



# HUD NEWS

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

HUD No. 75-1  
Phone (202) 755-5284  
(Anderson)

NOTICE OF PUBLICATION  
FOR RELEASE:  
Monday  
January 6, 1975

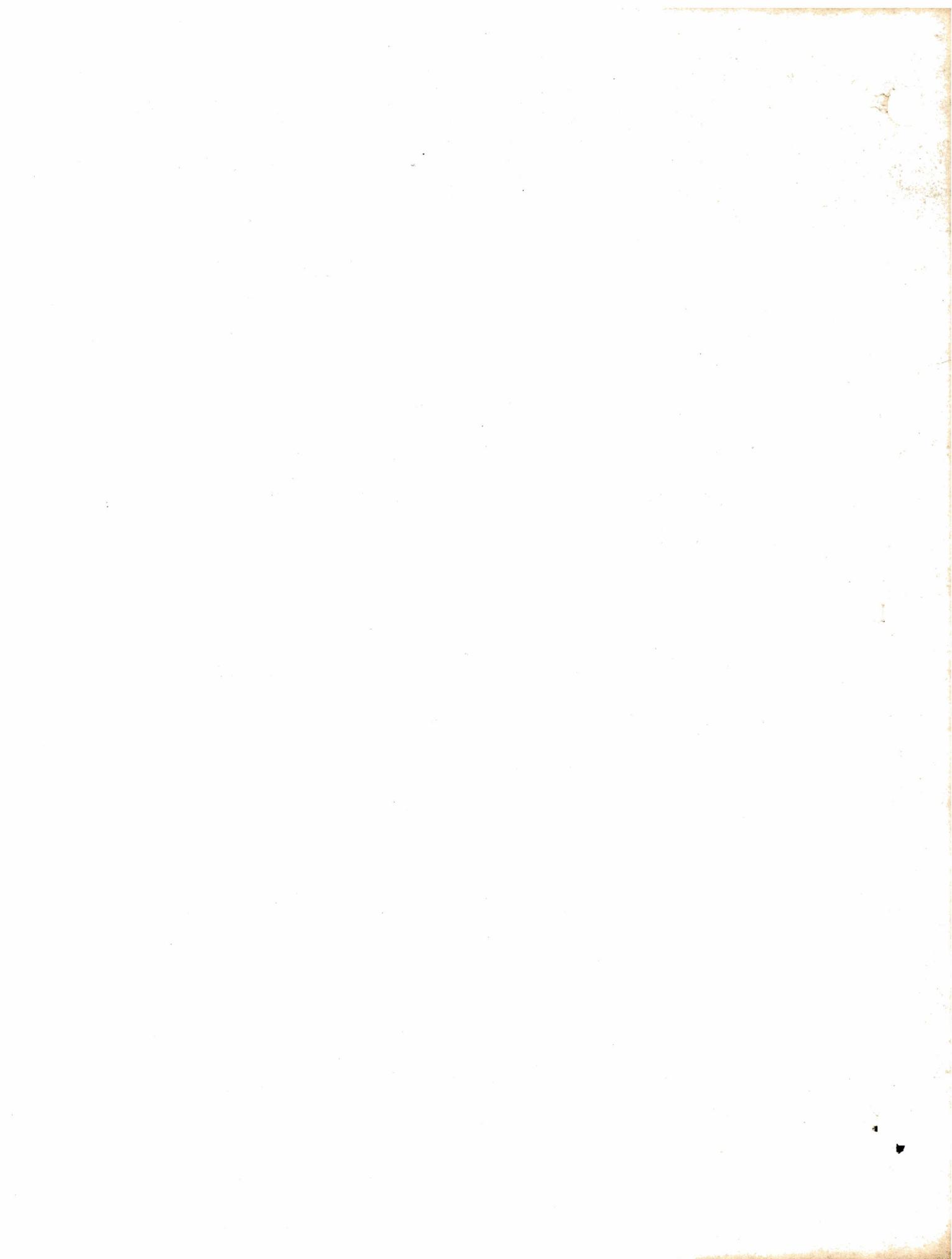
Equal Opportunity in Housing: A Bibliography of Research, has been published by the U. S. Department of Housing and Urban Development. Prepared by the HUD Library, the 34-page publication contains a selection of some 266 recent books, periodical articles, studies and reports.

The publication provides references on demographic patterns of minority groups and the political, legal, social, and economic aspects of enacting and enforcing fair housing laws.

This bibliography primarily includes materials published since 1968 and supplements the 1969 HUD Library publication, A Bibliography of Research on Equal Opportunity in Housing.

Items listed in Equal Opportunity in Housing: A Bibliography of Research are generally available in libraries or book stores, or from publishers and issuing organizations.

The publication, HUD-337-2-A, may be purchased for 85 cents from the Superintendent of Documents, U. S. Government Printing Office, Washington, D. C. 20402.





# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON, D.C. 20410

HUD-No. 75-3  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
MAR 29 1990  
Wednesday  
January 8, 1975

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WASHINGTON, D.C. 20410

Ten smaller American cities today joined the Department of Housing and Urban Development in a \$2.6-million experiment to demonstrate that small cities as well as big ones can effectively use university research to solve some of their most critical city problems.

HUD's Urban Observatory program, an effort linking university research resources to urban needs, has already been tested in 10 big cities, producing improvement in local decision-making on a whole range of physical, social and economic urban problems.

Named today to participate in the small-city phase of the experiments were: Allentown, Pa.; Anchorage, Alaska; Boise City, Idaho; Bridgeport, Conn.; Charlottesville, Va.; Durham, N.C.; Garland, Texas; Hoboken, N.J.; Lake Charles, La.; and South Bend, Ind. The selection was made from proposals submitted by more than 40 cities.

Among the major universities participating with various cities are: Duke, the University of Virginia, Texas A&M, Notre Dame, Indiana University, the University of Connecticut, Stevens Institute of Technology and Lehigh University.

-more-

The experiment is funded by HUD's Office of Policy Development and Research (PD&R), and administered for HUD by the National League of Cities.

In announcing the small-city selection, PD&R Assistant Secretary Michael H. Moskow said an "urban observatory" will be set up in each of the 10 cities, drawing together the academic resources of participating universities and research needs defined by the city. Money allocations to individual observatories will vary according to their work programs, he said, but the general first-year funding level is targeted at \$100,000 per observatory, with \$25,000 of that amount coming from local matching funds.

The purpose of involving the smaller cities, he said, is to test the Urban Observatory concept in a group of cities with different resource limitations and problems than those in larger cities where the concept has already been tested.

"The program has shown that cities and universities, working together, can apply university research resources to develop and improve public policy and administrative action," Mr. Moskow said. "We are encouraged by progress already made and believe this new stage of the experiment will expand the models and body of experience upon which a network of urban research centers based on local initiative can be patterned."

For Further Information: Allen E. Pritchard, Jr.  
Executive Vice President  
National League of Cities  
1620 Eye Street, N.W.  
Washington, D.C. 20006



# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410

FILE COPY

HUD NO. 75-5  
Phone (202) 755-5277  
(Beckerman)

FOR IMMEDIATE RELEASE:  
Thursday  
January 9, 1975

The Government National Mortgage Association of the Department of Housing and Urban Development announced that the \$3 billion authorization for conventional home mortgages, under the Emergency Home Purchase Assistance Act, has been committed.

The commitments covered mortgages bearing interest rates of 8-1/2 percent in the amount of \$700 million; mortgages with interest rates of 8-1/4 percent in the amount of \$1.5 billion; and mortgages with interest rates of 8 percent in the amount of \$800 million.

GNMA advised that although no funds remain in the conventional mortgage program, it still has available funds to purchase mortgages covering 75,000 units insured by the Federal Housing Administration or guaranteed by the Veterans Administration. These mortgages must bear interest at 8-1/4 percent.

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# HUD NEWS

**U. S. DEPARTMENT OF HOUSING  
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WASHINGTON D. C. 20410**

HUD No. 75-8  
Phone (202) 755-5277  
(Beckerman)

FOR IMMEDIATE RELEASE:  
Friday  
January 10, 1975

The Government National Mortgage Association (GNMA) of the Department of Housing and Urban Development today announced the sale by auction on January 16, 1975, of over \$300,000,000 of mortgage-backed securities.

Daniel P. Kearney, president of GNMA, said the securities, guaranteed by GNMA, will total \$304,996,789.90. They will bear interest at the rate of 7-1/4 % and have approximately 30-year maturities. Each issue will be evidenced by a single mortgage-backed certificate, deliverable on payment of the purchase price in cash on the settlement date, February 18, 1975.

The securities to be issued, Kearney said, are the first in a series of issues bearing this coupon. It is expected a total of \$3 billion of securities bearing the 7-1/4% rate will be issued this year.

The bids, to be submitted no later than 10 a.m. (EST) on January 16, will be considered only if made for the purchase of all such securities in their entirety, and not for a portion.

Kearney said the auction is the first under GNMA's revised mortgage disposition program. Previously GNMA sold whole mortgages to individual mortgage bankers. Under the revised procedure GNMA will conduct the sale of securities backed by mortgages it acquires.

Bids, to be accompanied by a certified or cashier's check in the amount of \$3,049,967.90, must be submitted in the form prescribed by the GNMA manual, sealed and delivered by hand to the office of Fiscal Agent, Federal National Mortgage Association, 100 Wall Street, Suite 1000, New York, N. Y.

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# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410

HUD-No. 75-11  
Phone (202) 755-5277  
(Vinciguerra)

**FILE COPY**

FOR RELEASE:  
Tuesday  
January 14, 1975

Secretary of Housing and Urban Development, James T. Lynn, announced today that he has directed the New Communities Administration to devote all resources toward assisting the existing 14 new community projects. Accordingly, the New Communities Administration will not accept any additional applications for guaranty assistance to new projects and will suspend further processing of applications on hand. No full applications for new community developments have been received during the last year.

**FILE COPY**

Many of the existing new community projects are experiencing severe financial difficulties and are substantially behind schedule. These existing projects constitute an aggregate financial commitment by the Federal Government of \$336.5 million. In addition, significant questions have been raised by HUD and the Comptroller General concerning the HUD procedures and standards applicable to New Communities.

Secretary Lynn also directed completion in February of a 10-month HUD evaluation of the New Communities Program.

# # #

**FILE COPY**

1000 Unit





# HUD NEWS

**U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410**

HUD-No. 75-7  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Wednesday, January 15, 1975

## RENT SUPPLEMENT PROGRAM

Cincinnati, Ohio, \$103,318 reservation for 50 units at Pleasant Heritage Apartments, sponsored by Pleasant Heritage Associates, Race and Vine Sts., Cincinnati, Ohio. (Charles Collins, II, Director, HUD-FHA Insuring Office, 9009 F. O. B., 550 Main St., Cincinnati, Ohio 45202)

Cincinnati, Ohio, \$124,676 reservation for 62 units at McMicken Heritage Apartments, sponsored by McMicken Heritage Associates, Walnut St., Cincinnati, Ohio. (Same as above)

## RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Chico, Calif., \$53,811 reservation for 64 units at Rio Lindo Apartments, sponsored by Federal Projects, Inc., 350 University Ave., Sacramento, Calif. (Richard Chamberlain, Director, HUD Area Office, 801 I St., Sacramento, Calif. 95809)

Sacramento, Calif., \$40,475 reservation for 40 units at Washington Square III, sponsored by John Reynen and Christo Bardis, Sacramento, Calif. (Same as above)

Yuba City, Calif., \$65,111 reservation for 80 units at Queen Ann Apartments, sponsored by Federal Projects, Inc., 350 University Ave., Sacramento, Calif. (Same as above)

Southington, Conn., \$129,577 firm commitment and \$17,886 rent supplement for 145 units, sponsored by John A. Errichetti, Waterbury, Conn. (Lawrence L. Thompson, Director, HUD Area Office, 999 Asylum Ave., Hartford, Conn. 06105)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

Kansas City, Mo., \$65,799 reservation and \$8,176 rent supplement for 94 units at Kemwood, sponsored by R. Sahni, American Development Corp. (address unknown). (William R. Southerland, Director, HUD Area Office, Gateway II, 4th and State Ave., Kansas City, Kans. 66106)

Kansas City, Mo., \$66,449 reservation and \$7,708 rent supplement for 88 units at Mid-Town I, sponsored by Inertia, Ltd., Kansas City, Mo. (Same as above)

Jackson County, Mo., \$86,799 reservation and \$11,262 rent supplement for 112 units at Mid-Town II, sponsored by Inertia, Ltd., Kansas City, Mo. (Same as above)

Kansas City, Mo., \$41,677 reservation and \$4,660 rent supplement for 55 units at Linda Vista, sponsored by American Development Corp. (Same as above)

Cincinnati, Ohio, \$86,755 reservation and \$22,331 rent supplement for 99 units at Glencoe-Auburn Apartments, sponsored by Mt. Auburn Good Housing Foundation, Cincinnati, Ohio. (Charles Collins, II, Director, HUD-FHA Insuring Office, 9009 Federal Office Bldg., 550 Main St., Cincinnati, Ohio 45202)

#### CODE ENFORCEMENT PROGRAM

Tenn. E-6                   Memphis, Tenn., \$298,735 increase to a total of \$947,360 for code enforcement activities in the Orange Mound Area. (J. W. Parker, Coordinator, City of Memphis, 123 N. Main St., 505 City Hall, Memphis, Tenn. 38103)

#### COMPREHENSIVE CITY DEMONSTRATION PROGRAM

Ga. ME-10-005               Alma-Bacon County, Ga., \$273,000 increase to a total of \$5,385,000 transition funds for use with on-going programs. (Mayor Tessell D. Mullis, P. O. Box 148, Alma, Ga. 31510)

Ga. ME-10-004               Savannah, Ga., \$338,500 increase to a total of \$8,996,900 for use with on-going programs. (Arthur A. Mendonsa, City Manager, P. O. Box 1027, Savannah, Ga. 31402)

ME 18-002                   Lewiston, Me., \$232,000 increase to a total of \$7,831,000 to carry out comprehensive city demonstration programs. (Mayor John Orestis, City of Lewiston, Lewiston, Me. 04240)

COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

The following grants help cover the cost of planning for growth needs of the area:

CPA-CO-08-00-0123      Pueblo, Colo., \$460.00 increase to a total of \$51,750. (Fred E. Weisbrod, Executive Director, Pueblo Area Council of Governments, P. O. Box 1427, Pueblo, Colo. 81003)

CPA-TX-06-16-1142      Austin, Texas, \$10,000. (Ben McDonald, Executive Director, Department of Community Affairs, P. O. Box 13166, Capitol Station, Austin, Texas 78711)

MODEL CITIES PROGRAM

ME 15-001      Wichita, Kans., \$829,000 increase to a total of \$17,788,000 transition amendment for Fourth Action Year. (Dean Smith, Director, City Demonstration Agency, 123 S. Market, Wichita, Kans. 67202)

ME 24-002      Kansas City, Mo., \$614,000 increase to a total of \$38,935,586 for the Fifth Action Year. (Robert Kipp, City Manager, 414 East 12th, Kansas City, Mo. 64106)

ME-31-007      Binghamton, N. Y., \$391,000 increase to a total of \$4,645,700 for completion of program. (Harry L. Reese, Director, Community Development Department, 47 Carroll St., Binghamton, N. Y. 13901)

ME 31-005      Cohoes, N. Y., \$615,000 increase to a total of \$8,209,600 for completion of program. (James Pottum, Director, City Demonstration Agency, 169 Mohawk St., Cohoes, N. Y. 12047)

ME-31-006      Syracuse, N. Y., \$278,000 increase to a total of \$7,723,400 to carry out on-going programs. (John Mangovan, Director, City Demonstration Agency, 416 W. Onondaga St., Syracuse, N. Y. 13202)

## WATER AND SEWER FACILITIES PROGRAM

## WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

### Certifications:

Birdsboro, Pa. (Alvin B. Sponagle, Council President, Borough of Birdsboro, 113 Main St., Birdsboro, Pa. 19508)

Forty Fort, Pa. (Mayor James McCulloch, Municipal Bldg., Forty Fort, Pa. 18704)

### Recertifications:

San Diego, Calif. (Kimball Moore, City Manager, Administration Bldg.,  
202 "C" St., San Diego, Calif. 92101)

Melbourne, Fla. (Mayor Richard V. Donahue, Sr., City Hall, Melbourne, Fla. 32901)

Cleveland, Miss. (Mayor Martin T. King, Jr., City Hall, Cleveland, Miss.  
38733)

Rochester, N. Y. (B. C. Freedman, City Manager, City Hall, Rochester, N. Y. 14614)

Pottsville, Pa. (Mayor of the City of Pottsville, City Hall, Pottsville, Pa. 17901)

Athens, Tenn. (Mayor Basil Turbyfill, City Hall, Athens, Tenn. 37303  
(423) 544-2211)

Jackson, Tenn. (Mayor Robert D. Conger, City Hall, Jackson, Tenn. 38301)

Memphis, Tenn. (Mayor Wyeth Chandler, City Hall, Memphis, Tenn. 38103)

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# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410

FILE COPY

HUD NO. 75-22  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Thursday  
January 16, 1975

An additional \$3 billion program to finance home mortgage purchases was announced today by James T. Lynn, Secretary of the U. S. Department of Housing and Urban Development. The HUD controlled Government National Mortgage Association (GNMA) will implement the program pursuant to the Emergency Home Purchase Assistance Act of 1974, which was signed into law by President Ford on last October.

Secretary Lynn said that all of the initial \$3 billion for mortgage purchases announced in October has been fully committed.

The effective date of the additional \$3 billion program is Wednesday, January 22, Mr. Lynn said.

Daniel P. Kearney, President of GNMA, said the funds will be made available at a below-market-interest-rate of 7-3/4% on single family home having mortgages not exceeding \$42,000.

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Of the \$3 billion, \$2 billion will be made available for conventionally financed home mortgages with the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), dividing equally the administration of the program as agent for GNMA. The additional \$1 billion will be used for the purchase of FHA-insured and VA-guaranteed mortgages and will be made available through the facilities of FNMA.

Kearney emphasized the funds at the 7-3/4% rate will be made available only through February 28, 1975. Purchasers of GNMA commitments may use up to 10% of such commitments for existing homes; otherwise, only single family residences which are newly constructed or were completed and ready for occupancy not earlier than October 1973 are eligible. All other fees, charges and requirements will remain the same; an initial fee of 1% payable for the commitment contract and 1-1/2% loss reserve and marketing fee is payable at the time GNMA purchases the mortgage.

Holders of GNMA commitments to sell mortgages bearing interest rates from 8 to 8-1/2% purchased under the initial \$3 billion October program will be permitted to sell such commitments back to GNMA for an amount equal to 1/2% of the commitments through February 28, 1975.

Kearney also announced a change in the 8-1/4% FHA/VA Tandem Program procedures, which should be of substantial benefit to multifamily builders of FHA-insured apartments and condominiums. Also effective Wednesday, January 22, 1975, GNMA commitments can be obtained after receipt of the Site and Market Analysis Letter from FHA. Formerly, a GNMA commitment could not be obtained until FHA conditional commitment. Developers will therefore know they have financing before they incur extensive project development costs. This GNMA purchase commitment can be obtained for three years at a fee of 2%.

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U. S. Department of Housing and Urban Development

Additional Federal Housing Funds

Fact Sheet

James T. Lynn, Secretary of the U. S. Department of Housing and Urban Development, today announced that he is making available an additional \$3 billion for mortgage purchases under the Emergency Home Purchase Assistance Act of 1974 which President Ford signed last October.

This action authorizes the Government National Mortgage Association (GNMA or Ginnie Mae) to purchase mortgages which are not Federal Housing Administration (FHA) insured or Veterans Administration (VA) guaranteed -- so-called "conventional" mortgages -- as well as FHA and VA mortgages on more than 100, 000 homes.

The proposed program will be in addition to the \$9. 9 billion FHA/VA tandem programs announced in January and May, the \$3 billion Federal Home Loan Mortgage Corporation (FHLMC) conventional mortgage program announced in May and the initial \$3 billion (all of which has been committed) GNMA conventional mortgage purchase program announced in October by President Ford.

GNMA will agree to purchase up to \$2 billion of conventional mortgages as well as up to \$1 billion of FHA insured and VA guaranteed mortgages bearing an interest rate of 7-3/4% on mortgages not exceeding \$42, 000 through February 28, 1975.

A downpayment of 20% is required on conventional mortgages, except a downpayment as low as 5% is allowed if the additional mortgage amount is covered by a qualified private mortgage insurer. Downpayments on FHA/VA sales would be lower. Purchasers of GNMA commitments may use up to 10% of such commitments for existing, as distinguished from new, homes.

The latest market interest rate on conventional home mortgages is about 9-1/2%.

The present housing industry recession is marked by

- a drop in housing starts from 2.15 million units 18 months ago to 990,000 units in November 1974
- unemployment in the construction industry of 13.9%
- the severe financial difficulty of many homebuilders.

In the last three months however, several hopeful signs -- such as lowered mortgage interest rates and increased savings flows to thrift institutions -- have appeared. These signs hold real promise for a significant upturn for the second half of this year.

Holders of GNMA commitments to sell mortgages bearing interest rates from 8 to 8-1/2% purchased under the initial \$3 billion October GNMA program will be permitted to sell such commitments back to GNMA for an amount equal to 1/2% of the commitments through February 28, 1975.

In the event GNMA ultimately sells a mortgage purchased under the program at a loss -- which can result if market yields at the time of resale are less than the yields at which GNMA bought the mortgage -- such loss would be paid out of corporate funds and ultimately from Treasury borrowing. The dollar amounts of mortgages purchased would not be excluded from budget outlays, but would appear as outlays in any fiscal year to the extent they are not offset by sales that year.

As in prior GNMA programs, the Federal National Mortgage Association (FNMA or Fannie Mae) and FHLMC will act as Agent for GNMA. FNMA will receive \$2 billion of authority and FHLMC will receive \$1 billion of authority.

The President has urged that the Emergency Home Purchase Assistance Act be expanded to authorize purchases of conventional mortgages on rental apartments and condominiums. Pending action by the Congress, GNMA will modify its procedures and commit to purchase FHA insured mortgages at a below market interest rate if 8-1/4% on such properties at a time when the project is deemed feasible by FHA, not some six to nine months later as had been GNMA's prior practice. Developers will therefore know they have financing before they incur extensive project development costs.



# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410

HUD-No. 75-14  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, January 17, 1975

### CODE ENFORCEMENT PROGRAM

MD E-6      Maryland Park, Md., \$77,676 increase to a total of \$1,195,176 to cover the cost of closing out the project. (Theodore Llana, Jr., Program Administration, Dept. of Licenses and Permits, County Service Bldg., Hyattsville, Md. 20781)

### LOW RENT PUBLIC HOUSING PROGRAM

NY-35-1      Huntington, N. Y., \$103,125 for the Modernization Program. (Angela Sutton, Executive Director, Housing Authority, 5 Lowndas Ave., Huntington Station, N. Y. 11746)

Miss-110-B      Mound Bayou, Miss., \$20,000 preliminary loan for construction of 50 units, 10 for the elderly. (Felix Tate, Chairman, Housing Authority, P. O. Box 565, Mound Bayou, Miss. 38762)

### NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

ARK A-9      Little Rock, Ark., \$234,642 increase to a total of \$4,881,222. (Clifton L. Giles, Executive Director, Housing Authority, 440 Continental Bldg., Little Rock, Ark. 72201)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

ARIZ A-3      Scottsdale, Ariz., \$166,466 increase to a total of \$2,086,000.  
(Terry Phenister, Neighborhood Development Program Administrator,  
3939 Civic Center Plaza, Scottsdale, Ariz. 85251)

ARIZ A-5      Tempe, Ariz., \$767,700 increase to a total of \$2,284,440.  
(Teron V. Rust, Executive Director, Redevelopment Agency,  
P. O. Box 5002, Tempe, Ariz. 85281)

Calif. A-6      Berkeley, Calif., \$749,564 increase to a total of \$1,958,166.  
(Thomas M. Cook, Executive Director, Redevelopment Agency,  
2000 Hearst Ave., Berkeley, Calif. 94709)

Calif. A-39      Compton, Calif., \$3,428,104 increase to a total of \$7,641,165.  
(Laverta Montgomery, Acting Director, Community Development  
Agency, 134 E. Palm St., Compton, Calif. 90220)

Calif. A-4-1      Fresno, Calif., \$2,534,400 increase to a total of \$6,715,974.  
thru 7      (James Hendricks, Executive Director, Redevelopment Agency,  
Fulton Mall at Tulare, P. O. Box 2329, Fresno, Calif. 93723)

Calif. A-36      Inglewood, Calif., \$741,292 increase to a total of \$4,032,744.  
(Douglas Ayres, Executive Director, Redevelopment Agency,  
One Manchester Blvd., Inglewood, Calif. 90301)

Calif. A-40      Long Beach, Calif., \$1,350,000 increase to a total of \$2,233,568.  
(Ray Brosterhous, Executive Director, Redevelopment Agency,  
City Hall, Long Beach, Calif. 90802)

Calif. A-37      Los Angeles, Calif., \$2,800,000 increase to a total of  
\$5,399,408. (Roy D. Hoover, Executive Director, Community  
Development Agency, 5350 E. Beverly Blvd., Los Angeles,  
Calif. 90022)

Calif. A-38      Port Hueneme, Calif., \$498,170 increase to a total of \$724,203.  
(Eileen E. Jennings, Urban Renewal Administrator, Redevelop-  
ment Agency, 250 N. Ventura Road, Port Hueneme, Calif. 93041)

Calif. A-33      Richmond, Calif., \$731,000 increase to a total of \$1,431,000.  
(James Kimoto, Administrator, Redevelopment Agency, 330 Twelfth  
St., Richmond, Calif. 94801)

Calif. A-17      San Diego, Calif., \$243,592 increase to a total of \$1,325,808.  
(James L. Spotts, Assistant to Engineering and Development  
Director, Redevelopment Agency, Community Concourse, San  
Diego, Calif. 92101)

Calif. A-34-1      San Jose, Calif., \$241,000 increase to a total of \$841,000.  
(Jack T. Dusthimer, Executive Director, Redevelopment Agency,  
85 E. San Antonio St., San Jose, Calif. 95113)

Calif. A-2-1      Seaside, Calif., \$344,942 increase to a total of \$1,095,060.  
& 2                (Harold J. Camacho, Executive Director, Redevelopment  
Agency, 1600 La Salle Ave., Seaside, Calif. 93955)

Calif. A-26      Pittsburg, Calif., \$465,000 increase to a total of \$1,930,506.  
(Anthony Aiello, Director, Redevelopment Agency, Civic Center,  
P. O. Box 1518, Pittsburg, Calif. 94565)

Fla. A-6      Fort Myers, Fla., \$130,000 increase to a total of \$851,715.  
(Mayor Oscar Corbin, Jr., City Hall, Fort Myers, Fla. 33901)

Ga. A-7      Columbus, Ga., \$1,300,000 increase to a total of \$5,239,857.  
(Brown Nicholson, Jr., Executive Director, Housing Authority,  
P. O. Box 630, Columbus, Ga. 31902)

Ga. A-10      Cordele, Ga., \$262,800 increase to a total of \$485,128.  
(Jean H. Burnette, Director of Community Development,  
P. O. Box 365, Cordele, Ga. 31015)

MD A-3      Lyttonsville, Md., \$490,139 increase to a total of \$1,325,852.  
(Frances Abrams, Director, Office of Community Development,  
6110 Executive Blvd., Rockville, Md. 20852)

Minn. A-3-1      Duluth, Minn., \$502,743 increase to a total of \$7,108,725.  
(O. Richard Dumas, Executive Director, Housing and Redevelop-  
ment Authority, 301 E. Second St., Duluth, Minn. 55805)

NJA-3      Jersey City, N. J., \$550,300 increase to a total of \$6,048,065.  
(Neil S. Piro, Executive Director, Redevelopment Agency,  
574 Newark Ave., Jersey City, N. J. 07306)

N. J. A-1      Trenton, N. J., \$621,200 increase to a total of \$3,021,200.  
(John P. Clarke, Director, Department of Planning and  
Development, Civic Center, Armory Dr., Trenton, N. J. 08608)

NY A-206      Buffalo, N. Y., \$994,800 loan increase to a total of \$4,226,950  
and \$994,800 grant increase to a total of \$4,083,450. (Richard L.  
Miller, Commissioner, Dept. of Community Development, 920  
City Hall, Buffalo, N. Y. 14202)

N. Y. A-35      Cortland, N. Y., \$207,000 increase to a total of \$707,000.  
(Mayor Samual Forcucci, City Hall, Cortland, N. Y. 13045)

N. Y. A-5      Glens Falls, N. Y., \$611,400 increase to a total of \$1,932,503.  
(Ray E. Martin, Executive Director, Urban Renewal Agency,  
18 Warren St., Glens Falls, N. Y. 12801)

NY A-16      Olean, N. Y., \$442,900 loan increase to a total of \$3,442,502  
and \$403,000 grant increase to a total of \$2,647,452. (Richard  
R. Sauer, Executive Director, Urban Renewal Agency, 120-124 N.  
Union St., Olean, N. Y. 14760)

NY A-202      Rochester, N. Y., \$1,045,754 loan increase to a total of  
\$1,983,281 and \$1,045,104 grant increase to a total of \$1,945,104.  
(John Stainton, Commissioner, Dept. of Community Development,  
150 State St., Rochester, N. Y. 14614)

N. C. A-16      High Point, N. C., \$325,500 increase to a total of \$799,718.  
(H. K. Martin, Executive Director, Urban Renewal Div.,  
Housing Authority, P. O. Box 1712, High Point, N. C. 27261)

N. C. A-4      Lumberton, N. C., \$634,230 increase to a total of \$1,757,169.  
(Gerald B. Hill, Executive Director, Redevelopment Commission,  
P. O. Box 1311, Lumberton, N. C. 28358)

N. C. A-20      Laurinburg, N. C., \$118,470 increase to a total of \$433,470.  
(Luther A. Douglas, III, Executive Director, Neighborhood  
Development Program, P. O. Box 786, Laurinburg, N. C. 28352)

N. C. A-21      Rocky Mount, N. C., \$105,500 increase to a total of \$355,500.  
(Albert Rabil, Chairman, Redevelopment Commission, P. O.  
Drawer 1180, Rocky Mount, N. C. 27801)

N. C. A-12     Williamston, N. C., \$160,050 increase to a total of \$773,879.  
(M. Henry Leggett, Jr., Executive Director, 504 E. Main St.,  
Williamston, N. C. 27892)

VA A-3        Richmond, Va., \$1,497,000 increase to a total of \$5,571,935.  
(Frederic A. Fay, Executive Director, Redevelopment and  
Housing Authority, P. O. Box 26887, Richmond, Va. 23261)

Wash A-3       Tacoma, Wash., \$99,852 increase to a total of \$805,293.  
(William Donaldson, City Manager, County-City Bldg.,  
Tacoma, Wash. 98402)

W. Va. A-2      Bluefield, W. Va., \$321,140 increase to a total of \$382,899.  
(Daniel B. Ashlin, Executive Director, Urban Renewal  
Authority, Municipal Bldg., P. O. Box 4100, Bluefield, W. Va. 44701)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

Recertifications:

Texarkana, Ark.   (Ronald C. Copeland, City Manager, City Hall, Texarkana,  
                         Ark. 75501)

Hot Springs, Ark.   (Mayor Thomas J. Ellsworth, Municipal Bldg., Hot Springs,  
                         Ark. 71901)

# # #



# HUD NEWS

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

HUD-No. 75-29  
Phone: (202) 755-5277  
(Beckerman)

FOR RELEASE:  
4:00 p.m., Monday  
January 20, 1975

Secretary James T. Lynn of the U. S. Department of Housing and Urban Development today announced that \$900 million has been allocated to HUD Regional and Area Offices for the Section 8 Housing Assistance Payments Program to supplement subsidy funds previously authorized for leased housing.

