auto parking spaces, dishwashers, laundry equipment, multiple bathrooms—are now considered necessities. Our housing companies have recognized these changes and incorporated them in new homes. This explains a part of the cost rise we have experienced in housing in recent years.

PRIVATE CONSTRUCTION

In the United States, our housing is built by private companies. Neither the Federal Government nor the local housing or redevelopment authorities do construction with their own forces. With the exception of the funding that goes to the construction of public housing and that has, over the years since 1938, produced about 1,000,000 units of housing, all of the housing built in the United States is financed privately. Banks, insurance companies, savings and loan institutions, and mutual savings banks invest money in mortgages that provide the financial backing for the construction work. This financing is then paid back over an extended mortgage period at interest rates that have varied from a low of 4 percent in 1945 to the current rates that are about 8½ to 9 percent. During inflationary periods, such as the one that we are now working to overcome, other investments are more attractive than mortgage investments and for that reason, we have had less private financing flowing into the mortgage market than we need. Steps have been taken to make the mortgage investment more attractive.

The Government insures mortgage loans with high loan-to-value ratios and long maturities through the Federal Housing Administration. Home mortgages with similar liberal terms are made to veterans and guaranteed by the Veterans Administration.

The Federal National Mortgage Association, a private secondary market for the purchase of federally-insured and guaranteed mortgages, was originally established by the Government and may borrow from the Treasury if necessary. The existence of a functioning secondary market improves the liquidity of mortgages which it may purchase. Congress recently authorized the operation of secondary mortgage markets for uninsured mortgages by the Federal National Mortgage Association and the Federal Home Loan Bank Board.

Under this private enterprise system we produced 16 million housing units, including mobile homes, over the past ten years. The maximum number of units we have ever produced

was 2 million in 1959, which corresponded to a production of 12 units per thousand people population; and the minimum production in the past 10 years was 1.2 million in 1966, giving a per thousand person production of seven. The total number of housing units in our inventory at this time is about 70 million housing units (including mobile homes) for our population of 205 million people. The number of substandard units in the United States has steadily decreased from 17 million in 1950 to a current estimate of 6.1 million substandard, including 1.8 million dilapidated. Of our total housing inventory, about 65 percent is occupied by their owners. This indicates the emphasis on home ownership in the United States. Many one-family structures are also rented by their occupants. About 50 million of the total of 70 million units are one-family structures indicating the past preferences of our people.

THE FUTURE NEED

We have not, however, been producing all the housing we need. Over the past few years, we have built at least a million fewer housing units than we need, even when we include our substantial mobile home production.

In addition, it is estimated that over the next ten years, almost 14 million new households will be formed. We must also replace the existing substandard housing and replace housing that will deterioriate in the years ahead. We are, in fact, now faced with a serious problem of abandonment and deterioration in housing, generated by a complex relationship of economic and social and racial factors. It has been estimated that in New York City, there may be at least 30,000 housing units abandoned each year, and Philadelphia has up to 20,000 abandoned units; the cities of Washington and Chicago are also faced with this growing problem. Such units will have to be replaced where they are needed and this will add to our required production volume. In addition, because of the high mobility of our population (it has been estimated that 20 percent of our population moves each year so that we have a movement of the equivalent of our total population every five years), we will have to increase our housing supply to provide sufficient vacancies to allow for this movement.

As a result, it has been estimated that we will have to produce housing at an average annual rate of over 2½ million units, going to as high as 3.1 million late in the 1970's. That rate of production is about twice the average rate over the past 10 years and could represent a yearly production of about 13 housing units per thousand people—higher than we have ever accomplished in the past.

The need for such an increase in housing production has made it apparent that the best modern approaches must be applied to supplement our existing construction methods. Our increasing recognition of the importance of a good total living environment indicates that production of houses is itself not sufficient to satisfy the living standards and needs of our people. Improved overall residential community design, including complete services and more effective land use patterns that provide for needed recreational space are also required. This leads us to the concept of a variety of housing types in a particular residential community with an opportunity for a greater social and economic mix of people.

OPERATION BREAKTHROUGH-
A PROCESS OF CHANGE

For these reasons we started what we call Operation BREAKTHROUGH in the United States. The overall objective is to break through the barriers that now constrain our housing approaches to provide for the housing needs of our people as effectively as possible.

Because of our concern that the application of advanced technology, modern management, advanced design, and modern marketing approaches were not being encouraged in the home building business to the extent that they were with most other consumer products industries, it was determined that the Federal Government should take steps to accelerate the process of improvement that was considered necessary. The significant fact is that under ordinary circumstances, like most advanced technological applications, new housing technology arrives in the United States' market place some years—perhaps as many as ten to fifteen years—after it is conceived.

Operation BREAKTHROUGH is significantly reducing this time lag. It has brought together technicians, production facilities, management skills, financial support in a way that has accelerated previous trends in this direction. In this sense, the program has already fulfilled one of its prime goals.

We recognized that advanced technological ideas were available, but had not been applied in volume. We found that although progress has been made in the home building business in the application of advanced approaches, with an increasing interest in having major components and elements built in factories, the progress in this direction has been limited by a wide variety of constraints. These constraints include local government limitations on the availability of land for moderate lot sizes and housing types that could be within the reach of lower to middle income families; the administration of thousands of local building code variations, specifications written into codes that discourage application of new materials and that do not readily permit acceptance by an inspector of new techniques; labor practices that make the acceptance of factory built components and onsite assembly activities uncertain; and, to a very large extent, a major concern as to the acceptance by the American public of factory production of housing components and full systems.

These various factors, among others, have tended to fragment the market and have led to a fragmented industry. No one segment of this industry has been able to conduct advanced research and development in the housing area of a type and scope that has become general practice in almost all other consumer product areas.

FEDERAL ENCOURAGEMENT NEEDED

Under these circumstances, the industry did not have the incentive to invest capital in approaches that might not yield the return required to pay off that investment and result in a longer term profit opportunity. We felt, therefore, that it was appropriate for the Federal Government to step in and encourage the acceleration of the modernization of the entire housing business. The objective is not modernization or advancement or innovation for their own sake, but rather, to improve the process so that we can have greater assurance of supplementing the output of our present housing construction approaches to the extent needed to meet the housing needs of all of our people in the decades ahead.

OBJECTIVES

The major objectives of Operation BREAKTHROUGH are:

- To develop the means for supplementing our production of housing to assure the supply needed for our total population in the years ahead.

- To modernize zoning regulations so as to develop improved land use arrangements that provide the living space needed for a good living environment.

- To attract into the housing business the architects, the planners, the suppliers, the engineers, the broad range of industrial capacities, financial institutions, management organizations, builders, and developers that have the ability to develop improved housing system approaches.

- To encourage production and operating arrangements with our labor organizations and with the labor force that makes more effective use of our full labor force (all skill levels) to overcome the already existing and worsening shortage of skilled labor.

- To encourage new techniques and materials.

- To encourage the development at our State government level of a concern with and a capability for the development of housing based on the improved approaches that are developed in the program.

- To encourage actions at State and local level that will provide an opportunity for all people to obtain housing where they want it and to live in an environment where a sense of responsibility and satisfaction is encouraged.
- To seek out innovative and expanded financing mechanisms, recognizing that we may need basic reform in monetary institutions and regulatory laws.

RELIANCE ON PRIVATE ENTERPRISE

In keeping with our basic approach of relying on the private enterprise system, we requested industry to submit to us their best ideas for improvement in the entire housing system and also submit to us their ideas for more advanced and improved components or elements of housing. We made the commitment that we would select what we considered the most promising of these various ideas, and that we would fund for the design and development of those concepts and arrange to have them produced and erected in sample residential communities throughout the United States. We have referred to those sample communities as our prototype sites aimed at demonstrating improved living patterns. In addition, we made the commitment that we would provide incentives to local communities, developers, housing authorities to encourage volume orders of the selected systems.

We sent our Request for Proposals (RFP) to over 5000 organizations. We received a total of over 600 proposals. Of these, we selected 22 full housing systems and 11 proposals for various advanced elements or components of the housing business. (In this paper, I will discuss only the work we are doing with the full housing systems). We also selected 10 prototype sites and one subsite from among 218 sites that were proposed to us by city Mayors, local officials, or State governors, on which to erect and display this advanced housing. Because of recent budget reductions, we have now cancelled two of these prototype sites. In order to promote improved land use and residential community designs, as well as improved building designs, on these sample prototype sites, we also selected 11 site planners out of 82 that had proposed in response to another Request for Proposals (RFP).

SYSTEM TYPES AND DEVELOPMENT APPROACHES

The 22 housing systems that we selected are described in the Attachment to this paper.

Of these "existing, but as yet unused" technologies selected in Operation BREAKTHROUGH, what are the most important characteristics? First, all of the 22 selected systems are true steps in the direction of an industrialized building process. The selection criteria had deliberately left open the opportunity for improved or "rationalized", conventional, in-situ construction techniques, but none of the systems of this nature were ranked high enough to be selected.

Second, for all of the winning systems, the process offered was either an advance over the proposer's previous technology or represented the establishment of new, imaginative approaches.

Third, the selected technologies represent a significant departure from conventional materials. Where upwards of 75 percent of residential building in the United States uses wood as its basic structural material, this proportion is nearly exactly reversed among the 22 selected systems in Operation BREAKTHROUGH. Roughly one-fourth of the systems use a wood structure while the remaining three-fourths use concrete, metal or plastic structures. This is an especially important switch from a national resource viewpoint because of the limited wood resources that will be available to fill our growing housing needs.

Fourth, the technology continues to represent an attempt to produce conventional housing forms despite the change in production methods and materials. It is evident that the producer's designers made a strong and largely successful effort to mask the industrial origin of the product to the ultimate consumer.

Fifth, it is clear from the diversity of selected building system types that no approach is the obvious, finally agreed upon, best choice. The BREAKTHROUGH selections are in this sense experimental. Nearly equal encouragement is given to the panel systems and to factory completed three dimensional modules. Even hybrid systems, more than panels alone but less than fully modular elements are encouraged.

BREAKTHROUGH is serving as a catalyst, moving the American housing industry towards industrialization faster than would otherwise be the case. It is also providing a basis for evaluating housing systems by determining how those systems satisfy the performance requirements of housing. Efforts are underway to develop performance criteria—structural, mechanical, electrical, physical environmental—for evaluating housing system designs. Unfortunately, a performance basis for evaluation is not available in all elements of the housing system and, therefore, conventional or accepted practice must still, while valid performance data are being assembled, serve as the interim evaluation guide. Our effort in Operation BREAKTHROUGH along these lines is aimed at establishing a more rational basis for the administration of building codes than is available in the thousands of different codes used throughout our country.

To assure that the building systems that are used in Operation BREAKTHROUGH are sound, safe, durable, and satisfying, we are establishing a rigorous test program similar to that carried out in the development and evaluation of many other consumer products. In this case, we are relying on the National Bureau of Standards (NBS) to serve as our technical arm in developing performance criteria and establishing, conducting, monitoring, and directing performance tests. The tests will be carried out only in part by the National Bureau of Standards and other government laboratories with a major test effort carried out by private test organizations and the housing producers themselves. Performance criteria and the test results will be evaluated by a Technical Subcommittee that has been set up specifically for the purpose by a joint Advisory Committee of the National Academy of Sciences and the National Academy of Engineering. Preliminary and still incomplete versions of the performance criteria have been developed by the National Bureau of Standards and reviewed by the technical group of our National Academies' Committee. Establishment of the validity of test data by the National Academies based on review and direction by NBS will provide a basis for certification by the Department of Housing and Urban Development of suitable housing systems.

IMPROVED LIVING ENVIRONMENT

As mentioned earlier, we do not consider a housing system to be the building alone. Progress in full housing systems requires improvement not only in the building production process itself, but also in the design of the overall residential community. In Operation BREAKTHROUGH, teams of architects, planners, landscape architects, and engineers were employed to design the selected prototype sites to adequately display the new production approaches and an improved housing and living environment.

The objectives of the prototype site design effort include:

- Planning for good design and layout of land uses programmed for each site.
- Planning for densities that reduce typical per dwelling unit land and site development costs.
- Planning to achieve economies and innovation in layout of roads, utilities and services.
- Planning for a harmonious mix of housing types, family income levels, and life styles.
- Planning for harmonious linking of this site with the surrounding community.

Several planning and design ideas have resulted from the design process and are illustrated in our prototype site plans, which differ markedly from normal site design.

To arrive at the site design solution requires consideration of many factors. For example, in Macon, Georgia, a site of exceptional beauty, the planners considered land form, soil conditions, slopes, vegetation pattern, hydrology and others. A summation and consideration of these factors resulted in a concept and plan.

A major concept evident in our site design is the housing cluster approach. The cluster planning approach separates vehicular and pedestrian circulation, aggregates open space for

communal use, provides green ways linking the open spaces and the housing units, concentrates required parking at specific locations in the development, and is more responsive to the ecology and natural features of a site.

The King County site plan in the State of Washington is an illustration of a cluster plan. An advantage of cluster planning is a more economical infrastructure with less land for roads and shorter utility runs needed to service the housing. The plan has one main road and utility line with more units served per foot of road and utility, and there is less road and utility to maintain. This layout is one more easily serviced by public transportation than the standard grid approach. Also, more community open space is available for passive and active recreation as in the Macon plan. There is a maximum exposure of units to open space, privacy on the living side, preservation of amenities (trees, natural quality of site), and minimum disturbance from grading (less erosion, less road and site preparation). In addition, parking in clusters eliminates the numerous repetitive driveways associated with a typical gridiron development and provides less driving hazard by eliminating automobiles backing out into streets. A mix of housing types is possible in harmonious relationship which can result in various economic levels readily accommodated in close proximity.

Consideration also is given to requirements of the families, such as locating those with many small children in the apartments close to the ground so that there is easy access to play areas. Another idea is to include an area for automobile washing and repairing in the basement garage.

Aggregating a part of each house lot into community open space is demonstrated in the Indianapolis plan. A proper amount of private space on each lot is given the homeowner, but use of zero front and/or side yards yields a one to two acre community park space. Creative mass grading is used for environmental interest, gaining privacy by raising the house above the street level, screening parked automobiles from view, and building mid-rise apartments against the slope, so that no elevator is required. Streets are designed for a specific function such as a collector with no house access, and those for house access which have no through traffic. The plan has less street (18-20 percent vs 25-35 percent for conventional plans) and provides the additional economy of clustered parking.

To screen the parked automobile from view, parking areas can be covered with a deck. The deck space can be used for recreation and possible other uses such as a base for a community building. From such a raised deck, it is possible to build pedestrian bridges across busy bordering streets. In downtown areas, where an intense use of the available land is desirable, parking can be put in the lower floors of structures. This suggests multiple use of the same area, such as housing and shops over the parking. It vertically separates the pedestrian and the automobile. Where it is too costly to cover the parking, the cars are clustered in modest size parking lots to avoid large undesirable parking fields. Portions of the site remain for people only. Interest in the pedestrian areas is achieved by different size courts.

This discussion of auto parking requirements indicates the extent of emphasis and consideration that must be given to family automobiles which have now grown to a total of about 86 million. Although work is in progress on improved mass transit systems, this obvious desire for private transportation does significantly complicate design of residential communities as well as overall urban design.

I have presented this brief prototype site design discussion to illustrate some of the factors that must be considered in developing a suitable residential living environment. It is also intended to provide a fuller picture of what we consider as part of our full housing systems.

IN CONCLUSION

Operation BREAKTHROUGH is providing the stimulus for change in our entire process of housing, even though construction of housing units is not yet underway. The constraints I mentioned earlier are indeed giving way and being dissolved. The various levels of government, industry, labor are moving constructively toward improvement of the system of housing. In addition, there seems to be a growing acceptance and recognition of factory produced housing as providing a suitable living environment by our people. We fully expect that the demonstrations presented on our prototype sites will further that acceptance by all groups. The result, I believe, will be a significant increase in the United States of housing built in factories with improved design, high quality, good living configuration, and more effectively controlled costs.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

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Phone (202) 755-7174

FOR RELEASE AFTER:
8:30 P.M., Tuesday
October 6, 1970

Remarks by

George Romney, Secretary
U.S. Department of Housing and Urban Development

to the

Detroit National Conference
of Court-Related Volunteers Organizations

Detroit, Michigan
October 6, 1970

THE AGE OF HUMAN INVOLVEMENT

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The opportunity you have given me to share in this first national conference of court-related volunteer leaders has special personal meaning.

I have watched with intense interest since the earliest efforts of Judge Leenhouts in the Royal Oak Municipal Court. I've sought to encourage this new movement of citizen participation -- of human participation -- in the solution of one of our central national problems today: the cure of delinquent behavior.

We're fortunate to have a President who, like all of us here, is vitally interested in programs of voluntary action. President Nixon asked me to convey his personal best wishes for the success of this conference. He has high hopes for the rapid and broad expansion of the volunteer program concept into every Lower Court in the Nation.

The Atomic Bomb explosions at Hiroshima and Nagasaki marked the beginning of the Atomic Age. Russia's Sputnik and the race to the moon inaugurated the Space Age. These major events have symbolized the scientific and technological explosion which seems to dominate our time.

Yet I suspect that the truly decisive force of our age could turn out to be something quite different -- a discovery not scientific or technological, not even material -- the discovery that the individual may contribute significantly to the solution of our mounting social crisis, a crisis that is worsened if not caused by this very scientific-technological explosion.

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We confront a mounting tide of crime and juvenile delinquency, of drug abuse so often accompanied by compulsive violence and robbery to pay for the habit, of sexual promiscuity, of street crimes and physical assaults, of riots and vandalism -- this mounting tide is a fundamental challenge to the nature of our Society.

Looking at this grim reality, President Nixon has said, "To a crisis of the spirit, we need an answer of the spirit." And that is what is at stake in this conference -- and in the hundreds of community activities you represent. When we give of ourselves to help others it is an "answer of the spirit." You represent this new found decisive force of our age. In a real sense, you are the answer of the spirit!

For you have discovered and are demonstrating that despair can be transformed into hope, that deeply rooted patterns of delinquent behavior can be altered, that lives apparently irrevocably committed to a career of crime can be turned onto the high road of positive growth and achievement.

And the weapon you have discovered that can defeat the evil of human despair and self-failure is the individual -- a friend -- a volunteer.

It is that person who will share his own most precious and scarce resource -- his time. It is that man who will give his own hope and

helpful outlook on life and on a universe where God cares -- and where unending defeat need not exist. In short, the weapon you have discovered is the man who will give of himself.

This is a tremendous discovery. We have always known that inspirational persons influence the lives of men to a marked degree. I remember Abraham Lincoln's tribute: "All that I am, or hope to be, I owe to my angel mother."

But these influences have been the result of natural association -- your father or mother, your school teacher, a friend or associate -- you were fortunate if life brought you into the orbit of some inspiring life.

Unfortunately, many live beyond the normal reach of inspirational lives. There is no one to help them, no one to inspire them, no one to give them visions of what they could achieve. But now, on a wide scale, we are seeking out the despairing and the hopeless. We are teaming them with men and women who are willing to share -- not money, but a part of their very selves. The evidence that this is a weapon of incalculable power is now accumulating all over the Nation.

This is why I believe we may someday look back on this period and see not an apparent scientific and technological dominance, but instead the emergence of another more profound, more powerful force.

And that is a force to humanize and personalize a society that was succumbing to large-scale organization, impersonal computers, and indifferent machines.

That is why I believe this period needs to become known as the Age of Human Involvement.

It was this insight into the power of citizen volunteers to solve otherwise unsolvable public and social problems that caused President Nixon to establish the National Program for Voluntary Action. This National Program has a dual approach.

In the Federal government, the President created the Cabinet Commitee for Voluntary Action. I have the honor of serving as its chairman. The Cabinet Committee is supported by a staff in the Office of Voluntary Action which spearpoints the development of programs closely related to Federal government activities.

A recent illustration is the plan developed for the National Right to Read Conference. It promotes increased use of citizen volunteers to help improve the abilities of deficient readers. This is a key factor in our national educational crisis and may well be a root-source of social tensions. Over 250,000 volunteers are currently involved in these one-to-one activities.

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Each Federal department is developing a specific voluntary action program, and there will be a continuous review of Federal programs and regulations to encourage maximum use of citizen volunteers in the delivery of Federal services.

The other partner in this National Program, the non-governmental partner, is the National Center for Voluntary Action, whose Chairman is Henry Ford, II. The National Center is designed to assist and support nationwide voluntary activities such as those your organizations and groups sponsor.

The Center is commencing the formation of community voluntary action centers. When enough local voluntary action centers have been established, a massive national communications campaign will be launched. Its purpose will be to encourage more citizens to enlist as volunteers by contacting their local center. The center will refer them to a volunteer effort that can make effective use of their talents. These centers will assist and support activities such as your own court-related volunteer programs. The heart of the National Program for Voluntary Action -- what makes it unique -- is the partnership between government and private effort. Both are needed.

Where government relies on proven risk-free techniques, volunteers are free to experiment.

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Where government applies uniform standards, volunteers are flexible, adapting their services to individual needs.

Where government is impersonal and remote, volunteers make possible a face-to-face relationship.

Where government too often detracts from the importance of community action, voluntary activities give expression to the conscience of the community.

But each needs the other for a balanced society.

The priority President Nixon has attached to this program to encourage voluntary action can readily be understood. Despite the billions of dollars of Federal, State, and local government programs, we are farther from a solution of the human problems facing our society than ever before. We are losing the race between rapidly accelerating scientific and technological progress -- and the ability of people to stand and absorb the pace of change.

A whole segment of our Society is in danger of dropping out completely. Too many Americans thus far have not been able to master the new, complex skills that are indispensable to operating in this new knowledge environment and to earning an adequate living on the basis of reward for contribution. We face a failure-crisis of immense proportions. Dr. William Glasser, noted West Coast psychologist, has pointed out --

"These young people we are hearing so much about -- the ones who run away, engage in violence and sexual promiscuity -- are, by and large, youngsters who are failing in important areas of their lives. They are doing what they think is best for them at a particular time by running away from reality. They are irresponsible, they believe they are failures" . . . "It is when a child starts thinking of himself as a failure and therefore not worth very much that he begins to choose to act irresponsibly, to strike back at others, including his parents."

The sad extension of this failure-crisis concept, of course, is that these children eventually become adults -- unproductive adults who feel society is against them. And even sadder, this concept of them as failures is probably held by the great majority of the American people -- those who supposedly do not think of themselves as failures. We are quick to judge others. But experience has shown that most who think of themselves as failures need not be failures, as your efforts have already demonstrated.

But this failure crisis is deepening as we enter the decade of the 70's.

Dr. Peter Drucker, in his nationally noted book, The Age of Discontinuity, has pointed out that the United States, in order to compete in the international economy with lower-wage nations, will have to upgrade the very nature of work from unskilled work to skilled work and, finally, to knowledge work. There will be less and less room for unskilled workers -- less room for anyone unable to learn how to use his brain effectively in additon to his muscles in earning his daily bread.

And to some extent it is fear of these new demands upon the individual that is fueling the deep despair we find not only in our ghettoes but in our suburbs as well. It is fear that the individual cannot grow and master the new knowledge needed to keep up with rest of Society.

Too frequently the drug culture, delinquency, and other forms of anti-social behavior are escapes from failure into irresponsibility. They are defensive reflexes to shield an individual's damaged inner spirit from the overwhelming despair of the necessity to face inner and outer failure.

This is one dimension of the crisis we face. It is indeed a crisis of the spirit.

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We are meeting here tonight not on a note of despair, but of hope. We are optimistic because we see the road to rescuing many of those who are being left behind by the surge of human progress. We have discovered the most effective tool for breaking the circle of unending defeat.

There is now clear and unchallengeable evidence that a person's self-image is the key to his ability to function and achieve. There is further evidence that this self-image can be changed. It can be reversed from an image of unending self-failure to one of self-worth! And that in this process of change will come a realistic recognition of the tools with which the Creator has endowed everyone -- gifts for achievement greather than any of us fully utilize.

Your are seeing this tremendous reality daily as you work with young people in your programs.

I remember the case in one of your own groups of the small, aggressive, belligerent boy who was described as "a felon looking for a place to happen." First arrested carrying a knife, the boy was in constant trouble, a "loner" in society. After trying and failing in everything from counseling to jailing, finally in desperation the court assigned him to a carefully selected volunteer. Now the boy has grown into manhood and has a wife, a family and a responsible job. He still has problems, but compared to what he was before, his progress has been amazing.

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I have seen it in my own experiences, both personal and through my family, friends, and associates. From one end of this country to another I have seen it again and again.

My own son, Scott, while a student at Michigan State University joined the Student Volunteer Corps and voluntarily tutored two boys who were struggling through grade school. One interesting aspect of that worthwhile experience was the fact that one of the boys was a Mexican-American from a disadvantaged home, while the other was the son of one of the largest automobile dealers in Michigan. One neglected because of poverty, the other neglected because of pre-occupation with affluence.

Each of you could multiply these examples many times. Although

Although the process may begin with the discouraged gradually developing a belief in an inspiring friend -- his volunteer partner, it ends with the gradual development of belief in himself, belief in the latent, untapped power he is just beginning to discover.

"To a crisis of the spirit, we need an answer of the spirit."

This truth is profoundly at the heart of the human situation. The human race is moving on to a new plateau, a plateau of the mastery of things outside man -- his physical environment. But the bright promise of this potential mastery of hunger, poverty, and disease will crash into a disaster if we do not master the inner dimension of man himself. This mastery depends upon our helping each other.

This conference has that purpose. It is an "answer of the spirit." It will help bring a needed Age of Human Involvement.

# # #

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HUD PLANS SEVEN ONE-DAY WORKSHOPS FOR SMALL AND MINORITY BUSINESSMEN

The U.S. Department of Housing and Urban Development's top program officials will begin going out from Washington this month to spread the word to small and minority businessmen in seven major cities about opportunities available to them through HUD programs.

The officials will hold one-day workshops in each city, beginning with Atlanta, Ga., on October 17. Assistant Secretary for Equal Opportunity Samuel J. Simmons, whose office created the project, will head the touring group to the cities.

Following the workshop in Atlanta, workshops will be held in Chicago, October 24; Denver, October 31; Dallas/Fort Worth, November 7; Los Angeles, November 14; Baltimore, November 21; and New York City, December 5.

Mr. Simmons said the workshops "will provide our struggling small and minority businessmen with knowledge, as well as access to the practical tools they need for growth and expansion."

A special 400-page manual has been published for distribution to these businessmen by the Nonprofit Housing Center of the National Urban Coalition under contract to HUD.

"This manual," Mr. Simmons said," is the first textbook of practical knowledge for the small and minority businessmen put out by HUD. It gives detailed information on how each business and profession can use HUD programs to provide profit for themselves and services for the public."

Mr. Simmons said the workshops should be of special value to architects, construction contractors and subcontractors, engineers, housing consultants, accountants, housing sponsors, lawyers, mortgage bankers, real estate appraisers, managers and brokers, urban consultants, and any other businessmen or professionals in the housing field.

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Each day-long session will be comprised of separate workshops going on simultaneously, each concentrated on the special interests of similar professions. Each business professional will attend that workshop aimed at his particular discipline.

For example, those professionals involved in real estate will attend the workshop in which the curriculum includes all mortgage insurance, sale of Federal Housing Administration acquired properties, HUD's Fair (Fair Access to Insurance Requirements) Plan, the Federal Insurance Administration, and other related items.

In their special workshops, architects, engineers and urban planners will hear about such things as the procurement of government contracts, contract opportunities with Federal, State and local governmental agencies, and government agency bidder lists.

Accountants, housing developers, lawyers and housing sponsors will be told how to use FHA programs that provide interest supplements for home mortgages (Section 235) and rental and cooperative housing mortgages (Section 236), and other programs. They also will hear about the Turnkey process, land acquisition and development, financing housing and commercial developments.

Workshops for construction contractors and subcontractors will have lectures on financing for contractors, the Small Business Administration's line of credit, the procurement of government contracts and sources for equity and working capital.

Mortgage bankers and brokers will be given information on the Federal National Mortgage Association's Tandem Plan, Government National Mortgage Association, and training for managers and professionals.

Housing and urban consultants will study the Model Cities program, Metropolitan Planning and Development, Research and Technology, and other relevant programs.

Each workshop will acquaint the business professionals with specific guidelines on the equal opportunity affirmative action requirements of all government programs.

HUD Regional and local office officials in each city will attend the workshops to give insights into local situations. And question and answer periods will be held in all concentrated workshops, as well as in the final general session for all in attendance.

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Among the co-sponsors of the one-day workshops are:

American Savings and Loan League

Institute of Industrialized Building Opportunities

National Association of Market Developers, Inc.

National Association of Minority Contractors

National Association of Nonprofit Housing Organizations

National Association of Real Estate Brokers, Inc.

National Bankers Association

National Bar Association

National Business League

National Housing Producers Association

National Insurance Association

National Spanish Speaking Housing Development Corporation

Southwest Association of Minority Contractors

Nonprofit Housing Center of the National Urban Coalition

United Mortgage Bankers of America, Inc.

Also serving as co-sponsors are the housing departments of the American GI Forum of the U.S. League of United Latin American Citizens, National Association for the Advancement of Colored People, National Congress of American Indians, National Urban League, Puerto Rican Forum, Inc., and Southwest Council of La Raza.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-738
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Wednesday, October 7, 1970

CORE CITY HOME FINANCING ASSISTED AS LIFE FIRMS ENTER HUD-GNMA PROGRAM

Financing of housing in core city areas received an important boost today as two life insurance companies agreed to purchase the first $2 million of a proposed $25 million issue of mortgage-backed securities.

The announcement disclosed the largest contemplated issue of pass-through securities guaranteed by the Government National Mortgage Association of the U. S. Department of Housing and Urban Development.

GNMA President Woodward Kingman reported the plans for the large issue, to be made by the Percy Wilson Mortgage and Finance Corporation, a Chicago mortgage banking firm, at a meeting in HUD attended by Senator Charles H. Percy of Illinois.

The program administered by GNMA aims at channeling new funds into residential financing. It involves the pooling of FHA and VA mortgages by private mortgage holders and selling GNMA-guaranteed securities against the pool. Involved in the new issue are pass-through type securities under which principal and interest are passed on monthly to investors from monthly mortgage payments.

Some 80 percent of the mortgages pooled in today's commitment to purchase involve properties in the Chicago area.

Senator Percy who sponsored legislation providing for financing of low income housing declared he was pleased that an increasing portion of the private sector is becoming more deeply involved in financing for lower income home ownership. He said he was gratified that the Chicago firm had taken a lead in initiating the proposed $25 million issue which has attracted life insurance firms as investors. The issue falls under the life industry's $2 billion program for aiding inner city areas.

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Mr. Kingman said he was delighted that this step had been taken, since many life companies had withdrawn from residential financing. He pointed out that the mortgage-backed security program was an important means of enabling these firms to return to this form of financing and to provide the impetus for critically-needed housing.