The Section 8 program provides rental payment assistance to lower income families certified as eligible to receive the subsidy. Assisted families will pay between 15 and 25 percent of their income toward the gross rent. HUD will make up the difference between what the families pay and the fair market rent for the dwelling.

Following is the allocation of funds released today broken down by HUD Regional Offices:

<u>Regional Office</u>	<u>Fair Share Percentage</u>	<u>Contract Authority</u>
Boston	6.34	\$ 57,015,000
New York	19.68	177,142,000
Philadelphia	11.42	102,758,000
Atlanta	14.92	134,324,000
Chicago	19.49	175,387,000
Dallas	8.09	72,787,000
Kansas City	4.59	41,220,000
Denver	2.21	19,891,000
San Francisco	10.88	97,965,000
Seattle	2.39	21,511,000
Proposed Field Allocation	<u>100.00</u>	<u>\$900,000,000</u>

The "fair share" percentage distribution is based on Section 213(d) of the 1974 Act, which directs the **Secretary** to consider:

"so far as practicable...the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, or other objectively measurable conditions, subject to such adjustments as may be necessary to assist in carrying out activities designed to meet lower income needs..."

The distribution specifically takes into account differences in housing costs among housing markets so that the assisted number of households would be proportionate to housing needs.

# # #

## SECTION 8 HOUSING ASSISTANCE PAYMENTS PROGRAM: FACT SHEET

The Section 8 Housing Assistance Payments Program was authorized by the United States Housing Act of 1937 as amended by Section 201 of the Housing and Community Development Act of 1974.

### Basic Concept

HUD will provide housing assistance payments on behalf of eligible lower-income families (i.e., families whose income does not exceed 80 percent of median income for the locality) occupying newly constructed, substantially rehabilitated or existing housing. This payment will make up the difference between the approved rent for the unit and the amount the family is required to pay which is not less than 15 percent nor more than 25 percent of the family's adjusted income.

### NEW CONSTRUCTION AND SUBSTANTIAL REHABILITATION

#### Who May Participate

Housing projects may be owned by private owners, both profit-motivated and non-profit, and by public housing agencies.

#### How do They Participate

Owners will submit development proposals in response to a HUD-published invitation for proposals. If both the preliminary and final proposals are acceptable to HUD, HUD will enter into an agreement that upon completion of the project, it will enter into a Housing Assistance Payments Contract with the owner for a specified term. Under this Contract, HUD will make housing assistance payments with respect to units occupied by eligible families.

Methods of Finance

Any type of financing may be utilized including HUD-FHA mortgage insurance programs, conventional financing and tax-exempt bonds or other obligations.

If the Housing Assistance Payment Contract is pledged as security for any loan or obligation, the financing must be approved by HUD.

Initial Maximum Rents to Owners

The rents approved under the Contract (Contract Rents) may not exceed the HUD established Fair Market Rents for new construction for the housing market area in which the project will be located, and must be reasonable in relation to the quality, location, amenities, methods and terms of financing, and the management and maintenance services the project. The Fair Market Rents may be exceeded by up to 10 percent where the field office director determines that special circumstances so warrant and the rents meet the test of reasonableness.

The Fair Market Rents may be exceeded by up to 20 percent where the Assistant Secretary for Housing Production and Mortgage Credit determines that special circumstances so warrant, or determines that such higher rents are necessary to the implementation of a Housing Assistance Plan.

The initial Contract Rents for projects which will be financed by FHA mortgage insurance may not exceed the rents approved by HUD in connection with the mortgage insurance for the project.

Rent Adjustments

Contract Rents to the owner will be adjusted annually by the HUD established Automatic Annual Adjustment Factor. Special additional adjustments may be approved to reflect actual and necessary expenses of owning and maintaining the project which have resulted from substantial general increases in real property taxes, utility rates or similar costs (i.e., assessments, and utilities not covered by regulated rates), but only to the extent that such general increases are not compensated for by the Automatic Annual Adjustments.

Term of Housing Assistance Payments Contract

The maximum term for the Contract is 20 years, or 40 years in the case of a project owned by, or financed by a loan or a loan guarantee from, a State or local agency. The actual term will be established on the basis of the amount of capital expenditures reasonably required for the project, the reasonable rate and period of amortization for the financing and the approved rents to the owner.

Responsibilities of the Owners

The owner will be responsible for performance of all maintenance and management functions (including taking of applications, selection of families, collection of rents, termination of tenancies, reexamination of family income and compliance with equal opportunity requirements). In connection with selection of families, the owner is responsible for leasing at least 30 percent of the units to Very Low-Income Families (i.e., families whose income does not exceed

50 percent of the median income for the locality). Subject to HUD approval, the owner may contract with another entity to perform such services provided the management contract will not shift any of the owner's responsibilities or obligations. However, no entity which is responsible for administration of the Contract (i.e., a PHA in the case of a Private-Owner/PHA project) may contract to perform such services.

#### EXISTING HOUSING

Private owners may also participate in the Section 8 program by leasing existing decent, safe and sanitary housing to lower-income families. Under this program, a family which is determined eligible by the PHA will be given a Certificate of Family Participation. The family may then seek a suitable unit anywhere within the operating jurisdiction of the PHA. If the owner is willing to lease a unit, and the unit is determined to be in decent, safe and sanitary condition and if the gross rent is within the HUD established Fair Market Rent for existing housing, a lease may be executed between the owner and the family and a Housing Assistance Payments Contract will be executed between the PHA and the owner. This Contract will assure a monthly payment to the owner in an amount sufficient to make up the difference between the rent payable by the family and the Contract Rent to the owner.

#### STATE HOUSING FINANCE AND DEVELOPMENT AGENCIES

A separate set of regulations has been developed for State Housing Finance and Development Agencies (HFAs), now present in 32 States. Most HFAs provide

below market interest rate financing to private developers of low and moderate income housing. The regulations permit qualified agencies to receive "set-asides" -- earmarkings of Section 8 contract authority which the HFA can allocate generally according to its own housing program. In addition, agencies which provide financing without Federal mortgage insurance are permitted a greater degree of program responsibility -- e.g., selection of developer (either by advertising or negotiation), approval of design and construction quality, site selection, economic feasibility, and marketability. The Section 8 subsidy payments with respect to an HFA financed project are computed and disbursed in the same manner as for the basic program, and the Housing Assistance Payments Contract term for an HFA financed project may be for a term of up to 40 years.



# HUD NEWS

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

HUD-No. 75-17  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Tuesday, January 21, 1975

### LOW RENT PUBLIC HOUSING PROGRAM

Ky-14-11      Danville, Ky., \$1,803,000 for construction of 65 units for the elderly. (Lucille T. Burckley, Executive Director, Housing Authority, P. O. Box 666, Danville, Ky. 40422)

LA 29-1 & 2      Crowley, La., \$225,000 increase to a total of \$1,119,000 for the Modernization Program. (Medrick Morgan, Chairman, Housing Authority, Box 1347, Crowley, La. 70526)

NM 45-1      Vaughn, N. M., \$555,408 for turnkey construction of 20 units, 8 for the elderly. (Paul Madrid, Secretary, Housing Authority, Town Hall, Vaughn, N. M. 88353)

### NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

ILL. A-4      Rockford, Ill., \$755,626 increase to a total of \$5,685,109. (Mayor Robert McGraw, City Hall, 425 E. State St., Rockford, Ill. 61104)

Ill. A-15      Springfield, Ill., \$1,101,796 increase to a total of \$5,301,796. (Mayor William C. Telford, Municipal Bldg., Springfield, Ill. 62701)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

Mass. A-9-1-1 Holyoke, Mass., \$212,400 increase to a total of \$743,199.  
(James Smith, Executive Director, Redevelopment Authority,  
City Hall, Holyoke, Mass. 01040)

Mass. A-4-1-2 Springfield, Mass., \$782,800 increase to a total of \$3,340,983.  
(Allan B. Andrews, Development Administrator, Redevelopment  
Authority, 73 State St., Springfield, Mass. 01103)

N. C. A-7 Fayetteville, N. C., \$212,000 increase to a total of \$717,300.  
(Charles W. Fairley, Executive Director, Redevelopment  
Commission, P. O. Box 635, Fayetteville, N. C. 28302)

N. C. A-10 Fayetteville, N. C., \$96,670 increase to a total of \$261,670.  
(Same as above)

#### NEIGHBORHOOD FACILITIES GRANT PROGRAM

KY N-35 Hindman, Ky., \$200,000 for development of a new multi-purpose facility. (Honorable Sid Williams, County Judge, Knott County Fiscal Court, Courthouse, Main St., Hindman, Ky. 41822)

#### URBAN RENEWAL PROGRAM

Ala. R-34 Mobile, Ala., \$2,355,951 increase to a total of \$18,696,700 for the Water Street Project. (Mayor Garry Greenough, P. O. Box 1827, Mobile, Ala. 36601)

Ala. R-123 Piedmont, Ala., \$56,225 increase to a total of \$1,542,419 for the Central Business District. (Mayor B. H. Gunter, City Hall, Piedmont, Ala. 36272)

Calif. R-56 Richmond, Calif., \$3,130,000 increase to a total of \$25,664,604 for the Downtown Project. (James K. Kimoto, Administrator, Redevelopment Agency, 330 Twelfth St., Richmond, Calif. 94801)

Calif. R-54 San Francisco, Calif., \$2,194,456 increase to a total of \$105,318,242 for the Western Addition #2 Project. (Arthur F. Evans, Executive Director, Redevelopment Agency, 939 Ellis St., San Francisco, Calif. 94109)

MD R-32      Glenarden, Md., \$111,473 increase to a total of \$4,671,953 for the Old Town Project. (Richard Bieniasz, Director, Urban Renewal Agency, 8629 Leslie Ave., Glenarden, Md. 20801)

MD R-16      Rockville, Md., \$1,642,697 increase to a total of \$10,094,868 for the Mid-City Project. (Douglas F. Horne, Director of Urban Renewal, 111 S. Perry St., Rockville, Md. 20850)

MD R-33      Rockville, Md., \$146,975 increase to a total of \$1,036,231 for the Junior College Project. (Same as above)

Mass. R-37      Brookline, Mass., \$700,000 increase to a total of \$5,728,688 for the Marsh Project. (Charles B. Steward, Executive Director, Redevelopment Authority, 276 Washington St., Brookline, Mass. 02146)

Mass. R-118      Malden, Mass., \$3,250,000 increase to a total of \$10,307,667 for the Downtown Malden Project. (John Blake, Jr., Administrator, Redevelopment Authority, 468 Main St., Malden, Mass. 02148)

Nev. R-9      North Las Vegas, Nev., \$20,000 increase to a total of \$3,811,530 for the Rose Garden Project. (Jane Paulos, Director, Urban Renewal, 2200 Civic Center Drive, North Las Vegas, Nev. 89030)

NH R-9      Nashua, N. H., \$176,932 increase to a total of \$2,743,897 for the Myrtle Street Project. (Charles Dedascalou, Director, Housing Authority, Agency for Community Development, 57 Tyler St., Nashua, N. H. 03060)

N. Y. R-259      Albany, N. Y., \$6,650,000 for the South End Project No. 2. (David Biker, Executive Director, Urban Renewal Agency, City Hall, Albany, N. Y. 12207)

NY R-35      Buffalo, N. Y., \$3,727,750 loan increase to a total of \$31,613,247 and \$3,757,750 grant increase to a total of \$26,314,175 for the Waterfront Project. (Mayor Stanley M. Makowski, City Hall, Buffalo, N. Y. 14202)

N. Y. R-112      Ithaca, N. Y., \$267,000 increase to a total of \$6,267,215 for the Center-Ithaca Project. (Richard Daley, Renewal Administrator, Ithaca, N. Y. 14130)

NY R-144      Rochester, N. Y., \$3,300,000 loan increase to a total of \$26,935,968 and \$3,300,000 grant increase to a total of \$32,107,073 for the Third Ward Project. (John Stainton, Commissioner, Department of Community Development, 150 State St., Rochester, N. Y. 14614)

N. Y. R-214      Syracuse, N. Y., \$1,437,300 increase to a total of \$19,461,296 for the Clinton Square Project. (David S. Michel, Commissioner of Urban Improvement, Urban Renewal Agency, 300 E. Fayette St., Syracuse, N. Y. 13202)

N. Y. R-30      Syracuse, N. Y., \$383,335 increase to a total of \$26,807,106 for the Near Eastside Project. (Same as above)

N. Y. R-100      Tonawanda, N. Y., \$1,000,000 loan increase to a total of \$8,252,977 and \$1,000,000 grant increase to a total of \$7,537,977 for the Niagara-Young Streets Project. (James P. Kavanaugh, Executive Director, Urban Renewal Agency, 200 Niagara St., Tonawanda, N. Y. 14150)

N. Y. R-113      Woodridge, N. Y., \$496,000 increase to a total of \$1,765,201 for the Central Project. (David R. Heacock, Executive Director, Urban Renewal Agency, Village Hall, Woodridge, N. Y. 12789)

N. C. R-41      Durham, N. C., \$39,000 increase to a total of \$2,917,407 for the North Carolina College Project. (Ben T. Perry, III, Executive Director, Redevelopment Commission, Post Office Box 507, Durham, N. C. 27702)

N. C. R-62      Winston-Salem, N. C., \$748,040 increase to a total of \$9,645,040 for the Kimberly-North Winston Project. (James K. Haley, Executive Director, Redevelopment Commission, 901 Cleveland Ave., Winston-Salem, N. C. 27101)

PR R-19      Quebradilla, P. R., \$93,022 increase to a total of \$1,540,677 for the Del Carmen Ward Project. (Ismael Rios Sanchez, Executive Director, Urban Renewal and Housing Corp., P. O. Box W, Rio Piedras, Puerto Rico 00928)

Tenn. R-134      Bristol, Tenn., \$328,500 increase to a total of \$2,022,113 for the State Street Project. (Larry Carter, Executive Director, Housing Authority, P. O. Box 3124, Bristol, Tenn. 37620)

Tenn. R-125      Smithville, Tenn., \$74,999 increase to a total of \$812,680 for the Jackson Street Project. (J. G. Driver, Executive Director, Housing Authority, P. O. Box 12, Smithville, Tenn. 37166)

WVA R-23      Dunbar, W. Va., \$20,000 increase to a total of \$2,807,352 for the Dunbar Plaza Project. (Lloyd Meador, Executive Director, Urban Renewal Authority, 1201 Dunbar Ave., Dunbar, W. Va. 25064)

WVA R-18      Huntington, W. Va., \$4,121,672 increase to a total of \$20,260,716 for the Downtown No. I Project. (D. W. Harris, Executive Director, Urban Renewal Authority, P. O. Box 324, Huntington, W. Va. 25708)

WVA R-19      Parkersburg, W. Va., \$243,950 increase to a total of \$3,956,100 for the Central City Project. (Brodie Henry, Executive Director, Urban Renewal Authority, 217 Fourth St., Parkersburg, W. Va. 26101)

Wis. R-2      Madison, Wis., \$268,060 increase to a total of \$3,756,967 for the Triangle Project. (Sol Levin, Executive Director, Redevelopment Authority, 351 W. Wilson St., Madison, Wis. 53703)

VA R-44      Charlottesville, Va., \$671,958 increase to a total of \$5,600,371 for the Garrett Street Project. (A. E. Arrington, Executive Director, Redevelopment and Housing Authority, P. O. Box 1405, Charlottesville, Va. 22902)

VA R-43      Norfolk, Va., \$5,300,000 increase to a total of \$15,828,912 for the Ghent Neighborhood Conservation Project. (Jack H. Shiver, Executive Director, Redevelopment and Housing Authority, P. O. Box 968, Norfolk, Va. 23501)

VA R-15      Richmond, Va., \$78,321 increase to a total of \$3,321,452 for the 17th Street Project. (Frederic A. Fay, Executive Director, Redevelopment and Housing Authority, P. O. Box 26887, Richmond, Va. 23261)

INT RATES



# HUD NEWS

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

HUD-No. 75-26  
Phone: 755-5277  
(Beckerman)

FOR RELEASE:  
Monday, 4:00 P.M. (EST)  
January 20, 1975

FHA mortgage insurance will soon be available to aid in the financing and refinancing of existing apartment buildings.

The interest rate on the insured mortgages may not exceed the FHA rate as determined by the Secretary. That rate is currently 8-1/2 percent.

Prior to a change in the law last year, FHA mortgage insurance was available only to aid in financing newly constructed buildings.

The purpose of this new section 223(f) program is to facilitate the sale or refinancing of older apartment buildings by providing permanent financing for good quality projects. This will often permit developers to reinvest the proceeds in new projects.

In addition, in order to alleviate current conditions in the multifamily mortgage market, projects which were started before June 30, 1974, and are scheduled to be completed before December 31 of this year are also covered. This will help free up construction funds for relending and new projects.

The maximum mortgage terms must be at least ten years and will be limited to three-quarters of the remaining economic life of the project up to a maximum of 35 years. The loan amount cannot exceed 80 percent of HUD's estimate of value.

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# HUD NEWS

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

HUD-No. 75-29  
Phone: (202) 755-5277  
(Beckerman)

FOR RELEASE:  
4:00 p.m., Monday  
January 20, 1975

Secretary James T. Lynn of the U. S. Department of Housing and Urban Development today announced that \$900 million has been allocated to HUD Regional and Area Offices for the Section 8 Housing Assistance Payments Program to supplement subsidy funds previously authorized for leased housing.

The Section 8 program provides rental payment assistance to lower income families certified as eligible to receive the subsidy. Assisted families will pay between 15 and 25 percent of their income toward the gross rent. HUD will make up the difference between what the families pay and the fair market rent for the dwelling.

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<u>Regional Office</u>	<u>Fair Share Percentage</u>	<u>Contract Authority</u>
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Kansas City	4.59	41,220,000
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San Francisco	10.88	97,965,000
Seattle	2.39	21,511,000
Proposed Field Allocation	100.00	\$900,000,000

The "fair share" percentage distribution is based on Section 213(d) of the 1974 Act, which directs the Secretary to consider:

"so far as practicable...the relative needs of different areas and communities as reflected in data as to population, poverty, housing overcrowding, housing vacancies, amount of substandard housing, or other objectively measurable conditions, subject to such adjustments as may be necessary to assist in carrying out activities designed to meet lower income needs..."

The distribution specifically takes into account differences in housing costs among housing markets so that the assisted number of households would be proportionate to housing needs.

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# HUD NEWS

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

HUD-No. 75-30  
Phone: (202) 755-5277  
(Beckerman)

FOR RELEASE:  
4:00 p.m., Monday  
January 20, 1975

Secretary James T. Lynn of the U. S. Department of Housing and Urban Development today announced a program to assist in the construction of housing for the elderly and the handicapped.

The program, generally referred to as Section 202, authorizes HUD to make direct loans for rental housing for the elderly and the handicapped.

The loans will be available for the construction phase of projects sponsored by non-profit organizations that are assisted under the Section 8 Housing Assistance Payments program.

The interest rate on these loans will be equal to the Treasury borrowing rate on debts with comparable maturities plus an allowance to cover administrative costs and anticipated losses.

Permanent financing will be arranged through the same avenues of FHA-insured or conventional permanent financing as are available for all other Section 8 projects.

Congress has made \$215 million available for the Section 202 program.

To Accompany HUD-No. 75-30

Implementation of Section 202 Program  
of Housing for the Elderly and Handicapped

Fact Sheet

Under a revised Section 202 program, authorized by the Housing and Community Development Act of 1974, HUD can make direct loans for rental housing for the elderly and handicapped. Section 202 loans will be available to finance the construction phase of such housing projects that are sponsored by nonprofit organizations and assisted under the Section 8 Housing Assistance Payments Program. The interest rate on the Section 202 loans will be equal to the Treasury borrowing rate on debt with comparable maturities plus an allowance to cover administrative costs and anticipated losses. Permanent financing for these projects will be arranged through the same avenues of FHA-insured or conventional permanent financing as are available for all other Section 8 projects.

The construction loan approach to implementing the Section 202 program will permit the available level of funding to be rolled over more frequently than would be possible if Section 202 funds were tied up in 40-year permanent loans. It is anticipated that the \$215 million that has been provided by Congress will be sufficient to finance construction of approximately 10,000 units during the next two years.

## SECTION 202

Congress had made \$215 million available for the Section 202 program.

Section 202 program is designed for financing housing for elderly and handicapped citizens. Section 202 loans will be made by HUD to finance construction of elderly and handicapped housing projects sponsored by non-profit organizations and built under the Section 8 housing assistance payments program.

- Q. What types of projects can be assisted with the Section 202 program?
  - A. Projects involving the elderly and handicapped, which are sponsored by nonprofit organizations, and built under the Section 8 Program can be approved for financing.
- Q. Why is the Section 202 program being limited to construction loans?
  - A. The program is being limited to construction loans because this type of loan is the most difficult to obtain, and market interest rates are higher on these loans, and it would enable maximum re-use of funds for further projects.
- Q. What will be the interest rate on Section 202 loans?
  - A. The interest rate charged for Section 202 loans will be the current market yield on outstanding Treasury obligations, plus an allowance to cover administration and probable losses.



# HUD NEWS

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

HUD-No. 75-31  
Phone (202) 755-5284  
(Beckerman)

FOR RELEASE:  
4:00 p.m. (EST)  
January 20, 1975

Secretary James T. Lynn of the U. S. Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be lowered to 8-1/2 percent, effective January 21, 1975.

The current rate, set on November 25, 1974, is 9 percent.

The reduction in the maximum allowable interest rate -- the second in three months -- was made possible by gradually declining interest rates throughout the capital markets and the growing availability of mortgage money.

"Lower interest rates mean lower monthly costs for homebuyers and reflects the fact that more money is flowing into housing," Secretary Lynn declared. "The combination of lowering interest rates and the financial help provided the housing industry through the various programs of HUD's Government National Mortgage Association (GNMA) should help the industry to begin showing an improvement in housing starts later this year."

- more -

HUD-No. 75-31

Under the Emergency Home Purchase Assistance Act, signed by President Ford on October 18, GNMA was authorized to purchase another \$3 billion in non-FHA/VA conventional mortgages on newly constructed homes. Ten percent of this \$3 billion was available for the purchase of mortgages on existing homes. All of this money has been committed.

An additional \$3 billion program to finance home mortgage purchases at 7-3/4% interest was announced January 16 effective Wednesday, January 22, 1975.

Of the \$3 billion, \$2 billion will be made available for conventionally financed home mortgages with the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC), dividing equally the administration of the program as agent for GNMA. The additional \$1 billion will be used for the purchase of FHA-insured and VA-guaranteed mortgages and will be made available through the facilities of FNMA.

During the past year, the Department has attempted to keep the ceiling rate as close to market rates as possible in order to minimize discount points.

HUD-No. 75-31

The new 8-1/2 percent rate was determined after consultation with Richard L. Roudebush, Administrator of the Veterans Administration, who simultaneously announced a similar decrease in the maximum rate of GI home mortgage loans.

# # # # #

HUD-FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	Nov. 27, 1934 - June 23, 1935
5%	June 24, 1935 - July 31, 1939
4-1/2%	August 1, 1939 - April 23, 1950
4-1/4%	April 24, 1950 - May 1, 1953
4-1/2%	May 2, 1953 - Dec. 2, 1956
5%	Dec. 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - Sept. 22, 1959
5-3/4%	Sept. 23, 1959 - Feb. 1, 1961
5-1/2%	Feb. 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - Feb. 6, 1966
5-1/2%	Feb. 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - Oct. 2, 1966
6%	Oct. 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - Jan. 23, 1969
7-1/2%	Jan. 24, 1969 - Jan. 4, 1970
8-1/2%	Jan. 5, 1970 - Dec. 1, 1970
8%	Dec. 2, 1970 - Jan. 12, 1971
7-1/2%	Jan. 13, 1971 - Feb. 17, 1971
** 7%	Feb. 18, 1971 - June 30, 1973
** 7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - Jan. 21, 1974
8-1/4%	Jan. 22, 1974 - April 14, 1974
8-1/2%	April 15, 1974 - May 12, 1974
8-3/4%	May 13, 1974 - July 7, 1974
9%	July 8, 1974 - August 13, 1974
9-1/2%	August 14, 1974 - Nov. 24, 1974
9%	Nov. 25, 1974 - Jan. 20, 1975
8-1/2%	Jan. 21, 1975 -

\* 5% for acquisition, 5-1/2% refunding of mortgage indebtedness or creation of mortgage indebtedness on property constructed before June 7, 1934.

\*\* FHA authority lapsed June 30, 1973; renewed August 10, 1973.

To Accompany HUD-75-31.

QUESTIONS AND ANSWERS ON INTEREST RATE DECREASE

Q. How will the decrease in the FHA interest ceiling affect the buyer of a house?

A. On a \$30,000 mortgage, this would mean a \$10.80 monthly savings.

Q. How will the decrease affect those applications for mortgage insurance now in process?

A. Mortgage lenders may still charge the higher rate; however, it is FHA's policy to encourage mortgagees to reduce the interest rate in all cases that have not been closed prior to the effective date of the decrease.

Q. When was the last time the FHA interest rate was raised? When last lowered?

A. Raised to 9-1/2 percent on August 14, 1974; lowered to 9 percent, November 25, 1974.

Q. What is meant by "paying points" and what does this have to do with the cost of a house?

A. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. During periods when this differential exists, investors are unwilling to invest in FHA/VA mortgages without this discount since the yield would not be competitive with that available from other investments.

# # # # #



# HUD NEWS

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

FILE COPY

HUD No. 75-34  
Phone (202) 755-5277  
(Beckerman)

FOR IMMEDIATE RELEASE:  
Wednesday  
January 22, 1975

The Department of Housing and Urban Development announced that State allocations would be imposed on the additional \$2 billion for conventional home mortgages to be released January 22, 1975, by the Government National Mortgage Association under the Emergency Home Purchase Assistance Act of 1974.

Daniel P. Kearney, President of GNMA stated that these limitations became apparent because of the demand expressed by institutions throughout the country and to assure that the funds are available in all States for a reasonable period of time.

The State limitations will permit States that are slower in action because of State laws, etc., to have an opportunity to participate. The demand for funds will be monitored and the distribution observed after the first of February to determine if continuance of the allocations is warranted.