Investors were the New York Life Insurance Company and Equitable of Iowa, each committing to purchase $1 million of the securities. The certificates bear an interest rate of 8 percent and were sold at 97 percent of par to yield 8.42 percent on an assumed twelve-year life of the mortgages.

Since the mortgage-backed security program was launched in February, more than $100 million in securities have been issued.

Mr. Kingman pointed out that the securities feature yields competitive with other securities; they are safe investments, guaranteed by GNMA and bearing the full faith and credit of the United States; they eliminate paper work and permit investment in housing without the documentation necessary in direct mortgage investment.

In addition, the securities relieve the investor of any problems which can arise in the case of mortgage payment delinquencies since the issuer assures the investor of the regular return of interest and principal whether or not collected from the mortgagors.

Besides Senator Percy and Mr. Kingman, those present at the meeting today were: Robert H. Wilson, President of the Wilson firm which assembled the mortgage pool; George Bundschuh, Second Vice President of New York Life; Robert G. Taylor, Vice President of the Institute of Life Insurance; and W. Stevens Shepherd, representative of F. S. Smithers and Company, a Wall Street investment banking firm which participated in the sale.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7174

FOR RELEASE AFTER:
10:30 A.M. Saturday
October 10, 1970

FILE COPY

Remarks by

George Romney, Secretary
U.S. Department of Housing and Urban Development

at the

Dedication of Riverview Plaza Shopping Center

St. Clair, Michigan
October 10, 1970

It gives me great pleasure to be with you on this long-awaited, proud occasion. It's a distinct honor for me to appear on this program today and to witness the completion of your redeveloped city. I congratulate you on a job well done.

Before I left Washington President Nixon asked me to extend his best wishes and his personal congratulations as you celebrate the completion of this worthwhile project. He has often expressed to me his interest in such undertakings, which draw together the combined resources of federal, state and local governments.

When I first heard the name of your festival, an Old Testament quotation passed through my mind, a verse which seems appropirate to this occasion. The great King Solomon once said, "Where there is no vision, the people perish." I believe you in St. Clair have been a people of great vision. And we're witnessing the fruits of that vision here today.

Years ago you observed the creeping blight and the threatening slums that were destroying the center of your city. Some of you who possessed this foresight saw in your mind's eye for St. Clair the possibility of a new, fresh, appearance. You envisioned a new community center with a lovely shopping center and adequate parking facilities. You saw a beautiful riverfront park -- you replaced the nightmare of what might have been with the dream of what we see before us here today.

But most urban renewal projects are not without critics. Many well-meaning citizens foresee nothing but trouble in such undertakings. These people are generally skeptical, perhaps because of some sad past experience with Federal Government programs. They think Urban Renewal applies only to large cities. They think it's a tax trap and that they would have nothing to show for their efforts. They have seen too many people bulldozed out of their homes with no preparation for their relocation. They have the feeling that nobody would really benefit from the project. They picture in their mind's eye Urban Renewal transforming their cities for years into bare, brickstrewn wastelands. To them, your project would be an impossible dream.

But today you have your renewal city because you made a reality of what some might have thought was an impossible dream. Your project was not without inconvenience to your citizens. Your streets during the redevelopment were not as neat and clean as they are today. But with these sacrifices you have shown that great things can be accomplished through combined effort of concerned citizens and State and Federal agencies.

It was that spirit of cooperation, initiated by you on the local level, that brought to bear the resources of the Federal Government, embodied in the Urban Renewal concept.

Unfortunately, this is a program that has been greatly misunderstood, as I have indicated. Some have supposed that the exclusive purpose of the renewal programs was to provide housing. In light of the impact of our national housing shortage, the renewal program has been labeled a failure. But this is an incorrect assumption and was never intended by the Congress.

Since its beginning the program of Urban Renewal has emphasized the elimination of blight and slums every bit as much as redeveloping the land once it was cleared. Following the clearance of such slums the program attempts to help communities redevelop these areas in accordance with sound, locally-approved plans. And these plans might include commercial, industrial, institutional and public development as well as residential development.

Another misconception is that urban renewal is exclusively for large cities. I guess there is no question in your minds that this just isn't so. The evidence stands majestically before you in this anything-but-large city of some 4,500 people.

It might interest you to know, furthermore, that there are more than 1000 communities of all population sizes in every state of the union participating in the program today. Of that number, over half are communities of less than 25,000 people.

The Urban Renewal program has come a long way since its inception in 1949. Over that twenty year period it has solved many problems while creating others. It has been refined as new ways of doing things have been developed.

Several very significant results have come out of urban renewal programs. Let me just review for your some highlights of actual or projected accomplishments under these programs.

More than 460,000 sub-standard dwelling units in blighted areas have been demolished, a significant number of which were vacant or abandoned. Some 270,000 families and 141,000 individuals have been relocated from grant-assisted areas, the vast majority to standard housing.

A second important result is that more than 257,000 new or rehabilitated housing units have been started or completed under the renewal program. And 135,000 of these units, or 53 percent, are to be for low- and moderate-income families. When all redevelopment is completed in programs approved through June 30, 1969, an estimated 1,298,000 new and rehabilitated dwelling units will have been provided of which about 860,000, or 66 percent, will be for low- and moderate-income families and individuals.

You'll be especially interested in the third significant achievement of the urban renewal program. And this is that currently over 5,000 commercial, industrial and institutional structures are under construction or have been completed in renewal areas. These projects have generated approximately 500,000 permanent jobs in addition to the construction jobs provided. When all redevelopment is completed, it is estimated that 2,238,000 permanent jobs will have been provided.

Another very important result is the multiplier effect upon local interests. Approximately $5.30 of local private and public investment was generated for every $1 of Federal funds spent on renewal. The funds for the programs approved through June 1969 generated an estimated investment of more than $38 billion by private and local sources.

And, finally, let me just point out that the assessed tax valuation of land and improvements increased an average of 240 percent in completed renewal projects. This has helped significantly the financial strength of the cities, which are heavily dependent on property taxes as a major source of municipal revenue

We in the Department of Housing and Urban Development know, of course, that many improvements are still needed in Urban Renewal programs. Recent legislation has added new programs which have

significantly improved Urban Renewal. A major innovation is the 1968 legislation creating the Neighborhood Development Program which provides an optional method for carrying out renewal activities on an annual basis.

The enactment of the Homeownership Assistanct Program (235) and the Rental Housing Assistance Program (236) in the Housing and Urban Development Act of 1968 has provided valuable new tools to assist in providing housing in urban renewal areas. A provision of the Housing and Urban Development Act of 1969 (Weicker Amendment) requires that whenever dwelling units occupied by low- or moderate-income families are demolished or removed in an urban renewal project, such units must be replaced on a one-to-one basis somewhere within the community, whenever the vacancy rate is less than 5 percent.

These improvements to a long way towards making it easier for others to grasp that same vision, which is so necessary for urban progress. Your example here in St. Clair accomplishes that same goal.

People or civilizations are not judged by their words, their deeds, their philosophy or their art as much as by what they have built. John Ruskin said, "When we build, let us think that we build

forever." You have built. You have renewed your city. You have made it beautiful and more livable for yourselves and for generations that will follow. The spirit of a people lives after them in the buildings that remain long after they are gone. Future St. Clair citizens will look with insight and appreciation upon this work, knowing that this people possessed the vision and the spirit of a better life.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

October 12, 1970

MEMO TO EDITORS:

Attached is a copy of letter from George K. Bernstein, Federal Insurance Administrator, to the insurance carrier in connection with the claim for alleged riot loss at Brandeis University, Waltham, Mass., as reported in HUD news announcement No. 70-741 with release date of Tuesday, October 13, 1970.

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
FEDERAL INSURANCE ADMINISTRATION
WASHINGTON, D. C. 20410

IN REPLY REFER TO:

OCT 7 1970

Mr. R. S. Hobson, Supervisor
Factory Insurance Association
85 Woodland Street
Hartford, Connecticut 06102

Dear Mr. Hobson:

Re: FIA-70-4
Brandeis University
Waltham, Massachusetts
Claim for Alleged Riot Loss

With respect to the above claim, we have reviewed the information forwarded with your letter of August 4, 1970. On the basis of all the documentation submitted to us by you, we cannot at this time approve the eligibility of the Brandeis University claim under our Standard Reinsurance Contract.

We are not denying eligibility at this time but find that further investigation is necessary to determine whether the Brandeis claim is covered. Aside from the fact that the documentation submitted by you consists almost entirely of newspaper reports and of editorial commentary by the University itself, and that some of the newspaper reports indicate that actually there was no damage caused by the students, a further basic question of fact and law remains unresolved.

From the documentation submitted, it appears that the trespassing students who forcibly occupied the University premises were in possession of said premises for approximately 11 days. There is no evidence in the documentation submitted to indicate when, during the 11-day period, the alleged riot losses occurred. Furthermore, there is no impartial evidence of whether such damage as may have been caused by the students could have been avoided had action been taken to remove them from the premises prior to their voluntary departure.

The Standard Reinsurance Contract of the U. S. Department of Housing and Urban Development, as indicated in Section XVI(6), covers only those losses paid by the company "under reinsured policies." Before we can further process your

claim, it will be necessary for you, as a first step, to submit a copy of the insurance policy covering the alleged loss so that we may determine whether or not that loss actually was covered thereunder. We are specifically concerned with whether an obligation existed under that policy for the insured to take reasonable steps to avoid or reduce losses and whether, if such a clause applied, there was an obligation on the insured, under the facts in this particular case, to take action to remove the illegally occupying students.

If the loss was not covered under your insurance policy, it would not be covered by our standard reinsurance policy.

Inasmuch as the facts are not clearly established by the documentation submitted by you, and absent the submission of impartial documentation, other than the University's presentation of second-hand newspaper reports, we shall have to institute an independent investigation of the facts surrounding the alleged riot loss. We have also requested our Office of General Counsel to advise us of the various legal implications that the particular facts developed may have with respect to the eligibility of your claim.

I am certain that you can understand our inability to approve this claim until there is further development of the facts and law as indicated above. The implications of possible failure by University authorities to take such action as is necessary to avoid riot losses, whether the facts in this case when finally developed established such a situation or not, are so great with respect to future reinsurance claims and our responsibilities under the Act as to mandate further investigation of the circumstances in which any loss occurred.

Please advise as to whether you have additional documentation to submit at this time so that we may determine the nature of the additional investigation required by us.

Sincerely,

George K. Bernstein

George K. Bernstein
Federal Insurance Administrator

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7174

FOR RELEASE AFTER
3:00 P.M., Monday
October 12, 1970

IMPROVING THE CODE SITUATION

Remarks prepared for delivery

by

SAMUEL C. JACKSON
Assistant Secretary for Metropolitan Planning
and Development
U.S. Department of Housing and Urban Development
Washington, D.C.

Before The

Conference of the National Association
of
Plumbing-Heating-Cooling Contractors
Washington Hilton Hotel
Washington, D.C.

October 12, 1970

It is a pleasure to be here this afternoon to discuss with you some of our concerns with building codes. I know that as builders, you are determined to contribute to a quality environment for all Americans in the fields of plumbing, heating and air-conditioning. I know you are aware that the growth of construction services in a particular area, such as yours, depends on its effective response to the accelerating needs of society. And I am sure that, like many of us in the Federal government, many of you in the building industry have made meaningful commitments to the important public demand for up-to-date urban development.

In response to societal demands, Congress provided for the first Federal study of housing conditions in cities 78 years ago. And the related concern of the Federal government about conflicting and antiquated building codes goes back to the 1920's, including the involvement of the Senate and then Secretary of Commerce Herbert Hoover.

Today we have the important Congressional goal of a decent home in a suitable living environment for every American family. And HUD Secretary George Romney has pointed out that: "The design and planning activities under the Department's programs must result in environments which have an uplifting effect on peoples lives." This objective

has major physical components, and sensitive building codes, having due regard for continuing technological innovation, can aid significantly in its achievement.

We must build optimum environments, using advanced technology; those that will continuously promote the ideal development of all the people in our society. This is a lofty goal, a new and comprehensive definition of "public works." These quality environments can be produced if we are willing to bridge the gaps that separate ideas and people in all areas, including codes.

Considerable HUD support for effective action is available. Beginning with the FHA mortgage insurance programs in 1934, we are rapidly approaching the point where comprehensive Federal government assistance is available to help local communities solve broad urban problems in a meaningful way.

The HUD legislation has important quality components which have been re-emphasized and further developed in recent years. For example, the Workable Program for Community Improvement, introduced in 1954, looks toward "...the establishment and preservation of a well-planned community..., utilizing appropriate private and public

resources to prevent the development or spread of slums and urban blight..." The Demonstration Cities and Metropolitan Development Act of 1966 speaks of the need to "...enhance neighborhoods by applying a high standard of design." And the Housing and Urban Development Act of 1968 calls for improved architectural design, for developing housing which will be "...better suited to the needs of occupants," so that Federal aid can make its full contribution toward improving the urban environment.

In regard to our research and development activities, the 1969 HUD Act calls upon us to assure "...that there is no restraint by contract, building code, zoning ordinance, or practice against the employment of new or improved technologies, techniques, materials and methods..." which may reduce the cost or improve the quality of assisted housing.

These are major mandates for progress, and your constructive involvement is required for their achievement.

You are probably already familiar with HUD housing design and construction standards and know that they are not intended to serve as a building code. But in addition to making available essential guide materials for reference,

they do seek to provide the basic assurance of appropriate minimum quality for residential development assisted under Federal programs. Optimum design quality in HUD-assisted work has been recognized for some years through the Design Awards Program, recently commended by the Congress.

The standards and awards are two of the major Departmental efforts to improve the design and construction quality of assisted housing. In addition, environmental research helps to gain a better national understanding of many related housing and urban development issues. These activities have covered the subjects of new communities, urban transportation, comprehensive planning, urban design, community renewal, street hardware and housing.

I'm sure you are aware of Operation BREAKTHROUGH, Secretary Romney's major research and development effort, administered by my colleague, Assistant Secretary Harold Finger. While it is not possible to describe the program in detail this afternoon, Operation BREAKTHROUGH aims at resolving many problems in order to make available the high volume of quality housing that is needed -- through increased use of modern design and technology, and through contemporary approaches to finance, marketing, land use and

management. By helping to create substantial local, regional, and perhaps national markets, BREAKTHROUGH can demonstrate the extent of the potential demand -- and how it can be aggregated -- to those capable of and interested in producing both housing and sites-for-housing. With the kind of large, continuous market enjoyed by manufacturers of other consumer products, producers of housing in volume can realize economies of scale: they can be sure to recover their investments -- in research and development, in improvements to their design methods and concepts, and in plant and equipment necessary for large-volume production.

The program began with invitations to local governments and the private sector for responses in order to obtain prototype sites, site planners, site developers, and housing systems. The aim of these independent requests was: to obtain the most advanced housing approaches, to locate them on suitable regional prototype sites in accordance with outstanding planning concepts, and to manage effectively the evolution of the various site communities, as prototypes for marketing and subsequently as integral parts of their localities.

The Operation BREAKTHROUGH Request for Proposals for Housing Systems covered much ground in furnishing proposers with material on the broad theoretical basis of the program. Issued in June 1969, it included the well-known Congressional 10 year goal of 26,000,000 new or rehabilitated housing units, (6,000,000 of these for low and moderate-income families): requiring a doubling of current production rates.

The program has generated tremendous interest. About 600 organizations -- comprised of over 1000 individual firms -- submitted proposals in September 1969 to develop innovative BREAKTHROUGH housing. 236 proposals were for Type A complete housing delivery systems, including both hardware and software components. The Type B submittals were for advanced research and development contracts. Systems proposed ranged from single family detached units to high-rise megastructures, with steel, wood, concrete, or plastic as the primary material for components, panels or volumetric modules. Production goals were often hundreds of times those of today's average homebuilder. Some of the proposers indicated their intert to offer substantial manufacturer's warranties to the consumer. And many of the proposed systems involved franchises to local builder-distributors.

Twenty-two Type A systems were selected for final contract negotiations in February 1970; and nine Type B research contracts were awarded last June. Chosen after substantial technical evaluation, these comprise a complex balance of building types, materials and techniques, and many competitive and far-reaching potentials are expected to be realized as their development proceeds.

The hundreds of BREAKTHROUGH systems proposals truly represent the state-of-the-art in the field of housing design and development, and this information will be appropriately disseminated to the industry through a complete catalog and retrieval system related to the non-proprietary material in the proposals.

Preliminary figures on mechanical/electrical aspects of the Type A proposals are of interest and significance. About 40% of the proposals comfort systems were completely integrated with structure and space enclosure as a total "system of systems." Over 15% involved a central mechanical core. Twenty percent of the proposals featured electric heating, and over 80% of the electrical systems were prewired. One-third of the plumbing systems consisted of

unitized modules, combining all services in one assembly. Nearly two-thirds of the systems proposed factory fabrication of plumbing components. And over 40% specifically mentioned their intention of utilizing appropriate plastic pipe.

These are some of the parameters of the future, and there is little doubt that many constraints on the volume production of quality housing have already been loosened and will be further mitigated through direct Operation BREAKTHROUGH activities.

The completed Type A prototypes, the housing components, and the subsystems will be tested by both private and Federal organizations, including the National Bureau of Standards and the Forest Products Laboratory. The test results will be validated by the National Academies of Science and Engineering. Successful completion of the testing program and validation by the National Academies will provide the substantial technical basis for HUD to certify the housing systems for all of our programs.

This certification will be product-specific, relating comprehensively to a wide range of design, engineering and production factors for a complete housing system. The highly technical criteria on which this certification is to

be based are being developed by the National Bureau of Standards. These criteria provide a vehicle through which local code officials will be able to accept HUD certification of the complete housing systems.

Given this comprehensive background, you may well ask how local communities can facilitate the vital national residential development effort. And you may further inquire how your leadership and responsibilities as citizens and contractors can be effectively involved.

First, you must recognize the accelerating changes taking place in building construction. It is not only regressive and fruitless to try to stem the tide of progress with non-performance codes that are out-of-date. It is, in fact, tragic. A 1968 Douglas Commission study of frequent local requirements in excess of model codes showed that, in the mechanical-electrical area alone, they added nearly $1000 to the cost of a dwelling! You as concerned contractors should be the leaders in advocating continuous code reform so the needs of people for reasonably-priced housing can be met.

Second, each community should be encouraged to at least adopt the <u>latest</u> published or reasonably current

editions of the nationally recognized performance-oriented model building, plumbing, electrical, fire prevention and related codes, or State or local codes with comparable standards. Of course, I am assuming that such local standards do not significantly increase the cost of housing or effectively restrict the use of materials and method of housing construction to a greater degree than stated by performance-oriented model codes.

As you know, HUD's Workable Program Handbook for communities assisted under several of the Department's programs requires that State or local codes must contain up-to-date standards. These must be comparable to those set forth in the nationally recognized performance-oriented model codes and where deviations from such standards occur they must be identified and justified. Deviations and modifications are sometimes necessary in order to staisfy local geologic, climatic, and soil conditions, but these should be substantiated by firm and detailed engineering data.

The elimination of excessive, restrictive, and conflicting practices in local codes is essential to the success of HUD's efforts to meet the urgent housing needs of the

nation. If a local community adopts and modifies a model code by local revision so as to be in excess of, more restrictive than, or in conflict with nationally recognized performance-oriented building construction standards, that community is not in tune with these housing efforts.

Of course, this applies to any State or local code which has not been revised to provide for current nationally recognized standards for materials and methods of construction (e.g. plastic and copper pipe, non-metallic sheathed electrical cable, prefabricated components, factory built housing, etc.)

In determining the acceptability of local codes in meeting the Workable Program code adoption requirements, emphasis is placed on the adoption of codes which contain the latest published standards for materials and methods of construction as promulgated by nationally recognized organizations which develop standards. These include the National Bureau of Standards, the American Society of Testing Materials, Underwriters Laboratories, and the American National Standards Institute, among others. Emphasis is also placed on the elimination of purely local limitations on the use of materials and methods of construction which in many instances serve to increase unnecessarily the cost of housing construction.

Of course, the Department does not attempt to judge the merits of one material or one system of construction against another in administering the requirement for utilization of new materials and methods. The Department relies upon the findings of the nationally recognized standards producing organizations as being the best data available upon which to base a determination as to acceptability. These organizations are equipped and staffed to undertake the type of research and testing necessary to assure the strength and quality of various materials and systems and are generally considered as the experts in their respective fields.

The Workable Program requirement for adoption of the latest published or reasonable current editions of the nationally recognized model building, plumbing, electrical, fire prevention and related codes, as amended or State or local codes with comparable standards, is an effort to promote uniformity in the adoption and administration of such codes. The model codes produced by such organizations as the International Conference of Building Officials, the Building Officials and Code Administrators, International,

the Southern Building Code Congress, the American Insurance Association, and the National Fire Protection Association, among others, while regional in some respects, contain the latest published national standards for materials and methods of construction. And they are annually revised to keep such codes abreast of new technology and new development in the construction industry.

The HUD policy regarding local codes is based on the premise that all materials, irrespective of nature or origin, which have been produced under nationally recognized and accepted industry standards and which have been certified as having met the requirements for such standards should have a place in the codes of each community. Selection of materials is properly made in the marketplace by consumers in our free-enterprise system. This policy does not serve the interests of any one individual or group of manufacturers, material suppliers or construction trade interests, and does not impair the right of individual choice on the part of builders, developers, designers, or homeowners in the use of any material provided that such material conforms to the accepted industry standards for manufacture and use.

I would like to strongly emphasize that the Workable Program for Community Improvement is the locality's own program. It is based upon the recognition that the Federal and local relationship is one of partnership in which each party has its own duties, responsibilities and obligations. It recognizes that Federal funds for renewal and housing cannot be fully effective unless the locality exercises the full range of its powers and applies a reasonable portion of its resources in a sustained and coordinated effort to eliminate existing slums and blight and to prevent the recurrence of such in the community.

The codes policy of HUD is designed and administered to assist the community in meeting its responsibilities under the Workable Program and thus to assure that its efforts are in accord with the mandates of the Congress.

Other aspects of urban growth policy can also benefit from your perceptive support. For example, your help in assuring that your local community utilizes performance-oriented zoning ordinances which are professionally administered can do much to complement performance-oriented building codes and satisfy the needs of people of all income levels for adequate housing.

Since the general purpose of these and other physical improvement activities is to advance the quality of living, this work must be intimately related to the needs of urban society. Those who respond to these needs are part of the solution to our urban dilemmas - those who do not respond are part of the problem.

Required is the active commitment to timely quality of all involved in the implementation process -- designers, producers, developers, financiers, builders, sub-contractors, code officials, etc. This full professional participation, and the increasingly effective sense of unity, is essential so that each cooperating effort makes its vital contribution toward environmental improvement, and societal needs for more and better residential development are met through utilization of the best of contemporary technology and design.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-737
Phone (202) 755-7174

FOR RELEASE:
Monday
October 12, 1970

300 COMMUNITIES NOW ELIGIBLE FOR HUD FLOOD INSURANCE

Secretary George Romney today announced that the U.S. Department of Housing and Urban Development's Federal Insurance Administration has reached the 300 mark in the number of communities eligible for flood insurance coverage.

The flood insurance program encompasses both inland and coastal communities in 32 States from Hawaii to Massachusetts and from Alaska to Florida.

According to Federal Insurance Administrator George K. Bernstein, "the program has come a long way since its enactment in 1968, but there is much that is yet to be done. Even though 300 communities is a sizeable number, it is just a small portion of the estimated 5,000 flood and mudslide prone communities in the country and of these eligible communities, 60 percent are located in just four States."

"The balance of the 5,000 communities," Mr. Bernstein added, "have not even applied for coverage. The only way that nationwide coverage will eventually be accomplished is if the various State coordinating agencies put more emphasis on the program in their states, if local officials take the necessary steps to become eligible and if more individuals in eligible communities go out and purchase the insurance."

Besides providing coverage against loss, the Federal flood insurance program helps promote sound flood plain management and land use control. Mr. Bernstein explained that "in becoming eligible for flood insurance, communities commit themselves to adopt land use measures, which vary according to the characteristics and specific flood threat of the individual community. These measures are generally designed to guide future development away from flood hazard areas, where practicable, and set construction standards such as minimum foundation and floor elevations."

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The enactment of an amendment to the program in December, 1969 has been largely responsible for the expansion of the program from four communities eligible for flood insurance coverage in January, 1970 to 300 on October 9, 1970. Under that amendment, the Federal Insurance Administration was authorized to provide flood insurance on a two-year emergency basis ending December 31, 1971, without the necessity of first determining the individual community's actuarial premium rates, which is a prerequisite for coverage under the regular program. The emergency program is intended primarily as an interim program to provide earlier coverage for potential flood victims pending the completion of actuarial studies.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-746
Phone (202) 755-7174

NOTICE OF PUBLICATION
FOR RELEASE:
Monday
October 12, 1970

REPORT ON USE OF OPEN SPACE FOR HUMAN NEEDS IS PUBLISHED

Open Space for Human Needs, a report on the most desirable use of open spaces and parks in populous areas, has been published by the National Urban Coalition under a grant from the U. S. Department of Housing and Urban Development.

The central concepts of the 56-page report were developed at a conference in Washington conducted by Marcou, O'Leary and Associates of Washington, planning and urban development consultants. They compiled the material using background papers prepared by Prof. Kevin Lynch of the Massachusetts Institute of Technology, Marvin J. Cline, formerly of the Department of Psychology of the University of Maryland, and Carl Feiss, a Washington urban planning consultant.

HUD funded the $11,580 publication cost under an Urban Renewal Demonstration grant.

Among the conclusions in the report are recommendations that open space in urban and metropolitan areas should be:

--designed to offer a greater stimulus and challenge to people, particularly young people in the city, going beyond the traditional formal recreation activities which often represent the preferences of planners, not users, of open space;

--designed by a process which gives greater consideration to the human needs and preferences of the diverse racial, ethnic, and age groups in the city;

-more-

--located, designed, and managed in a manner that will open up and expose the edges of the open space, increase its accessibility, and remove both the physical and psychological barriers to full participation by all of the groups in the city;

--designed as an integral part of the city, providing contrast, and opening up views which will make the structure of the city more apparent to its inhabitants.

The approach developed by the study covered two neighborhoods within Washington: Meridian Hill, and Anacostia. These case studies pay particular attention to increased use accessibility and more imaginative design.

Considerable attention was given to the conservation and formal recreation potential of open space, but little to increasing the capacity to meet diverse human needs, particularly in the center city. The report is expected to help fill the information gap in open space planning as well as to challenge previously unquestioned ideas.

The report also clearly identifies a method for planning and designing open space to meet human needs. Criteria are proposed for improving open space design, and survey methods are recommended to examine in detail local population characteristics, preferences of open space users, and community administrative capabilities and available physical resources.

Single copies are free on request from:

Editorial Unit
The National Urban Coalition
2100 M Street, N.W.
Washington, D.C. 20037
Phone: (202) 293-7625

Project No.: D.C. D-16

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

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Phone (202) 755-7174

FOR RELEASE:
Monday
October 12, 1970

FEW CALIFORNIA COMMUNITIES COVERED BY FLOOD INSURANCE

Protection against property losses from floods and mudslides may now be obtained, the U.S. Department of Housing and Urban Development announced today.

The recent rash of fires that have ravaged the California hills have intensified the potential danger of mudslides when the rainy season begins in December.

Federal Insurance Administrator George K. Bernstein advised that thousands of property owners in these areas can protect themselves against flood and mudslide losses by applying for coverage under the National Flood Insurance Program, if their community is eligible. Only the following California communities have taken the action required by the National Flood Insurance Act of 1968 to become eligible for coverage:

Del Norte County
(Lower Klamath River Watershed, Zone 4)
Fresno County
(unincorporated areas)
Los Angeles County
(unincorporated areas)
Sonoma County
(Guerneville and vicinity)
Ventura County
(unincorporated areas)

Arcadia
Concord
Corte Madera
Hawaiian Gardens
King City
Burbank

La Puente
Los Angeles
Monrovia
South San Francisco

Glendale

In the near future these additional communities will become eligible:

Larkspur
Monterey Park
Paramount

Glendora
Industry
Sierra Madre

- more -

Mr. Bernstein said that coverage under the program could be available to the property owners in a community within 30 days following receipt, by the Federal Insurance Administration, of the community's completed application. Eligible property owners could then purchase coverage from their local property and casualty agents or brokers.

In those communities which complete their applications prior to November 15, the residents will be able to purchase the coverage before the usual start of the rainy season.

Mr. Bernstein pointed out that the initial action for obtaining flood insurance eligibility must be taken by local officials. Detailed information on the necessary steps that must be taken to complete an application may be obtained upon request.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-748
Phone (202) 755-7174

FOR RELEASE:
Monday
October 12, 1970

NO PUERTO RICO COMMUNITIES COVERED BY U.S. FLOOD INSURANCE

Flood insurance could have protected hundreds of property owners against the millions of dollars in property damages suffered by Puerto Rico residents in the wake of this week's torrential rains and resultant flooding.

According to Federal Insurance Administrator George K. Bernstein of the U.S. Department of Housing and Urban Development, "a program for federally sponsored flood insurance has been operational for more than a year. However, none of the 40 communities affected by the recent floods nor any other Puerto Rico community has applied for or has even inquired about the flood insurance program."

"Coverage under the National Flood Insurance Program is currently available in 300 communities in 32 States, including Alaska and Hawaii," he said.

Mr. Bernstein pointed out that, "as an island located in a storm-prone area, Puerto Rico is succeptible to flooding of all types. San Juan, Caguas, Hunacao, and many other areas have been plagued with flooding problems for years."

"Since flood insurance coverage has been virtually unavailable in the past, a program of this nature should be of interest to all property owners of communities with flood problems. Now, for the first time, homeowners can obtain insurance against property losses that result from flooding, if their community takes the necessary steps to qualify under the Federal Flood Insurance Program."

Single family homes, two- to four family residential dwellings, small businesses, and the contents of each are eligible for coverage under the program.

For property owners to benefit from this coverage, local officials must take the initiative to make their community eligible by submitting a complete application to HUD. Detailed information on the necessary steps that must be taken to complete this application will be provided upon request.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7174

FOR RELEASE AFTER:
12 Noon, Wednesday
October 14, 1970

ADDRESS BY
Malcolm E. Peabody, Jr.
Deputy Assistant Secretary for Equal Opportunity
U.S. Department of Housing and Urban Development

Lower Income Housing Development Seminar
Non-Profit Housing Center of the National Urban Coaltion
Parker House Hotel
Boston, Massachusetts
October 14, 1970

SUMMARY

Non-profit housing corporations have an image problem, part of which comes from distortion, but some of which derives from a need for non-profits to define a role in housing production and management which develops their natural advantages. They can do this in three ways: (1) By continuing to stress achievement of social objectives; (2) By emphasizing the development of cooperatives; (3) By organizing effective management corporations. These are things non-profits can do that other developers cannot do as well, and they should emphasize these advantages.

It was about a year and a half ago that I stepped through the looking glass that separates HUD from the non-profit housers and all I can say is that the glass that separates us grotesquely distorts the image of both.

I guess it is no news to you all that the non-profit housing corporations have an image problem -- and it is not only with HUD but also with the natural beneficiary of the non-profit housing movement, the minority community. To many in the minority communities, the non-profit housing corporation is a fiendish device which prevents minorities from getting any "bread" out of the housing built on their turf -- when whites build, profit housing is "o.k.", but when minorities build, it has to be non-profit.

The truth of the matter, as you all know, is far different. There is plenty of profit in non-profit housing. There is no tax shelter, to be sure, and no dividends, but by and large the rest of the profits are there. The architect, the lawyer, the consultant, the builder, the managers are all paid and can make profits. Indeed, for groups and individuals who have limited investment cash, non-profits are a boon since less cash is needed when building by this method than when building under the limited dividend approach. This fact alone can be persuasive to those seeking "bread". And, of what good, by the way, is all that tax shelter that limited dividend housing developments produce if the community

has no highly taxed income to hide under it. Sure, you can sell the ownership of a limited dividend development to rich investors who can use the shelter but that may defeat the purpose of community control.

But you don't need help from me to sell the non-profit approach to the minority businessmen. There are many advantages which, when they are understood, will be appreciated. However, I think the word non-profit, itself, is a destructive misnomer and should be dropped. Find some other name that better describes what you are. The name Mutual Housing Corporations strikes me as more descriptive and might win more friends among minorities and government officials alike.

However, it is the image that HUD has of the non-profits or "mutuals" that I would like to improve, not only by removing the distortions which clearly exist, but also to suggest directions in which non-profits can go which will deal with the accurately perceived imperfections that many non-profits have.

As for the distortions, too many at HUD still equate the non-profit with the one shot non-profit -- the corporation that was formed to build a single development in a lot behind the church and which, after being milked dry by the contractor, is near bankruptcy today with no one at the church caring or taking responsibility. To be sure, there have been a number of non-profits like that, but over the past years non-profit developer corporations increasingly have organized for the long pull and have hired professional talent needed to build first-rate developments as good as or better in quality than those put up by private developers. More and more, HUD

will insist, and rightfully so, that non-profit developer corporations should have permanent professional staff backed up by sufficient credit to weather the normal kinds of set backs. And as these developing corporations reach this capacity, I hope that the relationships between local insuring offices and non-profit developers will improve.

But if all a non-profit could offer HUD was technical competence and adequate credit, there would be no burning reason to do business with you rather than with private developers. Where we do need non-profits is to achieve the tough social objectives we are planning for those 6 million subsidized units we are committed to build by 1978. It would be no trick to find private developers willing to build and manage 6 million two- and three-bedroom units that house few or no children, few or no minorities, located in a stable white community and using all white construction crews, but it won't solve our problems.

In the next few months HUD will, increasingly, be looking for developers who can use the development and construction process to train minorities to do the work -- all the work -- from the designing, financing, building and managing processes to the developing process itself. The U.S. can't possibly meet its production goals with the number of construction workers we have now or with the number who are learning through existing apprenticeship programs. We've got to develop large new pools of trained labor. By training underemployed minorities we will not only help to meet production goals but will help to increase the economic base of the minority community at the same time. Within a short time we will

release regulations which will forward this objectvie - by implementing Section 3 of the 1968 Housing Act by requiring all developers to utilize neighborhood workers or trainees in building Hud developments. Can we count on you to lead in carrying out the letter and spirit of these regulations and showing private industry it can be done? If so, you will provide a valuable service which will be recognized.

We are going to rely on you to continue to take on other tough objectives. For example, affirmative marketing. There are too few private developers who know or care enough to market their units so that their units are really available to all. They may achieve tokenism but few know how to achieve true equal housing opportunity. The non-profits do know and care enough, and,by and large, have a better record of success. In addition non-profits are willing to locate their projects in areas where private developers fear to go - at least with family sized units - and that is into our suburbs.

Industry has moved increasingly to suburban areas and has taken with it the jobs for not only the affluent manager, but also for the low-income workers. Secretary Romney has time and again made the point that all Americans should have access to decent housing close to their places of employment, and he has called upon suburban communities to help make this possible by using the many good HUD housing programs to build housing for lower-income workers in their local communities.

But as you all know, this is extremely difficult. In many of our homogenized

suburbs, the building of federally-subsidized low-income housing is the single most volatile political issue. In many towns, just building apartments can cause explosions - building low-income apartments for minorities can detonate an entire suburb. The ordinary private builder simply is not interested in taking on that kind of problem.

But someone must. And again, it seems to me, that non-profit housing organizations have a special relevancy and a particular kind of professionalism in dealing with this kind of problem, and if you use your knowledge and special advantages you can expect a growing bond to develop between us. In fact, we are presently working on a system of priorities that would favor the funding of developers, be they profit or non-profit, who have an affirmative plan and who have demonstrated past results in hiring and training minority employees. According to Bill Dockser, the recently appointed Assistant Commissioner for subsidized housing, who stated in a recent speech before the National Association of Home Builders, "we will be preferring the developer who goes beyond the letter of the law and actually supports the spirit of the intent. Some of the other things we'll be looking for are the capacity to get fast construction starts, projects which provide freedom of movement for low-income and minority families and projects which are imaginatively and well designed and which retain competitive unit costs."

These selection criteria will shortly be spelled out and ranked in magnitude of importance and when that is done those non-profit sponsors who already know how

to meet these objectives will be preferred. However, there are two other major areas where I believe non-profits should move which will emphasize their advantages over other developers. The first is into cooperatives.

There are a number of reasons for this.

In the first place, a coop development eliminates the problem of demonstrating to HUD that your corporation will still exist in 40 years or for the life of the mortgage. It simply is not reasonable to expect that many of the charitable corporations building housing in 1970 will be as interested in the project in the year 2010 when the mortgage is finally paid. Even the best organization can fall apart during the life of a major project or lose interest therein. Most of you here can recall how some of our most prestigious philanthropic organizations built low-income housing in the early 1900s and allowed these properties to decay into slum properties.

But there is an even more important reason for going the cooperative route and that is that it is one of the best antidotes for slums.

One of the most damaging theories of city and government planners is that slums are the result of physical deterioration alone. This simplistic theory has produced the misconception that to cure a slum one must merely tear down the old buildings and improve the streets and institutions. But we now know that a slum is more than a blighted physical area. There are hundreds of blighted areas in this country that are still healthy neighborhoods for raising families. The people may be poor, but they have pride because they are organized.

A real slum is where social chaos accompanies physical deterioration, a society where there is complete social disorganization. It is an area where the residents are not organized and who, therefore, cannot prevent such demoralizing influences as the trafficking of dope and prostitution and cannot force the city to pay attention to their needs. If you accept this definition of a slum, then it becomes clear that the cure for a slum is to build social organization into the slum community along with the necessary housing.

This is the real advantage of a housing cooperative.

A housing cooperative is a miniature city. It furnishes a place to live, a place to own, a place to become involved in making community decisions, a place to learn management skills. It teaches the valuable social lesson of working together for a common goal, and it teaches the invaluable political lesson that there is real power in a group of citizens who are property owners and who speak with one voice in support of their own interests.

One tenant in a rental building can telephone city hall until doomsday about rats in his garbage without getting a response, but when the manager of a 100-unit cooperative calls his call represents the call of 200 voters and the response can be electric.

Under one system the tenant is in a position that weakens him and makes him subject to the will of a power structure that often is not responsive to his legitimate complaints. The other system makes it possible for him to express himself with all the self-esteem and self-determination that is the inherent right of every American

A housing cooperative is one of the most effective tools for organizing since it organizes the poor around one of their basic needs -- their shelter. It forces tenants to vote each year to elect their Board and thereby teaches them the power of the vote in a very personal way. It teaches one of the basic ways in which a democracy works.

Recently the Department did a preliminary survey in six cities of all HUD assisted housing and compared the operation of some 50 cooperative limited dividend and cooperative developments. The survey was too small to be conclusive but on the basis of early results we found the following:

· Cooperatives and non-profits were more likely to serve minority groups. Their tenant population had about 50% minorities -- limited dividends had about 17%.

· Cooperatives served the largest families and the oldest children.

· Moreover, there was less turnover in cooperatives and far less vandalism. In cooperatives, the per year loss per project was $240, as compared to $600 in limited dividends and $1600 in non-profits.

And in all kinds of other categories, there appeared to be a greater sense of responsibility among tenants that reflected a sense of belonging.

In cooperatives, tenants were more likely to do these things:

. Take the responsibility to report vandalism;

. Take the responsibility to make their own repairs;

. Keep public areas cleaner;

. Stay longer in the development.

In addition, a higher proportion of tenants reported that they and their children felt more secure in their homes than they did in limited dividends and non-profits and a higher proportion indicated a general satisfaction.

Let me emphasize that these are preliminary results. We must await the results of a larger survey before drawing conclusions, but on the basis of what we now know, cooperatives seem to be doing better.

However, putting up a successful cooperative requires skill, not only in developing but in organizing and training cooperative residents to take on the responsibilities of ownership. Many developers have produced cooperatives for the financial advantages of rapid cash turnover and have failed to organize and train, and as a result have produced some holy messes. But, here again, non-profits have a natural advantage over private developers. They are more likely to be interested in the human aspects of housing and thus should be able to produce good cooperatives.

This leads me into another area where I believe non-profits have a natural advantage which they should emphasize -- Management. In fact, those of you who have been in management know that it is by nature a non-profit business and many private developers of our 221(d)(3) and rent supplement projects built during the past eight years are finding out the same thing. HUD, of course, is going to have to find ways of making management more financially rewarding. We can't conceivably manage these developments ourselves, but we already have 7500 units back on our hands out of some 170,000 produced, and we don't want any more.

For this reason, we will look increasingly for developers who can successfully manage the housing they produce, particularly those who can manage property in inner city areas serving large low-income families. By 1972, HUD will have another 300,000 units in place in the 236 program alone, an increase of about 200% over what we now have. Who is going to manage them?

I think that the non-profits can manage a lot of them, but they must begin to organize themselves to do it as quickly as possible. We need management organizations who do not only know how to manage property but who have community organization skills as well -- who are able to teach tenants to form tenant unions, and organize recreational, educational and other types of social programs. We need organizations that bring minority groups into the management process and train them to do the job. We must build a cadre of managers who are as much people oriented as profit oriented, who can relate to the tenants and win their respect.

There are private developers who can achieve these skills, to be sure, but on the whole there are not sufficient financial rewards in management to fascinate the ordinary businessman. But the social rewards are enormous, which makes it the natural domain of the non-profit developer.

Thus, I hope you will move into cooperatives and into management. If you do I'm certain that HUD will have to rely on you more in the future.

MC

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

October 15, 1970

MEMO TO EDITORS:

Supplemental grant contracts of approximately $572 million have been made to 121 of the communities participating in the Model Cities program. Nineteen of these cities have received $59.5 million of the total amount in second action year funding.

A listing of these cities, including amount of funding and date, is attached for your information. These grants enable cities to implement the various phases of their five-year comprehensive plans for a concentrated, coordinated attack on the serious social, economic, and physical problems within the designated Model Cities area.

George Creel
Director of Public Affairs

FILE COPY

MODEL CITIES SUPPLEMENTAL GRANTS

CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
ALABAMA		
Huntsville	$ 1,969,000	5/29/69
(2nd year)	1,969,000	6/6/70
Tuskegee	1,766,000	6/29/70
ALASKA		
Juneau	938,000	6/17/70
ARIZONA		
Gila River Indian Community	916,000	6/24/70
Tucson	3,117,000	6/24/70
ARKANSAS		
Texarkana	1,899,000	6/30/69
(2nd year)	1,899,000	6/30/70
Little Rock	1,902,000	5/28/70
CALIFORNIA		
Compton	1,297,000	6/9/70
Fresno	2,818,000	10/3/69
Los Angeles County	8,181,000	6/30/70
Oakland	4,944,000	6/30/70
Richmond	1,820,000	6/19/69
San Diego	6,654,000	6/29/70
COLORADO		
Denver	5,766,000	6/26/69
Trinidad	1,225,000	6/26/69
(2nd year)	1,225,000	9/4/70
CONNECTICUT		
Bridgeport	1,409,000	3/6/70
Hartford	2,284,000	4/13/70
DELAWARE		
Wilmington	1,706,000	6/24/70

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CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
DISTRICT OF COLUMBIA	$ 9,625,000	1/14/70
FLORIDA		
Dade County	9,616,000	9/29/69
Tampa	4,086,000	6/26/69
(2nd year)	4,086,000	7/17/70
GEORGIA		
Alma - Bacon County	1,237,000	6/24/70
Athens	2,601,000	3/11/70
Atlanta	7,175,000	5/10/69
(2nd year)	7,175,000	6/6/70
Gainesville	1,330,000	10/15/69
Savannah	2,603,000	6/26/70
HAWAII		
Honolulu	(2,263,000)	6/27/69
Increase of	(4,378,000)	12/18/69
Total	6,641,000	
IDAHO		
Boise	1,281,000	6/17/70
ILLINOIS		
Carbondale	1,075,000	5/28/70
Chicago	38,159,000	6/26/69
East St. Louis	2,083,000	6/30/69
(2nd year)	2,083,000	10/12/70
Rock Island	1,346,000	6/10/70
INDIANA		
Gary	2,669,000	10/3/69
Indianapolis	6,243,000	6/24/70
South Bend	1,455,000	7/16/70
IOWA		
Des Moines	2,065,000	10/13/69
KANSAS		
Kansas City	1,964,000	6/4/70
Wichita	3,955,000	9/24/69

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CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
KENTUCKY		
Bowling Green	551,000	12/31/69
Covington	1,326,000	6/29/70
Pikeville	(691,000)	10/15/69
Increase of	(59,000)	12/17/69
Total	750,000	
LOUISIANA		
New Orleans	9,249,000	6/29/70
MAINE		
Lewiston	2,010,000	4/17/70
Portland	1,826,000	6/11/69
(2nd year)	1,826,000	6/30/70
MARYLAND		
Baltimore	10,554,000	6/26/69
MASSACHUSETTS		
Boston	7,718,000	6/27/69
(2nd year)	7,718,000	6/24/70
Cambridge	1,523,000	6/26/69
(2nd year)	1,523,000	7/29/70
Fall River	1,953,000	8/19/70
Holyoke	1,168,000	6/15/70
Lowell	1,750,000	12/19/69
New Bedford	2,109,000	11/14/69
Springfield	2,091,000	6/9/70
Worcester	2,125,000	12/31/69
MICHIGAN		
Ann Arbor	1,069,000	6/24/70
Benton Harbor	1,340,000	6/10/70
Detroit	20,545,000	5/28/69
Genesee County (Flint)	3,574,000	10/15/69
Grand Rapids	2,223,000	6/24/70
Highland Park	1,724,000	6/11/69
Lansing	1,873,000	6/24/70
Saginaw	1,729,000	3/6/70

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CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
MINNESOTA		
Duluth	$ 1,680,000	10/16/69
Minneapolis	4,603,000	4/1/70
MISSOURI		
Kansas City	8,706,000	9/11/69
St. Louis	(5,183,000)	6/30/69
Increase of	(4,302,000)	5/11/70
Total	9,485,000	
MONTANA		
Butte	1,656,000	6/19/69
(2nd year)	1,656,000	6/6/70
Helena	1,211,000	6/30/69
(2nd year)	1,211,000	6/6/70
NEW HAMPSHIRE		
Manchester	1,645,000	12/18/69
NEW JERSEY		
Hoboken	2,030,000	2/13/70
Newark	5,654,000	1/26/70
Paterson	2,073,000	8/19/70
Plainfield	1,322,000	6/29/70
Trenton	1,768,000	10/3/69
NEW MEXICO		
Albuquerque	2,826,000	8/13/69
Santa Fe	1,466,000	6/10/70
NEW YORK		
Binghamton	1,280,000	6/29/70
Buffalo	5,360,000	5/28/70
Cohoes	1,845,000	2/20/70
New York City	65,000,000	6/11/69
Poughkeepsie	1,685,000	2/3/70
Rochester	2,985,000	6/24/70

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CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
NORTH CAROLINA		
Asheville	2,254,000	10/8/70
Charlotte	3,168,000	5/29/69
High Point	1,770,000	5/28/70
Winston-Salem	1,895,000	10/3/69
NORTH DAKOTA		
Fargo	1,112,000	5/28/70
OHIO		
Akron	3,407,000	5/28/70
Columbus	5,906,000	10/3/69
Dayton	2,949,000	6/11/69
Martins Ferry	1,240,000	3/30/70
Toledo	4,410,000	6/26/69
OKLAHOMA		
Lawton	2,067,000	6/9/70
McAlester	1,831,000	12/17/69
Tulsa	3,553,000	6/27/69
OREGON		
Portland	1,263,000	6/30/69
PENNSYLVANIA		
Allegheny County	6,725,000	6/24/70
Erie	1,606,000	6/17/70
Lancaster	1,662,000	6/16/70
Philadelphia	(3,296,000)	6/30/69
Increase of	(5,677,000)	3/25/70
Increase of	(3,462,000)	6/20/70
Increase of	(12,854,000)	6/30/70
Total	25,289,000	
Pittsburgh	6,108,000	12/31/69
Reading	1,383,000	6/11/69
Wilkes-Barre	1,603,000	2/13/70
PUERTO RICO		
San Juan	7,114,000	9/11/69

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CITY	AMOUNT OF CONTRACT	DATE ANNOUNCED
RHODE ISLAND		
Pawtucket	$ 1,632,000	4/13/70
Providence	2,205,000	6/11/69
(2nd year)	2,205,000	8/25/70
SOUTH CAROLINA		
Rock Hill	2,106,000	5/12/70
Spartanburg	2,223,000	9/16/70
TENNESSEE		
Cookeville	1,266,000	6/29/70
Nashville-Davidson Co.	5,451,000	10/7/70
Smithville-DeKalb Co.	(1,435,000)	5/29/69
Increase of	(145,000)	12/18/69
Total	1,580,000	
(2nd year)	1,580,000	9/29/70
TEXAS		
Austin	3,454,000	10/5/70
Eagle Pass	1,776,000	6/18/69
(2nd year)	1,776,000	6/30/70
Edinburg	1,796,000	3/30/70
Houston	13,383,000	6/24/70
San Antonio	9,590,000	6/18/69
(2nd year)	9,590,000	9/9/70
Texarkana	(1,558,000)	6/30/69
Increase of	(499,000)	8/4/69
Total	2,057,000	
Waco	2,642,000	5/10/69
(2nd year)	1,285,000	6/30/70
VERMONT		
Winooski	788,000	6/26/69
(2nd year)	788,000	9/16/70
VIRGINIA		
Norfolk	4,524,000	8/13/69
(2nd year)	4,524,000	6/6/70
WASHINGTON		
Seattle	5,215,000	5/10/69
(2nd year)	5,215,000	6/6/70
WYOMING		
Cheyenne	1,296,000	10/5/70

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-761
Phone (202) 755-7174

FOR RELEASE
Thursday
October 15, 1970

FIRST OPERATION BREAKTHROUGH GROUNDBREAKING IN SACRAMENTO

The U. S. Department of Housing and Urban Development today announced that the first groundbreaking in Operation BREAKTHROUGH will be held at its Sacramento, Calif., site, October 22.

Operation BREAKTHROUGH is HUD's major program to solve the problems impeding large scale production of housing in the Nation. It is intended to develop a universal program to improve every phase of housing production from land development to production of the best possible housing for all income levels at the most economical cost and in greatest quantities.

The groundbreaking will be attended by a long list of dignitaries including HUD Secretary George Romney, Lt. Gov. Ed Reinecke of California, Harold B. Finger, HUD Assistant Secretary for Research and Technology, who is responsible for the BREAKTHROUGH program, state and local officials, labor leaders, civic leaders, and representatives from the building industry and financial community, members of the California Congressional delegation, BREAKTHROUGH housing system producers, planners, architects, and prototype developers.

Directing the groundbreaking ceremonies will be the Campbell Construction Co., of Sacramento, which together with the National Corporation of Housing Partnerships is the site developer for the program in Sacramento.

The BREAKTHROUGH program was initiated in May, 1969 by Secretary Romney, in substance, to develop advanced methods of technology and management for building more housing faster, and better.

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A competition was held to select sites across the country for construction of prototype housing for research and demonstration of advances in every state of the processes of home building, and with emphasis toward industrialization of construction to speed production and delivery of housing.

The program at present contemplates building approximately 2,800 prototype housing units on the winning sites which are in Sacramento, Indianapolis, Ind., Jersey City, N.J., Kalamazoo, Mich., King County and Seattle, Wash., Macon, Ga., Memphis, Tenn., and St. Louis, Mo.

At Sacramento, approximately 400 prototype housing units will be built on a 44-acre site. Housing units will include single family detached, s ingle family attached, garden apartments and high rise apartments. One objective of the program has been to build various types of housing and at all price levels to make a homogenous mixture of housing and families on the sites.

Housing system producers on the site will be Aluminum Co. of America, Boise Cascade Corp., Christiana Western Structures, FCE-Dillion, Inc., Material Systems Corp., Pantek Corporation, and TRW Systems.

Sacramento was selected from 218 sites proposed by communities throughout the Nation to become part of the BREAKTHROUGH research and demonstration program.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-763
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Monday
October 19, 1970

HUD ANNOUNCES GUIDELINES FOR OPERATION BREAKTHROUGH

Operation BREAKTHROUGH, the Department of Housing and Urban Development's innovative effort to solve the problems of volume production housing in the nation, is also providing new techniques for the administration and enforcement of Federal equal opportunity laws and regulations.

HUD Secretary George Romney today announced the issuance of guidelines for assuring compliance of all Operation BREAKTHROUGH contractors with all pertinent Federal civil rights laws and Executive Orders.

It is the first time that HUD has not only required equal opportunity compliance, but has spelled out the compliance process to contractors.

Samuel J. Simmons, Assistant Secretary for Equal Opportunity, called the new compliance guidelines an important step in enforcing equal opportunity provisions in contracts. "A major problem in the past," he said, "was that we had no guidelines that stated in detail what the contractor should do in order to comply." "The old system was also unfair to minority and low-income people," he added.

Mr. Simmons' office administers equal opportunity programs for HUD, and will monitor the activities of the contractors under the new guidelines.

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"Despite the fact that the laws and Executive Orders were intended to help these people," he said, "they were not having the kind of equal access to jobs, business and housing opportunities that the laws intended."

The new regulations require that Operation BREAKTHROUGH contractors submit plans to:

- assure equal employment opportunity through an affirmative action program both at the place of manufacture and at prototype sites;
- provide a program for employing and training lower income persons residing in the area of manufacture and in the prototype site area;
- provide contracting opportunities for persons and local businesses in the areas of projects and plants;
- provide a plan for assuring equal opportunity in housing.

Mr. Simmons emphasized that the guidelines will require the utilization of local residents in all phases of Operation BREAKTHROUGH planning, manufacture, construction, and sale and management of housing units.

Strong emphasis also will be placed upon the staff people brought in by the contractor to implement guidelines. The regulations read: "The contractor is expected and requested to identify and utilize individuals sensitive to minority problems and skilled in analyzing and relating programs to minorities in all Operation BREAKTHROUGH activities. . ."

"I see this set of guidelines as a pilot program leading to a shift of emphasis in our compliance operation," Mr. Simmons said. "By following the lead of Operation BREAKTHROUGH, we should be able to establish similar guidelines in many of our major HUD-assisted programs."

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Harold B. Finger, Assistant Secretary for Research and Technology, whose office administers Operation BREAK-THROUGH, said his office would give full support to the Guidelines.

"We are very much in favor of this new approach to making the equal opportunity requirements work," Mr. Finger said. "We are convinced that our BREAKTHROUGH systems producers will cooperate with the Department. They are innovative people and this will give them an opportunity to break ground in an important area."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-764
Phone (202) 755-7174

FOR RELEASE:
Tuesday
October 20, 1970

M. CARTER McFARLAND NAMED HEAD OF 'PROJECT REHAB'

The U.S. Department of Housing and Urban Development announced that M. Carter McFarland has been named Assistant Commissioner for Rehabilitation, Federal Housing Administration.

In this position, Mr. McFarland has the responsibility for Project Rehab, the HUD program designed to stimulate and support large scale rehabilitation of residential structures.

Prior to over twenty years experience in administrative and executive positions with Government housing agencies, he was Associate Professor of Economics at the College of St. Thomas in St. Paul, Minn. He has also been a visiting lecturer in economics at the University of Minnesota and at the American University in Washington.

Mr. McFarland has spoken and lectured on housing and urban problems throughout this country and Canada. He is the author of a large number of works on housing, ranging from magazine articles to housing sections of encyclopedias.

In 1959, Mr. McFarland received the Distinguished Service Award of the Housing and Home Finance Agency, one of the agencies that was an original component of HUD.

Born in Fleeton, Va., Mr. McFarland completed his undergraduate work at Spring Hill College, Mobile, Ala., and did graduate work in economics at Georgetown University, receiving an M.A. in 1938, and a Ph. D. in 1946.

He lives in Falls Church, Va., with his wife, Barbara, and a daughter, Barbara Ann. He also has two married daughters, Mrs. John DelVecchio and Mrs. Anne Kirtley both of whom live in Washington.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-772
Phone (202) 755-7174

FOR RELEASE:
Thursday
October 22, 1970

HUD PROVIDES HOUSING FOR FIRE VICTIMS

The U.S. Department of Housing and Urban Development has moved disaster teams into Los Angeles and San Diego Counties, California, to provide temporary housing for hundreds of families whose homes were destroyed by brush fires late last month.

HUD's action was taken at the direction of President Nixon and followed his issuance of a National Disaster Declaration covering these counties.

Aerial and ground surveys of fire damage revealed 425 homes destroyed in San Diego County, 210 destroyed in Los Angeles County and 50 in Los Angeles City.

HUD Acting Assistant Secretary Norman V. Watson said that a poll taken by Civil Defense authorities in San Diego County indicated that 90 percent of the fire disaster victims there wanted to rebuild on the sites of their destroyed homes.

The HUD disaster teams, working closely with State, county and city officials, are verifying the eligibility of each applicant and identifying housing resources suitable for each household.

Mr. Watson reviewed the steps taken by HUD to provide emergency housing in the two counties.

On September 29, President Nixon issued a National Disaster Declaration, making six California counties eligible for disaster assistance. On October 2, HUD received a mission assignment from the Office of Emergency Preparedness to provide emergency housing for disaster victims in Los Angeles and San Diego Counties. Shortly thereafter, HUD Secretary George Romney assigned the job to the Office of Renewal and Housing Management, headed by Mr. Watson. By October 5, the first families started moving into emergency housing obtained with HUD assistance.

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According to Mr. Watson, HUD expects to provide emergency housing for as many as 350 families in the San Diego Area and 300 families in the Greater Los Angeles Area. He said that 546 HUD-acquired properties have been made available in both counties.

On-site reviews of the emergency housing requirements for both counties were made by a HUD team headed by Kenneth C. Cavanaugh, Acting Director, Office of Housing Management. Following the reviews, it was agreed that available housing resources will be used to the fullest extent possible. According to Mr. Cavanaugh, vacant low-rent public housing will be held for assignment to disaster victims." It is quite possible," he said, "that under the present circumstances many people, when given the opportunity of obtaining permanent public housing accommodations, will be willing to move a considerable distance."

Mr. Cavanaugh also indicated that a "finders-keepers" approach will be tested in California. This plan allows the disaster victim to locate accommodations suitable to his needs. The housing is then inspected, and if the rental price is fair, the accommodations are adequate, and if the owner is willing to sign a lease, prompt move-in is obtained. "We anticipate," he said, "that this procedure will be faster, cheaper, and more satisfactory to the disaster victims."

According to Mr. Cavanaugh, mobile homes will be provided only when:

* Other standard housing is unavailable;

* There is adequate road access to the site for installation of the mobile unit;

* There is enough space on the site for rebuilding a residential structure; and

* The location is protected from the floods and mud slides which might result as an aftermath of the fire disaster.

Fire victims rehoused by HUD will be allowed over three months free rent. Rent will be free on the date of occupancy and for the balance of that month and three months thereafter. A nominal rent for families who can afford to pay will be charged from the end of the rent free period until the end of the disaster year declared by the President.

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Information Centers have been set up in both Counties to process applications for emergency housing. In the San Diego Area they are in Crest, Harbison Canyon, Jamul and Alpine. In the Los Angeles area they are at the Chatsworth, Saugus and Calabassas Fire Stations and at the Malibu Civic Center. HUD has also set up a special phone service to provide up-to-the-minute information on emergency housing in Los Angeles and San Diego Counties.

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Breakthrough

HUD NEWS

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-5824

FOR RELEASE AFTER:
9:30 a.m., Monday
October 26, 1970

ADDRESS PREPARED FOR DELIVERY BY

Secretary George Romney

U.S. Department of Housing and Urban Development

57th Annual Convention
Mortgage Bankers Association of America

Fontainebleau Hotel
Miami, Florida

October 26, 1970

SUMMARY

The Administration has taken several steps to help provide additional mortgage credit to the housing industry. These measures plus the ebbing of overall inflation have made it possible to meet this year's housing goal of 1.4 million private housing starts. To help meet the 10-year goal of 26 million new and rehabilitated homes by 1978, Operation BREAKTHROUGH was instituted. That goal also requires a breakthrough in basic research, land availability and cost, in market aggregation, in prohibitive building codes and zoning, and in availability of construction labor.

Breaking Through the Barrier to Housing Progress

I am happy to appear once again before this distinguished group, meeting under such pleasant circumstances. Last year at your convention in New York I suggested that certain conditions in our country were inhibiting our progress and bringing hard times upon you, upon me, and especially upon those of our citizens who could not obtain a decent home because of our housing shortage.

A number of those same adverse conditions continue to be barriers to our housing progress, but I'm here to tell you we've made some significant strides.

By way of background let me remind you that over twenty years ago the Congress set the now-familiar goal of realizing "as soon as feasible...a decent home and a suitable living environment for every American family." Just two years ago Congress translated that ideal into numbers, saying that we needed 26 million new and rehabilitated units by 1978. Now this figure has been called into question. I don't intend to get into a discussion of that, but we must keep in mind that it is a goal -- a help in planning for future needs. A year ago many experts were predicting that housing starts would fall below an annual rate of one million. It was at that time that President Nixon supported my recommendation that we should develop a program to achieve at least 1.4 million starts in 1970.

At this point it's possible to say that, barring some unforeseen calamity, we will exceed that goal. In the third quarter of this year, the annual rate of private housing starts was just over 1.5 million. We think the fourth quarter figure should be higher still, just as predicted, and that the total for the year will be above our minimum target of 1.4 million. In the worst credit crunch since World War II, starts would have dropped below a million if we hadn't really worked at it.