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# HUD NEWS

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

HUD-No. 75-35  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, January 24, 1975

### RENT SUPPLEMENT PROGRAM

Canton, Ohio, \$84,336 firm commitment for 43 units at Somerset Apartments, sponsored by Highland Redevelopment Corp., 635 Highland Park Drive, Canton, Ohio. (Charles P. Lucas, Director, HUD-FHA Insuring Office, 771 Rockwell Ave., Cleveland, Ohio 44114)

### RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Milwaukee, Wis., \$1,840,900 firm commitment for 107 units, sponsored by WAICO Associates, 1200 N. Walnut St., Milwaukee, Wis. (John E. Kane, Director, HUD Area Office, 744 N. 4th St., Milwaukee, Wis. 53203)

### COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

CPA-SD-08-00-0070      Eagle Butte, S. D., \$15,000 increase to a total of \$35,000 for growth needs of the Cheyenne River Sioux Tribe Indian Reservation. (Wayne Ducheneaux, Chairman, Cheyenne River Sioux Tribe, P.O. Box 6, Eagle Butte, S. D. 57625)

OPA-NY-02-00-1040      New York, N. Y., \$150,000 to assist in the implementation of comprehensive plans at the regional and subregional level. (Robert Sloeum, Executive Director, Metropolitan Regional Council, Inc., 1 World Trade Center, New York, N. Y. 10048)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

LOW RENT PUBLIC HOUSING PROGRAM

AK-9-1      Emmonak, Alaska, \$899,978 for mutual-help construction of 30 units. (Roger A. Riddell, Director, HUD-FHA Insuring Office, 334 West 5th Ave., Anchorage, Alaska 99501)

AK-8-5      Gambell, Alaska, \$881,487 for mutual-help construction of 30 units. (Same as above)

AK-9-2      Hooper Bay, Alaska, \$915,098 for mutual-help construction of 30 units. (Same as above)

AK-9-3      St. Marys, Alaska, \$599,985 for mutual-help construction of 20 units. (Same as above)

AK-8-1      St. Michael, Alaska, \$762,010 for mutual-help construction of 25 units. (Same as above)

AK-8-4      Savoonga, Alaska, \$746,323 for mutual-help construction of 25 units. (Same as above)

AK-8-2      Stebbins, Alaska, \$597,068 for mutual help construction of 20 units. (Same as above)

AK-8-6      Teller, Alaska, \$906,267 for mutual-help construction of 30 units. (Same as above)

AD-8-3      Unalarleet, Alaska, \$597,068 for mutual-help construction of 20 units. (Same as above)

IA 11-2      Sioux Center, Iowa, \$81,952 for construction of 40 units, 20 for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, 210 Walnut St., Des Moines, Iowa 50309)

KANS 86-1      Downs, Kans., \$46,080 to lease 20 newly-constructed units for the elderly. (Paul R. Garey, Chairman, Housing Authority, Downs, Kans. 67437)

MO 2-21      Kansas City, Mo., \$69,000 to lease 35 units, 5 for the elderly, on scattered sites. (John Bridges, Executive Director, Housing Authority, 1016 Locust, Kansas City, Mo. 64106)

MO 1-34      St. Louis, Mo., \$4,749,030 for turnkey construction of 148 units. (T. P. Costello, Executive Director, Housing Authority, 1221 Locust St., St. Louis, Mo. 63103)

NH 6-2      Somersworth, N. H., \$25,000 increase to a total of \$549,000 for the Modernization Program. (Housing Authority, 42 Bartlett Ave., Somersworth, N. H. 03878)

NY 30-4      Elmira, N. Y., \$435,954 for construction of 209 units for the elderly. (J. Robert Chely, Executive Director, Housing Authority, 302 Woodlawn Ave., Elmira, N. Y. 14901)

NY-35-1      Huntington, N. Y., \$103,125 for the Modernization Program. (Angela Sutton, Executive Director, Housing Authority, 5 Lowndes Ave., Huntington Station, N. Y. 11746)

#### NEIGHBORHOOD DEVELOPMENT PROGRAM

DC A-1      Washington, D. C., \$7,880,380 increase to a total of \$59,198,358 to cover the transition of program during the period prior to approval of the first year Community Development block grant. (Melvin A. Mister, Executive Director, D. C. Redevelopment Land Agency, 1325 G St., N. W., Washington, D. C. 20005)

NEB A-1      North Platte, Neb., \$120,473 increase to a total of \$1,494,213 to carry on neighborhood development activities. (Mayor Robert A. Phares, City Hall, North Platte, Neb. 69101)

#### OPEN SPACE LAND PROGRAM

OSL-KY-04-30-1044      Cumberland, Ky., \$824,000 for development of a 7 acre passive recreation park. (Mayor E. R. Hazen, City Hall, Cumberland, Ky. 40823)

URBAN RENEWAL PROGRAM

DC R-8      Washington, D. C., \$533,112 increase to a total of \$32,269,422 for the Northwest No. I Project. (Melvin A. Mister, Executive Director, D. C. Redevelopment Land Agency, 1325 G St., N. W., Washington, D. C. 20005)

DC R-1      Washington, D. C., \$1,840,479 increase to a total of \$51,082,656 for the Southwest C Project. (Same as above)

N. C. R-13    Asheville, N. C., \$100,000 increase to a total of \$3,071,225 for the Civic Area Project. (Wilbur C. King, Executive Director, Housing Authority, P. O. Box 1898, Asheville, N. C. 28802)

Ala., R-83    Prichard, Ala., \$495,750 increase to a total of \$6,598,765 for the Wilson Avenue Plaza Project. (Mayor A. J. Cooper, P. O. Box 10515, Prichard, Ala. 36610)

Wyo. R-2      Casper, Wyo., \$200,000 increase to a total of \$1,805,799 for the Downtown Northwest Project. (George D. Axlund, Executive Director, Urban Renewal Agency, 135 S. Center, Casper, Wyo. 82601)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

## Recertification:

Gastonia, N. C.      (Mayor Roland Bradley, P. O. Box 1748, Gastonia, N. C. 28052)

Certification:

Duboistown, Pa.      (Mayor Wilbur R. Forse, Duboistown, Pa. 17701)

# # #



# HUD NEWS

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

HUD-No. 75-37  
Phone (202) 755-5277  
(Bacon)

FOR IMMEDIATE RELEASE:  
Friday  
January 24, 1975

Secretary James T. Lynn of the Department of Housing and Urban Development today announced the Department will hold public hearings next month on problems surrounding the construction and conversion of condominiums and cooperatives.

The hearings will be held February 10, 11 and 12 from 9 a.m. to 5 p.m. in the Department of Interior auditorium, 19th and C Streets, N.W., Washington, D.C., and will be open to all interested parties, consumers and industry groups alike. Both written and verbal testimony will be accepted.

The three-day hearings will be designed to solicit the views of concerned organizations, individuals and experts on the nature, severity and possible solutions to alleged abuses, and related problems, in condominium and cooperative development. Inadequate disclosure of project characteristics, long-term "sweetheart" contracts and tales of long-term residents being forced out by conversion of their apartments to condominiums are among alleged abuses to be explored.

-more-

Official notice of the hearings, with full details, was published in the January 9, 1975 issue of the Federal Register.

Secretary Lynn said the hearings will provide a forum for the sharing of first-hand information and provide valuable details for HUD's on-going and planned research into problems relating to condominiums and cooperatives. It also will be helpful in HUD's analysis of what role the Federal Government should play regarding those problems.

The hearings will focus on four problem areas:

1. The sales agreement, including such questions as how to reduce the potential for developer fraud, and assure purchasers they are being given all the details on their dwelling units;

2. Management, including questions on the role of owners' associations and their relationship to the developer. For example, what recourse does an owners' association have against unfulfilled promises of a developer?

3. Issues relating to conversion: how much notice should tenants have of intent to convert to condominium status? how long should they have the exclusive option to buy their units? and what steps, if any, should be taken to assure an adequate supply of rental housing?; and

4. The need for, scope and potential costs of, legislation to correct whatever problems may exist and the forms it should take.

Requests to appear and testify at the hearings should include an outline of topics to be covered, and should be addressed to:

The Condominium Task Force  
Room 8110, Policy Development  
and Research, HUD  
451 Seventh St., S.W.  
Washington, D.C. 20410

All such requests must be received by close of business January 31, 1975.

Individuals or groups wanting to offer written testimony for the record but not to appear at the hearings should direct such testimony to the same address. Deadline for receipt of this testimony is February 12, the final day of the hearings.



# HUD NEWS

**U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

**WASHINGTON D.C. 20410**

## 1976 BUDGET HIGHLIGHT TABLES

TABLE 1 - DEPARTMENTAL TOTALS

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TABLE 5 - APPROPRIATIONS AND BUDGET AUTHORITY

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Unit Reservations

TABLE 8 - CONTRACT AUTHORITY UNDER U.S. HOUSING ACT

TABLE 9 - ASSISTED HOUSING PROGRAMS  
Budget Authority, Obligations, and Obligated Balances

TABLE 10 - PROPERTY ACQUISITIONS AND MORTGAGE ASSIGNMENTS,  
SALES AND INVENTORY

TABLE 11 - PERMANENT FULL-TIME PERSONNEL

Note: The information in this summary may not be revealed in whole or in part until the President has transmitted the Budget to the Congress on February 3, 1975.

TABLE 1

## Department of Housing and Urban Development

DEPARTMENTAL TOTALS

	<u>ACTUAL</u> <u>1974</u>	<u>ESTIMATE</u> <u>1975</u>	<u>ESTIMATE</u> <u>1976</u>
	(Dollars in Millions)		
<u>APPROPRIATIONS</u>			
Community Development Grants.....	...	\$2,175.0	\$2,550.0
Payments for Assisted Housing.....	\$2,020.0	2,300.0	2,245.0
Operating Subsidies.....	(320.0)	(450.0)	525.0
All Other.....	1,081.4	724.7	536.6
Total HUD Appropriations.....	<u>3,101.4</u>	<u>5,199.7</u>	<u>5,856.6</u>
President's Disaster Relief Fund..	432.6	200.0	150.0
<u>BUDGET AUTHORITY</u>			
Annual Contributions for Assisted Housing.....	5,969.1	44,859.0	26,097.0
FHA Fund Borrowings.....	817.4	875.0	800.0
Community Development Grants.....	...	2,175.0	2,550.0
College Housing-Rescission of Contract Authority.....	...	-669.3	...
All Other.....	<u>4,323.3</u>	<u>3,720.9</u>	<u>854.8</u>
Total, HUD Budget Authority.....	<u>8,109.9</u>	<u>50,960.6</u>	<u>30,301.8</u>
President's Disaster Relief Fund..	432.6	200.0	150.0
<u>OUTLAYS</u>			
Community Development Grants.....	...	225.0	1,300.0
Payments for Assisted Housing.....	1,788.3	2,130.0	2,398.0
Urban Renewal Program.....	1,126.0	1,250.0	1,250.0
FHA Fund.....	862.8	792.0	730.0
All Other.....	<u>1,008.7</u>	<u>1,119.8</u>	<u>1,377.0</u>
Total, HUD Outlays.....	<u>4,785.8</u>	<u>5,516.8</u>	<u>7,055.0</u>
President's Disaster Relief Fund..	250.1	275.0	250.0
<u>GUARANTEES AND INSURANCE OUTSTANDING</u>			
FHA Insurance Outstanding.....	86,551.0	84,984.0	85,147.0
Mortgage-Backed Securities.....	12,878.9	16,245.1	20,042.0
Flood Insurance in Force.....	8,463.1	20,000.0	36,000.0

## Department of Housing and Urban Development

HIGHLIGHTS OF HOUSING PRODUCTION PROGRAMS

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
(Dollars in Millions)			
<u>UNIT RESERVATIONS IN SUBSIDIZED HOUSING PROGRAMS:</u>			
Lower Income Housing Assistance Program (Section 8) .....	...	200,000	400,000
Public Housing programs .....	17,908	38,000	6,000
All other .....	20,239	44,000	32,500
Total .....	38,147	282,000	438,500
<u>CONTRACT AUTHORITY ENACTED</u> .....	\$140.0	\$1,225.0	\$737.3
<u>CONTRACT AUTHORITY COMMITTED FOR SUBSIDIZED HOUSING PRODUCTION</u>			
Lower Income Housing Assistance Program (Section 8) .....	...	\$560.8	\$1,189.0
Public Housing programs.....	\$20.6	84.8	23.0
All other .....	25.0	125.5	73.2
Total .....	45.6	771.1	1,285.2
<u>HOUSING FOR THE ELDERLY AND HANDICAPPED (Section 202)</u>			
Limitation on loans .....	...	215.0	215.0
<u>HUD ASSISTED HOUSING STARTS:</u>			
Fiscal year .....	88,493	144,300	222,000
Calendar year .....	100,404	157,100	NA
<u>GNMA MORTGAGE PURCHASE PROGRAMS:</u>			
<u>Conventional program</u>			
Units covered .....	...	167,000	...
Commitment level .....	...	\$5,000.0	...
<u>Program for unassisted insured mortgages</u>			
Units covered.....	104,980	234,400	...
Commitment level.....	\$2,381.1	\$6,620.0	...

TABLE 3

## Department of Housing and Urban Development

HIGHLIGHTS OF HOUSING MANAGEMENT PROGRAMS

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
	(Dollars in Millions)		
APPROPRIATION TO LIQUIDATE CONTRACT AUTHORITY FOR ASSISTED HOUSING.....	\$2,020.0	\$2,300.0	\$2,245.0
PAYMENTS FOR OPERATION OF LOW INCOME HOUSING PROJECTS.	(320.0)	(450.0)	525.0
UNITS UNDER PAYMENT.....	1,969,583	2,198,000	2,427,000
PUBLIC HOUSING MODERNIZATION:			
Capital Costs Funded.....	...	\$430.0	\$215.0
Contract Authority Used.....	...	40.0	20.0
INVENTORIES OF ACQUIRED PROPERTIES AND ASSIGNED MORTGAGES:			
Units in Acquired Properties.....	116,021	122,821	108,521
Units in Assigned Mortgages.....	122,295	142,095	162,395
Total.....	238,316	264,916	270,916

Office of the Secretary  
Office of Budget  
February 3, 1975

TABLE 4

## Department of Housing and Urban Development

HIGHLIGHTS OF COMMUNITY PLANNING AND DEVELOPMENT PROGRAMS

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
(Dollars in Thousands)			
<u>APPROPRIATIONS:</u>			
Community Development Grants:			
Appropriation for liquidation of contract authority.....	...	\$2,125,000	\$2,500,000
Special Transition (Urgent Needs).....	...	50,000	50,000
Comprehensive Planning Grants.....	\$75,000	100,000	...
Model Cities Program.....	150,000	123,375	...
Urban Renewal Programs.....	600,000	197,000	201,665
Open Space Land Programs.....	<u>25,000</u>	...	...
TOTAL APPROPRIATIONS.....	<u>850,000</u>	<u>2,595,375</u>	<u>2,751,665</u>

PROGRAM LEVELS:

Community Development Grants:			
Program grants.....	...	2,125,000	2,500,000
Special Transition (Urgent Needs).....	...	50,000	50,000
1975 appropriations for:			
Model Cities.....	...	123,375	...
Urban Renewal.....	...	197,000	...
Total Program Level.....	<u>...</u>	<u>2,495,375</u>	<u>2,550,000</u>
Comprehensive Planning Grants.....	74,801	50,294	50,000
Model Cities.....	73,461	76,670 <sup>a/</sup>	...
Urban Renewal.....	595,948	7,867 <sup>a/</sup>	...
Rehabilitation Loans - obligations.....	<u>56,079</u>	<u>64,696</u>	...
TOTAL PROGRAM LEVEL - CPD....	<u>800,289</u>	<u>2,694,902</u>	<u>2,600,000</u>

DISTRIBUTION OF COMMUNITY DEVELOPMENT GRANT FUNDS BY RECIPIENT CATEGORIES:

Metropolitan areas (SMSA).....	...	1,927,974	1,970,800
Non-metropolitan areas.....	...	469,493	480,200
Secretary Discretionary Funds.....	...	47,908	49,000
Special Transition (Urgent Needs).....	...	50,000	50,000
TOTAL DISTRIBUTION.....	<u>...</u>	<u>2,495,375</u>	<u>2,550,000</u>

a/ Represents carryover of 1974 funds, available for use in 1975.

TABLE 5

## Department of Housing and Urban Development

APPROPRIATIONS AND BUDGET AUTHORITY a/

	<u>ACTUAL</u> <u>1974</u>	<u>ESTIMATE</u> <u>1975</u>	<u>ESTIMATE</u> <u>1976</u>
	(Dollars in Thousands)		
<u>Major Elements of Appropriations:</u>			
Community Development Grants.....	...	\$2,175,000	\$2,550,000
Housing Payments.....	\$2,020,000	2,300,000	2,245,000
Operating Subsidies.....	(319,995)	(450,000)	525,000
Comprehensive Planning Grants.....	75,000	100,000	...
Research and Technology.....	65,000	65,000	57,000
Flood Insurance Program.....	20,000	50,000	75,000
Fair Housing & Equal Opportunity.....	9,777	11,887	12,735
Urban Renewal Programs:			
Budget Authority.....	600,000	197,000	...
Liquidation of unfunded contracts..	...	...	201,665
Model Cities Programs.....	150,000	123,375	...
All Other Appropriations b/.....	<u>161,608</u>	<u>177,459</u>	<u>190,214</u>
Total Appropriations.....	3,101,385	5,199,721	5,856,614

Reconciliation of Budget Authority:

Contract Authority for Subsidized			
Housing Programs.....	5,969,130	44,859,014	26,097,000
FHA Fund Borrowings.....	817,403	875,000	800,000
Conventional Mortgage Purchase			
Program-net treasury borrowing.....	...	3,000,000	...
College Housing-rescission of contract			
authority (P.L. 93-529).....	...	-669,320	...
Liquidation of Contract Authority:			
Housing Payments.....	-2,020,000	-2,300,000	-2,245,000
Urban Renewal.....	...	...	-201,665
Additional borrowing authorization:			
Flood Insurance Program.....	250,000	...	...
Offsetting receipts.....	<u>-8,049</u>	<u>-3,799</u>	<u>-5,199</u>
Total Budget Authority.....	8,109,869	50,960,616	30,301,750
Budget Authority, Old Basis.....	(4,160,739)	(9,070,922)	(6,449,750)

a/Does not include Disaster Relief funds appropriated to the President and administered by HUD.

b/Consists primarily of appropriations for administrative expenses and for participation sales insufficiencies.

TABLE 6

## Department of Housing and Urban Development

BUDGET OUTLAYS

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
(Dollars in Thousands)			
<u>Major Elements of Budget Outlays:</u>			
Housing Subsidy Payments .....	\$1,788,326	\$2,130,000	\$2,608,000
Operating Subsidies incl. above	(276,156)	(393,018)	(502,000)
Community Development Grants ....	...	225,000	1,300,000
Urban Renewal Programs .....	1,126,021	1,250,000	1,250,000
Mortgage Insurance Programs ....	862,767	792,000	730,000
Special Assistance Functions ....	41,772	260,933	385,183
Revolving Fund (Liquidating Prog.)	-4,902	-4,000	230,920*
Model Cities Programs .....	468,475	280,000	230,000
National Flood Insurance Program	51,463	68,330	128,000
All other outlays (net) .....	71,383	45,496	65,139
Research and Technology .....	58,382	56,000	61,000
Comprehensive Planning Grants ...	101,302	110,000	60,000
Rehabilitation Loans (Sec. 312) .	4,845	88,000	6,714*
Water and Sewer Grants .....	136,055	140,000	*
Open Space Land Programs .....	79,928	75,000	*
Net Budget Outlays .....	4,785,817	5,516,759	7,054,956

\* Pursuant to Section 117(b) of the Housing and Community Development Act of 1974, assets and liabilities in terminated Community Planning and Development programs are being transferred in FY 1975--Rehabilitation Loans in FY 1976--to the Revolving Fund (liquidating programs) for disposition.

Office of the Secretary  
Office of Budget  
February 3, 1975

TABLE 7

Department of Housing and Urban Development  
SUBSIDIZED HOUSING PROGRAMS-UNIT RESERVATIONS

PROGRAM	1974 ACTUAL	1975 ESTIMATE	1976 ESTIMATE
Lower Income Housing Assistance Program (Sec 8).....	...	200,000a/	400,000
Low Rent Public Housing Program....	17,908	38,000	6,000
Sec. 235 Homeownership Assistance Program.....	-4,395	...	...
Sec. 236 Rental Housing Assistance Program.....	15,106	35,000	32,500
Rent Supplement Program.....	9,528	9,000	...
Housing for the Elderly or Handicapped Section 202 b/.....	...	(1,700)	(8,750)
Total.....	38,147	282,000	438,500

- a/ Authority will be available to process up to 400,000 units in 1975. However, since the Lower Income Housing Assistance Program is operative for only 6 months of FY 1975, it is estimated that not more than 200,000 units actually will be processed.
- b/ Unit reservation included with units for the Lower Income Housing Assistance Program (Sec. 8) since permanent financing will be provided under an FHA insurance program combined with assistance under Section 8.

Office of the Secretary  
 Office of Budget  
 February 3, 1975

CONTRACT AUTHORITY UNDER U.S. HOUSING ACT

	FISCAL YEARS		
	1974	1975	1976
	(Dollars in Millions)		
<u>Contract Authority Available</u>			
Authority available, start of year...	\$36,799	\$186,363	\$580,700
New authority enacted.....	140,000	1,225,000	...
New authority proposed:			
For "Annual Contributions for Assisted Housing".....	...	...	662,300
For operating subsidies.....	...	...	75,000
Total, New Authority proposed....	...	...	737,300
Prior year authority available for re-use a/.....	369,130	338,944	484,000
Total available.....	545,929	1,750,307	1,802,000
<u>Use of Contract Authority</u>			
Production:			
Lower-Income Housing Assistance....	...	560,750	1,189,000
Public housing.....	20,622	84,857	23,000
Total production.....	20,622	645,607	1,212,000
Leased housing adjustments.....	18,949	34,000	45,000
Modernization.....	...	40,000	20,000
Operating subsidies.....	319,995	450,000	525,000
Total, use of authority.....	359,566	1,169,607	1,802,000
Unutilized authority, end of year.....	<u>186,363</u>	<u>580,700</u>	<u>...</u>
<u>Reconciliation of Contract Authority to Budget Authority</u>			
Contract authority enacted or proposed	140,000	1,225,000	737,300
Deduct increase for operating subsidies and leased housing adjustments (one year contracts).....	...	-114,870	-86,000
Net contract authority available for 40 years.....	140,000	1,110,130	651,300
Net contract authority x 40 years....	5,600,000	44,405,200	26,052,000
Recaptured contract authority a/.....	369,130	338,944	34,000
Increment for one year contracts....	...	114,870	11,000
Total Budget Authority.....	5,969,130	44,859,014	26,097,000

a/Contract authority for operating subsidies and for increases in leased housing agreements is committed one year at a time and is recaptured in year following its use.

b/Beginning in 1976, budget authority for operating subsidies is shown separate from other annual contributions.

TABLE 9

## Department of Housing and Urban Development

ASSISTED HOUSING PROGRAMSBudget Authority, Obligations, and Obligated Balances

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
	(Dollars in Thousands)		
<u>Budget Authority</u>			
Low Rent Public Housing.....	\$ 5,969,130	\$44,859,014	\$26,097,000a/
College Housing.....	...	-669,320	...
Net, budget authority.....	5,969,130	44,189,694	26,097,000
<u>Obligations, During year</u>			
Rent Supplement.....	720,480	544,000	...
Homeownership Assistance.....	-433,890	108,000	...
Rental Housing Assistance.....	896,920	4,328,000	2,926,520
Low Rent Public Housing.....	1,135,819	18,510,740	30,630,000
College Housing.....	-88,600	-40,000	...
Total.....	2,230,729	23,450,740	33,556,520
<u>Obligated Balances, End of year</u>			
Rent Supplement.....	9,532,449	9,889,449	9,664,449
Homeownership Assistance.....	11,112,588	10,970,588	10,710,588
Rental Housing Assistance.....	20,174,983	24,114,983	26,566,503
Low Rent Public Housing.....	33,484,371	50,534,111	79,898,111
College Housing.....	971,782	917,782	898,782
Total.....	75,276,173	96,426,913	127,738,433

a/ Excludes \$525 million in budget authority reflected in the new account for operating subsidies for LHA owned units--"Payment for Operation of Low-Income Housing Projects."

TABLE 10

## Department of Housing and Urban Development

PROPERTY ACQUISITIONS AND MORTGAGE ASSIGNMENTS,  
SALES AND INVENTORYPROPERTY ACQUISITIONS

	ACTUAL 1974	ESTIMATE 1975	ESTIMATE 1976
<b>Property transactions (units):</b>			
Acquisitions:			
Homes.....	58,013	65,000	65,000
Multifamily.....	13,667	21,800	20,700
Total.....	<u>71,680</u>	<u>86,800</u>	<u>85,700</u>
Sales:			
Homes.....	52,343	67,500	83,000
Multifamily.....	8,786	12,500	17,000
Total.....	<u>61,129</u>	<u>80,000</u>	<u>100,000</u>
Acquired properties on hand, end of year:			
Homes.....	85,311	82,811	64,811
Multifamily.....	30,710	40,010	43,710
Total.....	<u>116,021</u>	<u>122,821</u>	<u>108,521</u>
<u>MORTGAGE ASSIGNMENTS</u>			
<b>Assignment of mortgages (units):</b>			
Assigned mortgages:			
Homes.....	4,534	5,700	5,700
Multifamily.....	35,560	36,900	37,400
Total.....	<u>40,094</u>	<u>42,600</u>	<u>43,100</u>
Converted and liquidated:			
Homes.....	4,524	4,300	4,300
Multifamily.....	10,616	18,500	18,500
Total.....	<u>15,140</u>	<u>22,800</u>	<u>22,800</u>
Assigned mortgages on hand, end of year:			
Homes.....	10,150	11,550	12,950
Multifamily.....	112,145	130,545	149,445
Total.....	<u>122,295</u>	<u>142,095</u>	<u>162,395</u>
<u>TOTAL OF ACQUISITIONS AND ASSIGNMENTS, END OF YEAR</u>			
Homes.....	95,461	94,361	77,761
Multifamily.....	142,855	170,555	193,155
Total.....	<u>238,316</u>	<u>264,916</u>	<u>270,916</u>

Office of the Secretary  
 Office of Budget  
 February 3, 1975

TABLE 11

## Department of Housing and Urban Development

PERMANENT FULL-TIME PERSONNEL

	ACTUAL JUNE 30, 1974	ESTIMATE JUNE 30, 1975	ESTIMATE JUNE 30, 1976
Central Office.....	3,568	3,780	3,818
Field Offices.....	11,453	11,420	11,382
Total.....	<u>15,021</u>	<u>15,200</u>	<u>15,200</u>

Distribution of Field OfficeStaff by Activity:

Housing Production and Mortgage Credit.....	5,402	4,659	4,627
Housing Management.....	2,910	3,431	3,460
Community Planning and Development.....	1,373	1,473	1,400
Fair Housing and Equal Opportunity.....	352	350	375
Federal Insurance Administration.....	22	50	60
Policy Development and Research.....	9	...	...
Regional Management and Services.....	926	946	926
Federal Disaster Assistance Administration.....	59	97	97
Interstate Land Sales.....	27	30	30
Inspector General Field Staff..	<u>373</u>	<u>384</u>	<u>407</u>
Total field staff.....	<u>11,453</u>	<u>11,420</u>	<u>11,382</u>

Office of the Secretary  
Office of Budget  
February 3, 1975



# HUD NEWS

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

HUD-No. 75-39  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE AFTER:  
12:00 Noon, Monday  
February 3, 1975

The U.S. Department of Housing and Urban Development today released its proposed budget for Fiscal Year 1976, which begins July 1, 1975.

The budget includes proposed authority for the following major actions:

-- An additional \$6 billion in Government National Mortgage Association (GNMA) purchase authorities in 1975 bringing the total authority to make commitments in support of the mortgage market during the period of credit stringency to \$16 billion for 500,000 units.

-- \$2.55 billion in FY 1976 for local community development under the Community Development grant program, authorized by Title I of the Housing and Community Development Act of 1974. These funds will enable local public officials to plan and carry out community development projects based on local priorities.

-- Commitments in FY 1976 to subsidize the rental of an estimated 400,000 newly-constructed and existing units for lower income families under the Section 8 Lower Income Housing Assistance program.

-more-

This new program should increase flexibility in financing, expand the role of private owners to operate units, and afford tenants the opportunity to select the housing in which they will live.

-- Direct loan authorization of \$215 million a year to support housing for the elderly under the revised Section 202 Housing for the Elderly or Handicapped Program.

-- For the first time, a direct appropriation of \$525 million for public housing operating subsidies, a substantial increase over previous years. FY 1976 will be the first full year under the "Performance Funding System" method of making funds available to local public housing authorities, which includes incentives for improved local management.

-- Capital improvements for public housing of \$215 million in FY 1976 under the Modernization Program.

-- Total requested appropriations of \$5.9 billion for FY 1976, as compared to \$5.2 billion for FY 1975.

In briefing on the budget, HUD Secretary James T. Lynn said that over \$5 billion of Community Development funds would be available under the budget to States and localities during FY 1975 and 1976. These funds will be distributed primarily through formula grants, which recognize population and housing needs of communities, as well as the relative extent of poverty.

In connection with the Section 8 program, the budget predicts reservations of 200,000 units for FY 1975. "This estimate is not a ceiling but the number of applications which are expected to reach the approval stage during this fiscal year," Secretary Lynn said. "The Department has allocated all available authority to process up to 400,000 units in 1975 should that volume of activity actually materialize." He also noted that commitments were estimated for up to 400,000 units in FY 1976.

Authorizations for assisted housing and operating subsidies will be "front doored" in accordance with the Congressional Budget Act of 1974. This will bring a major portion of the HUD budget under appropriations control for the first time.

The Secretary also said that the FY 1976 proposed budget includes an additional 6,000 units of public housing for Indian families.

In briefings on the budget, Secretary Lynn re-emphasized the President's concern, as well as his own, with the current low rate of housing starts. The recently announced four point program, including lowering the FHA-VA interest rate from 9 to 8.5 percent, will help substantially, but he pointed out that these efforts, as well as HUD's other efforts directed at helping people obtain better housing, are substantially dependent on the success of the President's recommendations to the Congress on fighting inflation, recession, and energy shortage.

The FY 1976 proposed budget continues the Direct Cash Assistance experiment which is designed to test the feasibility of providing housing aid to needy families. Estimated cost for this activity is \$15 million within a \$65 million total HUD research program for 1976. Other continuing research activities include dissemination of techniques to lower the cost of housing, demonstration of possible approaches to neighborhood preservation, and programs for improving the community environment and conservation of natural resources.

The proposed budget also allocates approximately \$13 million for Fair Housing and Equal Opportunity. In FY 1976, the Department will place increased emphasis on compliance reviews to assure equal access to HUD assisted programs. Compliance reviews will increase from 80 in 1974 to 600 in 1976.

The proposed budget also allocates \$75 million for flood insurance studies. The significant increase over the \$30 million provided for 1975 is to assure that areas having special flood hazards are expeditiously identified and that communities enact and enforce appropriate flood plain management measures.

Fiscal 1976 budget outlays are estimated at \$7.1 billion, including \$2.4 billion for Housing Subsidy Payments, and \$730 million for payment of mortgage insurance claims. The biggest part of the increase over the FY 1975 outlays of \$5.5 billion comes from an estimated \$1.3

billion for outlays under the Community Development program. The Secretary stressed that, as in the past, outlay figures under this program are purely estimates and not ceilings.

The major portion of the proposed increase of \$700 million in appropriations requested in 1976 represents increased housing payments and public housing operating subsidies as more subsidized housing units become eligible for payments.

In briefing on the 1976 proposed budget, Secretary Lynn explained that the method of computing budget authority -- new or increased authorization to commit the Government to expenditures -- in the subsidized housing programs has been changed to reflect a more realistic picture of the Federal commitment. HUD budget authority under the new concept is shown at \$30 billion for FY 1976. Under the old concept, it would be \$6.5 billion.

In the past, a commitment to enter into a 40-year housing subsidy contract was not counted as budget authority; only the amount of the annual payment was counted. Thus, in a case where \$1 billion of contract authority was requested, the budget might not show any budget authority at all since payments might not be required for several years.