One area that has helped considerably in meeting the goal is our success in providing more mortgage credit. This administration promised to take certain important steps that would help secure adequate availability of residential mortgage money. We have fulfilled that promise.

Our plans called for FNMA, GNMA, and the Federal Home Loan Bank Board all to continue policies of vigorous direct support of the mortgage market for as long as necessary. They did this. Since early 1969, the total funds supplied by these agencies has amounted to $15 billion, about $6 billion of which has come this year.

We announced that Treasury, HUD, and other agency officials would pursue discussions with groups of financial institutions aimed at increasing in rate and quantity the voluntary flow of funds from these sources into the mortgage market. We have accomplished this and have received pledges for $2 billion of mortgage funds that wouldn't have come into the market otherwise.

As promised, we developed a full-scale program for marketing GNMA-guaranteed mortgage-backed bonds in substantial volume to attract new investors and new sources of funds into the mortgage market. To date $1.35 billion of such bonds have been offered for sale. In addition, commitments have been issued to guarantee $376.3 million of pass-through securities, of which $109.1 million have been marketed.

The Administration asked for legislation authorizing appropriations for subsidy payments to the Federal Home Loan Bank System. This would enable the Bank System to lower the rate on advances made to member savings and loan associations, thereby stimulating an adequate flow of mortgage credit from these associations -- our most important source of conventional home mortgage financing. Enabling legislation has been enacted, but we're still waiting for the Congress to appropriate the necessary funds. An appropriation for this program, as you know, was contained in the HUD - Independent Offices appropriations bill that the President vetoed last August. I hope the Congress can eliminate the inflationary feature of that bill and send a revised version to the President right after the recess is over so that we can get down to the business of helping to build houses.

We also requested legislation to increase the amount of usable funds available under GNMA special assistance functions. We wanted a larger backstop to support the market if such support were needed to meet the housing goals.

The authorization was enacted and we are continuing to examine how best and when to use these funds. Since general conditions in the mortgage market have improved, the urgency of making use of these special assistance funds has not seemed as great as it did last winter.

We asked for a supplemental appropriation to increase contract authority for the section 235 and 236 programs by $25 million each. The Congress actually gave us $35 million additional for each program in Fiscal 1970, and that money has already been spent.

We asked Congress for legislation creating a secondary market facility for conventional mortgages in both the Federal Home Loan Bank System and FNMA. That has also been enacted, and the regulations to implement it are now being developed. I expect operations in conventional mortgages to begin soon after the first of the year.

As you know, we also requested legislation authorizing experimentation with a dual market system for FHA and VA mortgages and exempting such mortgages from the usury limitations imposed by State law. I know many of you are pleased that this proposal did not survive. But our thinking was that in this way we could take a step toward getting us out of periodic confrontations over interest rate ceilings -- where you have to depend on the whims of some HUD Secretary. (Parenthetically, Congress having defeated the free market approach I do consider it my responsibility to establish an interest rate that will reflect the market and provide the lowest possible mortgage interest rate.)

I recognize that many of you want a completely free FHA interest rate. In my opinion, however, that is not a feasible possibility in the foreseeable future. I think that the dual interest rate was a constructive step toward greater freedom in the mortgage market and I am sorry that you could not see a way to support it.

It would be inappropriate for me to say anything specific about what action I might take on the FHA ceiling. But let me emphasize that this ceiling is just that -- a ceiling and not an interest rate that lenders are compelled to charge. There is no question but that interest rates in the securities markets have dropped substantially from their peaks, that everyone hopes and thinks they will come down further, and that funds flowing into the mortgage market are much improved and should continue to improve. I firmly believe that everyone in the mortgage market will be better off when the benefits of these improvements are passed on to prospective homebuyers. (Again parenthetically, there are predictions the interest rate will be reduced for political reasons before the election. You can count on my refraining from politically inspired interest rate adjustments.)

Finally, we requested the enactment of legislation to consolidate, streamline and strengthen the multitude of HUD's subsidized housing programs now contained in so many separate and narrow legislative authorities. Our intention was to provide the essential vehicle for achieving the volume production of subsidized housing called for in the 10-year goals. Unfortunately, this idea also brought an unfavorable response from the Congressional committees.

So, you see, as we consider all these activities of the Administration, we have done what we said we would do. And, in spite of the fact that some of our proposals were never carried out we have met the goal!

Now you can be assured that we're not about to relax our efforts in view of the objectives ahead. This year's housing goals report sets a path of housing production over the decade to meet the 26 million goal. Implicit in that particular path is a housing start level for next year of around 1.65 million units. Most industry estimates go somewhat higher than that. We are now exploring what it will take to go higher -- quite a bit higher.

We expect the mortgage situation to improve considerably, not only because of the measures I have already discussed, but also because of the gradual ebbing of the overall inflation and the relaxation of monetary policy. All in all, I think things are looking up, and I want to do everything I can to accelerate them in that direction.

In my opinion we are at a point of transition. For the past two years money has been the big housing problem. It is still a problem, but from here on I think cost is going to be a bigger problem.

To make a complete breakthrough in meeting housing needs and goals we must attract more money and curb the inordinate excessive rate of cost increase by breaking through many barriers.

We need more money for housing production and more money for housing research -- basic as well as applied research such as Operation BREAKTHROUGH. The pittance of federal money we are spending on Operation BREAKTHROUGH is

for a purpose far more important than the billions still being appropriated for space exploration and the hundreds of millions on the S.S.T.

No field of research will mean more in meeting the everyday needs of Americans than that spent on providing better housing at a lower cost. It is time to reorder the nations research priorities.

Last year I reviewed with you our Operation BREAKTHROUGH, designed to overcome the many housing barriers and to develop improved housing production capability. This doesn't mean just production technology, although we are certainly interested in new and better methods of building. It means also site development, design, management, financing and distribution. It means more productive employment of labor. And it means modernization of building codes and zoning, so that volume production capability is matched by volume markets.

In a relatively short time Operation BREAKTHROUGH has come a long way toward accomplishing these goals. From more than 200 suggested sites for BREAKTHROUGH projects we pared down to nine sites on which we could demonstrate advanced housing systems and improved residential communities. Just last Thursday it was my priviledge to participate in Sacramento, California, in the first groundbreaking ceremony on an Operation BREAKTHROUGH site.

Out of a total of over 236 proposals of housing systems, most of which were excellent examples of what people in this great industry can do, we limited ourselves to the selection of just 22. These complete housing systems are to be put under construction on the nine sites.

In effect, we have skimmed from off the top of the housing industry what we feel is representative of the best available at this time. Some of the proposals have included innovative uses of new materials and production techniques. In other cases the real innovations have been in management, or in financing, or in other features of the housing production and marketing systems.

Once these prototypes have been completed, our department will test and evaluate them. But we will also welcome the participation of professional appraisers in this evaluation. Following this testing phase, we will approach the local authorities to assure them that these designs are at least as good as anything their codes require. As you might suppose, we are convinced they'll be better.

In the final analysis, of course, actual volume production will depend upon local governments, non-profit sponsors, private developers and local housing authorities. They will have to decide after examining the prototypes whether or not they'll apply them in housing programs they propose to sponsor and develop.

We are pleased to present our Operation BREAKTHROUGH display here at your convention. I hope each one of you will have the opportunity to visit it. It will give you a clearer understanding of what we are about in Operation BREAKTHROUGH.

As I spoke to you last year, I indicated our great need to break through in other areas if we are to produce adequate housing people can afford.

We must have a breakthrough in land availability and cost. Our rapid population growth dictates that we plan for expansion ever outward from the crowded city centers. Partly because of this situation, land prices continue to soar. They have taken up too great a share of total housing production costs. We must find ways to cut through this spiraling situation, fed by speculators who buy land cheap, do nothing to develop it's utility, and then sell dear.

Market aggregation is another problem we must solve. Operation BREAK-THROUGH envisions large scale production. This means a heavy investment in plant and equipment, and in managerial talent. It also means that the investment can be recovered only by keeping the production lines running on a continual basis. Continuous production requires a steady stream of orders for the housing -- a continuous demand.

That is the core problem of market aggregation -- the identification and development of volume markets to absorb the volume production of our Breakthrough producers.

Such a volume market must include sponsors, developers and consumers who like the Breakthrough housing, who believe that these are "marketable" units, good values for the dollar. It also must include a steady stream of mortgage money to finance the ultimate homebuyer. We would like to see the entire mortgage banking industry get involved in the financing of Breakthrough housing.

One of the most important barriers to be hurdled is that of building codes and zoning. When it comes to housing production, our country is fragmented into thousands of separate, autonomous jurisdictions. Even in a major metropolitan area, demand for housing is distributed among numerous political jurisdictions, each with its own building code, its own zoning, and its own officials who interpret and enforce those codes. Requirements from one jurisdiction to the next vary so much that a house built under one code might be rejected under the code of the adjacent political subdivision just across the street.

The housing industry has responded to this situation in a way that is every bit as fragmented. Few builders have been able to invest the capital or the management talent required to achieve volume production. Consequently, no single builder produces even one percent of the total annual production. It's obvious, then, that to obtain volume production we must have a breakthrough in these areas.

In fact, a breakthrough in the fragmented organization of the housing industry will probably do more to curb soaring housing costs than a breakthrough just in technology.

Our Operation BREAKTHROUGH hopes to find an eventual solution to the code and zoning problem through its plan to certify the tested housing systems and afford adequate assurance to local officials of the safety and soundness of the housing. On that basis, the system could be accepted within the jurisdiction even though it didn't necessarily conform to the local building codes. This

should be done on a state-wide basis as California did this year. In this way we would gradually develop standards covering broad areas that permit volume markets, volume production and organizations capable of volume operations in all aspects of housing.

Finally, let me get something off my chest concerning breaking through the barrier of construction labor with all its implications.

I noticed that in spite of the hard-hat "rapport" between the Administration and labor, Mr. George Meany didn't seem to be deterred recently in his criticism of the Administration. Well, I'm very happy for such good r apport too, and I hope it continues to grow -- but at the same time I have no qualms about pointing out something I consider to be very significant in the area of labor.

I'll come right to the point of the matter. And that is the fantastic increase in construction wage rates, a continuing phenomenon that is now so excessive that some union leaders themselves are becoming concerned. American consumers need to realize that wage increases not offset by productivity increases ultimately come out of their own pockets. In a recent issue of Fortune magazine, Gilbert Burck said:

> " Construction workers, whose incomes are already inflated far above the national average, siphon away billions a year from the whole public as consumers. This huge appropriation hits the consumer in many ways. It reduces the quality of his life by reducing the standards of the housing he can afford. It greatly raises the price of his schools and public buildings, and the taxes he must pay to support them. It decreases his real

income by depressing the value of the dollar. It contributes to unemployment. It bars many blacks from well-paid jobs. It prevents the nation from coping effectively with the worsening crisis in housing. Because the industry abounds with featherbedding, it wastes wealth in the process of redistributing it. And the industry discriminates against labor with less monopoly power: since average output per employed American is less than $12,000 a year, unduly high wages in construction inexorably result in unduly low wages somewhere else."

The building trades are able to do all this, according to Burck, because they control the labor supply and have created an artificial labor shortage.

The far-reaching effect of this power is illustrated by the Kansas City strike where 22,000 construction workers were off the job for months. The entire metropolitan area was affected, and during one period the strike cost the city's economy $14 million a week. When a settlement was finally reached, the laborers, who were making $4.01 an hour, got a raise of an additional $4.15 per hour spread over four years. That will be enough by 1974 to gross for a laborer some $16,000 per year -- an increase that far exceeds expected growth in productivity.

I'd like someone to try to tell me we don't need a breakthrough in this area. And, as I say, even labor leaders themselves believe we need a breakthrough. Some can see where this is leading. Those of us interested in producing homes for our people at a cost they can afford are counting on the cooperation of the

unions for the overall good of the people. There are some encouraging signs that cooperation will come.

As you are only too well aware, the problem of providing adequate housing and a suitable living environment for the American people bears upon many individuals and groups. And you are one of the most influential of all. Your cooperation is essential if we are to achieve the great task before us.

Someone once said that the greatest invention of all time occurred some 2,500 years ago when an obscure Greek perfected the process of marching men in step. When it was found that a group of men with different backgrounds and interests could coordinate their efforts, that day civilization began.

In meeting the nations increasing housing needs we must make use of that discovery.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-784
Phone (202) 755-7174

FOR RELEASE:
Tuesday
October 27, 1970

FILE COPY

HUD SPURS CONSTRUCTION FOR HOME OWNERSHIP

Secretary George Romney of the U.S. Department of Housing and Urban Development has announced the institution of a plan to expedite housing production under the homeownership assistance program, pending the enactment of the HUD appropriation act for Fiscal Year 1971.

Under this system, known as priority registration, builders and developers of new or substantially rehabilitated projects of five or more units, will be enabled to proceed with construction with the reasonable assurance that they will be able to get Section 235 (homeownership assistance) funding as they need it.

"The primary reason for this new system," Mr. Romney said, "is the limited amount of contract authority currently available."

"The priority registration system," he pointed out, "is not a commitment of contract authority, nor is it a guarantee that contract authority will be available when the buyer's application is submitted."

"However," he stated, "in effect, the new system gives a builder assurance that an eligible buyer's application covered by a priority registration will be considered ahead of eligible buyers of properties not so covered."

The first issuance of priority registrations will cover 35,000 new and substantially rehabilitated housing units throughout the United States.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

STATEMENT BY SECRETARY ROMNEY

Secretary of Housing and Urban Development George Romney today released the following statement:

"House Speaker John McCormack's criticisms of this Administration's housing record amply demonstrate a total lack of comprehension of facts and conditions in this crucial area of national need. Recommendations and policies based on that kind of misunderstanding are the very thing that brought on the 1966 housing crisis under the previous Administration and set the stage for the tremendous difficulties this Administration has had to overcome in the past 20 months.

"The Speaker charges that housing starts are down 25 percent since the Nixon Administration came into office. His number is as out of date as his policies. Housing starts did drop substantially from their early 1969 peak, as everyone knows. But it was only for two months last spring that the decline amounted to as much as 25 percent. In recent months, as this Administration's major housing efforts have begun to take hold, total starts have climbed more than half way back to their earlier peak and there is no doubt about further gains.

"Moreover, in the only sector of the housing picture over which the Government has direct influence -- namely, subsidized housing for low- and moderate-income families -- production not only never declined but in fact has moved steadily and sharply upward to new records. Since this Administration came into office, housing starts for low- and moderate-income

families under all subsidized programs have totaled more than 500,000 units. That's more than half the total production under subsidized programs in all of Speaker McCormack's 42 years in the House of Representatives.

"Housing and the mortgage market have suffered in recent years from the effects of inflation and the stringent monetary and fiscal policy that had to be employed to curb it. That inflation in turn stems primarily from the irresponsible Federal deficits and rises in Federal spending that occurred during the previous Administration. This Administration's efforts to overcome this deep-rooted restraint on housing have far exceeded anything attempted in the past, and every builder and homebuyer knows how those efforts have paid off.

"In the past 20 months, Federal agencies have pumped more than $15 billion of funds directly into the mortgage market to offset the lack of supply from other sources. A major program to tap new sources of mortgage funds by selling mortgage-backed securities guaranteed by the Government has also been developed, and discussions have been held with numerous private lenders to persuade them to increase their volume of mortgage lending.

"In 1966, housing starts declined by nearly 50 percent from their peak. Because of this Administration's massive efforts to support the mortgage market in a period of even greater overall credit shortage, this past year brought nothing even close to that, and now the turn-around is well in hand.

"I welcome the Speaker's concern over the housing needs facing this country. I only wish he had devoted more time to the housing problem at an earlier stage so that the problem to which he refers wouldn't have arisen in the first place."

October 29, 1970

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70- 789
Phone (202) 755-7175

FOR RELEASE
Thursday
October 29, 1970

MORE EFFECTIVE COMMUNITY USE
OF MUSEUMS GOAL OF HUD STUDY

The American Association of Museums has received a grant from the U. S. Department of Housing and Urban Development to prepare and publish a report on how museums can play a more effective role in a community.

The project, being funded under a HUD Urban Renewal Demonstration grant of $51,940, will cover "museum centers," including neighborhood museums, inner-city museums and museum extension services.

Harold B. Finger, Assistant Secretary for Research and Technology, said the project developed out of the growing awareness that museums, in addition to fulfilling their traditional roles in the preservation and study of objects, must utilize their collections to promote greater cultural awareness among those who feel alienated from their communities and its institutions.

"During the past five years, new concepts of decentralized museum centers have evolved," he said, "such as neighborhood museums, inner-city museums, urban centers, and others, but the common denominator of all of them is the attempt to adapt the specific museum program to the needs of the community.

"This new type of institution does not try to bring culture to the underprivileged," but seeks to relate with a neighborhood by using visible, and tangible means of communication."

A community museum may embrace an art, history, or science, a community center, an arts and crafts workshop, a recreation center, an on-the-job training operation, and a learning environment that can effectively utilize these resources for community development, Mr. Finger pointed out.

The inner-city museum is a natural forum for identifying pressing social problems and exhibiting knowledge of potential solutions, he said citing such examples as exhibitions and programs devoted to the subjects of health, including vaccines, cleanliness and diets, or to historical events, such as the birth of Frederick Douglass, the entire Abolitionist Movement, and Black African Studies.

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The report of the American Association of Museums, a national organization representing all museum operations, will provide guidelines to help establish additional museum centers.

For more information: Mrs. Lee Kimche
Special Projects Director
American Association of Museums
2233 Wisconsin Ave., N.W.
Washington, D.C. 20007
Phone: (202) 338-5300

PROJECT NO.: D.C. D-20

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE:
After 12 Noon
October 30, 1970

Remarks Prepared for Delivery

by Norman V. Watson
Acting Assistant Secretary
for Renewal and Housing Management
Department of Housing and Urban Development

to the

11th National Urban Renewal Workshop
National Association of Housing and Redevelopment Officials

San Francisco, California
October 30, 1970

URBAN RENEWAL: THE BUREAUCRATIC PARAPLEGIC

SUMMARY: We have taken on a herculean mission as a nation in trying to eliminate slums and blight. But then we proceed through a series of legislative and administrative restrictions to create a bureaucratic weakling to do the job. The urban renewal program is a classic example, in public administration terms, of the failure to couple authority with responsibility. Unless we begin facing up to this basic issue, we will never be more than partially successful in solving any of the other problems and ills the renewal program is heir to.

I would like to talk today about reform and the urban renewal program.

You know, making the machinery of government work more effectively is very much on the minds of many people in Washington.

This has been reflected in HUD by such actions as the Secretary's organization plan, the decentralization of the decision-making process through the establishment of Area Offices, and through our 1970 legislative program calling for a streamlining and consolidation of the present profusion of separate housing programs.

It is also reflected in the many discussions taking place inside the Administration as well as on Capitol Hill about regional commissions, bloc grants, revenue sharing, and other ways of dealing with our urban problems.

The reason for the current ferment is plain enough. There is a widespread, if not always openly acknowledged, sense of uneasiness that the existing federal efforts to make our cities more livable are not working out as well as we once thought they might.

As the President said in his statement on government reorganization last year:

"The Federal Government has been assigned many new responsibilities in the last several decades -- many of which it carries and many of which it fumbles. Many of the disappointments and frustrations of the last several years can be blamed on the fact that administrative performance has not kept pace with legislative promise."

Nor, I might add, has the legislative reality always kept pace with the legislative promise. Let me come back to that point later.

The fact is, there is a great deal of dissatisfaction with the way many of our categorical aid programs are working. And that includes the renewal program.

We need to take a hard look at the problems of the urban renewal program.

My purpose is not to deny the past accomplishments of the renewal program. There have been many. But no matter how good the program may be, it could be much better. And our job is to make it so. But before we can intelligently discuss reform, we need to know what the problem is.

Criticisms of Renewal

Of course, the renewal program has not been without its critics.

The program has been criticized for recklessly bulldozing people out of their homes.

It has been criticized for demolishing more housing than it has built, and for replacing low-income housing with luxury housing.

It has been criticized for intensifying slum conditions in surrounding areas because of inadequate relocation programs.

It has been criticized in many other ways.

We all know that major strides have been made in recent years to overcome many of these criticisms. Relocation assistance has been greatly improved. Many new housing programs for low and moderate income families have been enacted. A number of counseling and social service programs have been instituted. And citizen participation in renewal is now a reality.

But another problem that is still very much with us is the problem of delay, the sheer length of time it takes to actually renew a project area. Three years of planning and a dozen more years of execution are not at all unusual, as you know.

Part of the delay is attributable to HUD policies and redtape. We have been working hard to reduce the time involved, through the renewal proclaimers, the reduction

of planning documentation, and so forth. But the major cause of delay is at the local level.

Lawsuits, weak market, lack of private financing, resident opposition, changing conditions that trigger new desires and plan changes, foot dragging on the part of local agency officials -- all these factors, and more, contribute to dragging out the length of time it takes to get the job done.

Meanwhile, local enthusiasm wanes, the LPA's energy dissipates, and the phenomenon of "planners blight" continues to cast its pall over the renewal area.

Then add to all of the criticisms and problems I've mentioned the skepticism expressed by a number of economists who doubt that renewal has provided any real net benefits which would not have occurred somewhere in the community or the surrounding areas by private enterprise acting alone.

Of course, the fact that new development may take place in the suburbs doesn't achieve the Congressional goal of eliminating slums and providing a decent home and a suitable living environment for those living in the slums.

But still, we end up with some people taking the view that renewal is a program that costs a lot of money, takes a long time, creates a number of social problems, and may not provide any real net benefits to the nation as a whole.

Revenue Sharing as a Substitute?

If that is the case, as some reason, why not take the renewal money and give it back to the cities in some form of revenue sharing plan, and let them decide how they want to use it?

My own view is that it should not be an "either-or" proposition.

There is tremendous merit, in my opinion, in the Administration's revenue-sharing proposal. It would give the states and cities a substantial amount of discretionary money to meet their most urgent needs, and it would greatly strengthen the capacities of State and local governments -- which is one of the major objectives of the New Federalism.

But the problem with simply converting renewal funds into revenue sharing funds is twofold.

For one thing, a billion dollars allocated in some proportionate manner to all the cities and towns in the nation would be like irrigating the Sahara with a bucket of water.

The other problem is illustrated by a discussion that took place at a conference HUD held several months ago at Airlie House in Virginia with a number of local officials and urban experts.

One of the discussion leaders asked the Mayor of a large Southern city: "Suppose, you were scheduled to get $25 million for urban renewal in the coming year, and we said you could spend it any way you wanted, what would you do with the money?"

The Mayor replied: "I'd double my policemen's salaries."

While that might be a perfectly legitimate first priority from the Mayor's standpoint, the fact is that the slums would still be there and people festering in them.

It seems clear to me, therefore, that you need two types of funding -- revenue-sharing to help Governors and Mayors meet their own highest priorities, and money that is targeted to meet specific needs which Congress has decided should be given a national priority.

Way back in 1949, Congress decided that federal resources should be allocated to the elimination of slums and the achievement of a decent home and a suitable living environment for every American family.

I'm sure that if the money allocated for this purpose were converted to a revenue-sharing plan, and the cities started using the money for policemen's salaries or other non-renewal needs, we would simply see the same kind of public pressure start building up in Congress that led to the passage of the '49 Act in the first place.

Somehow, we have to target funds into the slum and blighted areas if we are to carry out the Congressional mandate.

What's Wrong with Renewal

But is urban renewal, as it is presently structured, the right way to go about the job?

I would submit that it is not.

In my opinion, we have taken on a herculean mission as a nation in trying to eliminate slums and blight. It is perhaps one of the most complex and difficult tasks, filled with countless physical, social, economic, political, and psychological pressures and problems.

But then, having been given this immensely difficult task, we proceed through a series of legislative and administrative restrictions to create a bureaucratic weakling to do the job.

The urban renewal program is a classic example, in public administration terms, of the failure to couple authority with responsibility.

The renewal program has been given the responsibility to eliminate slums and meet our housing needs and provide a suitable living environment, but not the authority to do the job.

Yet most people think it has. And that's why it gets so much of the blame when it fails to perform.

The fact is, as you know only too well, the renewal program is only a limited and partial tool.

It can acquire land, clear it, and prepare it for redevelopment. But it has no authority to build.

In other words, when it comes to making a reality of the pretty sketch plans, it is at the mercy of countless other decision-makers, public and private.

The Housing Bottleneck

Take the question of housing. Renewal has been widely criticized for demolishing more housing than it has built. This criticism ignores two facts. First, there is an inevitable time lag between demolition and completion of new construction. Second, the criticism fails to recognize that renewal is not authorized to finance any housing.

When Congress provides funds for public housing and the other low and moderate income housing programs administered by HUD, it does not earmark a portion of those funds for use in renewal areas so as to insure that sufficient money will be available to provide the housing at the time and in the right amounts and price ranges called for in the renewal plans.

Likewise, within HUD, there is no earmarking or set-aside of funds for use in renewal areas. The result is that when an urban renewal project is ready to go into execution, the housing funds may have been used up, or the feasibility analysis may not have been completed. The result may be months of delay.

Of course, there are two sides to this question of earmarking.

From the LPA's standpoint, the earlier in the planning process it can lock up a reservation on the number of housing units FHA will commit to the project, the more readily it can reassure nervous residents and induce skeptical businessmen to make their investment decisions. From FHA's standpoint, the earlier it makes a reservation, the greater risk it runs that the money will lie idle when it could be used elsewhere in the nation, particularly if the renewal program gets bogged down for one reason or another.

The solution, I think, would be an earmarking of funds for a specified number of housing units to the renewal program as a whole, rather than to specific renewal projects. This would enable us to shift housing reservations from a renewal project that may be lagging to another project that is ready to go. This would then avoid the problem of housing units lying idle.

Another example of the split between responsibility and authority arises over the question of risk appraisal on the housing to be insured or financed in renewal areas. On the one hand, the LPA studies the need, analyzes the market, and bears responsibility for executing the plan that is approved by both the city and the renewal staff in HUD. On the other hand, FHA bears responsibility for making sure the housing represents a reasonable risk for FHA to assume. Obviously there are going to be, and have been, many differences of judgment on the proper degree of risk to be assumed. The result: more delay.

Still more problems arise at the local level. In many cities, the renewal and housing authorities are separate agencies. In some cities, the heads of those two agencies may not even be on speaking terms -- though I'm sure that's not the case with anyone here in this room.

Even when they are on speaking terms, and given the best will in the world, they both have different missions, different timetables and different needs.

For example, relocation is one of the most important problems facing renewal, and public housing can and does provide a potential relocation housing resource. It would be tremendously helpful if when vacancies arise, the units could be held available for persons being relocated by renewal. Many housing authorities would be happy to cooperate. The problem is that if the renewal agency isn't ready to relocate its families at the time the vacancies arise, the housing authority stands to lose rental income, which it can ill afford. As the law stands now, renewal funds cannot be used to lease the units from the housing authority to hold temporarily until the families are ready to be relocated.

Another solution to the relocation housing problem, might be for the LPA to lease standard private dwellings as they become available. But here again the renewal agency lacks the authority.

So far, we have only talked about the bottlenecks the renewal program faces in the area of housing.

Other Bottlenecks

There are countless other illustrations where the renewal program lacks authority to do what needs to be done, or must rely on the cooperation and help of other agencies.

Urban renewal depends for its success on investment by private enterprise to provide for the planned reuses -- be they residential, commercial, or industrial. But if the private developers run into trouble obtaining the necessary financing in the private market, the renewal program runs into further delay. There is no provision for the use of renewal funds to provide, supplement, or backstop the needed private investment.

This problem can be particularly troublesome in areas where the city is trying to encourage minority entrepreneurship Some minority contractors have trouble obtaining bonding. Some need financial assistance for training purposes. The

renewal program has no way to deal directly with such problems.

Some cities are trying hard to emphasize rehabilitation in order to minimize relocation. Yet even rehabilitation sometimes requires at least temporary relocation. But for homeowners, relocation means two housing payments: -- one on their own home, and rent for their temporary quarters. The renewal program lacks authority to help meet this added financial burden.

Then we come to the very important question of providing the public facilities and amenities necessary to provide a suitable living environment in the neighborhood.

Schools are often critical to the success of a renewal project. If a private redeveloper is going to assume risks to provide housing in the area, he is going to want to be sure that the necessary school facilities will be there when they are needed. Yet the decision of whether and when to provide the school depends on the local school board.

As the renewal program is presently structured, there is an incentive to the LPA to actively solicit the help and cooperation of the local school board. But there is no real incentive to the school board, except for the land write-down. The fact that the school can be counted as a non-cash credit does not provide any direct benefit to the school board.

Here again, we are faced with the fact that the school board has its own mission, its own priorities, and its own problems which may not make it possible for it to provide the school facilities when and where they are needed from the LPA's standpoint.

The same is true of other agencies such as police and fire departments, public works agencies, recreation departments, and the like, which the LPA may need to call upon to provide needed facilities as part of the renewal plan.

Then there is the question of the level of services provided in the public facilities.

Even though the school board may be able to provide a school facility when it is needed in a renewal area, it may not be able to provide any higher level of educational quality in the school. Yet a higher level of educational quality might be exactly what is needed most to insure the marketability and lasting viability of the renewal project.

The park department may be able to provide playground equipment for a renewal tot lot, yet be utterly unable to maintain it.

The point I am trying to make with all these illustrations is that while Congress has created a program called urban renewal to help wipe out slums and rebuild our cities, the renewal program is, in a very real sense, very limited when it comes to having the authority and capacity to deal with the many different obstacles to the rapid and successful renewal of our slum and blighted areas.

Contrast this with NASA's program to get a man on the moon. When Congress decided we should go to the moon, it gave NASA the full authority to get the job done. When NASA needed trained astronauts,it didn't have to beseech the Labor Department for training funds. When it needed a launching site, it was not dependent on FAA's review and approval. When it needed a world-wide communications and radar tracking system, it did not have to clear it with FCC. When it needed a landing module to set down on the moon, it did not have to rely on the hope that bankers would find it a good risk and finance it in the private market. When local citizens started complaining about the noise problem, NASA was able to acquire excess land around the launching site, without regard for local zoning codes.

In other words, once the goal and the mission was defined, NASA was given the full authority and the resources necessary to get the job done.

How different in the case of urban renewal!

In my opinion, unless we begin facing up to this basic, underlying administrative issue of authority and responsibility, we will never at best be more than partially successful in solving any of the other problems and ills the renewal program is heir to.

Reforming the Renewal Program

I believe the time has come to start reforming the urban renewal program to give it greater authority and flexibility to do the job we all want to see done.

Here are the major reforms I think we should be considering:

First, we ought to eliminate the legislative and administrative restrictions which tend to limit the scope and flexibility to undertake whatever kinds of activities are considered most urgent by the city. Because conditions and needs vary so widely from community to community, I think it is unwise for the Federal Government to say arbitrarily that priority must be given to a certain kind

of activity, or that a certain percentage of certain kinds of housing must be provided in a residential renewal project. We simply cannot substitute federal planning for local planning without creating a great many problems.

Second, we ought to at least consolidate all the different types of separate programs now funded under Title I of the Act. I see no reason why we should continue to perpetuate all these separate little programs, like the interim assistance, certified areas, concentrated code enforcement, and demolition programs, each with their own set of tight little regulations about what can and cannot be done under each of these programs.

Third, because housing is so important in the renewal process, a method should be devised for insuring that the money for the housing will be available when and in the amounts necessary to carry out the approved renewal plans.

Fourth, because the provision of community facilities is so important to improvement of the neighborhood as a whole, the program should have authority to provide at least some direct financial incentives to agencies which are unable to provide the needed facilities when and where they are called for in the renewal plan.

Fifth, and most importantly, I believe the renewal program should be amended to allow each LPA to use a percentage of its approved budget as a discretionary, as opposed to a contingency fund,to use in whatever way the city sees fit to help deal with whatever problems may arise that are related to the successful completion of its renewal program.

In order to foster closer working relationships between the Mayor of the city and the LPA, where the LPA is an independent agency, it might be advisable to make the use of the discretionary fund subject to approval by the chief elected official.

Advantages of Discretionary Fund

Such a discretionary fund would give the LPA much greater flexibility in dealing with the countless little, but very frustrating and time-consuming problems that arise because the LPA lacks the authority and resources necessary to solve the problem.

I would envision the discretionary fund being used either where other sources of funding are not available, or to provide an incentive or supplement to other agencies and sources of funding.

In effect, what I am suggesting is a "mini bloc grant."

I think it would make an excellent test as a first step toward more ambitious approaches toward carrying out the Administration's commitment to New Federalism.

Surely, if we cannot live with the concept of a small discretionary fund as part of our categorical aid programs, it is idle to talk of more grandiose schemes.

I realize that one possible reaction to this, as well as the other suggestions I've made, is that they will add to the cost of carrying out urban renewal, when there isn't nearly enough money to meet our present demand as the program is now structured.

My reaction is that, within whatever sum of money Congress provides for urban renewal, there ought to be maximum flexibility in how it is used.

To put it simply: the renewal program should be equipped to deal with whatever problems it faces from a position of strength, not weakness.

Thank you.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

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HUD-No. 70-788
Phone (202) 755-7174

FOR RELEASE AFTER:
12:00 Noon, Friday
October 30, 1970

HUD OFFICIAL URGES URBAN RENEWAL REFORMS

An official of the U.S. Department of Housing and Urban Development called today for major reforms in the urban renewal program.

In a speech to a national renewal workshop sponsored by the National Association of Housing and Redevelopment Officials in San Francisco, Norman V. Watson, Acting Assistant Secretary for Renewal and Housing Management, said:

"We have taken on a herculean mission in trying to eliminate slums and blight. But then we proceed through a series of legislative and administrative restrictions to create a bureaucratic weakling to do the job."

He said the renewal program was a "classic example, in public administration terms, of the failure to couple authority with responsibility."

Citing various limitations on the renewal program, especially in the area of housing, Mr. Watson urged consideration of the following reforms:

--Elimination of legislative and administrative restrictions which tend to limit the scope and flexibility to undertake whatever kinds of activities are considered most urgent by the city.

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--Consolidation of all the different types of separate programs now funded under Title I of the National Housing Act (e.g., interim assistance, certified areas, concentrated code enforcement, and demolition programs).

--Devising a method for insuring that money for housing will be available when and in the amounts necessary to carry out the approved renewal plans.

--Provision of some direct financial incentives to local agencies unable to furnish the needed facilities, such as schools, when and where they are called for in the renewal plan.

--Amendment of the renewal program to allow each local public agency the discretionary use of a percentage of its approved budget to help deal with "whatever problems that may arise" that are related to the successful completion of its renewal activities.

The HUD official noted that making the machinery of government work more effectively is "very much on the minds of many people" in Washington.

He said this has been reflected in HUD by actions such as the decentralization of the decision-making process through the establishment of Area Offices, and through the 1970 legislative program calling for a streamlining and consolidation of a number of housing programs.

Mr. Watson acknowledged, however, that "there is a great deal of dissatisfaction" with the way many categorical aid programs are working, including the renewal program.

The renewal program, in particular, he said, has been criticized, among other things, for "recklessly bulldozing people out of their homes...for demolishing more housing than it has built, and for replacing low-income housing with luxury housing."

But, he said, major strides have been made in recent years to overcome many of these criticisms: relocation assistance has been greatly improved, new housing programs for low and moderate income families have been enacted, counseling and social service programs have been set up, and citizen participation "is now a reality."

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-798
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Friday
October 30, 1970

MACON, GA., GROUNDBREAKING NOV. 6
SECOND FOR OPERATION BREAKTHROUGH

The second groundbreaking in Operation BREAKTHROUGH is scheduled for the Macon, Ga., site on Nov. 6, the U. S. Department of Housing and Urban Development announced today.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, under whose direction Operation BREAKTHROUGH operates, will head the list of distinguished guests at the ceremony. Among the guests will be state officials, representatives of Congress, the housing industry, labor, civic organizations, community leaders, planners, architects, and developers. The groundbreaking marks the start of construction on HUD's southern site in its research and demonstration program which is designed to find solutions to problems impeding large scale production of housing throughout the Nation.

In Macon, plans call for construction of 312 housing units to be built by six housing system producers -- Aluminum Company of America of Pittsburgh, Pa.; Boise Cascade Corp. of Boise, Idaho; Building Systems International of Atlanta, Ga.; Christiana-Western Structures of Los Angeles, Calif.; Hercules, Inc. of Magna, Utah, and Material Systems Corp. of Washington, D.C.

Types of prototype housing units to be built on the 50-acre site include single family detached, single family attached, multifamily high rise, multifamily medium rise, and multifamily low rise.

One of the features of the Macon site will be a six-acre lake which will be developed for community use to include recreational features for residents of the development.

Joint developers of the site are Fickling and Walker Inc., of Macon, Ga., and the National Corporation for Housing Partnerships of Washington, D.C.

The two companies will take complete charge of the project under HUD direction, and will be responsible for all phases of construction, maintenance, community relations and financial operations, as well as eventual disposition of the site.

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Operation BREAKTHROUGH is intended to develop a universal demonstration program of model residential communities on nine sites spread across the Nation. The sites will display the best possible methods for volume housing, from land use through design, construction, maintenance and management, to achieve the eventual goal of the finest possible housing for all families at the most economical cost, and in greatest possible quantities.

The program was initiated by HUD Secretary George Romney in May, 1969, to identify and find solutions for the problems blocking large scale production and delivery of housing throughout the country. In effect, it is a full scale attack on all problems of mass production of housing with the goals of building housing units faster, better, and cheaper.

The first groundbreaking was held Oct. 22 in Sacramento, Calif., where approximately 400 prototype housing units will be built. Within a few weeks, the third groundbreaking will be held at the St. Louis, Mo., BREAKTHROUGH site.

Open competitions were held to select sites across the Nation for construction of the BREAKTHROUGH prototype housing units to analyze and demonstrate advances in every stage of home building, with emphasis on industrialization of construction to speed production and delivery of housing.

A total of 218 sites was proposed by communities throughout the Nation and Macon is one of the nine sites on which BREAKTHROUGH prototype housing will be built. The other six sites are in Seattle and King County, Wash., Kalamazoo, Mich., Jersey City, N. J., Indianapolis, Ind., and Memphis, Tenn.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-801
Phone (202) 755-7174

FOR RELEASE:
Friday
November 6, 1970

HUD RENEWAL AID GOES TO SMALL COMMUNITIES

Secretary George Romney reported today that the U.S. Department of Housing and Urban Development, as of last June 30, had approved 864 urban renewal and related projects in 599 cities under 25,000 population. Total grants exceeded $1.3 billion.

He said these small cities, which make up more than 56 percent of the 1,079 localities in the program, range from Port Chester, N.Y. (pop. 24,960), to Barnegat Light, N.J. (pop. 287).

Port Chester received a grant of $476,336 to develop a 5.5-acre project devoted to public and industrial uses. A HUD grant of $179,627 went to Barnegat Light for the 29.6-acre Disaster Area project intended mainly for public use. This project included the construction of 47 units of housing.

Two hundred and ninety-eight of the localities had populations ranging from 10,000 to 24,999, for an aggregate total of 4,857,031. Grants approved for the 298 communities amounted to $866,508,214.

There were 174 localities in the population range of 5,000 - 9,999, with a total population of 1,259,661 for which HUD approved 244 projects utilizing $296,006,230. One hundred and twenty-seven cities had a population under 5,000. These cities, with total population of 384,239, received approval for 152 projects to which HUD allocated $169,559,766 in grant funds. Population figures given are from the 1960 Census. There is no minimum population requirement for renewal programs.

Figures cited above embrace all renewal programs, including Urban Renewal, Neighborhood Development, Code Enforcement, Demolition, Interim Assistance, Community Renewal, and Certified Areas.

The Urban Renewal Program was one of the earliest major programs established to help meet the national housing goal. From the inception of the renewal program in 1949 through June 30, 1969, about $7.0 billion in grant funds has been awarded for approved urban renewal projects. A total of 1,601 urban renewal projects were approved for execution during this period requiring the redevelopment of over 57,000 acres.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-802
Phone (202) 755-7174

FOR WEEKEND RELEASE:
Saturday - Sunday
November 7-8, 1970

HUD GRANT HELPS PRESERVE GREEN RIVER GORGE

Sprawling cities are making contact with raw nature more and more difficult for people in most parts of our country. But the State of Washington, with the aid of a $500,000 grant from the U. S. Department of Housing and Urban Development, has assured a sanctuary for its citizens in Green River Gorge.

The Gorge is an area preserved in its natural state only an hour's drive from Seattle. Also close to Tacoma, it is on the fringe of a metropolitan region containing 1.5 million people.

By preserving the Gorge, the State has kept the growing urban population from destroying an area of natural beauty that can serve as a retreat from the pressures of the city. The project also emphasizes the importance of including open space in urban and regional planning.

The project's value is three fold: it provides an area for regional recreation; it preserves open space for Washington's future population; and it serves as an instrument for shaping urban development.

Jim Whittaker, a member of the Washington State Parks Commission and the first American on Mount Everest, said of the Gorge development:

"I've always been in favor of bringing parks to the people. This project is as good a way as possible to do this.

"Somehow man has to relate to nature. It's difficult to get the feeling of the web of life in a concrete structure. People need to get out to a place where trees are growing and they can see God's handiwork."

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Green River Gorge is 12 miles long, cutting through a course of rock that at points rises 300 feet above the bed of the river. Completion of the entire program of open space preservation would involve acquiring and developing a total of six sites. Two of these will be developed with the aid of the HUD grant.

The Jellum site consists of 120 acres of low-bank riverfront with a series of benches to the uplands. The river bank and benches can be developed into a small day-use area. Swimmers, hikers, and picnickers can reach the site by trail. Camping facilities will also be provided. This site is sure to attract explorers interested in old mining techniques -- equipment from the days when mercury was produced nearby is still there.

The Flaming Geyser site is a private park of about 300 acres. It will be developed to provide both overnight camping and day-use facilities. Its preservation as open space is especially important because this was the first of the six sites to be threatened by conversion to nonrecreation development.

Two buildings now on the Flaming Geyser site will be rebuilt for public use -- a swimming pool and a lodge that can be a center for group activities.

Preparation of this site was carried out in part by a cleanup crew of 12 young men under a State program called the Youth Development Conservation Corps. In cooperation with local schools, the Corps finds jobs for schoolboys and older youths in parks throughout the State, where they learn the principles of conservation, the use of tools, first aid techniques, and the rudiments of survival in rugged country. They live in the parks during the summer months and, under competent supervision, acquire a knowledge of community organization.

The idea of developing Green River Gorge and making it readily accessible to the large urban population in the Seattle-Tacoma area had been under consideration since 1962. During the following years, plans were drawn and studies made to determine ways and means of acquiring the minimum amount of land needed to make the project viable.

In December 1969, the Washington State Parks and Recreation Commission submitted its formal application to HUD, and the $500,000 grant was approved under the Open Space Land program in April 1970. Matching funds were provided from State recreation funds.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-813
Phone (202) 755-7174

FOR RELEASE
Thursday
November 12, 1970

HUD GRANT TO AID COORDINATION OF FEDERAL ASSISTANCE PROGRAMS

Methods to improve the regional coordination of states in certain Federal assistance programs are the goal of a study by the Council of State Governments of the National Governors Conference, the U. S. Department of Housing and Urban Development announced today.

The estimated $87,000 cost of the study is being funded by a grant under the HUD Urban Planning Research and Demonstration program.

The study was instituted to carry out more effectively the requirements of a Bureau of the Budget Directive issued in July 1969. The project will determine now well the requirement for regional coordination is being implemented and to make recommendations for changes to improve the process.

Objectives of the study include the following:

Identification, analysis, and recommendations for improvements in review, evaluation, and coordination of Federal programs, as required by the Bureau of the Budget.

Recruitment and training of personnel in such programs.

Preparation of a national survey of state, metropolitan, and local activities in the operations of federal assistance programs, and development of a set of guidelines for improving these activities.

Plan meetings which will assist officials of all levels of government and others involved in such programs in working out better procedures.

Prepare a report on the first year's operations of the various units and the problems they encountered in implementing the grant specifications.

For further information: William Brussat
Executive Office of the President
Office of Management and Budget
Rm. 9103 - FOB 7
Washington, D.C. 20503

Project Number D.C. PD-26

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-815
Phone (202) 755-7174

FOR RELEASE:
Friday
November 13, 1970

HUD MINORITY BUSINESS WORKSHOP SWITCHED TO WASHINGTON, D.C.

The U.S. Department of Housing and Urban Development's one-day Workshop for Small and Minority Businessmen, originally scheduled for November 21 in Baltimore, Md., has been switched to the Mayflower Hotel, 1127 Connecticut Avenue, N.W., Washington, D.C. The date is still November 21. Registration begins at 8 A.M. on the day of the workshop; the workshop begins at 9 A.M.

HUD's Assistant Secretary for Equal Opportunity, Samuel J. Simmons, and top officials from HUD are holding the workshop -- the sixth of a series conducted in seven key cities -- to tell small and minority businessmen of opportunities available to them through HUD programs.

The workshops are of special value to architects, construction contractors and subcontractors, engineers, housing consultants, certified public accountants, housing sponsors, lawyers, mortgage bankers, real estate appraisers, managers and brokers, urban consultants, and any other businessmen or professionals in the housing field.

Mr. Simmons said, "These workshops will provide our struggling small and minority businessmen with knowledge, as well as access to the practical tools they need for growth and expansion."

A special manual has been published for distribution to these businessmen by the National Urban Coalition/Non-Profit Housing Center under contract to HUD.

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"This manual," Mr. Simmons declared, "is the first textbook of practical knowledge for the small and minority businessmen issued by HUD. It gives detailed information on how each business and profession can use HUD programs to provide profit for themselves and services for the public."

Each day-long session comprises separate concurrent workshops, concentrating on the special interests of similar professions. Each business professional will attend that workshop aimed at his particular discipline.

For example, those professionals involved in real estate will attend the workshop in which the curriculum includes all mortgage insurance, sales of FHA-acquired properties, HUD's Fair Plan, the Federal Insurance Administration, and other related items.

In their special workshops, architects, engineers, and urban planners will hear about such things as the procurement of government contracts, contract opportunities with Federal, state and local governmental agencies, and Government Agency bidder lists.

Accountants, housing developers, lawyers, and housing sponsors will be told how to use FHA's Sections 235, 236, 106, 231, and other programs. They will hear about the Turnkey project, land acquisition and development, financing housing and commercial developments.

Workshops for construction contractors and subcontractors will have lectures on financing for contractors, the Small Business Administration's line of credit, procuring government contracts, and sources for equity and working capital.

Mortgage bankers and brokers will be given information on FNMA's Tandem Plan, GNMA, and training for managers and professionals.

Housing and urban consultants will study the Model Cities program, Metropolitan Planning and Development, Research and Technology, and other relevant programs.

Each workshop will acquaint the business professionals with specific guidelines on the Equal Opportunity affirmative action requirements of all government programs. A question and answer period will be held in all concentrated workshops, as well as in the final general session.

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U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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FOR RELEASE:
Wednesday
November 18, 1970

INDIANS DEDICATE FIRST HOUSING COOPERATIVE

Recent dedication of Lakota Homes -- a community of 100 single-family frame dwellings just outside Rapid City, S.D., climaxed two years of planning and development of the first 100 percent rent supplement cooperative housing project.

Under the Rent Supplement Program, administered by the U.S. Department of Housing and Urban Development, the project received a Federal Housing Administration commitment for $1,650,000.

Monthly Federaly payments will be provided the sponsor for up to 40 years, on behalf of the low-income tenants.

Lakota Community Homes, Inc., is in the heart of Indian country, near the Pineridge, Rosebud, Cheyenne, Standing Rock, and Sioux Oglala reservations.

Occupants of the new housing, 75 percent of whom are Indians, until recently lived on off-reservation land known as the Sioux Addition.

There were no water or sewer services up until two years ago.

In contrast, the new community has the latest in modern conveniences, including underground utilities.

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Technical assistance was provided by the Bureau of Indian Affairs.

At Lakota Homes, Inc., where some families will have incomes as low as $2,400, rental may be as low as $52.90 for two-bedrooms, $60.60 for three bedrooms, and $66.10 for four bedroom units, thanks to rent supplement payments.

All utility charges are included in the rent, and tenants have access to a three-acre park, a hard surface multipurpose playground, and a community maintenance building.

Already ground is being broken for 50 more rent supplement homes in the Lakota community.

HUD is actively engaged in programs to house American Indians with the cooperation of the Bureau of Indian Affairs and the Indian Health Service of the Department of Health, Education and Welfare.

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FOR RELEASE:
Friday
November 20, 1970

ADDRESS BY

Samuel J. Simmons
Assistant Secretary for Equal Opportunity
U.S. Department of Housing and Urban Development

National Conference
National Tenants Organization Incorporated
Robert E. Lee Hotel
Winston-Salem, North Carolina
November 20, 1970

SUMMARY

THE NATIONAL TENANTS ORGANIZATION IS NOW IN A WORKING PARTNERSHIP WITH HUD. This partnership has produced some excellent results for the tenants in low-income housing projects. There is a new lease agreement that for the first time lists the rights of tenants as well as the rights of the housing authority management. There is a grievance procedure ready to be issued. There is a committee working on a manpower training program. This all has been accomplished within a year, and during that time NTO has also helped make the needs of the poor, the minority group American, and the tenant much more visible to other Americans.

When I received the invitation to speak at this conference, I dug out the talk I gave to you last year in Cleveland, and I was amazed. At that time, the National Tenants Organization was young, and the attitude at HUD was a simple one: NTO didn't exist. Whenever your name came up, the prevailing reasoning was that HUD's real constituency were the managers of housing, not the tenants. You were the people on the other side of the fence.

So when I went to Cleveland for that first conference, I went as a friend, not as a HUD official, and you were just another outside organization.

The things I talked about at that meeting now seem to be pretty mild. And that is exactly what you told me when I made the speech. But let me tell you now, that it wasn't considered a mild speech by some of my colleagues at HUD. As some of you may recall, I said that in my opinion local housing authorities were essentially conservative and management oriented, rather than tenant oriented. I also pointed out that local housing authorities were required under HUD regulations to encourage the organization of tenant associations, among other things, if they wanted to become eligible for the modernization program.

That may have sounded mild to you, but that was rank heresy to some of the old housers at HUD, and they let me know it in no uncertain terms.

So what has happened in that one short year?

So much that I am here today as a partner, not as a friend of the family. I know that you know what has been accomplished in those few short months, but let me give you a quick run-down for the record:

First, two major committees were formed to tackle nagging problems that had been bugging the public housing program for most of its 36 years of existence.

There is now a Lease and Grievance Committee, and there is a Manpower Training Committee. NTO has representatives on both these committees and has been working closely with HUD, with the National Association of Housing and Renewal Officials and others in beginning to give tenants the kinds of rights they should have had all along.

As a result of this close cooperation, a new set of lease provisions, which for the first time gives rights to tenants as well as management, are now going into effect. They will be mandatory in every housing authority, and they will include these things:

. A provision that tenants accused of lease violations must be given a hearing before an impartial official or panel, if desired.

. A much better guarantee of privacy.

. An end to a system whereby some authorities evicted tenants summarily and without a chance to protest.

A formal grievance procedure has also been worked out, again in partnership with NTO, and this will be issued soon.

The Manpower Training Committee has come up with recommendations, and we are now trying to put them into effect. The major recommendation was that HUD, with the help of other Federal agencies, should set up training programs for tenants in 10 major cities as a demonstration program. Once the idea has been worked out, we would try to move it on to authorities throughout the country.

So far we have not been able to get the funding we need from OEO, the Department of Labor, HEW, or from HUD itself. But we are not giving up. This program is still a top priority in my office, and it will stay there until we get the money.

Another area in which you have scored a major breakthrough, is in changing the HUD attitude about the basic right of public housing tenants to serve on Boards of Commissioners for housing authorities. Less than a year ago, many of us at HUD considered this a conflict of interest and there was even a tendency to discourage such appointments. But now we have sent out a circular recommending that tenants serve on these boards, and we are not only supporting, but pushing the concept.

Finally, we now include NTO in our constituency when we draft our legislative proposals, and NTO is not at all bashful in telling us when it thinks we are wrong.

The important thing is that HUD is continuously aware that the tenant has rights and that those rights must be protected. We never forget that fact because you don't let us, and that is the way it should be.

I have talked about some of the accomplishments of the past year, and now I would like to mention some of the work we must do in the immediate future. There are a number of major items that are substantially completed, but which we hope to get out soon. HUD is addressing itself to these items now, and NTO should take a strong interest in them also, and I do not doubt it will do so.

But let me put them into the proper context.

As you know, one of my major responsibilities at HUD is in the area of equal housing opportunity. Under Title VIII of the Civil Rights Act of 1968, HUD has a mandate to make fair housing a reality throughout the nation. We are authorized to do that in several ways. One of these is to investigate individual complaints of discrimination in housing, and to attempt to conciliate those complaints. We are doing this out of our regional offices throughout the country, and there have been excellent conciliation agreements under this procedure.

But I know, and you know, that we are not going to bring about the kind of massive changes that must take place only through the processing of individual complaints. We must bring about institutional changes if we are to meet our Congressional mandate.

We can begin that process at HUD and we are doing so.

Let me be very clear about one thing. When I talk about housing opportunity, I mean just that. I certainly do not mean forced integration.

What I do mean is giving minority Americans the same kinds of housing options that white Americans now enjoy in this country. It means giving them a chance to live out where there is some green grass, if that's what they want. It means giving them places to live near the places they work, and those places are moving more and more to the suburbs. That is what I mean by equal opportunity in housing - increased housing options.

We know, however, that hardly any of the lower paid workers in these new suburban factories can find decent housing near where they work. Suburban counties and towns have pretty well priced themselves out of low-income housing, mostly by land use regulations. There is no such thing as an inexpensive house on a half-acre lot in most of our suburban counties, not any more.

But we can bring about increased opportunities at HUD through our site selection policy, which is now completed and in clearance at the Department. This is a policy that will not only involve public housing, as in the past, but all HUD-financed and supported housing. It does not make sense that public housing alone should come under a site selection policy, nor does it make sense that one kind of HUD housing project should be turned down for a specific site, which is later used for a different kind of HUD project. These are the inequities this policy will help solve.

Another policy that has now been completed and is in clearance is that relating to tenant selection. Again, this will not only apply to public housing, as in the past, but to other HUD housing as well.

We are also putting together an affirmative marketing policy, so that developers, real estate people, and others -- anybody in the business of housing -- will not only offer equal housing opportunities to all Americans, but will market their housing in such a way that minority Americans know about it, and have the option to buy or rent that housing if they wish.

This, to my mind, can be an extremely effective new instrument to make housing opportunity truly equal.

There are two other areas of interest to NTO where we are now clearing guidelines and procedures.

Section 3 of the Housing Act of 1968 calls for special treatment for people living in the vicinity of some of our largest housing programs--Section 235 homeownership and Section 236 rental housing, rent supplement housing, and public housing.

This law requires that "to the greatest extent feasible" opportunities for training, employment and entrepreneurship under these programs be given to lower income persons residing in the area of such housing. This applies to all kinds of employment--planning, construction, rehabilitation, and operation of housing.

But what the law says, and how the law is implemented are two different things, and right now not much is happening under that section.

In order to make the law work, we have written guidelines for Section 3 and they are also in Departmental clearance. They should be out soon.

Finally, we are clearing regulations for Executive Order 11246, which

deals with equal employment opportunity in Federally assisted construction contracts. It is particularly relevant to tenants organizations because if properly administered, this order can help open up thousands of skilled jobs in construction projects all over the country. HUD alone pours some 3.5 billion dollars into construction yearly. There are a lot of jobs on those projects, and minority group Americans are not getting anywhere near their fair share of that work today.

These policies and guidelines are of specific interest to you as a tenants organization, but I do not think you should by any means limit yourselves to the public housing and equal opportunity programs at HUD. Your interests span a whole range of HUD programs -- urban renewal, relocation policies, model cities, the workable program requirements, and a number of others.

And you have been showing that interest in the best way possible, by supporting HUD legislation when you think it is the right legislation.

You will notice I did not say you supported all HUD legislation. Nor should you. HUD interests are not always going to coincide with yours, nor are your interests always going to be met with immediate approval at HUD.

I mentioned earlier that ours is now a partnership, and it is. But let me assure you that it is not always a quiet, peaceful partnership. NTO is just as tough as it needs to be to get the job done, and that is the way it should be.

Last year I concluded my remarks by asking for your help. This year, I would like to conclude by thanking you for the help you have given Equal Opportunity at HUD during these past months. Without your help, we would be

a lot farther from some of our major accomplishments than we are today, and I want you to know I appreciate it.

I also want to congratulate NTO on the great progress you have made during that same year.

Last year, I said we must make three things clear.

That the poor are no longer the invisible Americans;

That those with black and brown skins are not the invisible Americans;

That tenants are no longer the invisible Americans.

You have helped make all three categories of Americans very visible indeed in the short course of one year. I congratulate you on that, and I commend you to increasing that visibility every day in the coming year.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-7327

FOR RELEASE:
After 2 p.m.
November 21, 1970

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
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Remarks Prepared for Delivery

by Norman V. Watson
Acting Assistant Secretary
for Renewal and Housing Management
Department of Housing and Urban Development

to the

1970 Conference of the National Tenants Organization

Winston Salem, North Carolina
November 21, 1970

THE ROLE OF TENANTS IN PUBLIC HOUSING

It is a real honor and pleasure to be here with you today. If I'm not mistaken, this is the first time that someone who is responsible for housing management policy in HUD has had an opportunity to participate in a national conference of an organization which champions our real clients, the tenants of HUD-assisted housing programs.

I hope it will not be the last time.

I would like to talk with you today about the role of tenants in public housing management.

It may seem strange in this era of participatory democracy, but the fact is that we really have not addressed ourselves at HUD in any comprehensive way to the issue of tenant participation in public housing management, except for the modernization program.

I think the development of a clear and coherent policy by HUD in this vital area is long overdue, for the simple reason that we have found in many cases,

traditional management practices have not served to achieve effective program operations. The extent of these inadequacies, of course, varies from housing authority to housing authority. But in general, they are reflected in the need for greater sensitivity to the needs of tenants as seen and expressed by tenants; and in the absence of community and a sense of belonging which emerges as a natural result of active participation on the part of project residents in the management affairs affecting their everyday lives.

Because of the growing problems that have emerged in recent years in tenant-management relations, the Department has made some efforts to come to grips with the issue of tenant participation, particularly in the modernization program.

In early 1968, the Department issued a Circular on Social Goals for Public Housing which contained some guidelines to local housing authorities on ways in which they might encourage tenant participation.

Then, in the modernization program, which is being used by 176 housing authorities, the Department for the first time stated that as a condition for receiving modernization funds, local authorities "will be expected to develop programs (for) involvement of the tenants in the plans and programs for the modernization of the project, changes in management policies and practices, and expanded services and facilities."

This requirement reflected the basic premise that "participation brings commitment," and that if tenants took part in the decision-making process, they were most likely to treat the improvements as their own and to have greater pride in and take better care of the improved property.

Since this Administration has taken office, we initiated a meeting with both tenant and housing authority representatives to discuss tenant-management policies and issues. Out of this came joint committees to develop model lease and grievance procedures which have reached final stages of development. We believe

they will mark an important step forward toward better tenant-management relations.

As you probably know, we have already issued a circular based on these meetings, which prohibits the inclusion in public housing leases of certain unfair or unreasonable provisions, such as provisions in which the tenant waives his right to jury trial or to retain his own lawyer in any court actions.

We have also issued a circular strongly urging local authorities to give serious consideration to the appointment of tenants to the boards of the authority, as a means of giving tenants a greater voice in the management of their housing.

But, despite these steps, we still have not developed a comprehensive, overall policy on tenant participation.

The reason, frankly, is that tenant participation is very difficult to define in an operational sense. The questions and issues involved are thorny and complex.

There are a number of people who see it as HUD's responsibility to establish the guidelines spelling out the exact nature and degree of tenant participation. And there are others who say it is the prerogative of the housing authority. And then there are still others who say, "the tenants have already defined them - the 'Establishment' is just having a problem understanding."

I think it would be unwise for HUD to define and prescribe the exact form of tenant participation for a number of reasons. The entire question of tenant rights and responsibilities is so new and complex, that any attempt on HUD's part to set its boundaries and scope would be premature. Definitions at this point would only be delimitations.

Further, the extent of tenant participation varies from public housing project to housing project. The needs of tenants in one public housing project may be different from those in another, and the conditions affecting management's ability to respond to these needs

may vary from one project to another. A blanket statement by HUD defining the parameters would serve only to underestimate opportunities for tenant involvement in some areas and overestimate them in others.

But, having said that, I think there are many things HUD can and should do to help both tenants and housing authorities work toward more effective and meaningful forms of tenant participation.

This will not be an easy task. But I think it is time we grasped the nettle.

The need for more positive leadership by HUD is particularly important because the reluctance in the past to venture into the specifics of what was meant by "meaningful tenant participation" has resulted in a lack of adequate direction. Although some Authorities have developed very meaningful forms of tenant participation on their own, for the most part, management--although with good intentions -- has tended

to interpret tenant participation superficially. Participation, in some cases, became merely tenant presence at "tell me what's wrong sessions," at sessions called to select playground equipment, or in surveys where tenants were asked if they agreed with management's proposed improvements. Let me assure you that these examples in no way reflect what is meant by meaningful participation.

In my opinion, the term "meaningful participation" means involvement.

It means "being a part of the decision-making process."

It seems to me there are two basic roles for HUD to play. It can establish some basic principles to serve as a framework for working out specific types of tenant participation at the local level. And it can establish a process to help reach agreements on the role tenants should play in housing management.