An authorization for \$1 billion for up to 40 years is really an authorization to make payments of up to \$40 billion, the Secretary pointed out. The FY 1976 budget now reflects the complete commitment figure as

budget authority. This accounting change, he noted, does not affect Federal outlays which will continue to be disbursed annually out of the authority provided.

The Secretary said that while the new method of counting budget authority goes a long way toward presenting HUD's true financial involvement, the budget figures still do not adequately describe HUD activity. For example, he noted that by the end of FY 1976 there will be over \$85 billion in FHA insurance outstanding, \$20 billion in flood insurance policies in force, and another \$20 billion in GNMA Mortgage-Backed Securities outstanding.

Also not included within HUD's budget totals, but a very important part of the Department's activities, is \$150 million for disaster relief administered by the Department's Federal Disaster Assistance Administration. Should disaster costs be in excess of this sum, Secretary Lynn noted that supplemental appropriations would be necessary.

The Department's roster of permanent, full-time employment for FY 1976 is estimated to remain at the FY 1975 level of 15,200.

# # #



# HUD NEWS

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

HUD-No. 75-44  
Phone (202) 755-5277  
(Spiegel)

FOR RELEASE AFTER:  
12:00 Noon, EST, Wednesday  
February 5, 1975

Fort Worth and Sinton, Texas, today became the first cities in the Nation to win federal funds for community development under a new law which eventually will aid 1,271 cities and 85 counties across the United States.

At a ceremony in the Department of Housing and Urban Development Headquarters at Washington, the Mayors of the two Texas cities received formal letters approving their applications for grants under Title I of the Housing and Community Development Act signed into law last summer.

The Mayors also received personal letters from President Ford, congratulating them and urging they ensure "total public participation" as the development plans are carried out.

Mayor R. M. Stovall of Fort Worth said his city will receive \$1,879,000 and Mayor William Carper said Sinton will receive \$1,103,000.

At a press briefing before the ceremony, Secretary James T. Lynn of the Housing and Urban Development Department

said the law provides a total of \$2.5 billion for grants in the current fiscal year.

President Ford said the 1974 law was designed to "change the old, helter-skelter system of helping our cities grow." He said "the new Act is designed to let the cities and counties of our Nation set their own priorities with maximum discretion -- within broad federal guidelines."

The President said he was delighted to congratulate both Mayors but added that approval "is only the first step, and I urge that you enlist all your citizens in helping to carry out this plan. This is a new direction in Federal policy and requires total public participation if it is to succeed."

David O. Meeker, Jr., Assistant Secretary for Community Planning and Development, said the next step for the two cities is for a formal contract to be signed and then a letter of credit to be issued. He said this will be done "shortly."

Meeker emphasized that the law provides for local direction and local priorities in creating and carrying out plans, but said one of the few strict guidelines is in the civil rights area.



# HUD NEWS

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

HUD-No. 75-43  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, February 7, 1975

## RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Augusta, Maine, \$163,687 firm commitment and \$16,183 rent supplement for 120 units at Glenridge Gardens, sponsored by Environmental Housing Associates, 255 Newtonville Ave., Newton, Mass. (George N. McMahon, Director, HUD-FHA Insuring Office, 202 Harlow St., Bangor, Maine 04401)

Bronx, N. Y., \$211,649 reservation and \$101,452 rent supplement for 122 units at Southern Boulevard III, sponsored by the Center for Housing Partnership, 345 Park Ave., New York, N. Y. (Joseph Monticciolo, Director, HUD Area Office, 666 Fifth Ave., New York, N. Y. 10007)

New York, N. Y., \$344,871 reservation and \$73,612 rent supplement for 192 units, sponsored by Metropolitan Rehab, 225 Broadway, New York, and UPACA Enterprises, 101-109 E. 119 St., New York, N. Y. (Same as above)

Petersburg, Va., \$94,660 reservation for 100 units, sponsored by Petersburg East, Section I, A Limited Partnership, Lakemont Drive and Washington St., Petersburg, Va. (Virginia Investment & Mortgage Corp., 1060 Frederick Blvd., Portsmouth, Va. 23707)

## CODE ENFORCEMENT PROGRAM

Calif. E-4

San Francisco, Calif., \$470,000 increase to a total of \$8,316,248 for code enforcement activities through June 30, 1975. (S. M. Tatarian, Director of Public Works, City and County of San Francisco, City Hall, Room 260, San Francisco, Calif. 94102)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

COLLEGE HOUSING PROGRAM

CH-NC-210      Wilmington, N. C., \$24,640 annual debt service grant for construction of a dormitory to house 200 students at the University of North Carolina. (J. A. Price, Jr., Vice Chancellor for Business Affairs, University of North Carolina, P. O. Box 3925, Wilmington, N. C. 28401)

LOW RENT PUBLIC HOUSING PROGRAM

Ala-54-4      Florence, Ala., \$2,756,191 contract for construction of 100 units for the elderly, 10 designed especially for the handicapped. (Karl T. Tyree, Jr., 303 Pine St., Florence, Ala. 35630)

AK-6-1      Kotzebue, Alaska, \$1,546,548 for mutual-help construction of 48 units. (Roger A. Riddell, Director, HUD-FHA Insuring Office, 334 W. Fifth Ave., Anchorage, Alaska 99501)

AK-6-3      Noorvik, Alaska, \$604,240 for mutual-help construction of 20 units. (Same as above)

AK-6-2      Noatak, Alaska, \$693,336 for mutual-help construction of 22 units. (Same as above)

AK-6-4      Shungnak, Alaska, \$569,165 for mutual-help construction of 18 units. (Same as above)

AK-10-1      Togiak, Alaska, \$899,978 for mutual-help construction of 30 units. (Same as above)

ARIZ 24-BR      Fredonia, Ariz., \$6,000 for mutual-help construction of 15 units. (Allen Judd, Chairman, Kaibab-Pauite Tribal Housing Authority, P. O. Box 323, Fredonia, Ariz. 86022)

ARK-31-1 & 2      Hot Springs, Ark., \$110,819 for the Modernization Program. (Ben Quertermous, Executive Director, Housing Authority, Box 1257, Hot Springs, Ark. 71901)

CAL 100-AR      Needles, Calif., \$20,000 for mutual-help construction of 50 units on the Fort Mojave Indian Reservation. (Llewellyn Barrackman, Chairman, Fort Mojave Trival Housing Authority, P. O. Box 798, Needles, Calif. 92363)

DEL 1-6, 7, 9 & 19 Wilmington, Del., \$139,949 increase to a total of \$4,641,069 for the Modernization Program. (Vincent Lewis, Executive Director, Housing Authority, 300 Delaware Ave., P. O. Box 1105, Wilmington, Del. 19899)

Fla. 5-63 Miami, Fla., \$972,309 for construction of 45 units. (Melvin J. Adams, Director, Dade County Department of Housing and Urban Development, P. O. Box 250, Riverside Station, Miami, Fla. 33315)

NJ 8-2,8-3,8-4 Long Branch, N. J., \$135,000 increase to a total of \$895,140 for the Modernization Program. (Richard P. Kiernan, Executive Director, Housing Authority, 247 Hollywood Ave., Long Branch, N. J. 07740)

NC-13-F Durham, N. C., \$22,000 preliminary loan for construction of 55 units for the elderly. (James E. Kerr, Executive Director, Housing Authority, P. O. Box 8728, Durham, N. C. 27702)

NC-15-F Goldsboro, N. C., \$20,000 preliminary loan for construction of 50 units. (J. W. Edmonson, Executive Director, Housing Authority, 1729 Edgerton St., Goldsboro, N. C. 27530)

SC-40-1 Woodruff, S. C., \$182,669 for construction of 100 units, 20 for the elderly. (W. Ray Miller, Chairman, Housing Authority, Pinewood Court, Rt. 3, Woodruff, S. C. 29388)

WASH 29-Cr Neah Bay, Wash., \$18,000 for turnkey construction of 45 units on the Makah Indian Reservation. (Mabel Smith, Executive Director, Makah Housing Authority, Box 115, Neah Bay, Wash. 98357)

Wash 48-Ar Oakville, Wash., \$10,000 for mutual-help, turnkey construction of 25 units on the Chehalis Indian Reservation. (Lorraine Goldman, Chairman, Chehalis Housing Authority, Route 1, Box 231, Oakville, Wash. 98568)

WASH 22-Er Toppenish, Wash., \$10,000 for turnkey construction of 25 units. (Martin Schwartzenberger, Housing Development Officer, Yakima Nation Housing Authority, P. O. Box 632, Toppenish, Wash. 98948)

NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

Calif. A-13                   Santa Barbara, Calif., \$502,200 increase to a total of \$1,441,355. (Robert H. Foreman, Executive Director, Redevelopment Agency, 330 E. Canon Perdido St., Santa Barbara, Calif. 93101)

N. Y. A-27                   Mechanicville, N.Y., \$200,400 increase to a total of \$519,150. (John M. Lenihan, Executive Director, Urban Renewal Agency, 30 N. Main St., Mechanicville, N. Y. 12116)

N. Y. A-8                   Schenectady, N. Y., \$543,400 increase to a total of \$1,493,400. (Kenneth L. George, Executive Director, Urban Renewal Agency, City Hall, Schenectady, N. Y. 12305)

TEX A-13                   Texarkana, Texas, \$346,000 increase to a total of \$5,505,161. (Stuart A. Bach, City Manager, P. O. Box 1967, Texarkana, Texas 75501)

URBAN RENEWAL PROGRAM

D. C. R-2                   Washington, D. C., \$437,498 increase to a total of \$8,363,124 for the Northeast No. I Project. (Melvin Mister, Executive Director, D. C. Redevelopment Land Agency, 1325 G St., N. W., Washington, D. C. 20005)

Ala. R-143                   Cullman, Ala., \$750,000 for the South Cullman Project. (Mayor W. J. Nesmith, P. O. Box 278, Cullman, Ala. 35055)

Calif. R-90                   San Jose, Calif., \$2,191,421 increase to a total of \$15,564,917 for the San Antonio Plaza Area. (Jack T. Dusthimer, Executive Director, Redevelopment Agency, 85 E. San Antonio St., San Jose, Calif. 95113)

Calif. R-54                   San Francisco, Calif., \$3,509,000 increase to a total of \$108,827,242 for the Western Addition Area Two. (Arthur F. Evans, Executive Director, Redevelopment Agency, 939 Ellis St., San Francisco, Calif. 94109)

N. Y. R-207      Auburn, N. Y., \$637,000 increase to a total of \$11,150,892 for the City Center Project. (Lawrence DiCenzo, Executive Director, Urban Renewal Agency, 24 South St., Auburn, N. Y. 13021)

Tenn. R-72      Nashville, Tenn., \$500,000 increase to a total of \$15,233,670 for the Central Loop No. I Project. (Jack D. Herrington, Executive Director, Metropolitan Development and Housing Agency, P. O. Box 846, Nashville, Tenn. 37202)

Wyo R-2      Casper, Wyo., \$200,000 increase to a total of \$1,805,799 for the Downtown Northwest Project. (George D. Axlund, Executive Director, Urban Renewal Agency, 135 S. Center, Casper, Wyo. 82601)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

Recertification:

Hoboken, N. J. (Mayor Steve Cappiello, City Hall, 1st and Washington Sts., Hoboken, N. J. 07030)

# # #



# **HUD NEWS**

**U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

**WASHINGTON D.C. 20410**

Phone (202) 755-5277

STATEMENT OF MICHAEL H. MOSKOW

ASSISTANT SECRETARY FOR POLICY DEVELOPMENT AND RESEARCH

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

HEARINGS ON CONDOMINIUMS AND COOPERATIVES

U.S. DEPARTMENT OF THE INTERIOR AUDITORIUM

WASHINGTON, D.C.

FEBRUARY 10, 1975

This morning we are pleased to begin the first of three days of hearings on the issue of condominiums and cooperatives and, in particular, on the problems, abuses, and potential abuses which have been associated with these forms of housing tenure.

In Section 821 of the Housing and Community Development Act of 1974, Congress directed HUD to conduct a thorough study of condominiums and cooperatives and to examine the problems, difficulties, abuses and potential abuses associated with them. HUD was asked to report by August 22, 1975. In accordance with this mandate, we have undertaken a number of activities, including a survey on the numbers and location of condominium and cooperative units and a detailed study of the nature of the various problems, a review of FHA's Section 234 Condominium program, and the preparation of a draft State Condominium statute, which Mr. Elliott will describe briefly in a few moments. Last summer HUD published a guide

for consumers, "Questions About Condominiums - What To Ask Before You Buy."

These hearings are part of this broad study, and the testimony received during the next three days will be included in our report to Congress. We believe that the information which we will obtain will be helpful to both the Executive and Legislative Branches in reviewing the various legislative proposals dealing with condominiums and cooperatives.

In recent months we have heard numerous reports of a variety of difficulties facing consumers in different parts of the country -- especially with regard to condominiums -- and we at HUD have been following these reports with concern. Our reasons are two-fold.

First, condominium units have accounted for a large share of the new housing which became available in several major housing markets in recent years, and, for a number of reasons, it is believed that this share will increase substantially

within the next few decades. It appears inevitable that an increasing number of potential homebuyers will take a second look at this housing alternative, and it is important that the marketplace function smoothly.

Secondly, the difficulties which have been reported involve a number of complex legal, social, and economic issues and affect, to varying degrees, virtually all of the participants in the housing marketplace: buyers, potential buyers, present owners, developers, lenders, attorneys, and tenants of residential developments which are planned to be converted to condominium ownership. We are disturbed by the reports of these difficulties and their effects on consumers, and we are particularly concerned about the impact on the elderly and those who have been defrauded. It is important both that solutions be found for these problems, and that these solutions not unduly constrict the condominium market, as condominium housing offers an opportunity for homeownership to those persons who want to purchase a home but cannot afford

to buy a conventional single-family residence.

Indeed, a number of remedies have been proposed or adopted already. Several industry and consumer groups have prepared purchasers' guides which are intended to inform the public about the advantages and disadvantages of condominium and cooperative ownership. Several States have recently enacted legislation which is designed to prevent the reoccurrence of various problems. A number of localities are in the process of developing ordinances to address the difficulties arising from conversion projects. In addition to these efforts, several bills have been introduced in the Congress which would address the issue at the national level. Senators Proxmire, Brooke and Biden and Congressmen Rosenthal and Collins, among others, have proposed legislation involving various requirements for project registration, full disclosure, and regulation. The Senate Committee on Banking, Housing and Urban Affairs held hearings last October 9 and 10 on the proposals of Senators

Proxmire, Brooke and Biden, received the views of a number of knowledgeable persons in the field.

Given the assortment of complex issues -- the growth which has been predicted for condominium housing, the reported problems, and the variety of corrective measures which have been proposed -- HUD feels that a detailed and careful examination of the issue is needed in order to determine the need for, the cost of, and the scope of potential steps at the Federal level. If legislation is needed, then it is important that it be carefully designed. There is an unquestionable need to protect consumers from actual or potential abuses. However, on the other hand, unnecessary or excessive intervention in the condominium market ultimately might increase the cost to the purchaser or reduce the production and availability of units needed to meet market demand. These factors must be carefully balanced.

There are a number of issues in which we are particularly interested and areas in which we want additional information.

We would like to obtain first-hand data on the reported problems and abuses from those who are knowledgeable in the field. We want to discuss present and proposed remedies, and the most appropriate way to administer and enforce those remedies. We'd also like to hear discussion of the potential costs of these solutions to all parties concerned -- consumers, developers, managers, lenders, and government agencies.

We are extremely gratified by the large response to our invitation to these hearings. We are confident that the information and insights we obtain between now and Wednesday will be of great benefit to us as we progress with our study. I might add that, in response to several requests, we have extended the deadline for written comments until February 19, and we invite any individuals or groups who are unable to appear in person at these hearings to submit their comments to us by that date. Written comments for the record should be submitted by February 19, 1975 to: Condominium Study Task

Force, Office of Policy Development and Research, Room 8110,

HUD Building, 451 7th Street, S.W., Washington, D.C. 20410

We anticipate that the full written record of these hearings will be available shortly thereafter.

# # #



# HUD NEWS

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

HUD-No. 75-54  
Phone (202) 755-5277  
(Spiegel)

FILE COPY FOR RELEASE:  
Wednesday  
February 19, 1975

An agreement was signed in Washington today to help Coastal States coordinate their planning and management activities assisted by the Department of Commerce Coastal Zone Management programs and the Department of Housing and Urban Development Comprehensive Planning Program (701).

The agreement is expected to help make State planning and management more effective and less costly for coastal areas.

Representatives of the Office of Coastal Zone Management (CZM) of the Department of Commerce, and HUD's Office of Community Planning and Development (CPD), met last week to work out the joint agreement of coordination. It was formally signed today by David O. Meeker, Jr., HUD Assistant Secretary for CPD, and Robert W. Knecht, Assistant Administrator for CZM of the National Oceanic and Atmospheric Administration.

Both Agencies are involved in assisting States to develop comprehensive planning and management programs. CZM is concerned with helping States create programs for managing the lands and waters in the coastal

zones. HUD provides financial assistance for comprehensive planning at the State, regional and local levels of government, and recently was given a legislative mandate requiring a land use element in 701-assisted comprehensive planning programs.

A key element of the agreement, which is expected to simplify State efforts, is HUD's agreement to accept approved Coastal Zone Management programs as meeting the minimum land use planning requirement necessary for States to remain eligible in the HUD 701 Comprehensive Planning Program.

In effect, Coastal Zone Management programs approved by the Secretary of Commerce would constitute accepted portions of HUD land use elements for the geographic areas concerned.

Additionally, the two agencies agree that both HUD and CZM will participate in reviewing State Coastal Zone Management and 701 program applications, and that the staff of both agencies will work toward establishing procedures to facilitate development of both programs.

The Agencies also agreed to explore the possibility of joint funding of pilot projects within Coastal States.

# # #



# HUD NEWS

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

HUD-No. 75-57  
Phone (202) 755-5277  
(Bacon)

**COPY**

FOR IMMEDIATE RELEASE:  
Friday  
February 21, 1975

Assistant Secretary Michael H. Moskow of the Department of Housing and Urban Development said Thursday that interim performance criteria for solar heating and combined heating-cooling systems and dwellings have been produced.

These criteria are part of the joint effort now being conducted by HUD and the newly-established Energy Research and Development Administration (ERDA) to implement the Solar Heating and Cooling Demonstration Act of 1974.

Testifying before the Energy Subcommittee of the House Committee on Science and Astronautics, Mr. Moskow said the solar criteria include qualitative and quantitative statements on what a particular solar equipment assembly must be able to do. The criteria will be used to evaluate equipment selected for the demonstration program.

Among the activities which HUD and ERDA will undertake as part of the demonstration are installing solar energy systems in selected residential dwellings, monitoring their performances and studying the effect of building codes, zoning ordinances and tax regulations on the widespread utilization of solar energy.

**FILE COPY**

- more -

Mr. Moskow said that, as a result of effective coordination with the other agencies working in solar energy and in the solar heating and cooling of buildings, he foresees "no problem in our being able to meet the timetables outlined in P.L. 93-409, provided that funding is made available at the rate required by the Program Plan."

"It is, I believe, too early to talk of specific numbers of demonstration units or even demonstration sites," the HUD official said, "but decisions on these should be forthcoming soon."

# # #



# HUD NEWS

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

HUD-No. 75-59  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Thursday, February 27, 1975

### RENT SUPPLEMENT PROGRAM

Lynchburg, Va., \$280,093 contract for <sup>150</sup>~~86~~ units, sponsored by Meadowbrook Apartments, A Partnership, P. O. Box 4175, Roanoke, Va. (Donald L. Ward, First Mortgage Corp., 1512 Willow Lawn Drive, Richmond, Va. 23261)

### CODE ENFORCEMENT PROGRAM

N. Y. E-20      Poughkeepsie, N. Y., \$350,000 increase to a total of \$1,890,350 to carry out code enforcement activities in the Mt. Carmel area. (John Geib, City Manager, City Hall, Poughkeepsie, N. Y. 12601)

### COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

The following grant helps cover the cost of planning for growth needs of the area:

CPA-OK-06-56-1046      Logan, Canadian and Cleveland Counties, Okla., \$18,000. (Larry E. Goodman, Executive Director, Association of Central Oklahoma Governments, 4801 Classen Blvd., Oklahoma City, Okla. 73118)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

COLLEGE HOUSING PROGRAM

CH-Utah-45(S) Provo, Utah, \$55,380 annual debt service grant for construction of a student center and related facilities at Utah Technical College. (Braulio Escobar, HUD-FHA Insuring Office, 4th Floor, Title Bldg., 909 17th St., Denver, Colo. 80202)

CH-NY-297 (D) Saratoga Springs, N. Y., \$81,622 annual debt service grant for construction of housing units and dining facilities for 296 students at Skidmore College. (Frampton Davis, Special Assistant to the President, Skidmore College, Saratoga Springs, N. Y. 12866)

LOW RENT PUBLIC HOUSING PROGRAM

CAL 26-10 Hughson, Calif., \$1,795,820 for construction of 50 units, 12 for the elderly on scattered sites. (Walter J. Thompson, Executive Director, Housing Authority, Stanislaus County, P. O. Box 3958, Modesto, Calif. 95352)

CONN. 11-1 Meriden, Conn., \$77,000 increase to a total of \$444,000 for the Modernization Program. (Robert D. McNulty, Executive Director, Housing Authority, 46 Broadvale Road, Meriden, Conn. 06450)

- Brazil, Ind., \$30,000 for the Modernization Program. (James E. Armstrong, Director, HUD Area Office, 4730 Kingsway Drive, Indianapolis, Ind. 46205)

KANS 91-1 Hays, Kans., \$237,552 to lease 90 units for the elderly. (Louis Bieker, Chairman, Housing Authority, P. O. Box 10, Hays, Kans. 67601)

LA 122-1 Colfax, La., \$1,074,806 for turnkey construction of 50 units, 10 for the elderly. (Chairman, Housing Authority, 401 Eighth St., Colfax, La. 71417)

MISS-67-3 Richton, Miss., \$1,331,640 for turnkey construction of 49 units, 16 for the elderly. (Don Morgan, Executive Director, Housing Authority, P.O. Box 513, Richton, Miss. 39476)

NH 4-1 and 4-2      Portsmouth, N. H., \$140,000 increase to a total of \$830,000 for the Modernization Program. (Timothy J. Connors, Executive Director, Housing Authority, 245 Middle St., Portsmouth, N. H. 03801)

NH 17-1      Salem, N. H., \$2,099,058 for construction of 75 units for the elderly. (Dwight Kimball, Executive Director, Housing Authority, Municipal Bldg., Salem, N. H. 03079)

NJ 50 -1      East Orange, N. J., \$135,000 for the Modernization Program. (Harold Smith, Executive Director, Housing Authority, 14 S. Harrison St., East Orange, N. J. 07018)

N. J. -11-1      Lodi, N. J., \$462,000 for the Modernization Program. (Andrew Nuccitelli, Executive Director, Housing Authority, 161 Central Ave., Lodi, N. J. 07644)

NM 14-6      Dulce, N. Mex., \$2,372,998 for mutual-help construction of 60 units on the Jicarilla Apache Reservation. (Gail N. Brown, Executive Director, Jicarilla Apache Housing Authority, P. O. Box 466, Dulce, N. Mex. 87528)

NM 40-CR      Pueblos of Picuris, San Ildefonso, Pojoaque, Tesuque, and Taos, N. Mex., \$100,400 preliminary loan for mutual-help construction of 185 units. (Alvin Duran, Executive Director, Northern Pueblo Housing Authority, Route 1, Box 7, Santa Fe, New Mex. 87501)

NY-26-1      North Tarrytown, N. Y., \$10,000 for the Modernization Program. (Martin Walsh, Executive Director, Housing Authority, 126 Valley St., North Tarrytown, N. Y. 10591)

NC-114-C      Pembroke, N. C., \$40,000 preliminary loan for construction of 100 units. (Clinton Thomas, Jr., Executive Director, Housing Authority and Redevelopment Commission, P. O. Box 845, Pembroke, N. C. 28372)

Tenn. 42-7      Crossville, Tenn., \$1,448,195 for construction of 60 units, 20 for the elderly. (J. T. Goodwin, Executive Director, Housing Authority, P. O. Box 425, Crossville, Tenn. 38555)

Tex-249-1 and 2 Dawson, Texas, \$55,000 increase to a total of \$65,000 for the Modernization Program. (Bryant Merrell, Executive Director, Housing Authority, P. O. Box 156, Dawson, Texas 76639)

Utah 10-A Cedar City, Utah, reservation for turnkey, mutual-help construction of 22 units on scattered sites. (Mr. Clifford Jake, Chairman, Paiute Tribal Housing Authority, Box 374, Cedar City, Utah 84720)

WASH 17-4 Asotin, Wash., \$340,663 for turnkey construction of 10 units. (Rexford Abbott, Executive Director, Housing Authority of Asotin County, 1212 Fair St., Clarkston, Wash. 99403)

WIS. 3-6 Madison, Wis., \$4,082,735 for turnkey construction of 164 units for the elderly. (Sol Levin, Executive Director, Department of Housing and Community Development, West Washington Ave., Madison, Wis. 53703)

WIS 10-4 Oneida, Wis., \$813,346 for turnkey construction of 25 units, 10 for the elderly on the Indian Reservation. (Robert Thomas, Housing Authority, P. O. Box 64, Oneida, Wis. 54155)

NEIGHBORHOOD DEVELOPMENT PROGRAM  
The following approvals will enable the area to carry on neighborhood development activities:

Calif. A-5-1 and 2 San Francisco, Calif., \$2,211,000 increase to a total of \$15,132,768. (Arthur F. Evans, Executive Director, Redevelopment Agency, 939 Ellis St., San Francisco, Calif. 94109)

Calif. A-1 Santa Maria, Calif., \$774,000 increase to a total of \$7,034,756. (Gordon Gill, Executive Director, Redevelopment Agency, P. O. Box 967, Santa Maria, Calif. 93454)

Fla. A-1 Dade County, Fla., \$2,220,000 increase to a total of \$22,100,660. (R. Ray Goode, County Manager, Metro Dade County, 911 Courthouse, Miami, Fla. 33130)

N. Y. A-20 Cohoes, N. Y., \$1,447,000 increase to a total of \$3,347,000. (Francis J. O'Connor, Executive Director, Urban Renewal Agency, City Hall, Cohoes, N. Y. 12047)

N. Y. A-28      Monticello, N. Y., \$282,478 increase to a total of \$982,478. (Gerald Herman, Director, Urban Renewal Agency, 253 Broadway, Monticello, N. Y. 12701)

N. Y. A-1      New York, N. Y., \$18,925,020 increase to a total of \$95,423,756. (Roger Starr, Administrator, Housing and Development Administration, 100 Gold St., New York, N. Y. 10038)

N. Y. A-12      Ossining, N. Y., \$887,863 increase to a total of \$2,157,863. (William S. Junior, Executive Director, Urban Renewal Agency, 16 Croton Ave., Ossining, N. Y. 10562)

N. C. A-3      Charlotte, N. C., \$743,296 increase to a total of \$2,364,796. (Vernon L. Sawyer, Director, Urban Renewal Department, 301 S. McDowell St., Charlotte, N. C. 28204)

N. C. A-22      Henderson, N. C., \$109,790 increase to a total of \$371,249. (Robert S. C. Davis, Chairman, Redevelopment Commission, P. O. Box 1434, Henderson, N. C. 27536)

#### URBAN RENEWAL PROGRAM

Ala. R-144      Guin, Ala., \$500,000 for the Central Business District. (Mayor C. Paul Guin, Town Hall, Guin, Ala. 35563)

N. J. R-82      Camden, N. J., \$30,019 increase to a total of \$2,735,675 for the Centerville-Liberty Park Project. (Joseph A. Herd, Director of Urban Renewal, 729 Federal St., Camden, N. J. 08103)

N. J. R-176      Mount Holly, N. J., \$112,132 increase to a total of \$1,058,196 for the East Downtown Project. (Robert F. Casey, Executive Director, 23 Washington St., Mount Holly, N. J. 08060)

N. Y. R-140      Ogdensburg, N. Y., \$823,000 increase to a total of \$6,163,220 for the Crescent Project. (Katherine R. Montrov, Executive Director, Urban Renewal Agency, P. O. Box 698, 133 Riverside Ave., Ogdensburg, N. Y. 13669)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

Certification:

Lewiston, Maine (Mayor John C. Orestis, City Hall, Lewiston,  
Maine 04240)

Recertification:

Atlantic City, New Jersey (Mayor Joseph F. Bradway, Jr., City Hall,  
Atlantic City, N. J. 08401)

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# HUD NEWS

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

HUD-No. 75-66

Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Friday, 5:00 P.M.  
February 28, 1975

Under Secretary James L. Mitchell of the U.S. Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be lowered to 8 percent, effective Monday, March 3, 1975.

The current rate, set January 21, 1975, is 8-1/2 percent.

The reduction in the maximum allowable interest rate was made possible by the growing availability of mortgage money and declining interest rates in the capital markets.

"We are pleased that increased flows of funds into our savings institutions and reduced mortgage interest rates have made possible the lowering of the FHA rates," said Under Secretary Mitchell. "This is the third reduction of the FHA rate in four months and we are hopeful it will contribute to the rapid recovery of the housing industry."

The new 8 percent rate was established after consultation with Richard L. Roudebush, Administrator of the Veterans Administration, who simultaneously announced a similar decrease in the maximum rate on VA guaranteed home mortgage loans.

-more-

The Government National Mortgage Association (GNMA) announced that the interest rate on its FHA/VA "Tandem Plan" would be lowered to 8 percent from 8-1/4 effective Monday, March 10. The GNMA purchase price remains at 98. Daniel P. Kearney, President of GNMA, stated that approximately 2.6 billion remains available under the program which commenced operation in November of 1974. This will be sufficient to support approximately 70,000 units, Mr. Kearney said.