Let me discuss each of these in a little more detail.

Principles of participation

Specific parameters of tenant participation and responsibility should be better defined, clarified and agreed upon in communications between a Local Housing Authority and a truly representative tenant organization. This should be an ongoing process, characterized by continuing recognition on the part of both management and the tenants' organization of each other's realm of responsibility.

For the Housing Authority, this means awareness that tenant input into management decisions means much more than participation in beautification programs or social events held for children, and that it can only be meaningful if it is involved with the policy making and evaluation aspects of housing management.

For tenant organizations, this means keeping in mind that final decision-making authority must rest with the LHA, that housing must be managed within definite financial constraints, and that there are certain

difficult decisions which must be made by management if the project is to remain socially and financially viable; namely, decisions on tenant selection so as to achieve a socio-economic mix, rent increases to keep up with increasing costs, and evictions for non-payment of rent.

Only within these boundaries, and in well-directed negotiations between tenant organizations and housing authorities, can the true scope and possibilities of tenant participation emerge - as long as these negotiations are carried out with the utmost emphasis on flexibility and experimentation.

Another important principle is that the officially recognized tenant organization should represent the majority of project residents. In many cases, there may be rival factions, and the recognition of the group to deal with the LHA as the "legitimate"tenant organization may sometimes be disputed. Problems involved in proving representation have been major roadblocks in the creation of viable tenant-management relations, and have surfaced as major symptoms of the growing pains of tenant involvement.

In cases where this problem does arise, HUD and Housing Authorities should encourage fair and open elections, since, traditionally, proof of representation has always been measured by the results of voting. As long as proof of representation remains irrevocably linked in the American mind with election, and I think that this will be forever so, both tenants and local housing authorities should make every effort to establish tenant organizations through the election process.

To assure fair election results, it may be desirable under some circumstances to rely on an impartial third party to establish voting rules and procedures and to set up the ballot. Nonprofit community institutions, or university affiliated groups, could serve this purpose well.

Once a tenant organization has been established, it can then begin the process of communicating adequately with management. What is needed to make the communications process work is a willingness and commitment on the part of both the tenant organization and management to view good

tenant-management relations as crucial to achieving the objectives of the public housing program.

For both tenants and management, it means viewing the communications process as not one of win or lose, but as one of give and take. It means minimizing actions which will evoke hostile, defensive, and therefore, unresponsive behavior.

More importantly, it means mutual trust, which can be developed only by degrees and in the slow process of growing together. Success in resolving problems breeds further success. Therefore, where major issues are involved, they should be broken down into small parts, and those problems easiest to resolve should be tackled first. As the tenant organization and management learn to work together in resolving the more simple problems, the complexity can be increased. I think this process and approach will offer the greatest likelihood that the major issues between management and tenants will be resolved on a mutually acceptable basis.

A Process for Participation

With these general principles in mind, it seems to me that HUD can play an important role in helping management and tenants to resolve some of the many specific issues that are bound to arise.

As I mentioned earlier, HUD played an important role in bringing NTO and NAHRO together to resolve some specific issues in the areas of lease and grievance procedures.

With your cooperation and NAHRO's, I propose to apply the same process to the entire issue of tenant participation in public housing management.

I plan to invite your participation in a working task force to help us develop appropriate policies and guidelines for the organization and participation of tenants in housing management.

It may well be that through such a task force we might be able to establish a "model" for tenant participation, just as we are in the process of establishing model lease and model grievance procedures.

A few housing authorities have already worked out formal agreements or memoranda of understanding with their tenant organizations, covering a wide range of items.

For example, one such agreement covers such matters as: how often the authority will meet with the organization, what information and reports the authority will make available to the tenants organization, what input the organization will make with respect to the hiring of authority personnel, what form of notification will be provided to tenants on job openings that become available, how evictions will be handled, and so forth.

When we convene the task force, I plan to ask it to give consideration and make recommendations on such issues as the following:

--What HUD's policy should be with respect to making some manner of tenant participation mandatory in housing authorities which are not now participating in the modernization program.

--What groundrules should be established concerning the holding of elections and insuring the representativeness of tenant organizations on a continuing basis.

--What areas of housing management a tenant organization should be involved in.

--What degree of participation the tenant organizations should have in each of the areas of involvement.

--Whether there should be any minimum standards established concerning tenant participation.

--How the entire process of tenant participation can be monitored and evaluated to determine its effectiveness and to identify problems and obstacles to the process.

I think you will agree that if we can find specific answers to many of these questions, we will have made a long stride to achieving the goal we are all seeking -- to provide safe, decent shelter for low income families in a manner that respects the dignity of the individual and provides the maximum opportunity for individual growth and resourcefulness.

I hope both NTO and NAHRO will join wholeheartedly with us in this effort, for I pledge to you that we in HUD are firmly committed to developing a more meaningful policy on tenant participation in public housing.

We do not intend to allow the issue to be swept under the rug, just because it is a difficult issue to deal with.

With your help, we are going to do everything we can at HUD to make sure that public housing becomes something more than a program to provide shelter. We intend it to be a program for people -- for the benefit, enjoyment, and fulfillment of each individual resident.

I know you do too, and we look forward to working closely with you to achieve that objective.

Thank you.

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Random House, 1955
97 p.

Bibliography: p. [95]-97.

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FOR RELEASE AFTER:
2:00 P.M., Saturday
November 21, 1970

HOUSING AUTHORITIES URGED TO SHOW 'GREATER SENSITIVITY' TO TENANTS' NEEDS

Local housing authorities were urged today by an official of the U.S. Department of Housing and Urban Development to show "greater sensitivity" to the needs of tenants as "seen and expressed" by them.

Addressing the 1970 Conference of the National Tenants Organization in Winston-Salem, N.C., Norman V. Watson, Acting Assistant Secretary for Renewal and Housing Management, said "a clear and coherent policy by HUD in this vital area is long overdue."

Because of the growing problems that have emerged in tenant-management relations in recent years, Mr. Watson said, HUD has made a number of moves to come to grips with the issue of tenant participation.

The Department, he noted, issued a circular on "Social Goals for Public Housing" in early 1968 which contained several guidelines directed to local housing authorities on ways in which they might encourage tenant participation.

In the modernization program now being used by 176 housing authorities, HUD decreed--for the first time--that as a condition for receiving such funds local authorities would be "expected to develop programs for the involvement of tenants." Such involvement would include changes in management policies and practices, and expanded services and facilities.

Mr. Watson said that since the present Administration took office, HUD has initiated meetings with both tenant and housing authority representatives to discuss tenant-management policies and issues. As a result, joint committees were formed to develop lease and grievance procedures. These have now reached the "final stages of development."

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Based on these meetings, a directive has been issued by HUD which prohibits the inclusion in public housing leases of certain unfair or unreasonable provisions, such as those in which the tenant waives his right to jury trial or to retain his own lawyer in court actions.

HUD also has issued a circular exhorting local authorities to "give serious consideration" to the appointment of tenants to the boards of the authority as a means of giving tenants greater voice in the management of their housing.

"But, despite these steps," Mr. Watson declared, "we still have not developed a comprehensive, overall policy on tenant participation. The reason for this, he pointed out, is because tenant participation involves questions and issues that are "thorny and complex."

"The entire question of tenant rights and responsibilities is so new and complex," Mr. Watson said, "that any attempt on HUD's part to set its boundaries and scope would be premature."

However, the HUD official said, there are many things HUD can do--such as the exercise of "positive leadership"--to help both tenants and housing authorities work toward more effective and meaningful forms of tenant participation.

He told the group that there are two basic roles HUD can play in providing positive leadership. First, it can establish basic principles to serve as a framework for developing specific types of tenant participation. And second, it can establish a process to help reach agreements on the role tenants should play in housing management.

In his concluding remarks, Mr. Watson said that HUD plans to invite the National Tenants Organization and the National Association of Housing and Redevelopment Officials to join a "working task force" to help develop policies and guidelines for effective tenant participation in housing management.

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HUD news feature
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

HUD-No. 70-827
Phone (202) 755-7174

FOR WEEKEND RELEASE:
Saturday, Sunday
November 21-22, 1970

HUD'S "UNIVERSITY WITHOUT WALLS" PROVIDES ON-JOB TRAINING

Employees of governmental units in 14 States are currently earning academic degrees by taking advantage of the highly innovative National Urban Studies Program's "University Without Walls," initiated by the U.S. Department of Housing and Urban Development one year ago.

The National Urban Studies Program offers unique opportunities for professional training and development to State and local governmental personnel while remaining on the job.

Four universities have cooperated with HUD in developing an innovative curriculum format for technology and management instruction that differs substantially from current concepts of academic programing. Each institution developed wholly new programs, at their own expense, to HUD specifications. The Universities of Detroit, Northern Colorado, Oklahoma, and Manatee Junior College have National Urban Studies Programs underway now. Full time employees of State and local governments are eligible for HUD support; Federal and military personnel are also participating under various aspects of the program.

Employee-students, while continuing work and education simultaneously, benefit from numerous specialized features of the "University Without Walls." Programs are individually tailored and flexibly designed to meet the needs of both the employee-student and their employers.

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Specially trained counselors provided by each university work with students in developing a personal course of study. On-the-job experience is assessed and credit awarded for existing capabilities. Previous college level study is also reviewed for accreditation. Frequency of enrollment depends on individual situations. It is possible, however, to undertake an accelerated program and earn a degree in less time than required for on-campus structured degree programs. Studies can be completed for a Bachelor of Arts, Master of Arts or Specialist, and sixth year certificate (doctoral less dissertation).

Samuel C. Jackson, HUD Assistant Secretary for Metropolitan Planning and Development who administers the National Urban Studies Program said, "This program provides an opportunity to interested and dedicated but disadvantaged employees at various governmental levels. The benefits are twofold -- the participating governmental agency, as well as the public at large, benefits from the heightened quality and capability of its personnel. The individual increases in personal enrichment and in opportunity for career advancement. A reservoir of trained, competent public service personnel must be developed to meet the challenge of our accumulated urban problems."

The programs can be established in any community. The basic formats are intensive one week sessions or three day segments of workshops or seminars. Sessions are held in convenient, local facilities with required reading and assignments distributed prior to the sessions. Instructors are drawn from throughout the Nation and include outstanding individuals from the academic, government, and private sectors.

The University of Northern Colorado (UNC), through its Center for Special and Advanced Programs, has a current enrollment of some 1000 students in the National Urban Studies Program. UNC's schedule for this academic year involves more than 200 courses in 10 States. A majority of those taking advantage of work-study opportunity at this time are minority group members and inner-city residents.

UNC is now conducting comprehensive programs in Denver, Colo., Gary, Ind., Baltimore, Md., and Portsmouth and Richmond, Va. The Denver and Gary programs are conducted jointly with the local Model Cities and Urban Renewal agencies. Implementation of additional programs in planning stages will more than triple the number of participating communities within several months.

Degree programs and courses offered through the National Urban Studies Program include urban administration, codes and zoning, urban and regional planning, social services for the inner city, urban sociology and economics, urban design and architecture, and housing management. Urban education courses are also available for participating school systems.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

Phone (202) 755-6376

FOR RELEASE
Monday,
November 23, 1970

AMERICAN TREASURE --
LIBRARY AND OTHER INFORMATION PROGRAMS
OF THE U.S. GOVERNMENT

Speech before the

Library Association of Australia

November 23, 1970

Canberra, Australia

by

MRS. ELSA S. FREEMAN, DIRECTOR

U.S. Department of Housing

and Urban Development Library

Mr. President, fellow communicators, friends and relations. It's exciting to be in your country and your beautiful, established, old, new town Canberra.

Australia is fascinating and the people marvelously hospitable. Thanks to all.

We're not yet experts on your country, but we shall be by the time we leave it at the end of the week. Our definitive, illustrated book will be published immediately upon our return.

This speech was prepared about a month ago. Since then, we've roamed in various parts of the South Pacific. Like most travelers, I have not kept abreast of home developments. Great upheavals may have occurred, though I doubt it; governments moving as ponderously as they do.

How should one characterize the information transfer system of the U.S. government? It is alert, robust, sometimes boisterous, and perennially in need of more money and staff. What bureaucracy isn't? Moreover, it does not constitute a single bureaucracy. -- Thanks be. This overview is that of <u>one</u> observer and participant. No one can speak for all of us. -- Not Quincy Mumford, Library of Congress - the highest ranking U.S. librarian - who is also Chairman of the Federal Library Committee, nor Andrew Aines, Chairman of the Committee on Scientific and Technical Information. Nor can the Chairman (not yet named) of the new National Commission on Libraries and Information Science. Moreover, they are people of too much judgment to assume such a role.

Evidence of the vigorous state of the information picture in America is the fact that about 300 names were suggested to President Nixon to fill 14 commissioner positions on the newly legislated National Commission on Libraries and Information Science. (The Librarian of Congress is an ex officio member.) This is about the highest number of names ever submitted to the White House for any comparable group. The National Commission will devote itself to insuring optimum provision for all library and information science services - state, national, public, private, special, school, and university.

When I left, the Commission members were selected but not announced.

I hope I'm not confusing you with assorted interagency committees. We poke fun at committees but dearly love them. Aside from providing an opportunity to escape the minutiae of your job, they accomplish much when there are multiple interests, individuals and points of views to be coordinated, negotiated, and reconciled. Once when we were at a church conference, in the midst of a fervent discussion, a banker asked, "I wonder what would have happened if God had sent a committee instead of Jesus?" After our first startled and amused reaction, an engineer scored with: "Yes, but remember, Jesus promptly organized a committee - the Apostles."

This is neither the occasion nor the country in which to delve into the debate that sometimes flourishes on the role of government libraries in relation to other information programs. Suffice it to

say, the conclusion of two recent studies[1/2] is that federal agencies need comprehensive and integrated information systems; that most federal libraries can make a greater contribution to agency information programs than they have in the past, and that they should be given the resources to do so. I heartily concur. Indeed, I believe that previously disparate groups are acting conjunctively more frequently and sometimes merging. All to the good.

Perhaps you should know my credentials for presenting even a quick review, aside from the fact that it is easy to be an authority this far from home. I serve on several interagency correlating mechanisms: the Federal Library Committee, its Executive Advisory Committee, on one of its Task Forces; also, on the Committee on Scientific and Technical Information and one of its Panels. I'm on the Advisory Committee on the Relations of Libraries and Extra-Library Information Programs in the U.S. government. I've had experience in four federal departments.

In this context, when I say federal or government or whatever, provincially, as you've guessed, I'm referring to the U.S. and within that, not even to our own local governments.

Since this is a library association, I shall consider primarily libraries, but also mention the total information picture.

The entities I'll elaborate on are: U.S. assistance given to non-government libraries; federal libraries; the Federal Library Committee; federal information resources other than libraries; the Committee on Scientific and Technical Information; and directories of total information sources.

ASSISTANCE GIVEN NON-GOVERNMENT LIBRARIES

Library and information science research funded by the government but performed outside it, is not examined here. Two guides to these activities are cited in my appended bibliography,[3/4] as are all the other publications mentioned. (You see, I am a well broken-in librarian.)

The Educational Research Information Center (ERIC) of the Office of Education has established an ERIC Clearinghouse on Library and Information Science that keeps abreast of research. Apart from the ERIC network, a new high level Associate Commissioner for Libraries and Education Technology has been appointed at the Office of Education, adding strength and status to the support of libraries.

In addition to research aid, the government has an extensive grant, contract and assistance program to help the nation's non-federal libraries. Most are described in the "Catalog of Federal Domestic Assistance."[5] The majority of the grants are administered by the Office of Education, but many other agencies assist and comfort. These include the Government Printing Office's free publications depository library system, and the Library of Congress' books for the blind and physically handicapped. My own Department of Housing and Urban Development, for example, in its programs relating to model cities, urban renewal, demonstration grant, comprehensive planning assistance and community facilities, provides some form of aid to libraries.

FEDERAL LIBRARIES

To return to the federal libraries themselves, at the last count, 1,950 were identified. We know there are more. Contrary to general opinion, most are not located in Washington, D.C. They are the military (60% of all federal libraries), those of the U.S. Information Agency and the regional libraries of government departments. However, the libraries in the Washington metropolitan area tend to be the larger ones. The highest concentration of research and exhaustive collections is in that region.

All together they comprise a vast intellectual resource.

The federal libraries range from the Library of Congress, probably the largest anywhere, to one-man, one-room emporiums. They include the most significant medical collection in the world at the National Library of Medicine, the most comprehensive agricultural collection at the National Agricultural Library. Federal libraries hoard all sorts of unique materials, such as British Child Labor Reports (Labor Department Library); Tibetan materials, books on magic (Library of Congress); military unit histories (Army Library); nurserymen's catalogs (National Agricultural Library); Western American Art (Dwight D. Eisenhower Library); epitaphs (Smithsonian Institution Library) and so on.

A survey sponsored by the Federal Library Committee has been published: "A Study of Resources and Major Subject Holdings Available

in U.S. Federal Libraries Maintaining Extensive or Unique Collections of Research Materials,"[6] and it's as vast as its name.

This copy will be a donation, as are all the other goodies on display. Additional copies of them may usually be obtained from the issuing agencies. The Resources study is a descriptive cataloger's delight or nightmare, as the case may be. Wait until you see the cover, title page, spine, each with varying complex information. Anyhow, what that doctoral dissertation title means is that it is a list of the research resources of federal libraries. The collections of 188 out of the 2000 libraries were categorized as being of research, exhaustive or unique calibre. Definitions for these terms are included. For the first time, the significant holdings of federal libraries are described on a coordinated and comparative basis. Tables list major resources by library, geographically, and by subject. There are also detailed tables by bibliographic aids and card indexes maintained, and by special and unique collections. Availability of materials for reference or loan was a prime consideration and duly noted. Since accessibility is important, security classified collections were omitted.

Of the 188 research collections, the subject with the highest number of locations reporting holdings (29) was mathematics. Physics was second. The fewest locations were reported for religion. Americans do separate church and state.

Holdings of most of the libraries include monographs, documents, reports, serials and foreign language material. The majority have

non-book media such as films, tapes, records, maps, microforms. Coverage on 438 subjects were rated exhaustive - this means that for 438 subjects, some library endeavors to have everything ever written in all languages. You see why we want to advertise the wares of federal libraries.

We hope this tome will be used for acquisition development, reference, interlibrary loan. It also indicates serious gaps and weaknesses. The findings may serve as the basis for a coordinated network of federal libraries.

Don't forget this study describes only 188 of the almost 2000 libraries that serve the Legislative, the Executive and the Judicial Branches of the United States government. Many of them, especially those on military bases, are like public libraries. Many are school libraries on Indian reservations and military bases. Some are Presidential, such as the F.D. Roosevelt, Truman, Eisenhower Libraries. Some are academic, such as the Air University, and West Point.

All of the libraries, whether internationally renowned or highly restricted, support their agencies' missions. In addition, most try to serve all users since the libraries are publicly supported. Types of service may range from a sophisticated, computerized pattern, such as MEDLARS, STAR and MARC, to rudimentary. Most index, abstract and issue an announcement bibliography in their specialized fields.

Increasing recognition, funding and status are being accorded agency libraries. They are becoming more involved in research planning and decision making. This is reflected in multiple ways. Not the

least of these are two highly visible manifestations: Many libraries are housed in new, handsome, functional, inviting physical facilities. The larger libraries are gradually automating. For some of us, automating is more gradual than for others. But we'll have the advantages of the tenth generation computers when we do.

The question of charging for library and other information services is under discussion. At the moment, the trend seems to be towards fees. I'm not foolhardy enough to predict what will emerge; perhaps a combination of free and paid services.

FEDERAL LIBRARY COMMITTEE

Government librarians are collaborating on many projects that are described in some of the Federal Library Committee publications on display.[7/] Federal librarians have been cooperating for a long time with each other, with state, and local agencies, with foreign governments and institutions and with the private sector. They have done this individually and via the professional associations. American librarians in general, and Washington librarians in particular, are highly organized and very active in professional societies. My esteemed husband is convinced that whenever three librarians meet, they arrange themselves in alphabetical order and call a conference. Anyhow, in 1965, an official structure and impetus was given to cooperative effort by the formation of the interdepartmental Federal Library Committee. One of its purposes is to promote more effective service to the Nation. This includes international commitments,

where applicable. All sorts of efforts are going forward in automation, community relations, statistical standardization, networking, resources analysis and development, interlibrary loan, procurement, physical facilities, public relations (as in libraries, improving image of), recruitment, personnel standards, education, vacancy rosters and so on. It is anything but a cemetery of dead and unused ideas. Progress is even being made on some of these ambitious projects.

All of you, as dedicated librarians, will naturally want to read the July and October double issue of the "Drexel Library Quarterly,"[8] devoted to the Federal Library Committee. It will provide the documentation that may be possible, but insufferable, in a talk.

INFORMATION RESOURCES OTHER THAN LIBRARIES

I'm not considering tonight the vital federal public affairs, public relations type of information that is oriented primarily to press, radio, TV, speechwriting, production and distribution of popular publications.

Apart from these public information activities and libraries, other major federal technical information resources surge on. Many are manned by librarians and information scientists. They include organizations such as the National Technical Information Service (formerly the Clearinghouse for Federal Scientific and Technical Information). It specializes in handling reports that result from government research under outside contract. Its services include storing, abstracting, announcing, providing reference assistance, and most important, selling hard copy and microfiche. Undoubtedly,

many of you subscribe to NTIS's primary publication, the semi-monthly "U.S. Government Research and Development Reports."[9]

The vast and well-known Government Printing Office announces and sells the publications issued by the agencies themselves in its "Monthly Catalog of United States Government Publications."[10]

There are federally supported information analysis centers. These perform all the functions of a library, plus the analysis, evaluation, synthesis, repackaging of information and data by subject experts at a level not generally achieved by most libraries. Usually, they concentrate on a limited field such as the Chemical Kinetics Information Center. A 1970 guide to analysis centers is offered among the treasures here.[11]

COSATI

Parallel with the activities of the Federal Library Committee and antecedent to it, are those sponsored by the Committee on Scientific and Technical Information (COSATI) organized in 1962. I'm pleased to note that increasingly cooperative and consolidated efforts involving both groups are moving forward. COSATI also is interdepartmental with some officials serving on both committees. Generally speaking, COSATI's membership and emphasis is more towards scientific research and development, though it is trying to expand into the social and behavioral sciences. Its primary objective is to develop a coordinated, decentralized, scientific and technical information system among the Executive agencies and with other

national systems. Its members are frequently in a higher echelon than the librarians. They tend to be officials in charge of technical information programs which may include the library. But many of the concerns cover common ground and merge.

Typical COSATI tasks relating to information handling are to: identify problems; review adequacy and scope of agency programs and establish new ones; recommend standards, methods and systems for uniform adoption; identify and recommend assignments of responsibility among agencies; recommend management policies to improve the quality of scientific and technical activities. Among other things, COSATI has developed a microfiche standard, a descriptive cataloging and a format standard for technical reports. COSATI panels are exploring areas such as legal aspects of information systems, information analysis centers, synoptic data, national systems, technology utilization and dissemination, international information activities. COSATI is concerned with more than recorded information in the literature sense. They aim to cover telecommunications and data monitoring such as satellite data. They try to bring together the people who probably represent the world's largest generators, handlers, processors and disseminators of knowledge. The current "Brief Guide to Sources of Scientific and Technical Information,"[12] was partially sponsored by COSATI. Copies are here tonight of its annual reports and speeches by its Chairman that describe in greater detail, agency accomplishments and objectives in technical communications.[13-16]

DIRECTORIES

To cite one recent example of the dynamism of the information picture: In the United States today, belatedly, there is a great solicitude about the environment. Almost immediately, the importance of information about the environment was recognized. I hope, by the way, the less industrialized nations in this part of the world will benefit from our experience and not allow pollution to defile the beauty of these lands. The Executive Office of the President's Office of Science and Technology sponsored a symposium on the Study of Environmental Quality Information Programs. Incidentially, when I attended that symposium, I believe I was the only one who appeared without my computer. One of its results is a draft "Directory of Environmental Pollution Information and Data Programs"[17] that includes libraries.

Believe it or not, this speech does not aim to be a directory of directories. Since an enumeration of all sources would overwhelm everyone, I am trying to mention some of the prime government or government-sponsored nationwide guides. Another good one, that includes both private and public libraries and other sources, is the 5-volume series issued by the Library of Congress, National Referral Center: "A Directory of Information Resources in the United States"[18] The first volume appeared in 1964 and the latest in 1970.

GENERAL COMMENTS

The United States government, for better or for worse, is becoming increasingly involved in all of men's concerns. Its library

and other information resources reflect this. As greater demands, both domestic and foreign, are made upon them, they both anticipate and respond with an expanded range of services and collections.

All communications media are growing more powerful. As communicators and transmitters of knowledge we are doing much to enlighten. Sometimes our treasure is undiscovered and unused; sometimes it is raided. Generally speaking, we need to better market and share our intellectual wealth. Nationally and internationally, we have much to receive in exchange. We are mutually interdependent.

We are acutely aware of unmet needs, both stated and unformulated. Undoubtedly, even the most perceptive of us are unaware of others. However, most of us are trying to improve the collection, organization, storage, retrieval, analysis, announcement, dissemination, utilization and sharing of information. We are attempting to serve the world, not to recreate it in our image.

Please ask questions or challenge anything I've said. This has been one person's overall, non-comprehensive review. One could talk for two days on the subject and guarantee a comatose state in the Library Association of Australia.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-841
Phone (202) 755-7174

FOR RELEASE:
Tuesday
November 24, 1970

CENTURY-OLD COVERED BRIDGE RESTORED WITH HUD GRANT

The oldest covered bridge in the West, after 108 years of continuous service, will shortly be retired from active use and given an appropriate setting as an area landmark.

Even though Bridgeport Covered Bridge in Nevada County, Calif., will cease to carry traffic, it will not be abandoned. It is scheduled for restoration as an historic site with the aid of a $30,000 Historic Preservation grant from the U.S. Department of Housing and Urban Development. The bridge will then serve as a main feature in a park and recreation complex which is being developed around the bridge.

A new bridge spanning the South Yuba River will be constructed at another site.

The Bridgeport Covered Bridge was built by the Virginia Turnpike Company in 1862 as part of a 14 mile toll road. The Virginia Turnpike was a portion of the major roadway connecting famed Virginia City, Nev., and other silver mining communities, with the commercial centers in California.

Privately owned turnpikes were common since county governments lacked the resources to build and operate roads to accommodate the influx of travelers during the 1848 Gold Rush. The California Legislature authorized county governments to grant franchises for private construction and operation of toll roads. Rates, designed for all possible passage, were established by the counties.

Traveling the 14 mile Virginia Turnpike and crossing the Bridgeport Covered Bridge in 1862 cost a horseman 50 cents. For those on foot, the charge was 25 cents. Passage for a team of eight horses, mules, or oxen, cost the maximum of $6.00.

Age is not the only distinguishing feature of the bridge. In addition to being the oldest covered bridge in the West, it is the longest single span wooden bridge in the country, extending 243 feet.

The Bridgeport Covered Bridge, now the property of Nevada County, is a State Historical Landmark.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

FOR IMMEDIATE RELEASE:
Wednesday
November 25, 1970

HUD-No. 70-852
Phone (202) 755-7174

FILE

NEW GUIDELINES ANNOUNCED FOR RENEWAL FUNDING

COPY

Secretary George Romney of the U.S. Department of Housing and Urban Development today announced new policies and procedures governing requests for grant increases--commonly referred to as "amendatories"--to previously approved urban renewal projects.

The new guidelines, spelled out in a circular sent to local public agencies (LPAs), have a two-fold purpose:

1 - To establish long-range policies designed to prevent an amendatory problem from arising in the future; and

2 - To establish policies and priorities governing the approval of amendatory requests.

Secretary Romney said the guidelines are necessary because HUD "is faced with a serious problem in funding the large and growing volume of applications for increases in the funds previously reserved or approved by the Department to carry out urban renewal projects.

"The backlog of applications requesting such grant increases on hand as of June 30, 1970, together with the volume expected in fiscal year 1971, far exceed the amount of funds available to meet this need and still fund new applications."

Norman V. Watson, HUD Acting Assistant Secretary for Renewal and Housing Management, whose office administers the Urban Renewal Program, explained that HUD intends to deal with requests for grant increases in "as fair and equitable manner as possible, in accordance with their urgency of need."

"Our main objective," he added, "is to insure that urban renewal projects are completed as rapidly as possible without sacrificing activities essential to the achievement of sound and viable projects having lasting value."

Mr. Watson said no further grant increases will be provided for renewal projects where the LPA has been placed on notice or mandated to complete the project within the grant approved except:

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a. Where increased costs result from changes in Federal legislation, or

b. When it has been determined that it is infeasible for reasons beyond the control of the LPA to develop a plan for a sound and viable urban renewal project within the grant approved, or, in the case of a project in execution, it is infeasible for reasons beyond the control of the LPA to complete the approved urban renewal plan on the same basis.

Following are limitations which will be placed on requests for grant increases for projects in planning or execution which have not yet received such notice or mandate:

a. In making requests for grant increases, the LPA must show that it would not be practicable to realize the amounts requested by terminations, savings, modifications, or curtailments in other projects in planning. Also, that it would not be practicable to carry it out in stages of two or more projects.

b. No grant increases will be approved for additional activities--those not authorized under the latest approval--within existing project boundaries unless they are shown to be essential to the development of a sound and viable plan. For projects in execution, they must be essential to the successful accomplishment of the approved plan. The same criteria apply to the requests for grant increases in areas enlarged by extending project boundaries.

c. No other grant increases will be approved unless they are for costs incurred for reasons beyond the control of the LPA or resulting from changes in Federal legislation.

Requests for grant increases, Mr. Watson said, will be considered in the following order:

-- Requests for projects in execution with insufficient funds on hand to carry out scheduled activities for the succeeding 12 months and which, because there is only a single project in the community, are essential to the maintenance of an administrative capability in the LPA.

-- Requests for other projects in execution with insufficient funds on hand to carry out scheduled activities for the succeeding 12 months.

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-- Requests for projects in planning which are ready to go into execution and which, because there is only one project in the community, are essential for the same reason cited about for projects in execution.

-- Requests for projects in planning which are ready to go into execution.

-- All other projects in planning.

Mr. Watson noted that for projects in execution, those projects which can be closed out within 12 months will receive 100 percent of the approved grant increase. In the case of projects in execution that can not be closed out within 12 months. they may be funded on a two-year incremental basis, once the city and HUD have agreed on the total amount and time required to complete the project.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-857
Phone (202) 755-7174

FOR RELEASE:
Monday
November 30, 1970

HUD EMPLOYEES RECEIVE PRESIDENTIAL AWARDS

Twenty-six employees of the Department of Housing and Urban Development will receive Presidential Management Improvement Certificates in a ceremony tomorrow for their role as members of a working group in decentralizing HUD's operations to new regional and area offices established in key cities across the country.

The awards were announced by George P. Schultz, Director of the Office of Management and Budget, who advised HUD Secretary George Romney that the group would be honored for its "contribution to cost reduction and improved operating effectiveness within the Executive Branch."

Secretary Romney will personally present the certificates at tomorrow's ceremony at 4:30 p.m. in the HUD Departmental Conference Room.

The first phase in the realignment of HUD's field structure was completed last September 30 with the opening of four new regional and 23 area offices. Additional area offices will be created this year in the second and final phase of HUD's decentralization.

Under the supervision of 10 regional offices, the area offices will have the decision making authority for virtually all of HUD's programs, thus saving valuable time for the beneficiaries of the programs.

The team, consisting of diversified personnel both from the Washington office and the field, was under the direction of Lester P. Condon, HUD Assistant Secretary for Administration, who will participate in the ceremony.

Those who will receive the awards, and their home towns, are:

From the Washington office: Paul Boesch, Bethesda, Md., Assistant General Counsel; Mrs. Ruth Clark, Arlington, Va., Regional Liaison; Mrs. Pamela Hamilton, Columbia, Md., Regional Liaison; Vincent J. Hearing, Potomac, Md., Director of Regional Liaison, Bruno T. Lohrmann, New Carrollton, Md., Equal Opportunity; and James H. Peterson, Silver Spring, Md., Management and Organization.

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From the Atlanta Region: Harold C. Albright, Atlanta, Assistant Regional Administrator; Thomas J. Armstrong, Atlanta, Assistant Regional Administrator; James E. Kirwan, Memphis, currently assigned to the Memphis HUD-FHA Insuring Office; and John B. Stinger, Louisville, currently assigned to the Louisville HUD-FHA Insuring Office.

A certificate will be presented to the widow of Hubert M. Jackson of HUD's Atlanta Region, who died after the work was completed. The presentation will be made by Atlanta Regional Administrator Edward H. Baxter.

From the San Francisco Region: Keith E. Axtell, San Francisco; Robert E. Boldt, San Francisco, Assistant Regional Administrator; Carol Fontaine, San Francisco, and William M. North, Jr., Palo Alto, Regional Counsel.

From the Fort Worth Regional Office: Edward J. Dee, Irving, Texas, retired, and Albert P. Cameron, Jr., Fort Worth, currently assigned to the Dallas Area Office.

From the Philadelphia Region: Assistant Regional Administrators Douglas E. Chaffin, Vincent A. Marino, and William P. Stansbury, all of Philadelphia.

From the Seattle Region: Perry Hobbs, Seattle, retired, and Oscar Pederson, Seattle, Regional Administrator.

From the Boston Regional Office: Robert L. LaPlante, North Andover, Mass., Assistant Regional Administrator.

From the Chicago Region: Don Morrow, Homewood, Ill., Acting Regional Administrator.

From the Denver Regional Office: Mrs. Judith C. Morton, Denver, Housing Production and Mortgage Credit.

From the New York Region: Frank Giacopino, Flushing, N.Y., Financial Review and Accounting Division.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-860
Phone (202) 755-7174

FOR RELEASE AFTER:
12 Noon, Monday
November 30, 1970

HUD OFFICIAL REVIEWS ROLE OF NON-PROFIT HOUSING SPONSORS

A ranking official of the U.S. Department of Housing and Urban Development today cited non-profit housing sponsors whose primary concern is housing the ill-housed as "a significant segment of housing producers."

Speaking before the Shawnee Mission Housing Seminar in Kansas City, Mo., Assistant Secretary Samuel C. Jackson noted that non-profit sponsors responded to the challenge to produce housing for those of low and moderate income, and are now responsible for an estimated 40 percent of all assisted housing produced today.

Mr. Jackson, who heads HUD's Office of Metropolitan Planning and Development, also lauded the non-profit sponsors for providing "black and other minority architects, lawyers, builders, mortgage bankers, and housing managers an opportunity to participate in the profit side of non-profit corporations" and enabling "young minorities to develop expertise in the construction field through training programs."

In stressing the need for attractive and comfortable housing that is not socially or economically identifiable, Mr. Jackson pointed out that housing constructed under the Sections 235 and 236 Federal programs is not low-cost housing but is of a quality that enhances property values in many neighborhoods.

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He also identified some of the barriers to attaining national housing goals and stated, "Merely establishing the vehicle for the production of housing is not enough, we must assure that land is, in fact, available to private developers and nonprofit sponsors who desire to participate in housing production. Many developers who would use Federal housing programs are frustrated in their attempts to secure land. Restrictive zoning is one of the causes of this frustration.

"While zoning serves many quite legitimate purposes, it has also been used throughout the country to preserve racial, ethnic or economic exclusivity. This abuse of zoning prevents the development of low- and moderate-income housing of high quality on land, particularly suburban land, where the construction of such housing is most feasible," he continued.

Mr. Jackson concluded by describing several recent court decisions prohibiting the use of exclusionary zoning as a tool for discrimination.

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AN

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-850
Phone (202) 755-5581
(202) 755-7174

December 4, 1970

THE NATIONAL FLOOD INSURANCE PROGRAM

QUESTIONS AND ANSWERS

1. Q. What is the National Flood Insurance Program and what is it designed to do?

   A. The program was established under the Housing and Urban Development Act of 1968 to make limited amounts of flood insurance, which was previously unavailable from private insurers, available to property owners by means of a Federal subsidy. In return for this subsidy, the Act requires that State and local governments adopt and enforce land use and control measures that will guide future development of land in flood-prone areas in order to avoid or reduce future flood damage. A 1969 Amendment to the Act expands the definition of flood to include mudslides.

2. Q. Who is responsible for the operation of the program?

   A. The Federal Insurance Administrator in the U. S. Department of Housing and Urban Development (451 - 7th Street, S. W., Washington, D. C. 20410) has been delegated this authority by the Secretary of HUD. An advisory Committee composed of representatives of the insurance industry, State and local governments, lending institutions, the home building industry, and the general public assists the Administrator in carrying out the program.

3. Q. How does a community become eligible for flood insurance?

   A. A community may qualify for eligibility by submitting to the Administrator a complete application which meets all of the requirements of the regulations (24 C.F.R. 1910) governing the flood insurance program.

4. Q. What are these requirements?

   A. Appropriate officials of the community or county must indicate that there is a local need for flood and/or mudslide insurance coverage and give evidence of their desire to participate in the program. In doing so, the community's application must first cite the jurisdiction's legal authority to regulate land use; summarize measures (i.e., codes, ordinances, regulations) already in effect which are designed to reduce property damage from flooding and/or mudslides; provide copies of maps showing the areas in the community prone to flooding and/or mudslides and a brief history of flooding and/or mudslide experience in the community; and, if available, furnish copies of any official reports on the community's flooding or mudslide problems. Second, the community must take legislative action formally committing itself to enact by December 31, 1971, and to maintain in force for areas having special flood hazards, adequate land use and control measures designed to reduce exposure to these hazards. These measures must be consistent with standards set forth in the criteria published by the Administrator in the Federal Register (24 C.F.R. 1910, Subpart A). The community must also cooperate with the Administrator in his efforts to bring the benefits of the program to the community.

5. Q. Is there an application form?

   A. No. However, the Administrator will, on request, furnish local officials a check list describing in detail the data required for submitting a satisfactory application.

6. Q. How may a community get assistance in qualifying for flood insurance coverage?

   A. Assistance in qualifying for flood insurance is available directly from the Federal Insurance Administration. In addition, the Governors of most States have appointed a State coordinating agency to assist their communities in qualifying for this coverage and in the development of acceptable land use and control measures.

7. Q. How will it be know when a community becomes eligible?

   A. Notice is published in the Federal Register when a community becomes eligible, and officials of the community are advised of the date when insurance will be made available. Press releases are also made available to the local papers and radio and television stations, and local insurance agents and brokers are informed of the availability of coverage.

8. Q. How does a property owner obtain a flood insurance policy?

   A. After a community is declared eligible and flood insurance is made available, flood insurance policies may be purchased from any local property and casualty insurance agent or broker licensed to do business within the State.

9. Q. What types of properties are eligible for flood insurance coverage?

   A. One to four family dwellings, properties principally occupied by small business concerns, and the contents of these types of properties, are thus far the only types of properties for which flood insurance is available.

10. Q. What is a small business concern?

    A. For flood insurance purposes, a small business concern is defined as one which, together with its affiliates, does not have assets in excess of $5 million, does not have a net worth in excess of $2\frac{1}{2}$ million, and does not have an average net income per year after Federal income taxes for the preceding 2 fiscal years in excess of $250,000 (average net income to be computed without benefit of any carryover loss).

11. Q. How are claims handled under this program?

    A. Flood loss claims are processed in the same way as loss claims for other types of property insurance. A claim is filed with the local insurance agent or broker who sold the policy or with the local insurance company which serviced the policy.

12. Q. What losses are covered by flood insurance?

    A. The policy covers losses resulting from the inundation of normally dry land areas from (1) the overflow of inland or tidal water, (2) the unusual and rapid accumulation or runoff of surface waters from any source, and (3) mudslides which are caused by accumulations of water on or under the ground. It does not, however, cover water damage which results principally from causes on the insured's property or within his control, or from a condition that does not cause general flooding in the area.

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13. Q. What are the premium rates for flood insurance?

A. Insurance at subsidized premium rates may be purchased for existing properties anywhere in the community and for new construction outside the areas of special flood hazards. Insurance at the subsidized rates may be purchased in amounts up to $17,500 for single family homes and up to $30,000 for two to four family homes and small businesses. Contents coverage at subsidized rates is available for one to four family structures and small businesses in amounts up to $5,000. Construction which was begun after the date of identification of the areas having special flood hazards cannot be covered until a detailed rate study for the community can be completed. Actuarial premium rates will then apply to such coverage. The following is a table of the subsidized premium rates:

SUBSIDIZED RATES
(premium per $100)

Based on Estimated Actual Cash Value of Structure	Rates For Coverage on Structure	Contents
For Residential Properties		
1 family, under $17,501; and 2 to 4 family under $30,001	$0.40	$0.50
1 family, $17,501 to $35,000; and 2 to 4 family $30,001 to $60,000	0.45	0.55
1 family, over $35,000; and 2 to 4 family, over $60,000	0.50	0.60
For Small Business Properties		
Under $30,001	$0.50	$1.00
$30,001 to $60,000	0.60	1.00
Over $60,000	0.70	1.00

14. Q. May additional coverage be obtained?

A. After a rate study has been completed and actuarial premium rates have been established for the area, an additional $17,500 on a single family structure and an additional $5,000 on contents will be available. Additional coverages for two to four family structures and for small business up to a maximum of $30,000 for the structure and $5,000 for the contents of each unit will also be available. All additional coverages are at actuarial premium rates.

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15. Q. Is there a requirement for minimum coverage?

A. No minimum amount of insurance coverage is required. However, the amount of insurance carried should be adequate to cover anticipated losses. The minimum premium charged on each policy is $25, with a $4 minimum charge for any change in coverage during the life of a policy.

16. Q. Do flood insurance policies have a deductible clause?

A. Yes. The amount of the deductible, applicable separately to both the structure and the contents, is either $200 or 2 percent of the amount of insurance covering the type of loss, whichever is greater.

17. Q. Is it possible to obtain Federal disaster relief in addition to flood insurance?

A. The Act is designed to encourage individuals who reside in flood-prone areas to pay at least part of the cost of insurance against flood damage. In order to avoid any duplication of benefits, the legislation provides that Federal disaster benefits ordinarily will not be available to reimburse losses covered under flood insurance policies. However, certain types of emergency relief -- evacuation, temporary shelter and feeding, medical care, and loans for the reconstruction of structures for which adequate flood insurance cannot be obtained -- will remain available.

18. Q. What if a property owner doesn't buy insurance once it is available, and his property is damaged by flood?

A. Unless he is a low-income person for whom such a restriction would cause undue hardship, the owner will not be able to get Federal disaster relief to the extent that he could have obtained flood insurance coverage. This restriction against the duplication of Federal benefits applies only if flood insurance has been made available in the area for more than a year and the damaged property is eligible for flood insurance.

19. Q. What is the difference between the "emergency program" and the "regular program"?

A. The Federal Insurance Administration has been authorized to provide flood insurance for a two-year emergency period ending December 31, 1971, without the necessity of first determining the individual community's actuarial premium rates, which is a prerequisite for coverage under the regular program. No substantive change was made in the Act's requirements for the adoption of local land use and control measures as a condition of obtaining flood insurance, and no change was made in the requirement that new construction in special flood hazard areas must pay full actuarial premium rates. The emergency program is intended primarily as an interim program to provide earlier coverage for potential flood victims pending the completion of actuarial studies. The Federal Insurance Administration has no authority under the emergency program either to offer additional limits of coverage or subsidized premium rates to new construction in special flood hazard areas. New construction within a special flood hazard area cannot be covered by any Federal flood insurance under the emergency program but it must wait until actuarial premium rates are established.

20. Q. What is a special hazard area?

A. The statute requires the identification of areas having special flood and mudslide hazards. For inland and coastal regions, an area of special flood hazards generally means the area of the flood plain which is likely to be flooded at least once every hundred years. The special mudslide hazard area is the area where mudslides can reasonably be anticipated by engineers and geologists. These are the areas where property damage could result from slope failure because their soil and geologic characteristics make them subject to instability, when water accumulates above or below the surface of the ground.

21. Q. Can apartment buildings be considered small businesses?

A. No. However, the Secretary of HUD is authorized, once he has determined it to be feasible, to extend flood insurance coverage to other residential properties, such as apartment houses and to other types of properties not presently covered.

It is anticipated that, as the program develops, coverage will ultimately be extended to these classes of property.

22. Q. What is the National Flood Insurers Association?

A. The NFIA is an association of private insurance companies formed specifically to provide flood insurance under the cooperative Government-industry program. It is open to all qualified companies licensed to write property insurance under the laws of any State. The NFIA consists of more than 95 property insurance companies which have subscribed a total of over $40 million of risk capital. Companies that do not wish to pledge risk capital may act as fiscal agents for the association; thus, small companies with limited capital resources are not excluded from participating in the program. The National Flood Insurers Association is governed by a constitution and by an agreement with the Federal Insurance Administrator.

23. Q. What are land use regulations?

A. These are measures such as zoning ordinances; subdivision regulations; building codes; health regulations and other controls for the health, safety and welfare of the people. In flood hazard areas, these are designed to minimize the risks from flooding and/or the impact of flowing water. The objectives are to develop the wisest or most economic use compatible with the flood risks. As an example: (1) The areas most frequently flooded can be reserved for open space types of use, such as playgrounds, parks, parking areas, agriculture, storage areas, etc; (2) Areas less frequently flooded can be used for industrial, commercial and multi-story residential use, with controls on first floor elevations or use, to minimize damages from flooding; (3) The fringe areas, least frequently flooded, might permit all uses including single family homes, provided the structures are anchored properly and first floors are above a safe elevation.

24. Q. Who establishes and enforces the land use regulations?

A. Each State has the primary authority to control land use. In most cases, however, local governments are granted the authority through enabling legislation to adopt the necessary land use controls.

25. Q. What is the meaning of adequate land use and control measures?

A. The Federal Insurance Administration's policy is that the minimum area for control and regulations related to its

Flood Insurance Program should be predicated on the risks associated with the 100-year flood probability. Regional differences in storms of record and topographical characteristics as related to flood hazards must be considered. It is expected that local governing bodies, working with State agencies, will develop standards for land use that will meet the criteria in the flood insurance regulations.

26. Q. Once regulations are established, do existing structures have to meet the new building requirements?

A. Generally, no. There is ordinarily no requirement to either improve or modify existing structures for flood damage protection, since zoning and subdivision regulations are not usually retroactive. However, the flood proofing of existing structures should be an objective of sound flood plain management in developing the highest and best uses of land and in protecting owners against unnecessary losses.

27. Q. Who approves the required land use and control measures?

A. Under the flood insurance program, the Federal Insurance Administration is responsible for establishing the criteria for the required land use and control measures and ascertaining that State and local regulations are consistent with these criteria. The States are also given an opportunity to review local regulations to insure that they meet the objectives of any statewide program for flood plain management. However, final authority for approval, for insurance purposes, lies with the Federal Insurance Administrator.

28. Q. What will happen if land use and control measures are not adopted by communities by December 31, 1971?

A. The National Flood Insurance Act of 1968, as amended, requires that adequate land use and control measures with effective enforcement provisions be adopted and maintained by this date in those communities in which flood insurance is being sold. If this provision is not met, the statute prohibits any new flood insurance from being sold within the community after that date, and existing flood insurance policies will not be renewed.

HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-866
Phone (202) 755-7174

NOTICE OF PUBLICATION
FOR RELEASE
Friday
December 4, 1970

STUDY OF FUTURE URBAN DESIGN PUBLISHED UNDER HUD GRANT

Detroit 1990: An Urban Design Concept for the Inner City, a group of urban design studies has been published by the Detroit City Plan Commission, the U. S. Department of Housing and Urban Development announced today.

The publication, an exploration of the potential urban environment of Detroit 20 years hence, was prepared by a design team under the direction of Charles A. Blessing, Director of City Planning for Detroit. Publication costs were paid for through a HUD Urban Renewal Demonstration grant.

The study examines the potential quality of life in Detroit in 1990, the probable physical environment as it will evolve from the manifestations of how people want to live, the people they want to meet, and the things they want to do. The study was inspired by the belief that the environment can enrich life, and represents a commitment to an urban environment as an alternative to suburban existence.

The report deals with various probable issues of change during the latter part of the 20th Century, including housing, parks, shopping centers, schools and jobs. It seeks:

---to create new design concepts to emphasize the importance of the environment's structure and coherence;

---to promote diversity within the inner city and thus increase the choices open to individuals;

---to help expand leisure opportunities;

---to make the city more accessible to more people.

The study makes comparisions with other cities and their planning, both historic and current.

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Detroit 1990 is a presentation, "not of the Detroit that will be, but rather one of many alternatives that might be." As such it carries implications for other cities as well.

Single copies of the report are available free from:

Charles A. Blessing
Director of City Planning
Detroit City Plan Commission
8th Floor, City-County Building
Two Woodward Avenue
Detroit, Michigan 48226

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-870
Phone (202) 755-7174

FOR RELEASE:
Friday
December 4, 1970

CONTRACT AWARDED FOR DESIGN OF HUD AUTOMATED DATA SYSTEM

The U.S. Department of Housing and Urban Development announced today it has awarded a $228,000 contract to the System Development Corporation of Falls Church, Va. to design and implement an automated report management system for HUD.

When in full operation the system will be an automated source of information about the data which HUD collects. It will operate on HUD's recently acquired UNIVAC 1106 automatic data processing equipment.

The system will serve as a tool to better manage the reporting function, eliminate duplication in reporting, and control the introduction of new reports. It also will serve as a very useful tool in the current government-wide program to reduce the cost of reporting.

The system will be designed to dovetail into the Government-wide effort to standardize methods of reporting factual material. Figuring in the HUD system will be the standardization of data elements and their representations and codes of frequently used elements.

The objective of this standardization effort is to automate data interchange between governmental agencies and thereby reduce the overall cost of reporting within the Government.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-854
Phone (202) 755-7174

FOR WEEKEND RELEASE:
Saturday, Sunday
December 5-6, 1970

MEXICAN-AMERICAN BUILDERS GET $2.5 MILLION HUD CONTRACT

Months of negotiation between the U.S. Department of Housing and Urban Development and a Denver, Colo., based Spanish-speaking organization culminated last month in the award of the largest FHA-insured contract of its kind to a Mexican-American contractor.

The $2.5 million project, designed to accommodate both elderly and younger families, is being built under the Federal Housing Administration's Interest Subsidy Rental Program.

The project is sponsored by the 1500-member Good Americans Organization, a non-profit fraternal body and the largest Spanish-speaking group in Colorado. Contractors for the undertaking are Benjamin Martinez of Arvada, Colo., and Joseph Ulibarri of Aurora, Colo.

Project plans call for 86 efficiencies, 102 one-bedroom and 12 two-bedroom units.

The two-year old FHA Section 236 rental program provides for HUD payments to the mortgagee which reduce rental of low-income tenants by paying part of the interest on market rate projects.

The Denver project is the first under a HUD subsidized housing program to be sponsored, planned, and developed by Mexican-Americans.

Eugene A. Gulledge, HUD Assistant Secretary for Housing Production, Mortgage Credit - FHA Commissioner said, "I am delighted to see this contract become a reality.

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"I have long been dedicated to the proposition that to meet the housing needs of people properly, the meaningful involvement of all segments of our country must be included so as to accurately reflect not only those minimum needs but the desires and dreams of our citizens."

The 13 story building, of Spanish architectural design, will be placed on 296,000 sq. ft. of land, providing ample space for gardening and relaxation by both the elderly and younger tenants.

A large recreation area within the building will offer readily accessible space for play and relaxation.

Contract Applauded

Samuel J. Simmons, HUD Assistant Secretary for Equal Opportunity, said the contract to Mr. Martinez and Mr. Ulibarri comes at a time when there has never been more emphasis placed on opportunities open to minority businessmen in HUD building programs.

"Unlimited opportunities," he said, "are open to minority groups with the resources and technical know-how to build their own housing."

Mr. Simmons, referred to a series of HUD one-day workshops held to acquaint small and minority businessmen in seven major cities with opportunities available to them through HUD programs.

Mr. Martinez and Mr. Ulibarri are members of the Mexican-American Contractors Association League of United Latin American Citizens.

Both are listed in the recently published National Registry of Minority Construction Contractors, which was compiled by the National Association for the Advancement of Colored People (NAACP) under a HUD contract.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-871
Phone (202) 755-7174

NOTICE OF PUBLICATION
For Release:
Tuesday
December 8, 1970

BALTIMORE REPORT OFFERS PROGRAMS TO AID DETERIORATING BUSINESS AREAS

A report of a pioneer effort to find solutions to the problems of deteriorating older business areas has been published by the city of Baltimore, the U. S. Department of Housing and Urban Development announced today.

Titled A Program for Older Business Districts: Baltimore, the report was prepared by the urban planning firm of Candeub, Fleissig and Associates under the direction of Herman Katkow, Director of Mayor Thomas J. D'Alesandro's Advisory Committee on Small Business. It was funded under a HUD Urban Renewal Demonstration grant.

The report is aimed at a problem that seriously affects almost every metropolitan area in the Nation, and has caused national concern.

The study presents a systematic planning program for improving shopping districts situated in older residential areas. Unlike central business districts, these urban commercial strips lack the plans, the organization to implement plans, and the commitment of local resources and programs that the central business district areas are increasingly receiving.

One conclusion of the report is that these centers are largely linear strips whose overall improvement would require major public and private investment. It concludes that the concepts of vertical zoning, multi-use structures, and building complexes are as valid in a subcenter as in a central business district, although perhaps on a smaller scale.

Also, says the report, renewal of these commercial subcenters could produce extended benefits for cities, including neighborhood "Town Centers" reflecting the specific needs and interests of the communities they serve, better identification with a community, decentralization of training, health, administrative and job development programs, and a broader range of job opportunities within a walking range.

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Based on these findings, the report recommends that the commercial districts be developed as urban subcenters emphasizing improvements in the quality of housing, transportation terminals, public meeting centers, cultural facilities, and training and recreational programs.

Massive improvement would require a combination of public assistance, such as urban renewal and private investment. However, the report says that the redevelopment of these areas will also need the active interest, initiative, and participation of local residents.

A Program for Older Business Districts evolved from several years of work by the Mayor's Small Business Advisory Committee, created ten years ago, to study the decline of older shopping districts in Baltimore.

Single copies may be obtained free from:

Mr. Herman Katkow
Project Director
Mayor's Advisory Committee
on Small Business
230 Tower Building
222 East Baltimore Street
Baltimore, Maryland 21202

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-877
Phone (202) 755-7174

FOR IMMEDIATE RELEASE
Tuesday
December 8, 1970

INDIANAPOLIS BREAKTHROUGH
CONSTRUCTION STARTS DEC. 16

Groundbreaking ceremonies at the Indianapolis, Ind., site of Operation BREAKTHROUGH will be held Dec. 16, the U. S. Department of Housing and Urban Development announced today.

Operation BREAKTHROUGH is HUD's major research and demonstration program aimed at finding solutions to problems impeding large scale production of housing throughout the Nation.

HUD Secretary George Romney will head the list of guests at the Indianapolis ceremonies. Also expected to attend are state and city officials, members of Indiana's Congressional delegation, representatives of labor organizations, housing industry executives, civic leaders, planners, architects, developers, and housing system producers.

In Indianapolis, plans call for construction of a total of 309 prototype housing units to be built by housing system producers:

FCE - Dillon, Inc. (Forest City Enterprises, Inc.), Cleveland, Ohio
Home Building Corporation, Sedalia, Mo.
Material Systems Corporation, Valley Center, Calif.
National Homes Corporation, Lafayette, Ind.
Pantek Corporation (Ball Brothers Research Corp.), Boulder, Colo.
Pemtom, Incorporated, Minneapolis, Minn.
Republic Steel Corporation, Youngstown, Ohio
Scholz Homes, Incorporated, Toledo, Ohio
TRW Systems, Incorporated, Redondo Beach, Calif.

Types of prototype units to be built are single family detached, single family attached, and multifamily low and medium rise.

Developer of the site is the Urban Systems Development Corp., a subsidiary of Westinghouse Corp., of Arlington, Va. The developer will take complete charge of the project under HUD direction, and will be responsible for all phases of construction, maintenance, community relations, management, and financial operations as well as eventual disposition of the development.

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Operation BREAKTHROUGH is intended to develop a universal demonstration program of model residential communities on nine sites spread across the Nation. The sites will display the best possible methods for volume housing, from best possible land use through design, construction, maintenance, management, and aggregation of markets. The eventual goal is the development of the finest possible housing for all families, at the most economical cost, and in greatest possible quantities.

The program was initiated by HUD Secretary Romney in May, 1969, to break through the barriers which have kept housing production far below the national need. In effect, Operation BREAKTHROUGH is a full scale attack on the problems of mass production of housing.

An open competition was held to select sites where BREAKTHROUGH prototype housing would be built, to analyze and demonstrate advances in every stage of home building, with emphasis on industrialization of construction to speed production and delivery toward the goal set by Congress, of 26 million housing units by 1978.

A total of 218 sites was proposed by communities throughout the Nation, and Indianapolis is one of the sites on which the prototype housing will be built. The other sites are in Sacramento, Calif., Macon, Ga., St. Louis, Mo., Seattle and King County, Wash., Kalamazoo, Mich., Jersey City, N. J., and Memphis, Tenn.

Construction has already begun at the Sacramento, Macon, and St. Louis sites.

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An open competition was held to select sites where BREAKTHROUGH prototype housing would be built, to analyze and demonstrate advances in every stage of home building, with emphasis on industrialization of construction to speed production and delivery toward the goal set by Congress, of 26 million housing units by 1978.

A total of 218 sites was proposed by communities throughout the Nation, and Indianapolis is one of the sites on which the prototype housing will be built. The other sites are in Sacramento, Calif., Macon, Ga., St. Louis, Mo., Seattle and King County, Wash., Kalamazoo, Mich., Jersey City, N. J., and Memphis, Tenn.

Construction has already begun at the Sacramento, Macon, and St. Louis sites.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-877
Phone (202) 755-7174

FOR IMMEDIATE RELEASE
Tuesday
December 8, 1970

INDIANAPOLIS BREAKTHROUGH CONSTRUCTION STARTS DEC. 16

Groundbreaking ceremonies at the Indianapolis, Ind., site of Operation BREAKTHROUGH will be held Dec. 16, the U. S. Department of Housing and Urban Development announced today.

Operation BREAKTHROUGH is HUD's major research and demonstration program aimed at finding solutions to problems impeding large scale production of housing throughout the Nation.

HUD Secretary George Romney will head the list of guests at the Indianapolis ceremonies. Also expected to attend are state and city officials, members of Indiana's Congressional delegation, representatives of labor organizations, housing industry executives, civic leaders, planners, architects, developers, and housing system producers.

In Indianapolis, plans call for construction of a total of 309 prototype housing units to be built by housing system producers:

FCE - Dillon, Inc. (Forest City Enterprises, Inc.), Cleveland, Ohio
Home Building Corporation, Sedalia, Mo.
Material Systems Corporation, Valley Center, Calif.
National Homes Corporation, Lafayette, Ind.
Pantek Corporation (Ball Brothers Research Corp.), Boulder, Colo.
Pemtom, Incorporated, Minneapolis, Minn.
Republic Steel Corporation, Youngstown, Ohio
Scholz Homes, Incorporated, Toledo, Ohio
TRW Systems, Incorporated, Redondo Beach, Calif.

Types of prototype units to be built are single family detached, single family attached, and multifamily low and medium rise.

Developer of the site is the Urban Systems Development Corp., a subsidiary of Westinghouse Corp., of Arlington, Va. The developer will take complete charge of the project under HUD direction, and will be responsible for all phases of construction, maintenance, community relations, management, and financial operations as well as eventual disposition of the development.

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WASHINGTON D.C. 20410

HUD No. 70-873
Phone (202) 755-7174

FOR RELEASE
Wednesday
December 9, 1970

HUD FUNDS PROJECT TO AID URBAN INFORMATION SYSTEM

A project to develop and implement an Urban Development Information system, has been announced by the U. S. Department of Housing and Urban Development.

The project is funded under a $125,000 Urban Planning Research grant to Fairfax County, Va.

The project will define and demonstrate a system for the regular comparison of trend or market responsive growth in relation to planned urban growth as represented by comprehensive plans, zoning and capital improvement programs. The system will be designed to aid planners, but even more importantly, elected officials whose responsibility it is to provide guidance on land development and to direct the provision of public facilities.

The project will be carried out under the guidance of the Director for the Division of Planning of Fairfax County.

For further information:

Division of Planning
County of Fairfax
Fairfax, Virginia 22030

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Project No. Va PD-2

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-887
Phone (202) 755-7174

FOR RELEASE AFTER:
3:00 P.M., Wednesday
December 9, 1970

HUD GRANTS FAYETTE, MISS. $318,000 FOR NEW COMMUNITY CENTER

The ninth poorest county in the United States, with three quarters of its 10,000 population black citizens, today received a $318,267 grant from the U.S. Department of Housing and Urban Development to build a multipurpose community center.

Samuel C. Jackson, HUD Assistant Secretary for Metropolitan Planning and Development met with Mayor Charles Evers of Fayette, Miss., in the HUD Atlanta Regional Office to make the announcement. The community center, to be located in Fayette, will serve the entire population of Jefferson County which has an annual per capita income of $494. The multipurpose center will provide space for a wide variety of needed services, including a day-care program and Head Start, adult education classes, pre-employment and employment counseling for the unemployed and underemployed, activities for the elderly, outdoor recreation area, and community meeting rooms.