# # #

(To Accompany HUD-No. 75-66)

HUD-FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	Nov. 27, 1934 - June 23, 1935
5%	June 24, 1935 - July 31, 1939
4-1/2%	August 1, 1939 - April 23, 1950
4-1/4%	April 24, 1950 - May 1, 1953
4-1/2%	May 2, 1953 - Dec. 2, 1956
5%	Dec. 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - Sept. 22, 1959
5-3/4%	Sept. 23, 1959 - Feb. 1, 1961
5-1/2%	Feb. 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - Feb. 6, 1966
5-1/2%	Feb. 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - Oct. 2, 1966
6%	Oct. 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - Jan. 23, 1969
7-1/2%	Jan. 24, 1969 - Jan. 4, 1970
8-1/2%	Jan. 5, 1970 - Dec. 1, 1970
8%	Dec. 2, 1970 - Jan. 12, 1971
7-1/2%	Jan. 13, 1971 - Feb. 17, 1971
** 7%	Feb. 18, 1971 - June 30, 1973
** 7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - Jan. 21, 1974
8-1/4%	Jan. 22, 1974 - April 14, 1974
8-1/2%	April 15, 1974 - May 12, 1974
8-3/4%	May 13, 1974 - July 7, 1974
9%	July 8, 1974 - August 13, 1974
9-1/2%	August 14, 1974 - Nov. 24, 1974
9%	Nov. 25, 1974 - Jan. 20, 1975
8-1/2%	Jan. 21, 1975 - March 2, 1975
8%	March 3, 1975 -

\* 5% for acquisition, 5-1/2% refunding of mortgage indebtedness or creation of mortgage indebtedness on property constructed before June 7, 1934.

\*\* FHA authority lapsed June 30, 1973; renewed August 10, 1973.

QUESTIONS AND ANSWERS ON INTEREST RATE DECREASE

Q. How will the decrease in the FHA interest ceiling affect the buyer of a house?

A. On a \$30,000 mortgage over 30 years, there would be a saving of \$10.50 a month.

Q. How will the decrease affect those applications for mortgage insurance now in process?

A. Mortgage lenders may still charge the higher rate; however, it is FHA's policy to encourage mortgagees to reduce the interest rate in all cases that have not been closed prior to the effective date of the decrease.

Q. When was the last time the FHA interest rate was raised?  
When last lowered?

A. Raised to 9-1/2 percent on August 14, 1974; lowered to 8-1/2 percent on January 21, 1975.

Q. What is meant by "paying points" and what does this have to do with the cost of a house?

A. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. During periods when this differential exists, investors are unwilling to invest in FHA/VA mortgages without this discount since the yield would not be competitive with that available from other investments.



# HUD NEWS

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

HUD-No. 75-68  
Phone (202) 755-5284  
(Bacon)

FOR RELEASE:  
Thursday  
March 6, 1975

The Department of Housing and Urban Development today announced that HUD is extending its public hearings on condominiums into Florida to explore alleged abuses in condominium development in the State.

Assistant Secretary for Policy Development and Research Michael H. Moskow said the hearings will be held March 24 in Fort Lauderdale at the Broward County Commission Meeting Room, Room 250, 201 Southeast 6th Street, and will be open to all interested parties, consumers and industry groups alike. Both written and verbal testimony will be accepted.

The day-long session will get underway at 8:30 a.m., and will round out HUD-sponsored hearings on problems surrounding condominium construction and conversion in various parts of the country. These hearings are directed toward fact-finding in support of national policy decisions. They are not designed for the purpose of uncovering the details of specific cases of condominium problems and abuses.

Under the Housing and Community Development Act of 1974, HUD is charged by the Congress with investigating "the problems, difficulties, abuses and potential abuses applicable to condominium and

cooperative housing." In addition to holding hearings, HUD is conducting as part of this mandated study a survey of the numbers and location of condominium and cooperative units and a detailed study of the nature of the various problems. This information will be gathered for HUD by Arthur D. Little, Inc., of Cambridge, Mass., under a recently-awarded \$274,740 contract and will constitute the first systematic data-gathering on this subject.

HUD is also reviewing State and local legislation on condominiums and analyzing FHA's Section 234 condominium program. The Department has already prepared, as a technical drafting service, a model State statute relating to condominium sales and conversions. This draft statute is scheduled to be reviewed by citizens and officials at State and local levels.

Mr. Moskow said HUD found during its February 10-12 condominium hearings in Washington, D.C. that the Florida housing market has been, more than any other place, an area of special concern for consumers, government officials and the housing industry. "Not only has condominium development in Florida been more extensive than elsewhere in the country, but there have been special problems that seem to be characteristic of the Florida situation," he said.

"In addition to hearing from consumer and industry representatives in the State, we also hope to have State officials brief us on developments in relation to the new Florida condominium law."

Requests to appear at the hearing and present written comments, and any other communications regarding it, should be submitted, along with a brief outline of topics to be covered, no later than March 14 to:

Assistant Secretary for Policy Development and Research  
Department of Housing and Urban Development  
451 - 7th Street, Southwest  
Washington, D.C. 20410  
Attn: Condominium Task Force, Room 8110



# HUD NEWS

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

HUD-No. 75-70  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Tuesday, March 11, 1975

## RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Warren, Ohio, \$146,036 firm commitment and \$14,784 rent supplement for 150 units at Hampshire House, sponsored by Hampshire House, A. E. Orlean Company, 1500 Keith Bldg., Cleveland, Ohio. (Charles P. Lucas, Director, HUD-FHA Insuring Office, 707 Rockwell Ave., Cleveland, Ohio 44114)

## COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

Following are the latest HUD approvals of block grants under Title I of the Housing and Community Development Act of 1974, which replaces the previous HUD Community Development categorical grant programs:

B-75-MC-04-0502	<u>Phoenix, Ariz.</u> , \$2,570,000. (James B. Rhone, City of Phoenix, 251 W. Washington, Phoenix, Ariz. 85003)
B-75-MC-06-0026	<u>Stockton, Calif.</u> , \$1,803,000. (Mayor Manuel Silveria, 425 N. El Dorado St., Stockton, Calif. 95202)
B-75-MC-08-0007	<u>Pueblo, Colo.</u> , \$1,016,000. (Fred E. Weisbrod, City Manager, 1 City Hall Place, Pueblo, Colo. 81003)
B-75-HN-13-0014	<u>Gainesville, Ga.</u> , \$1,979,000. (Mayor James A. Bartley, 116 Broad St., Gainesville, Ga. 30501)
B-75-HN-19-0001	<u>Burlington, Iowa</u> , \$554,000. (Mayor Wayne W. Hogberg, Burlington, Iowa 52601)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

B-75-HN-30-0001      Anaconda, Mont., \$971,000. (Mayor Paul V. Beansoleil, P. O. Box 1387, Anaconda, Mont. 59711)

B-75-HN-30-0003      Helena, Mont., \$2,816,000. (Alan A. Thelan, City Manager, Civic Center, Helena, Mont. 59601)

B-75-MC-42-0102      Johnstown, Pa., \$977,000. (Mayor Herbert Pfuhl, Jr., Main and Market Sts., Johnstown, Pa. 15901)

B-75-HN-42-0113      Oil City, Pa., \$706,000. (Terrence Farren, City Manager, 1 Sycamore St., Oil City, Pa. 16301)

B-75-MC-51-0018      Portsmouth, Va., \$4,120,000 increase to a total of \$4,570,000. (Phin Horton, City Manager, 1 High St., Portsmouth, Va. 23704)

LOW RENT PUBLIC HOUSING PROGRAM

ARK 2-2      North Little Rock, Ark., \$307,066 increase to a total of \$1,054,896 for the Modernization Program. (William S. Clements, Executive Director, Housing Authority, P. O. Box 516, North Little Rock, Ark. 72115)

ARK 63-1 and 2      Pocahontas, Ark., \$20,437 for the Modernization Program. (Daley Stacy, Executive Director, Housing Authority, P. O. Box 266, Pocahontas, Ark. 72455)

Colo 7-1      Holly, Colo., \$6,820 for the Modernization Program. (W. O. Randle, Executive Director, Housing Authority, Holly, Colo. 81047)

Conn. 7-11      Stamford, Conn., \$206,803 for construction of 96 units. (Margot E. Warner, Executive Director, Housing Authority, 100 Myano Lane, Stamford, Conn. 06902)

Del 1-3, 4 & 5      Wilmington, Del., \$161,450 increase to a total of \$4,802,519 for the Modernization Program. (Vincent V. Lewis, Executive Director, Housing Authority, 300 Delaware Ave., P. O. Box 1105, Wilmington, Del. 19899)

IA 23-3      Council Bluffs, Iowa, \$314,640 to lease 100 newly-constructed units for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, 210 Walnut St., Federal Bldg., Des Moines, Iowa 50309)

IA 69-1      Hawarden, Iowa, \$53,472 to lease 20 newly-constructed units, 16 for the elderly. (Same as above)

KY 27-D      Paintsville, Ky., \$30,000 preliminary loan for construction of 75 units for the elderly. (LeRoy Melvin, Executive Director, Housing Authority, 301 Sixth St., Paintsville, Ky. 41240)

KY 107-B      Pikeville, Ky., \$110,000 for construction of 275 units, 200 for the elderly. (Kenneth Childress, Chairman, Housing Authority, 209 Caroline Ave., Pikeville, Ky. 41501)

LA 23-1      Alexandria, La., \$36,658 for the the Modernization Program. (Cora Schley, Chairman, Housing Authority, Box 4196, Alexandria, La. 71301)

NJ 15-1      Hoboken, N. J., \$97,200 for the Modernization Program. (Joseph A. Caliguire, Executive Director, Housing Authority, 400 Harrison St., Hoboken, N. J. 07030)

--      New Boston, Texas, \$3,900 for the Modernization Program. (Ardell Hubbard, Executive Director, Housing Authority, P. O. Box 806, New Boston, Texas 25570)

--      Sweetwater, Texas, \$2,400 for the Modernization Program. (Kathleen Lewis, Executive Director, Housing Authority, P. O. Box 1260, Sweetwater, Texas 79556)

NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

N. Y. A-14      Peekskill, N. Y., \$868,200 increase to a total of \$2,744,263. (David A. Ornstein, Executive Director, Urban Renewal Agency, 1105 Brown St., Peekskill, N. Y. 10566)

N. Y. A-4      Yonkers, N. Y., \$2,038,200 increase to a total of \$9,038,200. (Alphonse Yost, Acting Executive Director, Urban Renewal Agency, 53 S. Broadway, Yonkers, N. Y. 10701)

URBAN RENEWAL PROGRAM

NJ R-159            Morristown, N. J., \$2,000,000 increase to a total of \$7,033,095 for the Speedwell Avenue Project. (Raymond DeChiara, Executive Director, Urban Renewal Agency, 65 Spring St., Morristown, N. J. 07960)

N.Y. R-169            Amsterdam, N. Y., \$3,816,000 increase to a total of \$17,842,136 for the Central Business District Project. (Frank L. Gillis, Executive Director, Urban Renewal Agency, City Hall, Amsterdam, N. Y. 12010)

N. Y. R-87            Mount Vernon, N. Y., \$75,000 increase to a total of \$1,295,854 for the Central Business District Project. (Lillian Kleinberg, Executive Director, Urban Renewal Agency, 17 W. Second St., Mount Vernon, N. Y. 10550)

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# HUD NEWS

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

HUD-No. 75-73  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Tuesday  
March 11, 1975

Owners of homes with structural defects may, in some circumstances, be able to have the defects remedied at the expense of the Federal Government.

Under a provision of the Housing and Community Development Act of 1974, the Department of Housing and Urban Development has issued regulations setting up procedures by which certain homeowners may learn whether their houses qualify for this assistance.

The following groups of houses are potentially eligible. They are:

- \* Those with mortgages insured under Section 235 of the National Housing Act -- homeowners' interest subsidy; and
- \* Those with mortgages insured under Section 203 or Section 221 of the Act on or after August 1, 1968, and before January 1, 1973, and which are located in older declining urban areas.

In addition, the homes eligible for assistance must have one or more structural defects that existed on the date of the mortgage insurance commitment which (1) so seriously affect their use and livability as to create a serious danger to the life or safety of the inhabitants of the dwelling, and

(2) were of such a nature that a proper inspection could reasonably have been expected to disclose them. Also, the houses must have been at least one year old at time of insurance.

Homeowners who believe that their homes qualify for this assistance should file an application with the HUD field office having jurisdiction over the area in which the property is located.

For mortgages insured under Section 235, the application must be filed not later than one year after the insurance of the mortgage, or in the case of homes in older declining urban areas with mortgages insured under Section 203, or 221 during the period from August 1, 1968, to December 31, 1972, not later than August 22, 1975.

Processing of applications for assistance will begin March 24, 1975.

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# HUD NEWS

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

HUD-No. 75-75  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Tuesday  
March 11, 1975

The U.S. Department of Housing and Urban Development, in conjunction with the National Association of Home Builders (NAHB), the National Association of Housing and Redevelopment Officials (NAHRO) and the Council of State Housing Agencies (CSHA), is participating in four seminars to explain its new leased housing subsidy program.

The program, generally referred to as Section 8, was established by the Housing and Community Development Act of 1974. It provides for a federal subsidy for new and existing housing units.

HUD officials appearing are David M. deWilde, Acting Assistant Secretary for Housing Production and Mortgage Credit and Acting Commissioner of the Federal Housing Administration; Morris Shroder, Director of the Publicly Financed Housing Division; John M. McGuire, Sidney B. Severe, Richard A. Trebilhorn, Nancy Chisholm and Kenneth R. Moul.

The four two-day seminars will be held in Washington, D.C., March 11-12; Atlanta, March 20-21; Chicago, March 24-25; and San Francisco, April 14-15.

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# HUD NEWS

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

HUD-No. 75-78  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Tuesday, March 18, 1975

## COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

The following grants help cover the cost of planning for growth needs of the area:

CPA-AL-04-09-1057      Alabama, State of, \$45,000. (R. C. Bamberg, Director, Alabama Development Office, 502 State Office Bldg., Montgomery, Ala. 36104)

CPA-FL-04-29-1085      Pensacola, Fla., \$35,000. (Daniel F. Krumel, Executive Director, West Florida Regional Planning Council, 106 S. Rens St., Pensacola, Fla. 32593)

FRC-IGA-04-03      Atlanta, Ga., \$79,828. (Harry West, Executive Director, Atlanta Regional Commission, 100 Peachtree St., Atlanta, Ga. 30303)

CPA-MD-03-06-1015      Anne Arundel, Baltimore, Carroll, Harford and Howard Counties, and Baltimore City, Maryland, \$97,000. (Robert N. Young, Executive Director, Regional Planning Council, 701 St. Paul St., Baltimore, Md. 21202)

CPA-MA-01-06-1079      Boston, Mass., \$100,000 increase to a total of \$440,000. (John Buckley, Secretary, Executive Office for Administration and Finance, State House, Boston, Mass. 02133)

CPA-NE-07-26-1009      Omaha, Neb., \$166,000. (J. C. Harvel, Executive Director, Metropolitan Area Planning Agency, 7000 West Center Road, Omaha, Neb. 68106)

CPA-WI-05-39-1033      Waukesha, Wis., \$55,000. (Kurt W. Bauer, Executive Director, Southeastern Wisconsin Regional Planning Commission, 916 N. East Ave., P. O. Box 769, Waukesha, Wis. 53186)

LOW RENT PUBLIC HOUSING PROGRAM

ARIZ 18-8                   Colorado River Indian Reservation, Ariz., \$83,952 for construction of four units for the elderly. (Antone Drenan, Sr., Chairman, Colorado River Indian Housing Authority, Route 1, Box 23B, Parker, Ariz. 85344)

Cal. 5-1                   Sacramento, Calif., \$222,383 increase to a total of \$2,517,588 for modernization of existing units. (William G. Geline, Executive Director, Housing and Redevelopment Agency, P. O. Box 1834, Sacramento, Calif. 95809)

IA 48-1                   Story City, Iowa, \$64,512 to lease 24 newly-constructed units for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, 210 Walnut St., Room 259, Federal Bldg., Des Moines, Iowa 50309)

LA 122-1                   Colfax, La., \$1,074,806 for turnkey construction of 40 units, 10 for the elderly. (S. B. Reitzell, Chairman, Housing Authority, 401 Eighth St., Colfax, La. 71417)

ME 3-1 and 3-8           Portland, Me., \$525,000 increase to a total of \$1,295,000 for modernization of existing units. (Peter Rowe, Housing Authority, 211 Cumberland Ave., Portland, Me. 04111)

Mass 25-1                   Gloucester, Mass., \$21,940 for the modernization of existing units. (John W. Sheedy, Executive Director, Housing Authority, Maplewood Park, Gloucester, Mass. 01930)

NEB 105C                   Niobrara, Neb., \$4,000 for turnkey construction of 10 units for the elderly. (Naomi Freemont, Santee-Sioux Tribal Housing Authority, Niobrara, Neb. 68760)

NM 2-1/2                   Clovis, N. Mex., \$550,000 for modernization of existing units. (Richard M. Prokop, Executive Director, Housing Authority, P. O. Box 279, Clovis, N. Mex. 88101)

ND-6H Turtle Mountain Indian Reservation, N. D., reservation for construction of 100 units for the elderly. (Braulio Escobar, HUD Region VIII, Federal Bldg., 1961 Stout St., Denver, Colo. 80202)

SD-2E Rosebud Indian Reservation, S. D., reservation for construction of 110 units for the elderly. (Same as above)

TEX 200-1/2 Aspermont, Texas, \$75,000 increase to a total of \$78,000 for modernization of existing units. (Dorothy Burton, P. O. Box 545, Aspermont, Texas 79502)

-- Baytown, Texas, \$35,000 increase to a total of \$1,593,087 for the modernization program. (Housing Authority, Baytown, Texas 77520)

Tex. 1-1,2,3,4,  
5 and 6 Austin, Texas, \$250,000 for modernization of existing units. (George R. Brooking, Executive Director, Housing Authority, P. O. Box 6159, Austin, Texas 78710)

-- Beaumont, Texas, \$998,600 increase to a total of \$1,063,276 for modernization of existing units. (James Gordey, Executive Director, Housing Authority, P. O. Box 1312, Beaumont, Texas 77704)

-- Coolidge, Texas, \$50,000 increase to a total of \$55,000 for modernization of existing units. (Ruth Adams, Executive Director, Box 23, Coolidge, Texas 76635)

Tex 202-1, 2 Edcouch, Texas, \$95,330 for modernization of existing units. (Angel Martinez, Executive Director, Housing Authority, P. O. Box 414, Edcouch, Texas 78538)

-- Hearne, Texas, \$6,040 increase to a total of \$408,955 for the modernization of existing units. (V. D. Ramby, Executive Director, Box 828, Hearne, Texas 77859)

Tex 11-2,3 Laredo, Texas, \$374,581 for modernization of existing units. (Raul Trevino, Executive Director, Housing Authority, 2000 San Francisco Ave., Laredo, Texas 78040)

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Van Alstyne, Texas, \$96,000 increase to a total of \$111,000 for modernization of existing units. (Ray E. Lackard, Executive Director, Housing Authority, P. O. Box 668, Van Alstyne, Texas 75095)

WASH 3-1

Bremerton, Wash., \$364,000 increase to a total of \$2,288,421 for modernization of existing units. (Bernice Wagsteen, Executive Director, Housing Authority, P. O. Box 631, Bremerton, Wash. 98310)

#### NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

N. Y. A-22

Poughkeepsie, N. Y., \$1,816,000 increase to a total of \$4,825,424. (William Cahill, Executive Director, Urban Renewal Agency, 321 Main St., Poughkeepsie, N. Y. 12601)

N. Y. A-6

Syracuse, N. Y., \$3,022,600 increase to a total of \$8,083,097. (David S. Michel, Commissioner of Urban Improvement, Urban Renewal Agency, 300 East Fayette St., Syracuse, N. Y. 13202)

R. I. A-2-1-3

Providence, R. I., \$1,255,800 increase to a total of \$3,678,918. (Vincent Pallozzi, Executive Director, Redevelopment Agency, 40 Fountain St., Providence, R. I. 02919)

#### NEIGHBORHOOD FACILITIES PROGRAM

NY-N-38

New York, N. Y., \$1,215,050 for construction of a multi-service center for the Morrisania section of the South Bronx Model Cities area. (Barry Zelikson, Executive Director, Community Development, Housing and Development Administration, 100 Gold St., New York, N. Y. 10038)

URBAN RENEWAL PROGRAM

Ala. R-142                   Jasper, Ala., \$1,250,000 for rehabilitation and clearance from destruction caused by the April 1974 tornado. (Woodrow Cannon, Executive Director, Housing Authority, P. O. Box 582, Jasper, Ala. 35501)

NJR-179                   West Orange, N. J., \$105,599 increase to a total of \$1,719,672 for the Thomas A. Edison Project. (Fred LaBastille, Executive Director, Redevelopment Agency, 632 Eagle Rock Ave., West Orange, N. J. 07050)

N. Y. R-250                   Port Jarvis, N. Y., \$966,000 increase to a total of \$4,208,133 for the Central Business District Project. (John Hawkins, Executive Director, Urban Renewal Agency, 171 Pike St., Port Jarvis, N. Y. 12771)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

## Recertification:

East Rochester, N. Y.                   (Mayor Anthony Della Pietra, Village Hall, East Rochester, N. Y. 14445)

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# HUD NEWS

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

HUD-No. 75-82  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Thursday  
March 20, 1975

Congregate housing -- a form of housing for the elderly involving shared dining facilities and services -- is scheduled for appraisal by the U.S. Department of Housing and Urban Development to determine its effectiveness in meeting resident needs.

HUD Assistant Secretary Michael H. Moskow said his Office of Policy Development and Research has just issued a Request for Proposals (RFP) inviting bidder interest in conducting a year-long research effort into what, in particular, makes a congregate housing project successful and satisfying for its elderly residents.

"HUD is initiating the study in direct response to the new Housing and Community Development Act of 1974, which specifically encourages the use of congregate housing for the elderly," Mr. Moskow said.

"Although the Department has been involved in the construction of more than 6,000 units under Sections 202, 236, 221(d)(3) and the Low-Rent Public Housing Program, we have never taken a hard look at the success of these projects in meeting the needs of their elderly residents," he explained.

The proposed research effort will look at a sample of projects built under various HUD programs, and a sample of non-supported projects, to determine which features of location, design, service and management make for a successful project. Researchers also will study characteristics of the elderly that make them more likely to want or need the congregate dining facilities and other services that distinguish congregate housing from fully independent housing for the elderly.

"The results of this project will allow HUD to make policy determinations on the potential use of congregate settings in meeting housing needs of the elderly and displaced persons," Mr. Moskow said. Findings of the study will be used, additionally, to produce a guide that will help sponsors deal with the development and management of congregate facilities.

The RFP will be open for one month, and copies can be obtained by writing: Ms. Cheryl Yeargin  
Office of Procurement and Contracts  
Department of Housing and Urban Development  
451 Seventh Street, S.W., Room 2138  
Washington, D.C. 20410

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# HUD NEWS

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

HUD- No. 75-86  
(202) 755-5284  
(Farley)

FOR RELEASE:  
Saturday  
March 22, 1975

Federal riot insurance, suspended in Georgia since last December 31, is reinstated in that State, effective today.

The announcement was made by the Federal Insurance Administration in the U.S. Department of Housing and Urban Development.

Coverage was suspended, the announcement explained, because the statute under which the State's FAIR Plan was operating expired at the end of the year. The FAIR Plan stopped accepting business as of that date, making Georgia ineligible for Federal riot insurance.

New legislation was signed into law last month, however, and the FAIR Plan again became operative, restoring the statutory requirements for the State's participation in the Federal program.

Policies written before the suspension date were honored. And as of March 22, reinsurance is now in full force in Georgia except for losses incurred during the suspension period. Insurance companies holding Federal riot insurance contracts have been so advised of Georgia's reinstatement.



# HUD NEWS

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

HUD-No. 75-90  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Wednesday, March 26, 1975

### RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Las Vegas, Nev., \$164,033 reservation and \$28,934 rent supplement for 134 units at Clark Towers, sponsored by Helen Jydstrup, Clark Towers, Inc. 2320 Oquendo Road, Las Vegas, Nev. (Morley W. Griswold, Director, HUD-FHA Insuring Office, P. O. Box 4700, Reno, Nev. 89505)

### COLLEGE HOUSING PROGRAM

CH-NY-299 (S)

Syracuse, N. Y., \$45,960 for construction of a new Student Union to accommodate 5200 students at Onondaga Community College. (Harvey Charles, Vice-President, Onondaga County Community College, 700 East Water Street, Midtown Plaza, Syracuse, N. Y. 13210)

### LOW RENT PUBLIC HOUSING PROGRAM

AK-7-1

Port Yukon, Alaska, \$1,172,000 for mutual-help construction of 40 units. (Roger A. Riddell, HUD-FHA Insuring Office, 334 W. 5th St., Anchorage, Alaska 99501)

AK-7-2

Galena, Alaska, \$945,000 for mutual-help construction of 30 units. (Same as above)

AK-7-3

Tanacress, Alaska, \$435,000 for mutual-help construction of 15 units. (Same as above)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

Ariz. 26-13

Sells, Ariz., \$1,608,362 for mutual-help construction of 50 units on scattered sites at San Xavier. (Adam Karcho, Executive Director, Papago Housing Authority, P. O. Box 776, Sells, Ariz. 85634)

IA 104-1

Mt. Pleasant, Iowa, \$71,700 to lease 25 newly-constructed units for the elderly. (Nate Ruben HUD-FHA Insuring Office, Federal Bldg., 210 Walnut St., Des Moines, Iowa 50309)

IA 88-1

Oakland, Iowa, \$62,718 to lease 24 newly-constructed units for the elderly. (Same as above)

IA 100-1

Oskaloosa, Iowa, \$96,480 to lease 30 newly-constructed units for the elderly. (Same as above)

IA 53-1

Perry, Iowa, \$60,192 to lease 24 newly-constructed units for the elderly. (Same as above)

MICH 31-1,2

Muskegon Heights, Mich., \$159,100 increase to a total of \$331,100 for modernization of existing units. (Gladys Givan, Executive Director, Housing Commission, 615 E. Hovey, Muskegon Heights, Mich. 49444)

Mont. 12-F 6 and  
12-G

Lame Deer, Mont., reservation for 75 units, 35 for the elderly on the Northern Cheyenne Indian Reservation. (Virginia Toews, Executive Director, Northern Cheyenne Housing Authority, Lame Deer, Mont. 59043)

WASH-50-Ar

Lower Elwha Indian Reservation, Wash., \$10,000 preliminary loan for turnkey, mutual-help construction of 25 units. (LaVern Hepfer, Chairman, Lower Elwha Housing Authority, 105  $\frac{1}{2}$  E. First St., Port Angeles, Wash. 98362)

WATER AND SEWER FACILITIES PROGRAM

WSF-MD-03-06-1011

Charles County, Md., \$367,400 for construction of a sewage collection and interceptor system, pumping stations and force mains to serve the neighborhoods of Bannister and Wakefield. (Gilbert Hyatt, Chairman, Charles County Sanitary District, Inc., Waldorf, Md. 02601)

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# HUD NEWS

**U.S. DEPARTMENT OF HOUSING  
AND URBAN DEVELOPMENT**

**WASHINGTON D.C. 20410**

HUD-No. 75-94  
Phone (202) 755-5577  
(Spiegel)

FOR RELEASE:  
Thursday  
March 27, 1975

The Department of Housing and Urban Development and the Environmental Protection Agency have signed an inter-agency agreement to coordinate the land use aspects of certain planning programs administered by both agencies.

Programs affected by the agreement are HUD's Comprehensive Planning Program (701), and EPA's areawide waste treatment management planning assistance program (208).

Assistant Secretary David O. Meeker, who heads HUD's Community Planning and Development Office, and Russell E. Train, EPA Administrator, signed the agreement for their respective Departments.

Both programs call for consideration of land use issues in the preparation of local, areawide and statewide plans.

"The agreement will limit any duplication of effort and will improve the effectiveness of land use planning conducted under the respective HUD and EPA programs," Mr. Meeker said.

Mr. Train added "the agreement will insure that the two programs are developed and implemented in a coordinated way and are integrated with State and local comprehensive planning efforts."

This means that local agencies will carry out their land use management responsibility to control water pollution within the comprehensive planning framework conducted under HUD's 701 program to achieve other community, regional and State goals.

HUD's 701 program provides grant assistance to States and municipalities to foster sound local, areawide, and statewide development through comprehensive planning. It deals with such matters as housing, community development, energy conservation, land use, and the protection and development of natural resources.

EPA's 208 program currently provides grant assistance to designated planning agencies to develop areawide programs for waste treatment management. It considers the impact land use has on water quality as well as coordination of the program with other pollution control efforts.

Land use planning is an important part of both programs. In addition to analyzing the impact of land use on water quality, EPA's 208 program considers pollution sources through land use controls. The HUD 701 program was expanded by 1974 legislation to include a land use element as a basis for continued eligibility for grant funds.

Although the agreement will not alter the basic authorities or responsibilities of either agency, it is expected to streamline applicable land use planning at the local, regional, and State levels. Both EPA and HUD will cooperate in setting planning guide lines and reviewing completed plans. They will also periodically review results attained under the new agreement.

The interagency agreement will appear soon in the Federal Register.

Today's agreement, together with one signed February 14 covering the Department of Commerce Costal Zone Management program, will effectively integrate three Federal programs which provide an estimated \$114 million a year in land use planning assistance.

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# HUD NEWS

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

HUD-No. 75-101  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, April 4, 1975

## RENT SUPPLEMENT PROGRAM

Canton, Ohio, \$145,270 firm commitment for 81 units at Victory Square, sponsored by The Orlean Company, 1500 Keith Bldg., Cleveland, Ohio. (Charles P. Lucas, Director, HUD-FHA Insuring Office, 777 Rockwell Ave., Cleveland, Ohio 44114)

## RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Tucson, Ariz., \$118,243 reservation and \$15,014 rent supplement for 138 units, sponsored by Ray Morrison and Associates, 532 E. Maryland Ave., Phoenix, Ariz. (Merritt R. Smith, Director, HUD-FHA Insuring Office, P. O. Box 13468, Phoenix, Ariz. 85002)

Grand Forks, N. D., \$80,742 reservation for 66 units, sponsored by Grand Forks Homes, Inc., Grand Forks, N. D. (Duane R. Liffrig, Director, HUD-FHA Insuring Office, P. O. Box 2483, Fargo, N. D. 58102)

## LOW RENT PUBLIC HOUSING PROGRAM

ARK 16-1, 2, 3, 4, 5, 6      Camden, Ark., \$122,570 for the Modernization Program. (N. Donald Broach, Executive Director, Housing Authority, Box 39, Camden, Ark. 71701)

Colo 3-1      Walsenburg, Colo., \$20,000 for the Modernization Program. (Jeanett Linscott, Executive Director, Housing Authority, Walsenburg, Colo. 81089)

FLA 5-23      Hialeah, Fla., \$679,370 for turnkey construction of 15 units. (Melvin J. Adams, Director, Dade County Dept. of Housing and Urban Development, P. O. Box 250, Riverside Station, Miami, Fla. 33316)

IA 18-3      Sioux City, Iowa, \$153,444 reservation to lease 51 newly-constructed units. (Nate Ruben, HUD-FHA Insuring Office, 210 Walnut St., Room 259, Des Moines, Iowa 50309)

ME 13-B      Washington County, Me., reservation for turnkey construction of 11 units. (Cliv Dorr, Executive Director, Pleasant Point Passamaquoddy Reservation Housing Authority, P. O. Box 241-A, Perry, Maine 04667)

ME 13-C      Washington County, Me., \$5,600 preliminary loan for construction of 14 units. (Same as above)

Mass. 10-1, 3,  
4, 5, 6      Lawrence, Mass., \$300,000 for the Modernization Program. (Daniel P. Kiley, III, Executive Director, Housing Authority, 353 Elm St., Lawrence, Mass. 01841)

Mass 29-3      Pittsfield, Mass., \$212,000 for the Modernization Program. (Arthur C. McGill, Executive Director, Housing Authority, 7 North St., Pittsfield, Mass. 01201)

Nebr. 30-2      Fairbury, Nebr., \$63,000 contract to lease 30 units for the elderly. (Faye G. Craig, Executive Director, Housing Authority, 105 W. Fifth St., Fairbury, Nebr. 68352)

Nebr. 1-14      Omaha, Nebr., \$245,556 contract to lease 100 units for the elderly. (James L. Henry, Executive Director, 911 N. 21st St., Omaha, Nebr. 68102)

NC-22-5      Greenville, N. C., \$2,910,015 for construction of 117 units, 12 for the elderly. (J. M. Laney, Jr., Executive Director, Housing Authority, P. O. Box 1426, Greenville, N. C. 27834)

PA 9-3      Reading, Pa., \$725,000 increase to a total of \$2,535,000 for the Modernization Program. (William W. Willis, Executive Director, Housing Authority, 1301 Schuylkill Ave., Reading, Pa. 19601)

S. D. 5-F & 5-G      Eagle Butte, S. D., reservation for construction of 63 units, 14 for the elderly under Project 5-F and for mutual-help construction of 37 units under Project 5-G. (Lloyd A. LeBeau, Executive Director, Cheyenne River Housing Authority, Box 480, Eagle Butte, S. D. 57625)

So. Dak. 4-F      Fort Thompson, S. D., reservation for 25 units. (Hobart Eagle, Executive Director, Crow Creek Housing Authority, Box 655, Fort Thompson, S. D. 57339)

Tex 74-1      Luling, Texas, \$94,519 for the Modernization Program. (Executive Director, Housing Authority, P. O. Box 229, Luling, Texas 78648)

#### NEIGHBORHOOD DEVELOPMENT PROGRAM

Calif. A-43      Riverside, Calif., \$435,883 increase to a total of \$1,664,477 to carry on neighborhood development activities. (D. R. Shackelton, Executive Director, Redevelopment Agency, 3601 University Ave., Riverside, Calif. 92501)

#### URBAN RENEWAL PROGRAM

N. J. R-87      Camden, N. J., \$67,048 increase to a total of \$2,761,794 for the Northgate No. 2 Project. (Joseph A. Herd, Director of Urban Renewal, 729 Federal St., Camden, N. J. 08103)

#### WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

##### Certifications:

North Coventry Township, Pa. (A. T. Melillo, Executive Director, Redevelopment Agency, F & M Bldg., West Chester, Pa. 19380)

Montoursville Borough, Pa. (Wayne L. Green, Assistant Executive Director, Montoursville Borough, 48 W. Third St., Williamsport, Pa. 17701)

##### Recertifications:

McComb City, Miss. (Mayor John S. Thompson, P. O. Box H, McComb City, Miss. 39648)

Picayune, Miss. (Mayor S. G. Thigpen, Jr., City Hall, Picayune, Miss. 39466)

Vineland, N. J. (Mayor Joseph H. D'Ippolito, City Hall, Vineland, N. J. 08360)

Lock Haven, Pa. (Mayor William L. Johns, Lock Haven, Pa. 17745)

Renovo, Pa. (Mayor Carmen R. Rosamilin, 208 Sixth St., Renovo, Pa. 17764)



# HUD NEWS

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

HUD-No. 75-105  
Phone (202) 755-5284  
(Hall)

FOR RELEASE:  
Friday  
April 4, 1975

The U.S. Department of Housing and Urban Development has issued an interim rule asserting exclusive departmental jurisdiction over the rents of all subsidized projects with mortgages insured or held by HUD and all HUD-owned projects.

HUD will also assert exclusive jurisdiction over the rents of unsubsidized projects with HUD-insured or HUD-held mortgages when the Department feels that its economic interest in such a project is jeopardized.

The new rule, which went into effect immediately upon being printed in the Federal Register, was issued because of concern over increasing defaults in FHA-insured projects.

The rule, entitled "Local Rent Control - Interim Rule" is not final. HUD invited interested persons to "submit data, views, and suggestions with respect to this rule and is providing 60 days in lieu of the usual 30 days in which to file comments."

All relevant material will be considered before a final rule is adopted, according to HUD.

In a preamble to the rule, HUD laid out the reasons for preempting local rent control regulations.

It states:

"The Department of Housing and Urban Development (HUD) has received numerous inquiries relating to the jurisdiction of local rent control boards over FHA projects. This has become an area of great concern to the Department, because it has been determined that local rent control is a significant factor in causing owners of FHA projects, especially subsidized projects, to default on their mortgage payments.

"The defaults are leading to a substantial number of mortgage insurance claims by mortgagees upon HUD and to the withdrawal from the nation's housing stock of an increasing number of units for low income families. Since HUD already regulates, pursuant to the National Housing Act, the maximum permissible rents that an owner of a project financed by a mortgage insured by HUD may charge, and since each mortgage insurance claim typically requires the expenditure of several millions of dollars by the Department, HUD has an overriding interest to preempt state and local actions which contribute to such claims.

"Moreover, with respect to HUD-owned projects, they are property of the United States Government, therefore not subject to local regulation."

Those wishing to comment on the rule should submit their comments in triplicate on or before April 25, 1975, with the Rules Docket Clerk, Office of General Counsel, Room 10245, 451 Seventh St., S.W., Washington, D.C. 20410.

# # #



# HUD NEWS

## U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

### WASHINGTON D.C. 20410

#### TARGET PROJECTS PROGRAM

The Target Projects Program (TPP) represents an extraordinary HUD effort to help Local Housing Authorities (LHAs) stop deterioration of selected public housing projects with particularly serious operational problems, restore these projects to sound physical and financial condition and improve their general liveability. This is a massive attempt at "turnaround" of the nation's worst public housing projects, to the point where sound operations and suitable living environments can be maintained on a regular basis.

The program involves use of two major types of HUD funding--Modernization funds and special operating subsidy funds. Modernization funds are made available for major physical rehabilitation and improvement of the properties. The special subsidy funds (or "TPP funds"), which are over and above regular operating subsidies, are made available for "software" items, such as improvements in management systems, security, upward mobility and tenant services, as well as "catch-up" on backlogs in deferred maintenance.

The program is being funded in three annual increments, with a total of \$105,000,000 in special operating subsidies (TPP funds), as well as a very substantial amount of Modernization funds. In Fiscal Year 1974, 37 LHAs were funded with \$35,000,000 in TPP funds; approximately \$125,000,000 in Modernization funds is also expected to be committed to these first-round projects. For Fiscal Year 1975, 89 LHAs have been tentatively selected to receive \$35,000,000 in TPP funds, and there will be a third round of selections in Fiscal Year 1976, to receive the third round \$35,000,000 in TPP funds. Estimates of the Modernization funding components for the second and third increments of the Program have not yet been made.

Selection of candidate Target Projects are based upon a number of problem factors, including the extent of physical deterioration and inadequate maintenance, serious crime and vandalism, closed and vandalized dwelling units, lack of adequate services and poor reputation in the community. However, in addition to the existence of serious problems of these kinds, selection also depends upon "turnaround" potential, i.e., a demonstration that the LHA, the local Government and other local participants have the will and ability to use the HUD funding effectively, so as to actually achieve turnaround.

The role of the local government is emphasized. Local governments must make strong commitments to support the TPP effort, at least to the extent of providing adequate municipal services to the Target Projects and their residents. Additional local government support is strongly encouraged, and constitutes a major factor in the final selection and funding process. Similarly, assistance from local non-governmental agencies is strongly encouraged, especially with respect to services for improving the economic and social well-being of Target Project residents.

After HUD selection of candidate projects, the selected LHAs submit preliminary (Part A) applications, to provide HUD with a general assessment of the problems of the candidate projects, the measures proposed for correcting those problems, the TPP and Modernization funds needed to finance those measures, and the additional assistance to be provided by local governmental and non-governmental agencies. The Part A application serves as the basis for HUD's preliminary decision as to the funding of each candidate project, subject to later review of the final (Part B) application.

If the candidate project is approved by HUD on the basis of the Part A Application, the LHA then submits its final (Part B) application, constituting the LHA's detailed plan of action, with specification of objectives and tasks and a proposed budget. In addition, the LHA submits an application for Modernization funds.

After final HUD approval of the Part B Application, the LHA is authorized to implement its approved TPP plans. A monitoring and evaluation system is prescribed for purposes of the LHA's own program management interests, as well as for close program management and fiscal control by HUD. HUD makes TPP funds available in quarterly installments, as merited by LHA progress in carrying out its TPP plans, and funds can be withheld or terminated at any juncture to the extent that the LHA is not meeting the requirements of its approved plan. A similar situation exists with respect to the submission and approval of the Modernization application, including monitoring, evaluation and funding control for approved Modernization plans.

#### Data Summary

##### A. Phase I (FY 74)

1. Funds: \$35,000,000
2. Projects: 63
3. Units: 38,411

##### B. Phase II (FY 75)

1. Funds: \$35,000,000
2. Projects: 130
3. Units: 37,152



# HUD NEWS

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

HUD-No. 75-111  
Phone (202) 755-6072  
(Hardesty)

**PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, April 11, 1975**

**COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM**

Following are the latest HUD approvals of block grants under Title I of the Housing and Community Development Act of 1974, which replaces the previous HUD Community Development categorical grant programs:

B-75-HN-01-0002      Ashland, Ala., \$371,000. (Frank S. Phillips, Executive Director, Housing Authority, Route 3, Box 25, Ashland, Ala. 36251)

B-75-HN-01-0001      Alexander City, Ala., \$341,000. (Martha Mallory, Executive Secretary, Housing Authority, P. O. Drawer 788, Alexander City, Ala. 35904)

B-75-BS-01-0008      Boaz, Ala., \$632,000. (L. D. Akridge, Executive Director, Housing Authority, P. O. Drawer B, Boaz, Ala. 35957)

B-75-MC-01-0006      Mobile, Ala., \$2,014,000. (James R. Alexander, Jr., Housing Board, P. O. Box 1345, Mobile, Ala. 36601)

B-75-HN-01-0010      Ozark, Ala., \$427,000. (Mayor Tom A. Goff, P. O. Drawer O, Ozark, Ala. 36360)

B-75-HS-01-0001      Piedmont, Ala., \$224,000. (Charles S. Kerr, Executive Director, Housing Authority, P. O. Box 420, Piedmont, Ala. 36272)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

B-75-HN-01-0018      Selma, Ala., \$1,365,000. (Mayor Joe T. Smitherman, P. O. Drawer L, Selma, Ala. 36701)

B-75-HN-01-0020      Talladega, Ala., \$293,000. (Frank Upchurch, Director, Department of Planning and Urban Development, P. O. Box 498, Talladega, Ala. 33160)

B-75-HN-01-0021      Troy, Ala., \$509,000. (Joel Witherington, Executive Director, Housing Authority, P. O. Box 426, Troy, Ala. 36081)

B-75-MC-01-0008      Tuscaloosa, Ala., \$1,571,000. (Alvin P. DuPont, Director, Community Planning and Development, P. O. Box 2089, Tuscaloosa, Ala. 35401)

B-75-HN-01-0023      Uniontown, Ala., \$516,000. (Donald K. Bogg, Consulting Engineer and Associates, Uniontown, Ala. 36786)

B-75-MC-04-0503      Scottsdale, Ariz., \$1,665,534. (Mayor William C. Jenkins, 3939 Civic Center Plaza, Scottsdale, Ariz. 85251)

B-75-MC-12-0017      St. Petersburg, Fla., \$1,010,000. (R. E. Harbaugh, City Manager, City Hall, St. Petersburg, Fla. 33731)

B-75-MC-19-0006      Sioux City, Iowa, \$3,929,000. (Mayor George A. Cole, City Hall, Sioux City, Iowa 51102)

B-75-MC-22-0002      Baton Rouge and Parish of East Baton Rouge, La., \$2,029,000. (Mayor W. W. Dumas, P. O. Box 1471, Baton Rouge, La. 70821)

B-75-MC-06-0010      Baltimore, Md., \$32,749,000. (Robert C. Embry, Jr., Commissioner, Department of Housing and Community Development, 222 E. Saratoga St., Baltimore, Md. 21203)

B-75-HN-27-0003      East Grand Forks, Minn., \$266,000. (Thomas T. Feeney, Director, HUD Area Office, 1821 University Ave., St. Paul, Minn. 55104)

B-75-HN-29-0002      Jefferson City, Mo., \$642,000. (Mayor John G. Christy, Jefferson City, Mo. 65101)

B-75-MC-34-0111      Newark, N. J., \$20,513,000. (Mayor Kenneth A. Gibson, City Hall, Newark, N. J. 07103)

B-75-MC-42-0103      Pittsburgh, Pa., \$16,429,000. (Mayor Peter F. Flahert 414 Grand St., Pittsburgh, Pa. 15219)

B-75-HN-47-0022      Smithville, Tenn., \$171,000. (Mayor Edward Frazier, City Hall, 104 East Main St., Smithville, Tenn. 37166)

B-75-HN-48-0500      Alice, Texas, \$881,000. (Mayor Joe Ramirez, P. O. Box 119, Alice, Texas 78332)

B-75-HN-48-0501      Beeville, Texas, \$1,277,000. (Mayor John Galloway, P. O. Box 850, Beeville, Texas 78102)

B-75-HN-48-0504      Georgetown, Texas, \$228,000. (Mayor Joe E. Crawford, P. O. Box 409, Georgetown, Texas 78626)

B-75-MC-48-0509      San Benito, Texas, \$201,000. (Mayor Cesar Gonzalez P. O. Box 1870, San Benito, Texas 78586)

B-75-MC-48-0021      Temple, Texas, \$178,000. (Mayor David M. Dandy, City Hall, Temple, Texas 76501)

B-75-HS-48-0003      Whitesboro, Texas, \$185,000. (Mayor Joe D. Green, P. O. Box 340, Whitesboro, Texas 76273)

B-75-MC-51-0010      Chesapeake, Va., \$657,000. (Durwood S. Curling, City Manager, P. O. Box 15225, Chesapeake, Va. 233 0)

LOW RENT PUBLIC HOUSING PROGRAM

Ill. 2-37      Chicago, Ill., \$4,247,500 for the Modernization Program. (Harry J. Schneider, Executive Director, 22 W. Madison St., Chicago, Ill. 60602)

IA 22-2                   Iowa City, Iowa, \$206,328 to lease 62 newly-constructed units for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, Federal Bldg., Room 259, 210 Walnut St., Des Moines, Iowa 50309)

IA 40-1                   Orange City, Iowa, \$77,400 to lease 30 newly-constructed units for the elderly. (Same as above)

MICH 149-A               Sault Ste. Marie, Mich., \$8,000 preliminary loan for construction of 20 units on Sugar Island. (Bernard Bouscher, Chairman, The Original Bank of Sault Ste. Marie Chippewa Indians Housing Authority, 206 Greenough St., Sault Ste. Marie, Mich. 49783)

OH 22-5                   Xenia, Ohio, \$748,509 for turnkey construction of 25 units. (Donna Denman, Executive Director, Green County Metropolitan Housing Authority, Lawson Place, Yellow Springs, Ohio 45387)

URBAN RENEWAL PROGRAM

N. J. R-176               Mount Holly, N. J., \$32,000 increase to a total of \$1,090,216 for the East Downtown Project. (Robert F. Casey, Executive Director, Urban Renewal Agency, 23 Washington St., Mount Holly, N. J. 08060)

VA R-18                   Norfolk, Va., \$86,106 increase to a total of \$2,892,804 for the Downtown East Project. (Jack H. Shiver, Executive Director, Redevelopment and Housing Authority, P. O. Box 968, Norfolk, Va. 23501)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

## Certification:

Castanea, Pa.           (John S. Harvey, Chairman, Board of Supervisors, 109 Grape St., Castanea, Pa. 17726)



# HUD NEWS

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

HUD-No. 75-112  
Phone (202) 755-5284  
(Hall)

FOR RELEASE:  
Friday  
April 11, 1975

Carla A. Hills, Secretary of the U.S. Department of Housing and Urban Development, today announced grants totaling \$660,000 to five universities to develop academic training programs and complementing internships for housing managers.

The universities and their grants are: Howard University, Washington, D.C., \$150,000; Southern University, Baton Rouge, La., \$135,000; Winston-Salem State University, Winston-Salem, N.C., \$135,000; Texas Southern University, Houston, Texas, \$135,000; and Temple University, Philadelphia, Pa., \$105,000.

"Although a wealth of information and training materials have been developed on housing management, little has been reduced to teachable form and implemented at the college level," Secretary Hills said. "This new training program will encourage able people to enter the profession and educate and train them to do a highly effective job."

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H. R. Crawford, Assistant Secretary for Housing Management, said the universities would develop training programs designed to upgrade and professionalize the housing management field. These programs will incorporate basic management performance standards developed by HUD for housing managers, and the training will be an ingredient leading to the certification of managers for HUD-insured and HUD-subsidized housing.

"Many of the serious problems in HUD-supported housing, such as high default rates, abandonment and vandalism, are at least partly attributable to poor management practices," Mr. Crawford said. "The lack of uniform standards has allowed persons with varying management skills and abilities, many substandard, to manage HUD-assisted housing. The same thing is true for managers of privately financed housing."

The training programs will be incorporated into the regular curricula of the universities. They are intended to lead to the eventual development of university-sponsored majors in housing management, or to minors which support majors in such fields as urban planning, business administration, and social work.

These major/minor combinations will be applicable to the Baccalaureate, Masters and Doctoral levels.

In addition to standard management courses, each university will focus on a specialized aspect of the Federal public housing program -- urban or rural, large medium or small -- and will adapt existing curricula or develop new ones to fit the unique characteristics of its area.

Howard University will conduct specialized training in maintenance and accounting. Temple University will train managers in specialized subjects such as elderly, handicapped and Indian housing, and residential security. Texas University will develop a bi-lingual program for the Spanish speaking. Southern University will develop a "University without walls" concept as a means for achieving academic credit on the basis of previous work experience. Winston-Salem will develop a weekend college program for working managers.



# HUD NEWS

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

HUD-No. 75-118  
Phone (202) 755-5284  
(Farley)

FOR RELEASE:  
Friday  
April 11, 1975

President Ford has signed legislation extending the authority of the Department of Housing and Urban Development to continue the Federal Riot Reinsurance and the Federal Crime Insurance Programs to April 30, 1977.

Federal riot reinsurance is now available in 25 States, the District of Columbia and Puerto Rico. It can be obtained by participating property insurance companies in any State which has (1) established an acceptable FAIR Plan pool or other plan to make essential property insurance available, and (2) enacted legislation to reimburse the Federal Government for a share of excess losses in the State.

The 25 States are California, Connecticut, Delaware, Georgia, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Missouri, New Jersey, New Mexico, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Virginia, Washington and Wisconsin.

The Federal Crime Insurance Program enables residents and businesses in 14 States and the District of Columbia to purchase from the Federal Insurance Administration affordable policies of burglary and robbery insurance which cannot be cancelled because of losses.

The 14 States are Connecticut, Delaware, Florida, Illinois, Kansas, Maryland, Massachusetts, Missouri, New Jersey, New York, Ohio, Pennsylvania, Rhode Island and Tennessee.

J. Robert Hunter, acting Federal Insurance Administrator announced that based upon evidence of a critical availability in the State of Georgia, residents and businessmen of that State will also be designated as eligible to purchase Federal crime insurance after next June 1.

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# HUD NEWS

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

HUD-No. 74-120  
Phone (202) 755-5284  
(Farley)

FOR RELEASE:

Monday  
April 15, 1975

The Federal Insurance Administration of the Department of Housing and Urban Development has installed two toll free telephone lines in its Washington office, anticipating a spate of questions on mandatory aspects of the National Flood Insurance Program.

The questions are expected to flow from two new provisions of the Flood Disaster Protection Act of 1973. One requires individual property owners, as of last March 2, to buy flood insurance if they live in a community where it is available and if their property is located in an area identified by HUD as subject to flooding. They must purchase the insurance to be eligible for any new Federal or federally-related financial assistance for building in the danger area.

The second requires all flood-prone communities identified as such by HUD to enter the program by July 1, 1975, and to adopt appropriate land use and control measures to regulate construction in its flood hazard areas.

-more-

If the individual balks at buying the insurance, or if the community decides not to participate in the program, both would be barred from virtually all forms of Federal financial assistance for building purposes in the flood-prone area, including loans from federally-supported banks and lending institutions.

"Since these provisions are of special interest to lending institutions and insurance agents as well as the general public," Federal Insurance Administrator George K. Bernstein said, "we are installing the two toll free lines in the public interest."

The numbers, at the Federal Insurance Administration's offices in the HUD building, are: 800-424-8872, and 800-424-8873. The lines will be manned by FIA personnel Monday through Friday from 8:45 A.M. to 5:15 P.M. Daylight Saving Time.

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# HUD NEWS

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

HUD-No. 75-141  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Wednesday, April 23, 1975

COMMUNITY BLOCK GRANT PROGRAM

Following are the latest HUD approvals of block grants under Title I of the Housing and Community Development Act of 1974, which replaces the previous HUD Community Development categorical grant programs:

B-75-HN-01-0019	<u>Sylacauga, Ala.</u> , \$259,000. (Virginia West, Executive Director, Housing Authority, P. O. Box 539, Sylacauga, Ala. 35150)
B-75-HS-01-0002	<u>Bessemer, Ala.</u> , \$527,000. (A. W. Kuhn, Executive Director, 1100 Fifth Avenue, N., Bessemer, Ala. 35020)
B-75-HN-06-0003	<u>Merced, Calif.</u> , \$262,000. (Mayor Edwin M. Dewhirst, P. O. Box 2068, Merced, Calif. 95340)
B-75-MC-06-0013	<u>Oakland, Calif.</u> , \$12,738,000. (Cecil S. Riley, City Manager, City Hall, 14th and Washington Sts., Oakland, Calif. 94612)
B-75-HS-06-0002	<u>Pittsburg, Calif.</u> , \$2,966,500. (S. Anthony Donato, City Manager, 65 Civic Ave., Pittsburg, Calif. 94565)
B-75-MC-06-0542	<u>San Diego, Calif.</u> , \$7,974,900. (Kimball H. Moore, City Manager, 202 "C" St., San Diego, Calif. 92101)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

HUD-No. 75-141

-2-

B-75-MC-06-0016

San Francisco, Calif., \$28,798,000. (Mayor Joseph L. Alioto, City Hall, San Francisco, Calif. 94102)

B-75-MC-06-0006

Seaside, Calif., \$1,426,000. (Mayor B. J. Dolan, Jr., 440 Harcourt Avenue, Seaside, Calif. 93955)

B-75-HN-08-0002

La Junta, Colo., \$734,000. (C. A. Sarlo, Executive Director, Urban Renewal Authority, P. O. Box 489, La Junta, Colo. 81050)

B-75-HN-08-0005

Wellington, Colo., \$201,000. (Mayor Robert H. Eyestone, 3738 Cleveland Ave., Wellington, Colo. 80549)

B-75-MC-21-0002

Hopkinsville, Ky., \$140,000. (Mayor George L. Atkins, Jr., 101 N. Main St., Hopkinsville, Ky. 42240)

B-75-HS-26-0027

Belding, Mich., \$531,000. (Kenneth N. Mendenhall, City Manager, 120 S. Pleasant St., Belding, Mich. 48809)

B-75-MC-26-0009

Pontiac, Mich., \$3,198,000. (Max N. Krumrey, Administrator, Neighborhood Improvement Division, 450 Wide Track Dr., Pontiac, Mich. 48058)

B-75-HN-27-0001

Albert Lea, Minn., \$372,000. (Thomas T. Feeney, Director, HUD Area Office, 1821 University Ave., St. Paul, Minn. 55104)

B-75-HN-28-0005

Corinth, Miss., \$505,000. (Mayor John D. Mercier, P. O. Box 1197, Corinth, Miss. 38834)

B-75-HN-28-0016

Pontotoc, Miss., \$399,000. (Mayor Howard Stafford, 500 S. Main St., Pontotoc, Miss. 38863)

B-75-MC-32-0001

Las Vegas, Nev., \$459,500 increase to a total of \$510,000. (Mayor Oran K. Gragson, 400 E. Stewart Ave., Las Vegas, Nev. 89101)

B-75-HS-34-0109      Oceanport, N. J., \$604,000. (Mayor Elwood L. Baxter, Municipal Bldg., 222 Monmouth Blvd., Oceanport, N. J. 07757)

B-75-HS-40-0003      Shawnee, Okla., \$743,000. (Mayor Roy Sadler, Drawer 1448, Shawnee, Okla. 74801)

B-75-HN-42-0115      Sharon, Pa., \$600,000. (Mayor Basil C. Scott, 50 Chestnut Ave., Sharon, Pa. 16146)

B-75-HN-47-0027      Union City, Tenn., \$275,000. (Mayor Darrell Gore, P. O. Box 9, Union City, Tenn. 38261)

B-75-HN-48-0507      Poteet, Texas, \$572,000. (Mayor Demetrio Uribe, P. O. Box 378, Poteet, Texas 78065)

B-75-HN-50-0004      Winooski, Vt., \$1,451,000. (Mayor Donald Brunelle, City Hall, Winooski, Vt. 05404)

B-75-HN-51-0012      Franklin, Va., \$164,000. (Harold S. Atkinson, City Manager, P. O. Box 179, Franklin, Va. 23851)

B-75-MC-49-0001      Ogden City, Utah, \$655,000. (R. L. Larsen, City Manager, Municipal Bldg., P. O. Box 1639, Ogden, Utah 84402)

B-75-MC-49-0003      Provo, Utah, \$375,000. (Mayor Russell D. Grange, P. O. Box 799, Provo, Utah 84601)

LOW RENT PUBLIC HOUSING PROGRAM

Fla. 5-67      Miami, Fla., \$2,559,285 for turnkey construction of 86 units for the elderly. (Melvin Adams, Director, Dade County, Department of Housing and Urban Development, 1401 N. W. 7th St., Miami, Fla. 33125)

IA 32-1      Lenox, Iowa, \$39,552 for construction of 30 units for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, 210 Walnut St., Room 259, Federal Bldg., Des Moines, Iowa 50309)

IA 108-1

Mason City, Iowa, \$173,952 to lease 64 newly-constructed units for the elderly. (Nate Ruben, Director, HUD-FHA Insuring Office, 210 Walnut St., Room 259, Federal Bldg., Des Moines, Iowa 50309)

LA-4-1

Lake Charles, La., \$438,360 increase to a total of \$1,859,204 for the Modernization Program. (Joe J. Tritico, Chairman, Housing Authority, P. O. Box 1206, Lake Charles, La. 70601)

Nebr. 114-1

Beatrice, Nebr., \$150,000 to lease 50 units for the elderly. (Stephen L. Von Hiesen, City Attorney, City Hall, Beatrice, Nebr. 68310)

Nebr. 2-7

Lincoln, Nebr., \$283,128 to lease 94 units for the elderly. (Richard A. Burke, Executive Director, Housing Authority, 225 N. Cotner Blvd., Lincoln, Nebr. 68502)

NY 67-4

Hornell, N. Y., \$1,154,677 for construction of 40 units for the elderly. (H. H. Fillmore, Executive Director, Housing Authority, 71 Church St., Hornell, N. Y. 14843)

36-H108-001

Bronx, N. Y., \$1,948,968 for rehabilitation of 395 dwelling units. (Joseph Monticciolo, Director, HUD Area Office, 666 Fifth Ave., New York, N. Y. 10019)

NY 65-1

Norwich, N. Y., \$1,116,952 increase to a total of \$1,655,133 (TDC) for turnkey construction of 64 units for the elderly. (Eugene Cole, Chairman, Housing Authority, Box 203, Norwich, N. Y. 13815)

OH 16-1-1

Akron, Ohio, \$566,397 to lease congregate housing for 195 elderly persons. (Herbert Newman, Executive Director, Housing Authority, 180 W. Cedar St., Akron, Ohio 44307)

SC-5-1

Darlington, S. C., \$2,636,158 for construction of 100 units, 20 for the elderly. (John M. Daniels, Executive Director, Housing Authority, P. O. Box 1343, Florence, S. C. 29501)

Tex 76-1

Cooper, Texas, \$80,000 for the Modernization Program. (Mona Echols, Executive Director, Housing Authority, Drawer 429, Cooper, Texas 75432)

TEX 106-1

Daingerfield, Texas, \$7,200 for the Modernization Program. (Maxine Ramsey, Executive Director, Housing Authority, P. O. Box J, Daingerfield, Texas 75638)

Tex 19-2,4

Eagle Pass, Texas, \$85,693 for the Modernization Program. (Manuel Abascal, Executive Director, Housing Authority, P. O. Box 849, Eagle Pass, Texas 78852)

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Gladewater, Texas, \$2,390 for the Modernization Program. (Executive Director, Housing Authority, Gladewater, Texas 75647)

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Ladonia, Texas, \$240,000 for the Modernization Program. (Charles R. Richardson, Executive Director, Housing Authority, P. O. Box 183, Ladonia, Texas 75449)

Vt. 3-1, 3-2, and  
3-3

Rutland, Vt., \$75,000 for the Modernization Program. (Willis White, Executive Director, Housing Authority, 5 Tremont St., Rutland, Vt. 05701)

#### NEIGHBORHOOD DEVELOPMENT PROGRAM

The following approvals will enable the area to carry on neighborhood development activities:

Mass. A-7-1-2

New Bedford, Mass., \$556,800 increase to a total of \$1,509,382. (Howard Baptista, Executive Director, Redevelopment Authority, 21 S. 6th St., New Bedford, Mass. 02741)

NY A-204

Niagara Falls, N. Y., \$241,766 loan increase to a total of \$1,527,000 and \$417,000 grant increase to a total of \$1,417,000. (Angelo Massaro, Director, Urban Renewal Agency, City Hall, Niagara Falls, N. Y. 14302)

URBAN RENEWAL PROGRAM

VA R-30

Hampton, Va., \$78,073 increase to a total of \$1,255,668 to close out the Phoebus Project. (Robert C. Wilson, Executive Director, Re-development and Housing Authority, P. O. Box 280, Hampton, Va. 23369)

WORKABLE PROGRAM FOR COMMUNITY IMPROVEMENT

Recertification:

Winooski, Vt.