Assistant Secretary Jackson, who administers the Neighborhood Facilities Program, said: "I am delighted to announce the funding of this project so desperately needed by the disadvantaged citizens of the second oldest town in the State of Mississippi. It will enable the people of this community to improve the quality of their lives and finally enter the mainstream of America."

Mayor Evers noted the cooperation and assistance of HUD in recognizing "the efforts of the people of Jefferson County to cope with the grim problems faced by a county where 100 percent of the population earns less than the established national annual poverty level income, and the median educational level is below the seventh grade."

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Assistant Secretary Jackson and Mayor Evers are in Atlanta to participate in the National League of Cities' Congress of Cities.

The grant for the Fayette community center covers three-fourths of the development cost and is approved under the Neighborhood Facilities Program, Section 703 of the Housing and Urban Development Act of 1965.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD NO. 70-875
Phone (202) 755-7174

FOR RELEASE
Thursday
December 10, 1970

STUDY TO AID LEGISLATURES
IN PLANNING, DEVELOPMENT

A study to provide means for effectively involving a state legislature in long-range planning and development within a state was announced today by the U. S. Department of Housing and Urban Development.

The study will be financed by a $37,750 HUD Urban Planning Research and Demonstration grant.

The project seeks to develop an improved system for keeping the Oklahoma legislature informed about planning and development issues and programs going on throughout the State. The project will serve to demonstrate how an informed legislature can work with the executive branch of government to strengthen a state's overall planning and development program.

Planning and development activities are vitally affected by the legislative branch of state government, but state legislatures often have difficulty dealing with the problems of urban planning and economic development, officials pointed out.

The project will be carried out under the direction of the Director of the Oklahoma Industrial Development and Park Department.

For further information:

Director
Research and Planning Division
Industrial Development and Park Dept.
Oklahoma City, Oklahoma 73105

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Project No.--Oklahoma PD-1

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-878
Phone (202) 755-7174

FOR RELEASE:
Thursday
December 10, 1970

HUD PROVIDES TEMPORARY HOUSING TO THOUSANDS HIT BY DISASTERS

The U.S. Department of Housing and Urban Development has provided temporary emergency housing during the past 15 months to more than 10,000 families made homeless by natural disasters.

Norman V. Watson, Acting Assistant Secretary for Renewal and Housing Management, reported that HUD's initial response of providing temporary housing for victims of Hurricanes Celia and Camille and the California fire disasters has been completed and that most HUD staff employees have been able to return to their regular program activities. However, staff assistance will be provided for 12 months after the disasters to help victims obtain permanent housing.

In the aftermath of Hurricane Camille, which hit four States--Mississippi, Louisiana, Virginia and West Virginia--in August 1969, HUD furnished 5,265 housing units to families whose homes were damaged or destroyed. Mobile homes accounted for 5,043 of the housing units provided, public housing, 111; and HUD-owned existing housing, 111. Additional Camille aid offered by HUD included the purchase by the Government National Mortgage Association (GNMA) of mortgages totaling $1 million.

Hurricane Celia slammed into Corpus Christi, Texas, the first week in August 1970, destroying or damaging more than 32,000 homes in seven counties. HUD provided an estimated 4,402 housing units, of which 4,342 were mobile homes, 19 were public housing, 18 were HUD-owned and 23 were Veterans Administration houses.

Flood insurance was available to the residents of many communities in the Corpus Christi area at the time Celia struck. However, only about 300 property owners had purchased this coverage. Even though Celia was a hurricane with relatively little rain, a number of flood claims have been paid.

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Since the storm, the number of communities achieving eligibility under the program has more than doubled and the number of property owners who have purchased flood insurance policies has increased 10 times.

When tornadoes struck Lubbock and other areas of Texas last April and May, HUD acted quickly to provide 724 housing units, with the majority being HUD-owned single-family houses. No mobile homes were involved. In July, HUD's GNMA announced an increase of $5 million in special assistance funds for financing disaster housing in Lubbock and other tornado areas.

Following the disastrous brush fires in southern California in late September 1970, HUD moved in to help by obtaining temporary housing for 408 families in four counties (Los Angeles, San Diego, San Bernardino and Ventura).

To date, HUD has leased 284 private housing units. Twenty-five HUD-owned and 11 VA houses also have been made available to disaster victims. Subsequent fires increased the need for emergency shelter, however, and housing has now been offered all disaster victims.

In Mississippi, the Hurricane Camille disaster effort centered on the existing local housing authorities and resulted in the creation of 11 new LHA's to administer and manage the emergency housing.

In Louisiana, Virginia, and West Virginia, disaster housing operations were carried out directly by HUD. In Lubbock, a nonprofit corporation and private management firms were used in managing the housing.

Existing local housing authorities provided management services in the wake of Hurricane Celia. In California, a cooperative effort between the HUD Los Angeles Area Office and the San Diego HUD-FHA Insuring Office with city, county and State governmental units and local housing authorities has produced what HUD Secretary George Romney described as a "highly successful" mixed management technique.

Mr. Watson noted that 299 HUD employees were assigned to the Camille-Lubbock-Celia disaster sites during the peak workload period.

According to Mr. Watson, the average leasing cost per mobile home for 12 months in the Camille area was $2,532 for two-bedroom units, and $3,139 for three-bedroom units; in Celia it was $2,694 for two-bedroom and $3,284 for three-bedroom units.

Total average cost per housing unit in 12 months for the temporary housing in all areas was $3,134, ranging from a low of $2,550 in Mississippi to a high of $3,909 in the Corpus Christi area.

Mr. Watson pointed out that HUD would be reimbursed by the Office of Emergency Preparedness for cost of the temporary housing plus the costs involved in site preparation work, management operating expenses, and HUD overtime and travel costs.

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WASHINGTON D.C. 20410

HUD No. 70-879
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FOR IMMEDIATE RELEASE
Thursday
December 10, 1970

SEATTLE, KING COUNTY BREAKTHROUGH
GROUNDBREAKINGS SET FOR DEC. 17

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Operation BREAKTHROUGH is HUD's major research and demonstration program aimed at finding solutions to problems impeding large scale production of housing throughout the Nation.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, under whose direction the program operates, will head the list of guests at the Washington ceremonies. Also expected to attend are state and city officials, members of Washington's Congressional delegation, representatives of labor organizations, housing industry executives, civic leaders, planners, architects, developers, and housing system producers.

At the main Washington site, in King County, plans call for construction of a total of 178 units, including single family attached, single family detached, and multifamily low rise units. The Housing Systems Producers will be:

Aluminum Co. of America (ALCOA), Pittsburgh, Pa.
Boise-Cascade Corporation, Boise, Idaho
Christiana-Western Structures, Los Angeles, Calif.
Levitt Technology Corporation, Lake Success, New York
Material Systems Corporation, Valley Center, Calif.

At the downtown, Seattle subsite, 80 units are planned, including single family attached, and multifamily medium rise. The Housing System Producer will be Keene Corporation (Townland), New York, N. Y.

The Boeing Company of Seattle, is the developer of both sites. The developer will take complete charge of the project under HUD direction, and will be responsible for all phases of construction, maintenance, community relations, management, and financial operations, as well as eventual disposition of the development.

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Phone (202) 755-7174

FOR IMMEDIATE RELEASE
Friday
December 11, 1970

HUD APPROVES BRANDEIS UNIVERSITY RIOT REINSURANCE CLAIM

The U. S. Department of Housing and Urban Development announced today that it would approve the previously deferred riot reinsurance claim resulting from the seizure and occupation of a computer center early last year at Brandeis University, Waltham, Mass.

Federal Insurance Administrator George K. Bernstein made the decision to approve the claim on the basis of findings from an independent HUD investigation and additional information submitted by the insurer.

HUD originally withheld approval of the claim until it could determine whether the damage to the Brandeis building could have been avoided or minimized if the University had taken action to eject the students instead of permitting them to remain illegally for 11 days.

Mr. Bernstein cited the usual provision in insurance policies which requires the insured to take necessary and reasonable steps to minimize losses and indicated that the documentation initially submitted by the insurer had not established that University authorities had taken such steps in the Brandeis case.

HUD's own investigation, according to Administrator Bernstein, established that the damage to the building probably occurred during the first night of the occupation. This finding was corroborated by information submitted by the insurer as a result of HUD's October 7 letter withholding approval of the claim.

The additional information, which had not been submitted by the insurer when it filed the claim with HUD, consisted of copies of adjusters' reports, correspondence between the insurer and the adjusting organization, and an inter-office memorandum describing a negotiation meeting which it had held with Brandeis University officials.

The insurer's letter accompanying its new submission indicated that it was submitting the documentation to establish clearly that the factors which gave rise to HUD's concern had in fact been taken into consideration at the time the loss was adjusted.

However, Mr. Bernstein emphasized there has been no change from his earlier view that insurance carriers should insist on action by college administrators to minimize losses if they expect Federal reinsurance coverage.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD No. 70-897
Phone (202) 755-7174

FOR IMMEDIATE RELEASE
Monday
December 14, 1970

KALAMAZOO BREAKTHROUGH
CONSTRUCTION STARTS DEC. 19

Groundbreaking ceremonies at the Kalamazoo, Mich., site of Operation BREAKTHROUGH will be held Dec. 19, the U. S. Department of Housing and Urban Development announced today.

Operation BREAKTHROUGH is HUD's major research and demonstration program aimed at finding solutions to problems impeding large scale production of housing throughout the Nation.

HUD Secretary George Romney will head the list of guests at the Kalamazoo ceremony. Also expected to attend are state and city officials, members of Michigan's Congressional delegation, representatives of labor organizations, housing industry executives, civic leaders, planners, architects, developers, and housing system producers.

At the Kalamazoo site, which covers about 34 acres, plans call for construction of a total of 223 units, including single family detached, garden apartments, and townhouses. The Housing Systems Producers named for the site are:

Hercules, Incorporated, Wilmington, Del.
Levitt Technology Corporation, Battle Creek, Mich.
Material Systems Corporation, Valley Center, Calif.
Pemton, Incorporated, Minneapolis, Minn.
Republic Steel Corporation, Youngstown, Ohio
Scholz Homes, Incorporated, Toledo, Ohio
Stirling Homex Corporation, Avon, N. Y.

Bert L. Smokler & Co., of Southland, Mich., and the National Corporation for Housing Partnerships of Washington, D.C., are the joint developers of the site. The developers will take complete charge of the project under HUD direction, and will be responsible for all phases of construction, maintenance, community relations, management, and financial operations, as well as eventual disposition of the development.

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Operation BREAKTHROUGH is intended to develop a universal demonstration program of model residential communities on nine sites spread across the Nation. The sites will display the best possible methods for volume housing, from best possible land use through design, construction, maintenance, management, and aggregation of markets. The eventual goal is the development of the finest possible housing for all families, at the most economical cost, and in greatest possible quantities.

The program was initiated by HUD Secretary Romney in May, 1969, to break through the barriers which have kept housing production far below the national need. In effect, Operation BREAKTHROUGH is a full scale attack on the problems of mass production of housing.

An open competition was held to select sites where BREAKTHROUGH prototype housing would be built, to analyze and demonstrate advances in every stage of home building, with emphasis on industralization of construction to speed production and delivery toward the goal set by Congress, of 26 million housing units by 1978.

A total of 218 sites was proposed by communities throughout the Nation, and Kalamazoo is one of the sites on which the prototype housing will be built. The other sites are in Sacramento, Calif., Macon, Ga., St. Louis, Mo., Jersey City, N. J., Memphis, Tenn., Indianapolis, Ind., Seattle and King County, Wash

Construction has already begun at the Sacramento, Macon, and St. Louis sites.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-892
Phone (202) 755-7174

FOR RELEASE
Wednesday,
December 16, 1970

NATIONAL CONFERENCE SET ON REHABILITATION CODE

A national conference to receive comments on the second draft of a proposed residential rehabilitation code will be held in Chicago on February 9 and 10, 1971 the U. S. Department of Housing and Urban Development announced today.

The proposed code is being developed under a $48,606 HUD contract by the Building Officials and Code Administrators International (BOCA), a private non-profit organization, in collaboration with the American Insurance Association, International Conference of Building Officials, and Southern Building Code Congress.

Purpose of the proposed code is to provide reasonable planning, design and construction requirements for the rehabilitation of existing neglected, run-down, or unsafe buildings that are structurally sound.

Norman V. Watson, HUD Acting Assistant Secretary for Renewal and Housing Management, said the development of the code will "greatly facilitate the rehabilitation program being carried out by the various offices of the Department and is urgently needed in the overall efforts to provide decent housing for the Nation."

The proposed code will cover administration and enforcement, site and building planning, means of exit, fire protection, construction methods, and mechanical systems.

Representatives of municipal governments, organizations, industry, and others interested in the rehabilitation of residential buildings are invited by BOCA to participate in the conference. The two-day session opens at 9:00 a.m., Tuesday, February 9, in the Center for Continuing Education, University of Chicago.

The second draft of the proposed Residential Rehabilitation Code may be ordered from BOCA International, 1313 E. 60th Street, Chicago, Ill. 60637, at $4.00 per copy.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-918
Phone (202) 755-7174

FOR IMMEDIATE RELEASE
Tuesday,
December 22, 1970

APPLICATIONS FOR COLLEGE HOUSING ASSISTANCE NOW BEING ACCEPTED BY HUD

The U. S. Department of Housing and Urban Development is now accepting applications for the College Housing Program for the present fiscal year, Secretary George Romney announced today. Applications will be received until May 1, 1971.

The Secretary pointed out that program assistance this fiscal year will not exceed support for a $300 million net program level, which will be funded primarily by the available debt service grant authority. Debt service grants provide the difference in the debt service paid on private market loans and HUD 3 percent loans.

A limited number of direct Federal loans at 3 percent will be available to those institutions which try and are unable to borrow on the private market at reasonable interest rates, Secretary Romney declared.

"Since the assistance requested is expected to exceed the available funds, the following program objectives will be observed in evaluation applications," said Eugene A. Gulledge, Assistant Secretary for Housing Production and Mortgage Credit, who administers the program.

1. To increase the total supply of college housing and related facilities at the earliest possible date where the need is most urgent.

2. To benefit students from low income families to the extent possible.

3. To support the President's policy to give special attention to the needs of institutions with predominantly black enrollments.

4. To support other HUD programs and HUD efforts to reduce the cost of all types of housing.

5. To make equitable geographic distribution of limited funds.

Mr. Gulledge pointed out that highest priority applications which meet the criteria will receive immediate fund reservation awards; other applications will be re-evaluated periodically on a competitive basis for the remaining funds.

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Immediate fund reservation awards must meet the following criteria:

* The applicant enrolls a large percentage of students from low income families or has a significant program of asssistance for such students.

* The proposed housing or other facilities are urgently needed to meet existing deficiencies.

* Construction of the project will start within six months.

"It is HUD policy to encourage the use of innovative techniques that reduce the overall cost of housing," Mr. Gulledge declared. "Several college housing projects are being constructed by new methods at significant savings to the institutions and the Government. Applicants are encouraged to investigate the many possibilities for using new methods and techniques in designing, contracting, and constructing housing projects and to include any such plans in their applications.

"Applicants must study carefully their long-term housing needs in order to select the most appropriate style of housing for their students. Many students no longer want to live in the traditional dormitories. Apartment and suite style projects, both on and off campus, are becoming more and more popular."

Mr. Gulledge went to say that particular attention will be paid to the style of housing proposed in relation to future housing needs. "HUD will be reluctant to approve straight dormitory style projects unless the long-term prospects for student occupancy are good," he said. "Where there is a reasonable doubt, new dormitories should be designed so that they can be converted economically to family apartments or other revenue-producing space."

Applications are available at all HUD Regional and Area Offices.

In Fiscal Year 1969-70, HUD provided $9.5 million in debt service grants to 158 colleges, universities, and teaching hospitals and $55,232,000 in direct loans to 63 institutions. Since the program began in 1950, HUD has provided--through FY 1970--3,249 direct loans totaling $3.7 billion.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-915
Phone (202) 755-7174

FOR RELEASE
Tuesday,
December 23, 1970

INDIAN ECONOMIC GAINS STRESSED IN NEW HUD POLICY

The U. S. Department of Housing and Urban Development has issued new guidelines designed to increase Indian involvement in construction of public housing projects administered by Tribal Housing Authorities.

The new guidelines permit a Tribal Housing Authority, in specific circumstances, to negotiate construction contracts with Indian-owned or controlled contractors, in lieu of advertising for construction proposals.

This waiver of the usual requirement of advertising for bids applies only in cases where there are employment, training, and economic benefits to be gained by tribal area residents.

The new policy was issued recently in a directive to all HUD Regional Administrators and Area Directors.

Hailing the new guidelines as an effort to upgrade the quality of life in Indian communities, HUD Secretary George Romney said, "HUD is engaged in a high-priority program to house Indian families. We now welcome the opportunity to create employment, training, and other economic benefits for the Indian in the operation of our low-rent and turnkey housing programs."

According to the HUD directive, contractual modifications may include addition of specific language to the invitation for bids, the construction contract, the invitation for turnkey proposals, and the contract of sale--requiring the provision of preferential employment, training, and economic benefits for local Indians.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-922
Phone (202) 755-7174

FOR RELEASE:
Tuesday
December 29, 1970

HUD REPORTS STEADY PROGRESS IN HOUSING REHABILITATION

The rate of housing rehabilitation being accomplished with low-cost Federal loans in renewal and code enforcement project areas is steadily increasing and is now running five times ahead of the rate in the 1966-67 period.

The U.S. Department of Housing and Urban Development reports that an analysis of recently compiled data shows that 876 housing units a month were restored with these loans in the first eight months of this year, whereas the rate in the 1966-67 period was 161 units a month.

Norman V. Watson, Acting Assistant Secretary of Renewal and Housing Management, pointed out the importance of this upward trend in housing conservation at a time when most cities are finding it hard to build housing for residents with low or moderate incomes.

Altogether, Mr. Watson said, 25,761 dwelling units were rehabilitated with 15,278 of these loans from November, 1965 through August, 1970.

HUD rehabilitation loans, with terms up to 20 years at 3 percent interest, are designed to help property owners in designated project areas to finance housing repairs and improvements.

HUD also provides grants, up to $3,500, to help low-income owners in project areas to repair and improve housing units.

HUD reports a similar acceleration in the rate of grant approvals. These approvals averaged 761 a month in the first seven months of this year, a rate four times ahead of the monthly average for the 25-month period from December, 1965, through December, 1967.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-926
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Tuesday
December 29, 1970

HUD APPROVES GUARANTEE FOR ARKANSAS NEW COMMUNITY

The U.S. Department of Housing and Urban Development will provide a guarantee of up to $7.5 million for the development of a new community of more than 45,000 population outside Little Rock, Ark., Secretary George Romney announced today.

The new town of Maumelle will have a frontage of 3-1/2 miles on the recently completed $1.2 billion waterway and flood control project on the Arkansas River. It will be located 12 miles from downtown Little Rock.

In announcing the Federal commitment, Secretary Romney said the new community would "contribute new jobs, new economic growth, and new opportunities to the Central Ozark Region, an area which has suffered chronic unemployment."

Plans for Maumelle include construction of 14,349 dwelling units in five villages. Planned are 4,614 single family detached homes, 6,019 medium density dwellings consisting of duplexes and garden apartments, and 4,166 units in high rise apartments. The units will be both for rental and sale.

In addition to the commanding view of the Arkansas River, Maumelle's 5,319 rolling acres will include four lakes, one of which will be the site of a 62.6 acre town center.

Schools are proposed for year-round use as social, civic, and educational centers. A plan which would substitute educational parks for traditional neighborhood elementary schools is under study. A Community College, with emphasis on vocational education, also is proposed.

Total land allocated for schools and educational facilities is 238 acres.

Parks, trails, golf courses, lakes, canals, and the river will take up 1,802 acres. The pedestrian path system, bridging main roads or tunnelling under them, will link schools, villages, and the town center complex. Residential areas will be screened from commercial and industrial areas, and a partial green belt will protect approaches to the community. The internal road network will keep through-traffic from residential streets and separate pedestrian from vehicular traffic.

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Industrial use in Maumelle is planned for 1,071 acres, with rail and barge access. Throughout the Arkansas River Project, a series of dams, locks, and reservoirs was designed to promote industrial growth and to ease the threat of flooding in the region. Locks opened recently promote industrial growth from the Mississippi River to near Tulsa, Okla., with a nine-foot channel depth to take regular Mississippi River barge traffic.

The developer of Maumelle is Jess P. Odom, president and sole stockholder of Maumelle Land Development, Inc. Mr. Odom is former board chairman and president of the National Investors Life Insurance Co. of Little Rock, which purchased the site in 1965. When he left the firm, Mr. Odom purchased the site in 1968, developing a portion of it as a golf course and country club. He then hired a staff of nationally-known experts to plan the new community.

The staff includes: Albert Mayer of New York and Edward Echeverria of Washington, planners; Edwin Cromwell of Little Rock, coordinating architect; and Robert Gladstone and Associates of Washington and Larry Smith and Associates of New York, economic consultants.

HUD has previously provided assistance under the New Communities Act of 1968 to the communities of Jonathan in Chaska, Minn., St. Charles Communities in Charles County, Md., and Park Forest South, Ill.

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(To Accompany HUD-No. 70-926)

SUMMARY

1. Developer: Maumelle Land Development, Inc., Jess P. Odom, sole stockholder.

2. Location: On the north bank of the Arkansas River, 12 miles from downtown Little Rock, Ark.

3. Site: 5,319 acres in the tract covered by the comprehensive plan, of which 4,443.2 are owned by the developer and the balance by affiliated corporations: a 633.9 acre golf course and a 241.9 acre area considered for a commercial recreation park.

4. Terrain: Wooded area with four lakes, rolling hills and commands a dramatic view of the Arkansas River Valley; 3-1/2 miles of river frontage. Several boundaries have a partial greenbelt to prevent urban encroachment.

5. Access: Barge access from the newly completed $1.2 billion Arkansas River project which now reaches nearly to Tulsa, Okla. from the Mississippi River; rail access; near the Interstate Route 40 leading to North Little Rock and Little Rock; a northern beltway crossing the river and providing direct access to the rapidly growing western suburbs of Little Rock is scheduled to be opened in 1974.

6. Population: 15,000 people at the end of a 12-year development period, with 45,000 to 60,000 at completion in about 20 years.

7. Dwelling Units: Finished and unfinished lots to be sold for 4,400 units from 1971 to 1982. Of these, 3980 to be single family detached units, 120 town houses, 200 garden apartment units and 100 clustered and landscaped mobile home units. About 14,390 units projected at completion.

8. Land Uses: 2,044 acres for residential uses, including residential streets, 1,071 acres for industrial uses, 86 acres for commercial uses, including a 40-acre multi-story climate controlled town center around a lake, 184 acres for streets and other public rights of way, and 238 acres for schools; the balance of 1,700 acres will be devoted to parks, trails, golf courses, rivers, lakes and canals, and other recreation and open space uses.

9. Low and Moderate Income Housing: 46 percent of the housing in the project or 6,602 units will be for persons and families of low and moderate income, of which approximately one-fourth will be for persons earning less than $7,000.

10. Housing Innovation: Two innovative industrialized systems are being considered for use on the site, one in connection with a BREAKTHROUGH proposal.

11. Other Innovations: An innovative educational system is being considered, where a "community school" would be the focus of a year-round neighborhood activities and the traditional division between pre-school, primary, secondary, and adult education would be de-emphasized. A proposed community college would be oriented toward the manpower training needs of the region, as well as academic subjects.

12. Planning: The project is fully consistent with the 1990 Plan for the Little Rock Metropolitan area and has been coordinated with proposed public improvements.

13. Equal Opportunity: The developer is committed to compliance with Federal regulations on non-discrimination in housing, public facilities, and employment by contractors and subcontractors. He adopted an affirmative action program, which includes encouraging the use of minority contractors and subcontractors.

14. Economic Growth: From 1960 to 1969 non-agricultural employment increased by over 37,000, making Little Rock a growth center. This has been an area of traditionally high poverty and unemployment. The population of the metropolitan area is expected to grow from 350,000 in 1970 to 550,000 in 1990.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-927
Phone (202) 755-7174

FOR IMMEDIATE RELEASE:
Tuesday
December 29, 1970

TEXAS NEW COMMUNITY RECEIVES HUD GUARANTEE

Secretary George Romney of the U. S. Department of Housing and Urban Development today announced approval of $18 million in Federal guarantees to build a 6,156 acre new community between Dallas and Fort Worth, Texas.

Flower Mound New Town will be built within the existing community of Flower Mound over a 20-year period and eventually will provide housing for more than 60,000 persons.

Fourteen neighborhods will be grouped into four villages around the Town Center and each village will have its own schools, shops, and parks. Walkways and roads, separating pedestrian from auto traffic, will provide easy access to neighborhoods, village and town centers, and jobs in the 689 acres reserved for industry.

The new community of Flower Mound is planned to meet the full economic range of housing needs in the Dallas-Fort Worth area. More than 18,300 new homes will be built on 2,989 acres and 1,995 of these will be federally assisted rental and sales units for low-income family use. One fifth of the unsubsidized homes will sell for $25,000 or less or rent below $100 a month.

The new community will be built four miles from the Dallas-Fort Worth Regional Airport, scheduled to open in 1973. Development will be designed to minimize possible noise problems from the new facility.

Approximately one-fourth of the site will be reserved for open space, parks, golf courses, and neighborhood and village recreation areas, in addition to the parkland and marina development on the Grapevine Reservoir, which forms the southern boundary of the new community.

Two major park systems will be developed through wooded areas and along stream beds, and riding trails will be constructed between the Reservoir and major park areas.

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Complete health facilities, including a central hospital, out-patient clinic, laboratories and professional offices, also are planned.

The developers of Flower Mound New Town will be the president of a Dallas development firm, Raymond Nasher, and the chairman of the board of a well-known department store firm, Edward S. Marcus.

Mr. Nasher, president of a firm bearing his name, has served on the President's Committee on Urban Housing, the Advisory Committee on Urban Affairs for HUD, and chairman of the 1965 National Committee on Urban Development. As part of the BSI-Westinghouse development team, Mr. Nasher was selected recently by the District of Columbia and HUD for development planning of the Ft. Lincoln new town in Washington.

Mr. Marcus, board chairman of Neiman-Marcus Co. and a board member of Broadway-Hale Corporation, has owned land for more than 20 years in Flower Mound and his involvement in the new community development is his independent venture, with no connection with Neiman-Marcus.

The development team also includes Christian, Miller & Honts Inc., governmental liaison and management, and the following consultants: W. O. Rothwell, financial and accounting; Richard P. Browne & Associates, land use planning; Gladstone Associates, marketing and economic analysis; Marvin Springer & Associates, land use planning; Henry S. Miller Companies and Robert B. Hamilton, real estate appraisers; Shimek, Roming, Jacobs & Finkles, engineers, and Thompson, Knight, Simmons & Bullion, attorneys.

HUD has previously provided assistance under the New Communities Act of 1968 to the communities of Jonathan in Chaska, Minn., St. Charles Communities in Charles County, Md., and Park Forest South, Ill.

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(To Accompany HUD-No. 70-927)

SUMMARY

1. Developer: Flower Mound New Town. A limited partnership with E. S. Marcus and R. D. Nasher as the general partners.

2. Location: Approximately 20 miles northwest of downtown Dallas in Denton County, Texas.

3. Site: The project consists of 6, 156 acres.

4. Terrain: Rolling, well drained, with some water frontage.

5. Access: Existing: By Highway 35-E from Dallas and State Routes 1171 and 2499; proposed: Mid-Cities Freeway and possible rapid transit.

6. Population: 64,000 residents in 20 years.

7. Dwelling Units: 18,304 total; 9,676 single family; 7,808 multi-family, and 820 modular homes.

8. Land Use:

Type	Percentage
Residential	48.7
Industrial/Commercial	12.7
Open Space Parks	23.6
Educational	10.3
Civic and Cultural	1.9
Mid-Cities Freeway Right of Way	2.8
Total	100.0

9. Federally assisted Housing: 1,395 rental units; 600 for sale units.

10. Innovation: Industrialized housing system; modular school plants. Total Energy studies for town center; advanced solid waste, property protection and security system. Studies for airport mass transit tie-in and internal people mover systems.

11. Specifically designed for southwest climate and life style, the planning uses neighborhood/village/town center relationships similiar to the Columbia, Maryland concept. Previous experience and performance of the principals on the development team supports the anticipation of a successful, visually superior development, incorporating a range of innovative systems as they become available and economically feasible.

12. Equal Opportunity: The developer is committed to compliance with Federal Regulations on non-discrimination in housing, public facilities and employment by contractors and subcontractors.

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HUD NEWS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 70-901
Phone (202) 755-7174

FOR RELEASE
Thursday
December 31, 1970

USE OF COMPONENTS CUTS COST OF HOME BY TWO-THIRDS, DESIGNER WRITES

A sleek contemporary home has been built as a very **real** demonstration of what dollar savings can result from reduced construction time by using ready-made components.

The technique enabled the planner-builder of the "Computer House," next to the Houston Astrodome, to construct a $100,000 type home in 36 days instead of the usual four and one-half months.

This time savings reduced the cost of a similarly constructed home to the range of $32,000 to $35,000.

The demonstration project is described in the January issue of HUD Challenge, the magazine of the U. S. Department of Housing and Urban Development.

The monthly magazine is the official HUD periodical, designed to serve as a forum for the exchange of housing ideas and innovations between the HUD staff throughout the country and institutions, businesses and the concerned public.

The article is by Roger Rasbach, Houston residential designer, who was chosen by the city to head the construction planning.

The structure is now the permanent convention headquarters of the National Association of Home Builders which holds its annual meetings in the Astrodome. Six variations of the home are scheduled for construction on the site.

The structure was built on a steel slab laid in nine hours compared with the month required for a concrete slab.

The lot is only 50 x 100, but the house is designed so as to impart a feeling of interior spaciousness.

Mr. Rasbach explained that materials were chosen which were not experimental and would not be any more expensive than conventional construction, "and hopefully less expensive." In an outline of the planning, he says:

"In using components instead of pre-fab or modular construction our thought was to show builders of medium priced housing that they could use

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these materials without cranes or special equipment and that labor would work with these materials.

"Actually they would be installed with less use of the tools they are now using, because most of the work had been done in the factory rather than on the job site.

"We wanted to eliminate as many finishing processes within the house as possible and by doing so, reduce the number of subcontractors we now have to deal with."

The 2600 square-foot home has three bedrooms, but can become a five-bedroom home by converting a den and an upstairs "unroom" to bedrooms. The house also has a living room, dining room, kitchen, three bathrooms and a garage.

"The challenge to the home building industry will be met through using ingenious products of many companies," Mr. Rasbach concluded. "It is going to be up to the home building professionals to make these happy marriages of these materials, to envision how they can go together and produce economies for the builder and for the consumer. The avenues are definitely open."

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NOTE TO EDITORS: A picture of the "Computer House" may be obtained by writing the News Services Division, U. S. Department of Housing and Urban Development, Washington, D. C. 20410.