(Mayor Donald Brunelle, City Hall, Winooski, Vt. 05404)

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# HUD NEWS

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

HUD-No. 75-145  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Friday  
April 25, 1975

Secretary Carla A. Hills of the Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be raised to 8 1/2 percent, effective April 28, 1975.

The current rate, set March 3, 1975, is 8 percent.

The increase was made in accord with HUD's policy of keeping the maximum rate in line with actual mortgage market conditions, and to keep discount points - prepaid interest - to a minimum.

According to Mrs. Hills, recent weeks have seen a rise in the number of points charged by mortgage lenders originating FHA/VA loans. The discount points, having reached excessively high levels, have caused hardship for people selling houses with FHA/VA financing. Moreover, when points become excessive, funds for FHA/VA loans tend to dry up.

Consequently, Mrs. Hills observed, the new rate should help assure a continuing flow of funds for moderate income housing.

The new rate was determined after consultation with Richard L. Roudebush, Administrator of the Veterans Administration, who simultaneously announced a similar change in the maximum rate for GI home mortgage loans.

The Government National Mortgage Association (GNMA) announced that the interest rate on its FHA/VA "Tandem Plan" would remain at 8 percent. The GNMA purchase price remains at 98. Daniel P. Kearney, president of GNMA, stated that approximately \$1.8 billion remains available under the program, which commenced operation in November 1974. This amount will be sufficient to support approximately 47,000 units, Mr. Kearney said.

# # #

To Accompany HUD-No. 75-145

QUESTIONS AND ANSWERS ON INTEREST RATE INCREASE

Q. How will the rise in the FHA interest ceiling affect the buyer of a house?

A. On a \$30,000 mortgage over 30 years, there would be an increase of \$10.50 in the monthly payment.

Q. How will the rise affect those applications for mortgage insurance now in process?

A. Mortgage lenders may charge the higher rate; however, it is FHA's policy to encourage mortgagees to apply the lower previous interest rate in all cases that have not been closed prior to the effective date of the increase.

Q. When was the last time the FHA interest rate was raised?  
When last lowered?

A. Raised to 9 1/2 percent on August 14, 1974; lowered to 8 percent on March 3, 1975.

Q. What is meant by "paying points" and what does this have to do with the cost of a house?

A. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. During periods when this differential exists, investors are unwilling to invest in FHA/VA mortgages without this discount since the yield would not be competitive with that available from other investments.

To Accompany HUD-No. 75-145

HUD-FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	Nov. 27, 1934 - June 23, 1935
5%	June 24, 1935 - July 31, 1939
4-1/2%	August 1, 1939 - April 23, 1950
4-1/4%	April 24, 1950 - May 1, 1953
4-1/2%	May 2, 1953 - Dec. 2, 1956
5%	Dec. 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - Sept. 22, 1959
5-3/4%	Sept. 23, 1959 - Feb. 1, 1961
5-1/2%	Feb. 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - Feb. 6, 1966
5-1/2%	Feb. 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - Oct. 2, 1966
6%	Oct. 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - Jan. 23, 1969
7-1/2%	Jan. 24, 1969 - Jan. 4, 1970
8-1/2%	Jan. 5, 1970 - Dec. 1, 1970
8%	Dec. 2, 1970 - Jan. 12, 1971
7-1/2%	Jan. 13, 1971 - Feb. 17, 1971
** 7%	Feb. 18, 1971 - June 30, 1973
** 7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - Jan. 21, 1974
8-1/4%	Jan. 22, 1974 - April 14, 1974
8-1/2%	April 15, 1974 - May 12, 1974
8-3/4%	May 13, 1974 - July 7, 1974
9%	July 8, 1974 - August 13, 1974
9-1/2%	August 14, 1974 - Nov. 24, 1974
9%	Nov. 25, 1974 - Jan. 20, 1975
8-1/2%	Jan. 21, 1975 - March 2, 1975
8%	March 3, 1975 - April 27, 1975
8-1/2%	April 28, 1975 -

\* 5% for acquisition, 5-1/2% refunding of mortgage indebtedness or creation of mortgage indebtedness on property constructed before June 7, 1934.

\*\* FHA authority lapsed June 30, 1973; renewed August 10, 1973.



# HUD NEWS

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

**DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

**"The Real Estate Settlement  
Procedures Act of 1974"**

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**Outline of Remarks by**

**Robert R. Elliott, General Counsel**

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**The 15th National Conference on Real Estate Finance of the  
American Bankers Association**

**Denver, Colorado**

**Wednesday, April 30, 1975**

"The Real Estate Settlement Procedures Act of 1974"  
OUTLINE OF REMARKS

Nothing in my remarks should be taken as a legal opinion, legal advice or a HUD interpretation of the Real Estate Settlement Procedures Act of 1974. Regulations have not yet been published for effect. HUD may have little or no role as to some provisions of the statute. All interested parties should of course seek specific legal guidance from their own counsel.

Background. The background of the Real Estate Settlement Procedures Act of 1974 ("RESPA").

- Section 701 of Emergency Home Finance Act of 1970 authorized HUD and VA to "prescribe standards governing the amounts of settlement costs" allowable in connection with FHA and VA mortgages.
- HUD settlement costs study and 1972 publication of regulations for comment.
- Legislative background of RESPA - proposals for rate regulation, lender payment of settlement costs, provision of settlement services by HUD, disclosure.
- Congressional findings in Section 2 of RESPA regarding need for "significant reforms in the real estate settlement process" and protection from "unnecessarily high settlement charges caused by certain abusive practices".

Seven Principal Features of RESPA

1. Uniform settlement statement.
2. Advance disclosure of settlement costs.
3. Distribution of "Settlement Costs" information booklet.
4. Disclosure of previous selling price in certain cases.
5. Prohibition against kickbacks and fees other than for services actually performed.
6. Prohibition against seller selection of title company.

7. Limitation on amount of escrow for taxes and insurance.

Other RESPA provisions: Disclosure to lender of beneficiary where loan to agent, trustee or fiduciary; land recordation system demonstration; range of settlement costs information to be distributed in certain areas as a demonstration; HUD report within 3 to 5 years regarding further legislation.

Coverage of RESPA

RESPA will cover almost every mortgage loan in the United States made in connection with purchase or transfer of 1 - 4 family residential property. The provisions of RESPA implemented by HUD (uniform settlement statement, advance disclosure by lender, information booklet) do not apply to mortgage loans other than in connection with purchase or transfer of the mortgaged property.

--RESPA covers "federally related mortgage loans" which are loans (1) secured by a 1 - 4 family residential property and (2) made by a federally regulated lender and certain other lenders or insured, guaranteed or assisted by HUD, VA, or other Federal agencies or eligible for purchase by FNMA FHLMC or GNMA.

--Condominium unit mortgages: covered.

--Cooperative units: covered. RESPA Section 3 refers to loans "secured by residential real property (including individual units of condominiums and cooperatives)"; but apparently intended to cover loans to purchase coop units secured by pledge of stock.

--Farms: Covered if "residential real property" which is "designed principally" for 1 - 4 family occupancy. Normal family farm probably covered.

--Assumptions and sales subject to existing mortgage: final HUD regulations will contain provisions regarding which assumptions are subject to advance disclosure and other requirements implemented by HUD.

1. Uniform Settlement Statement. RESPA requires use of a uniform settlement statement prescribed by HUD in almost all 1 - 4 family sale transactions. Section 4 provides that HUD "shall develop and prescribe a standard form for the statement of settlement costs which shall be used (with such minimum variations as may be necessary to reflect unavoidable differences in legal and administrative requirements or practices in different areas of the country) as the standard real estate settlement form in all transactions in the United States which involve federally related mortgage loans."

--Status. Draft form published February 18. Hundreds of comments received. Revised form prepared which is less complicated and minimizes the disruption inherent in transition to use of a uniform form. This form will be published for effect in final regulations during May, but no further changes are anticipated. Form instructions may be revised slightly, and HUD regulations will contain additional provisions on how to complete and use the uniform settlement statement.

--Local variations. HUD anticipates approval of few or none. Blank spaces on form can be used for items not set forth in form. Items listed which do not apply in an area may be lined through.

--Printing. Lenders, or others can print copies. HUD regulations will provide what insertions are permissible in privately printed forms, such as name, additional descriptions of items in blank spaces, lines through enumerated items which are not used locally. Regulations will cover related matters regarding printing.

2. Advance disclosure. Section 6 of RESPA provides that the lender is responsible to provide advance disclosure of settlement costs to both buyer and seller.

--Congressional intent: increase competition, allow purchasers of services to "shop around".

--Time. Section 6 requires disclosure statement to be provided at (or shortly after) loan commitment (oral or written) or 12 days prior to settlement, whichever is earlier. But disclosure will be made 60 to 90 days prior to settlement where commitment is earlier.

--Waivers. Congress intended limited use of waivers. HUD regulations will provide rules regarding waivers. In no case will less than 3 days advance disclosure be allowed.

--Form. The uniform settlement statement will be used as the advance disclosure statement.

--Lender's determinations of amounts to disclose. Section 6 provides that "it shall be the duty of the lender agreeing to make the loan to obtain or cause to be obtained from persons who provide or will provide services in connection with such settlement the amount of each charge they intend to make. In the event the exact amount of any such charge is not available, a good faith estimate of such charge may be provided."

--Estimates. Above provision in Section 6 does not specify whether "good faith estimate" is lender's or provider's or both. Extent to which lender or provider will inquire into particular circumstances of each case to make good faith estimate. Lender's record keeping. HUD regulations will provide some guidance.

--Charges which must be disclosed. HUD regulations and the form will provide greater specificity than RESPA. Section 6 of RESPA requires the lender to disclose on the HUD prescribed form "each charge arising in connection with the settlement." The next sentence refers to charges for "services" in connection with the settlement. Section 6 does not use the term "settlement services", defined in Section 7 as follows:

"The term 'settlement services' includes any service provided in connection with a real estate settlement including, but not limited to, the following: title searches, title examinations, the provision of title certificates, title insurance, services rendered by an attorney, the preparation of documents, property surveys, the rendering of

credit reports or appraisals, pest and fungus inspections, services rendered by a real estate agent or broker, and the handling of the processing, and closing or settlement."

--Services which buyer or seller contracts for independently. Under consideration in final HUD regulations.

--Attorney's fees. Under consideration in developing final HUD regulations. Advance disclosure will be required of fee paid by buyer or seller for attorney representing lender. May require advance disclosure of fee for attorney representing buyer or seller who is selected by lender, or where lender requires party to be represented by counsel. HUD considering not requiring advance disclosure where buyer or seller independently determines to be represented by counsel and selects the attorney, since it would serve little purpose for lender to obtain an estimated fee in such circumstances, and such a requirement could increase costs to the consumer.

--Changes after advance disclosure made. A single disclosure will be made. HUD regulations will provide that if changes then occur of which lender becomes aware, for instance, due to "shopping around" which RESPA was intended to encourage, revised disclosure statement will not be required.

--Penalties. For intentional violation of Section 6 advance disclosure requirements, actual damages or \$500, whichever is greater, plus court costs and reasonable attorney's fees. (Not to be confused with Section 7 disclosure requirements regarding previous selling price, etc., discussed below.)

3. Distribution of "Settlement Costs" Information Booklet Prepared by HUD. Section 5 requires lenders, starting June 20, 1975, the effective date of RESPA, to provide the information booklet,

"Settlement Costs", to each person who submits an application to borrow money to finance the purchase of residential real estate, at the time of receipt of the application. HUD has completed the booklet. Lenders can reproduce it, but no changes in the text are permitted. It will be available from the Government Printing Office, and will appear in the Federal Register within a few days.

4. Disclosure of Previous Selling Price in Certain Cases.

Section 7 prohibits a lender from committing to make a "federally related mortgage loan" on a 1 - 4 family property more than one year old (measured from completion of construction) where the seller has owned the property at least two years prior to the date of loan application and has not used the property as a place of residence, unless the lender confirms that the seller or his agent has disclosed in writing to the buyer

"the date and purchase price of the last arm's length transfer of the property, a list of any subsequent improvements made to the property (excluding maintenance repairs) and the cost of such improvements."

Note also that as to all 1 - 4 family properties over one year old, Section 7 prohibits the lender from making a commitment unless the seller has disclosed in writing to the buyer the name and address of the present owner and the date the property was acquired by the present owner.

HUD is given no prescribed regulatory or other role under Section 7; however, Section 18(b) provides that no provision of RESPA or state law shall impose any liability as to any act or omission in good faith in conformity with any rule, regulation or interpretation thereof by the Secretary of HUD. The Attorney General of the United States is, of course, responsible for criminal prosecution.

--Congressional intent. To combat excessive mark-ups of prices by investors and speculators through disclosure of amount invested.

--Lender's obligation. Section 7 provides that the lender's obligations under Section 7 "shall be deemed satisfied" if the lender receives a copy of a written statement making the necessary disclosures which was provided by the buyer to the seller.

--Penalty. Fine not more than \$10,000 or imprisonment not more than one year, or both, for knowingly and willfully providing false information under Section 7 or willfully failing to comply with requirements of Section 7.

Numerous questions arise under Section 7 which lenders and others must consider.

--Section 7 does not provide whether the disclosure by the seller to the buyer must occur prior to execution of the sale contract. The disclosure would appear to do little good for the buyer after he or she has agreed to purchase.

--What requirements apply to builders with respect to new houses not previously sold which are completed more than one year and owned more than 2 years prior to sale? What would be the "last arm's length transfer of the property" where the lot in a subdivision has never been sold? What can be included in the "cost of improvements"?

--Where a lender acquires a 1 - 4 family property at foreclosure and sells it more than 2 years later, is the foreclosure sale or a previous sale "the last arm's length transfer of the property"? If a previous sale, how does the lender determine the price of that sale and the cost of improvements which were made by the previous owner prior to foreclosure?

--What costs are to be included in cost of improvements?

--When (as to what transactions) does Section 7 become effective in light of the June 20, 1975 effective date of RESPA?

--How does the lender determine whether the seller has used the property as a place of residence?

--How are assumptions to be treated under Section 7?

5. Prohibition against Kickbacks and Fees Other than for Services

Actually Performed. Section 8 prohibits (a) payment or receipt of a "fee, kickback or thing of value" pursuant to an understanding "that business incident to or a part of a real estate settlement service involving a federally related mortgage loan shall be referred to any person" and (b) payment or receipt of "any portion, split, or percentage of any charge made or received for the rendering of a real estate settlement service . . . other than for services actually performed." As with Section 7 regarding disclosure of previous sale price, under Section 8 HUD is given no prescribed regulatory or other role; however, Section 18(b) provides that no provision of RESPA or state law shall impose any liability as to any act or omission in good faith in conformity with any rule, regulation or interpretation thereof by the Secretary of HUD. The Attorney

General of the United States is, of course, responsible for criminal prosecutions.

--Criminal Penalties. Up to \$10,000 fine or 1 year imprisonment, or both.

--Civil Penalties. Treble damages, plus court costs and reasonable attorney's fees.

--Fees for services actually performed. Section 8(c) states specifically that the following are not prohibited:

"(1) The payment of a fee (a) to attorneys at law for services actually rendered or (b) by a title company to its duly appointed agent for services actually performed in the issuance of a policy of title insurance or (c) by a lender to its duly appointed agent for services actually performed in the making of a loan, or (2) the payment to any person of a bona fide salary or compensation or other payment for goods or facilities actually furnished or for services actually performed."

--Real estate referral and listing services. The issue would be whether fees or portions of fees are paid "other than for services actually performed." The Senate Report (No. 93-866) and the House Report (No. 93-1177) both state as follows with respect to Section 8 as enacted:

"Subsection 8(c) makes clear that section 8 is not intended to prohibit the payment by title insurance companies, attorneys, lenders and others for goods furnished or services actually rendered, so long as the payment bears a reasonable relationship to the value of the goods or services received by the person or company making the payment. To the extent the payment is in excess of the reasonable value of the goods provided for services performed, the excess may be considered a kickback or referral fee proscribed by section 8. Those persons and companies that provide settlement services should therefore take measures to ensure that any payments they make or commissions they give are not out of line with the reasonable value of the services received. The value of the referral itself (i.e., the additional business obtained thereby) is not to be taken into account in determining whether the payment is reasonable."

--Sharing of fees within a partnership, corporation or other entity. Section 8 generally contemplates payments between separate entities or individuals, but questions could arise in particular factual situations. )

6. Prohibition against seller selection of title company.

Section 9(c) provides:

"No seller of property that will be purchased with the assistance of a federally related mortgage loan shall require directly, or indirectly, as a condition to selling the property, that title insurance covering the property be purchased by the buyer from any particular title company."

--Penalties. Treble damages ("three times all charges made for such title insurance").

--HUD role. Section 9 makes no reference to HUD. See Section 18 regarding good faith conformity to HUD rule, regulation or interpretation.

--"No closing cost" arrangements. It would be contended that Section 9 does not apply because the title insurance is not "purchased by the buyer".

--Seller selection of closing attorney or agent. Particular facts would have to be examined. Note use of term "indirectly" in Section 9.

7. Limitation on requirement of advance deposits in escrow accounts.

Section 10 generally limits the amount of escrow at settlement and monthly thereafter for taxes, insurance and related items to the amount needed for each current year. One issue is that provision is made in Section 10 for pro-rating deficits anticipated by the lender, but no provision is made for the situation in which the deficit has already occurred.

Other provisions of RESPA.

--Loans to agents, trustees, and fiduciaries.

Amendments to the Federal Deposit Insurance Act and

the National Housing Act prohibit the making of a "federally related mortgage loan" to any "agent, trustee, nominee or fiduciary" without the prior condition that the identity of the person receiving the beneficial interest of such loan shall at all times be revealed to the (lender)".

--No fees. For preparation of disclosure statement, settlement statement and statements required by Truth in Lending Act, no fees may be charged.

--Land Parcel Recordation System Demonstration.

--Demonstration to distribute range of settlement costs in given areas. Such information would be inserted in the information booklet. Report to Congress required by June 30, 1976.

--Report to Congress. HUD to report in 3-5 years regarding further legislation.

--Validity of contracts and liens. Section 17 provides: "Nothing in this Act shall affect the validity or enforceability of any sale or contract for the sale of real property or any loan, loan agreement, mortgage, or lien made or arising in connection with a federally related mortgage loan."

Effects on typical house purchase transaction. The following indicates some of the principal implications of RESPA chronologically through a hypothetical sale transaction. The following is by no means exhaustive:

Step 1. Prospective buyer determines to make an offer. One effect of RESPA is that standard sales contract forms are likely to be revised to include such provisions as

--Agreement to extend period to settlement where necessary to complete advance disclosure requirements.

--Disclosure in or attached to the sales contract of information required by Section 7 where applicable (1 year or older properties) such as date current owner purchased property.

--Undertaking of buyer, seller, real estate agent to supply all information needed by lender.

**Seller is prohibited from directly or indirectly conditioning sale on selection of a given title insurance company.**

**Arrangements with realtors may be revised.**

**Step 2.** Buyer applies for loan and receives HUD information booklet, "Settlement Costs". Buyer and/or real estate agent may be asked to supply some of the information lender needs under RESPA to prepare advance disclosure statement. (No fee by lender for preparation of RESPA or Truth in Lending statements.)

**Step 3.** Before lender makes oral or written commitment, (1) lender receives copy of Section 7 (1 year old properties) disclosure; (2) lender obtains amounts or estimates of charges from providers of settlement services, in order to prepare advance disclosure statement; (3) lender completes advance disclosure statement. (Lender's application and commitment procedures may be revised in light of RESPA Section 6.)

**Step 4.** Lender makes commitment and provides advance disclosure statement, unless settlement is to occur more than 90 days later, in which case advance disclosure is made 60-90 days prior to settlement.

**Step 5.** Buyers of settlement services may "shop around" and choose different providers. No revised disclosure is required with respect to changes in costs which result, except that if a different lender is chosen, such lender must satisfy the requirements of RESPA including preparation of an advance disclosure statement.

Step 6. Settlement. The uniform settlement statement must be used. If the waiver provisions in the regulations are met and both the seller and buyer wish to settle in less than 12 days from provision of the advance disclosure statement (not less than 3 days) the waiver form must be signed. If either buyer or seller does not wish to sign the waiver at settlement (assuming HUD regulations regarding waiver are otherwise met), the settlement is postponed. Prior to and at settlement, the lender and all other interested parties review any settlement service fees or portions thereof which each is receiving from or paying to others, to see that they comply with RESPA Section 8 prohibiting kickbacks and fees other than for services actually performed. Escrow payments and escrow provisions in mortgages must conform to RESPA Section 10. No fee is charged by lender for preparation of RESPA and Truth in Lending statements.



# HUD NEWS

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

HUD-No. 75-148  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Wednesday, April 30, 1975

## INTEGRATED GRANT ADMINISTRATION PROGRAM

IGA-TX-06-59-1000

Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson Counties, Texas, \$34,000 increase to a total of \$277,260 for completion of planning activities. (Al J. Notzon, III, Executive Director, Alamo Area Council of Governments, Three Americas Building, 118 Broadway, San Antonio, Texas 78205)

## COMMUNITY BLOCK GRANT PROGRAM

Following are the latest HUD approvals of block grants under Title I of the Housing and Community Development Act of 1974, which replace the previous HUD Community Development categorical grant programs:

B-75-HN-01-0006

Cullman, Ala., \$660,000. (Peggy Smith, Executive Director, Community Development Program, Urban Renewal Agency, P. O. Box 1009, Cullman, Ala. 35055)

B-75-HS-01-0003

Jasper, Ala., \$332,000. (Bill Womelsdorf, P. O. Box 1589, Jasper, Ala. 35501)

B-75-HN-06-0004

Redding, Calif., \$1,214,000. (Mayor Charles Denny, 760 Parkview Ave., Redding, Calif. 96001)

B-75-HS-09-0003

Bloomfield, Conn., \$673,000. (Clifford R. Vermilya, Town Manager, 800 Bloomfield Ave., Bloomfield, Conn. 06002)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

B-75-MC-12-0011      Lakeland, Fla., \$217,000. (Mayor W. Carl Dicks, City Hall, Lakeland, Fla. 33801)

B-75-HN-13-0024      Washington, Ga., \$401,000. (Mayor E. B. Pope, Liberty St., Washington, Ga. 30673)

B-75-HN-21-0002      Danville, Ky., \$454,000. (Mayor Roy Arnold, Municipal Bldg., Richmond, Ky. 40422)

B-75-HN-21-0004      Fulton, Ky., \$317,000. (Mayor L. C. Bone, P. O. Box 7, Fulton, Ky. 42041)

B-75-HN-21-0012      Richmond, Ky., \$400,000. (Mayor Wallace G. Moffett, P. O. Box 250, Richmond, Ky. 40475)

B-75-MC-22-0004      Lake Charles, La., and Parish of Calcasieu, La., \$1,478,000. (Mayor William E. Boyer, City Hall, P. O. Box 1178, Lake Charles, La. 70601)

B-75-MC-22-0005      Monroe, La., \$1,415,000. (Mayor Ralph T. Troy, Monroe, La. 71201)

B-75-HS-24-0002      Glenarden, Md., \$741,000. (Mayor James R. Cousins, Jr., 8600 Glenarden Parkway, Glenarden, Md. 20801)

B-75-NC-27-0001      Bloomington, Minn., \$206,000. (Thomas T. Feeney, Director, HUD Area Office, 1821 University Ave., St. Paul, Minn. 55104)

B-75-HN-27-0006      Montevideo, Minn., \$20,000. (Same as above)

B-75-HS-39-0010      East Cleveland, Ohio, \$1,413,000. (Curtiss G. Hall, City Manager, 14340 Euclid Ave., East Cleveland, Ohio 44112)

B-75-HS-39-0014      Martins Ferry, Ohio, \$1,903,000. (Mayor John Laslo, Municipal Bldg., Martins Ferry, Ohio 43935)

B-75-MC-42-0100      Altoona, Pa., \$1,225,000. (Mayor William C. Stouffer, 13th Ave. and 12th St., Altoona, Pa. 16603)

B-75-HN-47-0006      Elizabethton, Tenn., \$645,000. (Mayor Lionel Bunton, City Hall, Elizabethton, Tenn. 37643)

B-75-HN-47-0008      Harriman, Tenn., \$417,000. (Mayor Morgan H. Collins, P. O. Box 305, Harriman, Tenn. 37748)

B-75-HS-47-0003      Maryville, Tenn., \$1,788,000. (Don E. Peterson, City Manager, Maryville, Tenn. 37801)

B-75-HN-48-0001      Brenham, Texas, \$1,265,000. (Mayor Leslie D. Clayton, P. O. Box 318, Brenham, Texas 77833)

B-75-MC-48-0502      Corpus Christi, Texas, \$1,703,000. (Mayor Jason Luby, P. O. Box 9277, Corpus Christi, Texas 78405)

B-75-HN-48-0502      Crystal City, Texas, \$674,000. (Mayor Ramon R. Mata, P. O. Drawer 550, Crystal City, Texas 78839)

B-75-MC-48-0503      Edinburg, Texas, \$4,198,000. (Mayor Ronald Case, P. O. Box 1109, Edinburg, Texas 73539)

B-75-HN-48-0003      Hearne, Texas, \$489,000. (Mayor Guy E. Chandler, P. O. Box 826, Hearne, Texas 77859)

B-75-HN-48-0505      Kingsville, Texas, \$276,000. (Mayor Gilbert P. Acuna, P. O. Box 1458, Kingsville, Texas 78363)

B-75-HN-48-0506      Luling, Texas, \$59,000. (Mayor J. B. Rickells, P. O. Box 630, Luling, Texas 78648)

B-75-HS-48-0502      Mercedes, Texas, \$696,000. (Mayor Liborio Hinojoss, 402 S. Chio Ave., Mercedes, Texas 78570)

B-75-HN-48-0005      Olney, Texas, \$752,000. (Mayor Sherrill Burba, P. O. Box 213, Olney, Texas 76374)

B-75-MC-55-0004      La Crosse, Wis., \$605,000. (Mayor W. Peter Gilbertson, City Hall, La Crosse, Wis. 54601)

B-75-HN-55-0003      Marinette, Wis., \$512,000. (Mayor Edward J. Parsek, 1901 Hall Ave., Marinette, Wis. 54143)

B-75-MC-51-0014      Lynchburg, Va., \$1,537,000. (David B. Norman, City Manager, P. O. Box 60, Lynchburg, Va. 24505)

COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

CPA-TX-06-16-1143      Wichita Falls, Texas, \$4,000 for continuation of Areawide Comprehensive Planning. (Edwin B. Daniel, Executive Director, Nortex Regional Planning Commission, 1914 Kemp Blvd., Wichita Falls, Texas 76309)

RENTAL HOUSING ASSISTANCE PROGRAM (Section 236)

Plainville, Conn., \$60,390 firm commitment and \$13,609 rent supplement for 45 newly-constructed units at Castle Apartments, sponsored by Castle Apartments, Inc., Plainville, Conn. (Lawrence L. Thompson, Director, HUD Area Office, 999 Asylum Ave., Hartford, Conn. 06105)

LOW RENT PUBLIC HOUSING PROGRAM

LA 24-ALL      Bogalusa, La., \$131,590 for the Modernization Program. (Robert Miller, Executive Director, Housing Authority, Box 1113, Bogalusa, La. 70427)

Mont. 11-7      Box Elder, Mont., \$39,000 for the Modernization Program. (Peter St. Marks, Executive Director, Tribal Bldg., Rooky Boy Route, Box Elder, Mont. 59521)

Nebr. 2-7      Lincoln, Neb., \$283,128 to lease 94 units for the elderly. (Richard A. Burke, Housing Authority, 225 N. Cotner Blvd., Lincoln, Neb. 68502)

NEV 15-DR      Ely, Nev., \$4,400 (Preliminary Loan) for mutual-help construction of 11 units on the Duckwater Indian Reservation. (Harry M. Watson, Chairman, Ely Indian Housing Authority, P. O. Box 1199, Ely, Nev. 89301)

SD 5-1 and 2      Eagle Butte, S. D., \$246,009 for Modernization Program. (Lloyd A. LaBeau, Cheyenne River Housing Authority, P. O. Box 480, Eagle Butte, S. D. 57625)

TEX 50-1 and 50-2      Henderson, Texas, \$90,000 increase to a total of \$105,000 for the Modernization Program. (F. I. Burton, Executive Director, Housing Authority, 817 W. Main, Henderson, Texas 75652)

WASH 2-4 & 5      King County, Wash., \$2,158,126 for the Modernization Program. (Jim Wiley, Executive Director, Housing Authority of the County of King, 15455 6th Ave., South, Tukwila, Wash. 98188)



# HUD NEWS

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

**HUD-No. 75-157  
Phone (202) 755-5277  
(Vinciguerra)**

**FOR RELEASE:**  
**Tuesday**  
**May 6, 1975**

Thirty-five tenants of public housing projects, including a mother of 12 children, are learning how to improve tenant management relations and general living conditions of their neighbors in a training session sponsored by the U.S. Department of Housing and Urban Development, in Washington, D.C.

The tenants, all women, ranging in age from 20 to 62, represent 31 local housing authorities (LHAs). They will return to their respective LHAs as management aides, versed in such diversified subjects as: family planning and budgeting; management-tenant relations; shopping and money-saving techniques; school drop-out problems; family relations and emotional and physical needs of the aged.

They will also be trained in: awareness of signs and emotional implications of serious illnesses, such as anemia, cancer and heart diseases; child development and play activities; training and job opportunities; nutrition and health; and mental health concepts.

"Armed with this knowledge, these management aide trainees will materially help both management and tenants assist each other to improve operations, services, and life in general at public housing projects," said H.R. Crawford, Assistant Secretary for Housing Management.

The training, which started April 21 and will continue through May 9, is being conducted by the Homemaker Health Aide Service of the National Capital Area, Inc., under contract with HUD.

Financing is provided under the Target Projects Program (TPP), the program launched by HUD to restore public housing projects to sound physical and financial levels and to improve general living conditions.

LHA's represented at the training sessions are: Atlanta, Ga.; Birmingham, Ala.; Burlington, N.C.; Camden, N.J.; Charleston, S.C.; Chicago, Ill.; Dade County, Fla.; Detroit, Mich.; Jersey City, N.J.; Kansas City, Mo.; Los Angeles, Calif.; Louisville, Ky.; Mobile, Ala.; New Haven, Conn.; Newark, N.J.; Norfolk, Va.; Philadelphia, Pa.; Washington, D.C.; Wilmington, Del.; E. St. Louis, Ill.; Gonalez, Tex.; Las Vegas, Nev.; Lorain, Ohio; Memphis, Tenn.; New Orleans, La.; New York City, N.Y.; Oakland, Calif.; Osnard, Calif.; St. Louis, Mo.; San Antonio, Tex.; Winnebago County, Ill.; and Winston-Salem, N.C.



# HUD NEWS

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

HUD-No. 75-161  
Phone (202) 755-6072  
(Hardesty)

PROGRAM ACTIONS  
ANNOUNCED ON  
Friday, May 9, 1975

**COMMUNITY BLOCK GRANT PROGRAM**

Following are the latest HUD approvals of block grants under Title I of the Housing and Community Development Act of 1974, which replaces the previous HUD Community Development categorical grant programs:

B-75-HN-01-0005      Clanton, Ala., \$241,000. (Linda Bates, Administrative Assistant, West End Neighborhood Development Program, City Hall, Clanton, Ala. 35045)

B-75-HN-01-0008      Elba, Ala., \$49,000. (Mayor Sam Sawyer, P. O. Box 450, Elba, Ala. 36323)

B-75-MC-01-0004      Gadsden, Ala., \$305,000. (Red Collier, Director, Planning and Engineering, P. O. Box 267, Gadsden, Ala. 35202)

B-75-HN-01-0017      Scottsboro, Ala., \$631,000. (Mayor John T. Reid, 916 Broad St., Scottsboro, Ala. 35768)

B-75-HN-05-0001      Hot Springs, Ark., \$50,000. (Mayor T. J. Ellsworth, City Hall, Hot Springs, Ark. 71901)

B-75-HN-05-0007      Jonesboro, Ark., \$781,000. (Mayor Neil J. Stallings, 314 W. Washington, Jonesboro, Ark. 72401)

B-75-HS-05-0002      West Memphis, Ark., \$713,000. (Mayor Joyce Ferguson, West Memphis, Ark. 72301)

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FOR FURTHER INFORMATION CONTACT SOURCE SHOWN IN LISTING.

B-75-MC-09-0001      Bridgeport, Conn., \$4,113,000. (Frank Williams, Development Administrator, City Hall, Bridgeport, Conn. 06604)

B-75-MC-12-0009      Hollywood, Fla., \$408,000. (Mayor David R. Keating, City Hall, Hollywood, Fla. 33022)

B-75-HN-66-0001      Piti and Agana Heights, Guam, \$978,000. (Governor Ricardo J. Bordallo, Territory of Guam, Agana, Guam 96910)

B-75-HN-19-0009      Ottumwa, Iowa, \$2,796,000. (Mayor Hugh A. Stufflebeam, City Hall, Ottumwa, Iowa 52501)

B-75-HS-21-0001      Dayton, Ky., \$855,000. (Mayor Miles P. Vaught, 514 Sixth Ave., Dayton, Ky. 41074)

B-75-MC-25-0007      Fall River, Mass., \$5,009,000. (Paul Poulos, Director, Community Development Agency, 162 N. Main Street, Fall River, Mass. 02720)

B-75-HN-27-0002      Austin, Minn., \$503,000. (Mayor Robert J. Enright, 500 - 4th Ave., N. E., Austin, Minn. 55912)

B-75-MC-27-0002      Duluth, Minn., \$3,386,000. (Mayor Robert C. Beaudiu, City Hall, Duluth, Minn. 55802)

B-75-HN-27-0009      Winona, Minn., \$345,000. (Mayor Norman E. Indall, Fourth and Lafayette, Winona, Minn. 55987)

B-75-MC-31-0002      Omaha, Neb., \$1,390,000. (Mayor Edward M. Zorinsky, City Hall, Omaha, Neb. 68102)

B-75-HN-40-0001      Ada, Okla., \$337,000. (Mayor James R. Powers, City Hall, Ada, Okla. 74820)

--      Carolina, Puerto Rico, \$1,089,000. (Mayor Ferandez Corujo, City Hall, Carolina, P. R. 00630)

B-75-MC-44-0001      Cranston, R. I., \$461,000. (Mayor James L. Taft, Jr., 869 Park Ave., Cranston, R. I. 02910)

B-75-HS-44-0003      Narragansett, R. I., \$571,000. (Robert Killoran, Town Manager, Town Hall, Narragansett, R. I. 02882)

B-75-HN-47-0001      Athens, Tenn., \$224,000. (Mayor Basil W. Turbyfill, P. O. Box 387, Athens, Tenn. 37303)

B-75-HN-47-0009      Huntsville, Tenn., \$165,000. (Mayor Milford Chambers, P. O. Box 151, Huntsville, Tenn. 37756)

B-75-HN-47-0019      Newport, Tenn., \$569,000. (Mayor Fred M. Valentine, P. O. Box 390, Newport, Tenn. 37821)

B-75-HN-47-0026      Tullahoma, Tenn., \$501,000. (Mayor George S. Vibbert, % Tullahoma Community Development and Housing Commission, 109½ S. Jackson St., Tullahoma, Tenn. 37388)

B-75-HN-48-0002      Cameron, Texas, \$136,000. (Mayor Gene F. Blake, P. O. Box 710, Cameron, Texas 76520)

B-75-MC-48-0012      Grand Prairie, Texas, \$3,297,000. (Mayor William F. Bowles, P. O. Box 11, Grand Prairie, Texas 75050)

B-75-MC-48-0020      Killeen, Texas, \$193,000. (Mayor James R. Lindley, 400 N. Second St., Killeen, Texas 76541)

B-75-MC-48-0025      San Angelo, Texas, \$351,000. (Mayor C. S. Conrad, Jr., P. O. Box 1751, San Angelo, Texas 76901)

B-75-HN-51-0014      Saint Paul, Va., \$481,000. (Mayor George Cain, P. O. Box 68, Saint Paul, Va. 24283)

B-75-HS-51-0011      Williamsburg, Va., \$764,000. (Frank Force, City Manager, Municipal Bldg., 412 N. Boundary St., Williamsburg, Va. 23815)

B-75-HN-55-0006    Stevens Point, Wis., \$800,000. (Mayor James E. Feigleson, 1515 Strong Ave., City Hall, Stevens Point, Wis. 54481)

COMPREHENSIVE PLANNING ASSISTANCE PROGRAM

The following grant will help cover the cost of planning for growth needs of the area:

CPA-TX-06-59-1057    Atascosa, Bandera, Bexar, Comal, Frio, Gillespie, Guadalupe, Karnes, Kendall, Kerr, Medina and Wilson Counties, Texas, \$34,000. (Executive Director, Alamo Area Council of Governments, Three Americas Bldg., 118 Broadway, San Antonio, Texas 78205)

LOW RENT PUBLIC HOUSING PROGRAM

ARK 99-1    Forrest City, Ark., \$98,460 for modernization of Linden Heights. (Marion C. Dougherty, Executive Director, Housing Authority, P. O. Box 997, Forrest City, Ark. 72335)

ARK 3-1, 2, 3    Fort Smith, Ark., \$112,240 for modernization of Heartsill Ragon Courts, Elm Grove Homes and Nelson Hall Homes. (David Hicks, Executive Director, Housing Authority, 2100 N. 31st St., Fort Smith, Ark. 72901)

CAL 30-9    New London, Calif., \$357,102 for construction of 10 units. (Robert A. Wills, Executive Director, Housing Authority, P. O. Box 791, Visalia, Calif. 93277)

CAL 30-11    Woodlake, Calif., \$163,212 for construction of 5 units for the elderly. (Same as above)

CAL 30-12    Tulare City, Calif., \$1,830,923 for construction of 50 units on scattered sites, 10 for the elderly. (Same as above)

CONN 23-2    Bristol, Conn., \$75,000 increase to a total of \$320,000 for the Modernization Program. (Alfred T. Catucci, Executive Director, Housing Authority, Cambridge Park Administration Bldg., Bristol, Conn. 06010)

Conn. 3-1, 3-5      Hartford, Conn., \$182,000 for the Modernization Program. (Daniel G. Lyons, Executive Director, Housing Authority, 475 Flatbush Ave., Hartford, Conn. 06106)

Conn. 24-1      Putnam, Conn., \$335,000 for the Modernization Program. (Walter Crabtree, Executive Director, Housing Authority, 123 Laconia Ave., Putnam, Conn. 06260)

Fla. 5-65      Miami, Fla., \$2,608,399 for turnkey construction of 88 units for the elderly. (Melvin J. Adams, Director, Dade County, Department of Housing and Urban Development, P. O. Box 250, Riverside Station, Miami, Fla. 33135)

--      East Baton Rouge, La., \$1,330,000 for the Modernization Program. (Jack L. Diamond, Executive Director, Housing Authority, P. O. Box 65038, Baton Rouge, La. 70821)

ME 13-2      Pleasant Point Reservation, Me., \$527,673 for turnkey construction of 16 units for the elderly. (Cliv Dorr, Executive Director, Pleasant Point Passamaquoddy Reservation Housing Authority, Box 283, Perry, Me. 04667)

ME 14-B      Indian Township Passamaquoddy Reservation, Me., \$10,000 preliminary loan for turnkey construction of 25 units. (George Stevens, Jr., Chairman, Indian Township Passamaquoddy Reservation Housing Authority, P. O. Box 127, Princeton, Me. 04668)

ME 14-C      Indian Township Passamaquoddy Reservation, Me., \$6,000 preliminary loan for construction of 15 units for the elderly. (Same as above)

MONT 8      Blackfeet Indian Reservation, Mont., reservation for 100 mutual help units. (Constance Bennett, Blackfeet Indian Housing Authority, Browning, Mont. 59417)

NC-41-G

Swain, Jackson, Cherokee and Graham Counties, N. C., \$80,000 preliminary planning advances for use in development of 200 units, 25 for the elderly. (Newman Arneach, Executive Director, Qualls Housing Authority, P. O. Box 572, Cherokee, N. C. 28719)

NC 2-1, 2,3, 4,  
5 and 6

Raleigh, N. C., \$4,539,664 for the Modernization Program. (Clifford B. Hardy, Jr., Executive Director, Housing Authority, P. O. Box 28007, Raleigh, N. C. 27611)

NY 48-4

Gloversville, N. Y., \$2,404,027 for turnkey construction of 100 units for the elderly. (John E. DeWitt, Housing Authority, Broadway and Forest, Gloversville, N. Y. 12078)

VT 5-1 and 5-2

Barre, Vt., \$40,000 for the Modernization Program. (William N. Emery, Executive Director, Housing Authority, P. O. Box 525, Barre, Vt. 05641)

VT 6-1

Winooski, Vt., \$2,252,100 for construction of 60 units for the elderly. (George B. Niewenhous, Executive Director, Housing Authority, 31 E. Spring St., Winooski, Vt. 05404)

# # #



# HUD NEWS

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

HUD-No. 75-165  
Phone (202) 755-5277  
(Spiegel)

**FOR RELEASE:**  
Wednesday  
May 14, 1975

The U.S. Department of Housing and Urban Development reported today it made grants through the 701 Comprehensive Planning Assistance Program totaling \$6.9 million to 315 rural districts in 44 States for planning programs during fiscal year 1974.

Programs of rural districts are directed in part to the following purposes: areawide comprehensive land use planning; technical assistance to small governments; long-range capital budgeting; increasing governmental productivity; regional sewer and water planning and economic base studies and action plans.

A rural district is defined as all or part of one or more counties and one or more other units of local government, excluding metropolitan areas. The districts receive their funds through State planning or other designated State agencies.

The Department of Agriculture, which participates jointly with HUD in assistance to rural areas, contributed through its field staffs and those of associated State agencies the equivalent of more than 500 employees in professional and administrative services during the year, the report disclosed.

HUD has aided small towns and rural areas for more than 20 years through the 701 program.

Since 1972, the first year for which an appropriation of \$100 million was available, more than 2,000 different municipalities, counties, and areawide organizations have been assisted.

The 701 program stresses planning as an integral part of government decision making in order to improve the effectiveness of government administration at all levels. This 701 planning takes into account major current issues such as industrial growth, environmental protection, use of revenue-sharing funds, economics in government operations, energy resource management and land use. Regional Councils avoid duplication, inconsistencies or conflict in program implementation and promote economies.

The enactment of the Housing and Community Development Act of 1974 substantially amended the program of HUD assistance for State and local comprehensive planning. All grant recipients will now carry out an ongoing comprehensive planning process, which by August 1977 must include a land use and housing element as a minimum. The land use element must have locally determined criteria and implementing procedures for coordinating the effects of land use planning by all Federal agencies.



See pp. 9-12

# HUD NEWS

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

Phone (202) 755-6980

FOR RELEASE:  
Thursday, 3:00 P.M. EST  
May 22, 1975

REMARKS PREPARED FOR DELIVERY

By

CARLA A. HILLS

Secretary of Housing and Urban Development

at the

Monthly Meeting

of the

Los Angeles County Bar Association

Los Angeles Hilton

Los Angeles, Calif.

May 22, 1975

Although I have spent 17 years as a lawyer and 70 days as Secretary of HUD, my thoughts, as you might expect in today's market, are weighted toward my HUD experience. If I were forced to decorate them with a theme, I would paraphrase, as so many thousands have done before, from Dickens:

"It is the best of times, it is the worst of times; ....it is the epic of belief, it is the epic of incredulity."

As one who was invited to the Justice Department by Elliot Richardson, who left before I arrived, and as one who was enthusiastic about the nomination of Ed Levi, who came as I was leaving, I have some sense of the futility of counting too heavily on future expectations.

And as one who has lived through the agony preceding the resignation and who has seen close at hand the system endure such stress, I have some sense of the foolishness of succumbing to undue despair.

Between the choice of sorrow or joy, my thoughts lean more toward cautious optimism for the future with sober concern for the past.

-more-

To illustrate. It is still too easy for some to scorn our profession for the recent failures of lawyers in high places, without giving credit to the system that checked their lawlessness.

Similarly, we still hear complaints about the increasing number of lawyers and too little praise for the legal tradition that makes ours a government of laws that has achieved so much in comparison with those countries where tyrannies of men run unchecked.

But, how do we treat with those three sad years in which our leaders were convicted, indicted, or disgraced on a scale unparalleled in our history?

I do not refer merely to our highest elected and appointed officials. To the wreckage of Watergate, we add the conviction of former congressmen, a former governor, State legislators, and a former mayor.

To this sad collection we can add that 11 of our largest corporations have admitted to Federal election crimes while two former leaders of major labor unions were imprisoned, and the president of a third was convicted for the murder of his rival.

Could any other democratic country sustain such crippling blows to its credibility without a threat of anarchy or effort to impose the tyranny of a totalitarian government?

And yet, we now approach the election of 1976 with a dedication to morality and fairness for the electoral process that few would have dreamed possible 12 short months ago. It is indeed a tribute to the ultimate values of our system.

The question now is what do we do to insure that we move through our agenda of pressing national problems ?

Obviously the conflicts among us of purpose, motive, and perception have not disappeared. Lawyers more than any other group will join in combat:

Between new business and energy growth

versus

The insistent demand for a better environment;

Between the pressure on Government to guarantee new jobs, homes and security,

versus

Our faith in free enterprise;

Between the critical need for a more effective system of criminal justice,

versus

Our dedication to fair trials and our compassion for the underprivileged;

Between the sharp demand of consumers for better treatment,

versus

The equally incessant call for less Government regulation;

Between the desperate cry of the unemployed,

versus

The universal desire to avoid another crippling inflationary cycle.

Of those conflicts with which we deal at HUD, none is more pressing than the current problems of our cities.

Fair-minded people can look at the agony of the cities split over housing, jobs, schools, and busing, and agree that the blame does not totally lie with racists or with meddlesome officials. Rather, it is apparent that economic and social problems have grown far faster than our capacity to forge acceptable solutions.

The stark fact is that many of our greatest cities are being sacrificed to obsolescence and decay. In too many, block upon block of abandoned, boarded up houses serve as homes for the flotsam of humanity.

Near these abandoned neighborhoods and, perhaps, soon to follow their example, are the slums, which are the bane of our collective conscience. There are not the homes of a lower income group but rather an "under class," who are not just poor but impoverished.

The slums of America house a concentration of social problems of a magnitude which at times seem near insoluble. Crime, racial animosity, family disintergration breed easily in this environment.

And, as abandonment grows, increasingly large numbers of potentially valuable housing stock are left fallow and decaying -- thereby increasing the numbers of poor consigned to nearby, overcrowded, and substandard dwellings.

Typically, the decline of a neighborhood starts when the easy availability of new housing in the suburbs entices families to leave their urban homes. As the housing stock begins to filter down, these families are gradually replaced by poorer families who lack the ability to maintain a healthy community, and the composition of the neighborhood becomes less stable.

Then, lending institutions become nervous and as a result, lending policies become more stringent. New owners are forced to make higher downpayments and have shorter-term loans. Home improvement loans become unavailable.

Thus, these families are much less able to maintain or to improve their property. Often the properties become viable only as rental units, and the economic level of the inhabitants tends to decrease further.

As the value of the homes decreases and the structures themselves deteriorate without possibility of improvement, owners begin to abandon their buildings. The empty houses become a blight on the neighborhood, further depressing property values. Crimes increase; neighborhood services decrease. Accelerated abandonment follows.

In New York City alone 25,000 units are abandoned each year.

Governmental policies have for too many years been counter-productive -- in their encouragement of suburban sprawl and in their housing programs which concentrated the poor in new projects, which too often become tomorrow's slums.

Our approach to community development has also been out of focus. The process of neighborhood decline is a gradual one. Its form and its cure vary tremendously between cities, and even between neighborhoods within a city.

Yet our earlier response took the form of restrictive categorical grants, which deprive communities of the flexibility to use Federal funding to attack the particular causes of decline in their neighborhoods.

Even the broadest of our categorical programs did not directly address neighborhood decline. Instead of seeking to preserve existing housing stock, we emphasized clearance and renewal. Instead of treating causes, we too often treated the symptoms.

A new approach is contained in the 1974 Housing and Community Development Act which made three significant changes in national policy:

First, the Act requires that, as a condition to Federal assistance, a city must submit a Community Development Plan. That Plan must identify the needs, objectives, resources, and development programs of the community. Specific attention must be paid to the need to "eliminate or prevent slums, blight or deterioration."

A Housing Assistance Plan must also be submitted which assesses the community's housing needs and resources, including its existing housing stock.

Second, the 1974 Act initiated a Rental Subsidy Program for housing low and moderate income families. It gives local communities considerable discretion in adapting Federal housing aid to local conditions. The communities must decide whether to use existing, rehabilitated, or newly constructed housing in connection with the new Rental Subsidy Program.

By allowing a city to utilize its existing stock, the new program encourages the preservation of urban neighborhoods. It permits cities to give lower income families the resources to shop in the marketplace for the best new or existing housing units they can find in their price range. By assuring owners of a reasonable rental on their inner city properties, it encourages necessary maintenance and, hopefully will stem the tide of abandonment.

Third, the 1974 Act replaces the previous restrictive categorical grants with Community Development Grants. This program gives funds directly to units of local government and affords local officials wide latitude in utilizing the funds in their communities for the needs they identify.

True to the statutory purpose, communities have been innovative in their use of these grant funds. And, the emphasis on urban preservation intended by the Act has found expression in cities' uses of their grants.

For example, nearly 10 percent of funds so far committed for next year will be used for rehabilitation loans. This is more than double the amount ever provided for rehabilitation loans under the previous Federal categorical program.

A good example of the cooperation that can exist between the Federal and local governments in addressing problems of our cities is the splendid manner in which Mayor Bradley and his staff worked through the untried Community Development Program.

They enlisted the required citizen participation, and submitted an application for \$38.5 million in Community Development funds. Because the application was in proper form, we were able to process it well within the 75-day period specified by the Act, and to announce the grant this morning.

*\* See  
"Urban Homesteading"*

The City of Los Angeles will spend over \$8 million of its grant for neighborhood preservation activities. It plans to rehabilitate 2,100 existing units of housing, and it has earmarked \$2.7 million of its grant funds for a local rehabilitation loan program.

For the first time, these Federal funds are given to local communities, so that they, not the Federal Government, ascertain their needs, determine their priorities and devise strategies to achieve their goals.

We look to Community Development Grants as the seeds from which will grow a constructive partnership between Federal and local government. This is our best hope for rejuvenating urban neighborhoods and preserving our cities.

We also see urban homesteading as a tool for neighborhood preservation.

Under the typical homestead plan, an abandoned property is conditionally conveyed to a qualified individual for a nominal fee or no charge on the condition that he live in the house for an agreed upon time. During that period, the resident, usually, is required to bring the unit up to code standards. At the end of the prescribed time, the resident owns the home.

I am happy to announce today that we are implementing a demonstration program pursuant to provisions in the 1974 Act, which will provide Federal support of local urban homesteading plan.

HUD has tried in the past without much success to be supportive of cities utilizing homesteading. We believe our new effort will circumvent the difficulties met in the past.

In just a few weeks, HUD will invite cities to submit homesteading plans which demonstrate local initiative in neighborhood preservation. We will subsequently approve several plans and provide those cities with HUD-held houses to use in urban homesteading. Homesteading will remain a local not a Federal initiative. HUD will provide houses to communities for use in the programs they design and administer.

We know that urban homesteading is not the panacea for the ills of declining neighborhoods. Still, the essential soundness of the concept is inescapable. We look to our demonstration program to document the value of this tool for use in neighborhood preservation. We are cautiously optimistic.

Our study of the urban homesteading concept has taught us a number of important lessons about its use.

First, although originally conceived of as a means of providing houses to poor people, it has been more successful in providing people to abandoned houses to stem neighborhood decline.

Second, homesteading is useful in stabilizing or turning around a declining neighborhood rather than in revitalizing an already blighted area. Filling empty houses with people who will take an interest in their environment can help to preserve the neighborhood.

Third, financing is a key element to any Neighborhood Preservation Program, including homesteading. Very often abandoned structures used for homesteading are in need of substantial rehabilitation, and the necessary capital is not readily available. Such financing requires an active partnership between local government and the community's financial institutions. Also tax relief is also useful to ensure that the threat of increased taxes does not act as a deterrent to home improvement efforts.

Fourth, a comprehensive attack on neighborhood decay must accompany homesteading. Any overall strategy must include local government, lending institutions and community residents.

In short, neighborhood preservation must be a cooperative venture joining both private and public sectors, and this is where lawyers become essential.

First, the new Federal program requires local communities to design their plan for community development. Citizen participation

is required by the 1974 Act. As citizens you can contribute much to the formulation of your communities' plan.

As attorneys, you can facilitate the cooperation between government and the private sector in the development of an urban preservation strategy. The role of facilitator is not unfamiliar to those of you whose livelihood comes from settling lawsuits and putting together corporate transactions. In both instances you encourage a dialogue. Except here the payoff is not profits, but the preservation of our troubled cities.

We can save our cities. We have the basic tools. It is up to us to forge the necessary partnership among the Federal and local governments, community residents, and local financial institutions. The legal community through this Bar Association is particularly suited to this task. We at HUD look forward to working with you.

# # #



# HUD NEWS

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

HUD No. 75-186  
Phone: (202) 755-5284  
(Hall)

FOR RELEASE:  
Thursday, 3 p.m. EDT  
May 22, 1975

The U. S. Department of Housing and Urban Development will implement a demonstration program which will provide Federal support of local urban homesteading programs, Secretary Carla A. Hills announced today.

Under the program, HUD will provide up to \$5 million in single family homes at no cost to selected local governments or States from its inventory of foreclosed properties.

The Secretary explained that "HUD will invite cities to submit homesteading plans which demonstrate local initiatives in neighborhood preservation. We will subsequently approve several plans and provide those cities selected with HUD-held houses to use in urban homesteading," she said. /But/ "Homesteading will remain a local not a Federal initiative. HUD will provide houses to communities for use in the programs they design and administer."

The Secretary noted that the concept of urban homesteading had captured public interest, but that it was not yet clear under what circumstances the homesteading strategy would be most effective. "We hope through this demonstration to find out a great deal about the effectiveness of homesteading," she said.

"A comprehensive attack on neighborhood decay must accompany homesteading," she **warned**. "Filling a few empty houses will not turn a neighborhood around. An overall strategy must include local government, lending institutions and community residents. In short, neighborhood preservation must be a cooperative venture joining both private and public sectors."

The Federal urban homesteading program was authorized in the Housing and Community Development Act of 1974 which states that if the national housing goal is to be achieved "greater effort must be made to encourage the preservation of existing housing and neighborhoods through such measures as housing preservation."

Section 810 of the Act provides for Federal assistance to local homesteading programs which must provide an equitable procedure for selecting the homesteaders, turn the properties over at little or no cost, and provide a coordinated approach to neighborhood improvement.

The families which receive houses must agree to occupy them for not less than three years and bring them up to local code standards within 18 months. They must also make minimum health and safety repairs prior to occupancy.

The design plan to implement the program will be developed by the HUD Office of Policy Development and Research, which is headed by Assistant Secretary Michael H. Moskow.

"Ideally, we would like to measure the effectiveness of this demonstration under varying conditions," he said. "We would like to see the program implemented in different types of neighborhoods with a variety of delivery mechanisms."

The Department has not as yet determined how many localities would be involved in the demonstration or the number of properties to be designated for urban homesteading. Final plans based on consultations with interested cities will be ready by early July.

# # # #



# File

# HUD NEWS

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

HUD-No. 75-188  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Wednesday  
May 28, 1975

The U.S. Department of Housing and Urban Development will spend \$500,000 on a training program to improve management of Indian Housing Authorities, ~~Wednesday~~, Secretary Carla A. Hills announced today.

H.R. Crawford, Assistant Secretary for Housing Management, whose office will administer the program, said "This management training is recognized as a priority need of our Indian housing programs."

He noted that the Executive Directors of Indian Housing Authorities (IHAs) at the National Conference on Indian Housing last November in Scottsdale, Arizona, recommended establishment of the IHA management training program.

The funds, set aside in the Target Projects Program (TPP), will be channeled through IHA operating budgets, but earmarked to defray expenses of those IHA employees participating in management training approved by HUD.

The funds are to be obligated by July 1, 1975.

While details of the training program are still being formulated, the general concept and direction will focus on detailed technical training in the practical knowledge that IHA employees must master in order to do an effective job in their day-to-day management responsibilities.

The training program will be developed after consultation with Indian people and will be flexible enough to meet the training needs peculiar to IHAs in different parts of the country, Mr. Crawford said.

Tentative training plans call for small-group sessions, individual instruction, and learning formats designed for minimum interruption of regular duties of IHA personnel.

The program will be launched with a series of short orientation sessions for IHA commissioners and executive directors and tribal officials.

About 140 Indian Housing Authorities are expected to participate in the management training program, subject to the overall control of an Indian organization national sponsor to be named soon.

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# HUD NEWS

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

*Public Housing*

HUD-No. 75-242  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Thursday  
June 26, 1975

Twenty-one local housing authorities (LHAs) have been selected to receive \$6 million with which to provide more than 750 persons with public employment opportunities, Carla A. Hills, Secretary of Housing and Urban Development, announced today.

Allocation of the funds to HUD, under Title X of the Public Works and Economic Development Act of 1965, was announced by Rogers C. B. Morton, Secretary of Commerce.

HUD allocated the funds to the 21 LHAs according to a formula that included the unemployment rate of the recipient LHA area, financial status of the LHA and the LHA's past performance in the Comprehensive Employment and Training Act, administered by the Department of Labor. The program will be under the administration of H. R. Crawford, Assistant Secretary for Housing Management.

The 750 persons, mainly tenants in public housing projects, will be employed in a wide range of LHA jobs that improve the general living environment, including repairs and general maintenance of housing projects, and assistance in administrative and operations functions.

-more-

"I am deeply interested in helping to expand employment opportunities especially for residents in public housing, and to utilize all available resources to improve their living conditions in public housing," said Secretary Hills.

Following are the 21 LHAs and their allocations:

New Bedford (Mass.) Housing Authority, \$96,000; Detroit (Mich.) Housing Department, \$300,000; Providence (R.I.) Housing Authority, \$96,000; Atlantic City (N.J.) Housing Authority, \$54,000; Jersey City (N.J.) Housing Authority, \$120,000; Lowell (Mass.) Housing Authority, \$42,000.

Also, Paterson (N.J.) Housing Authority, \$72,000; Brockton (Mass.) Housing Authority, \$48,000; Boston (Mass.) Housing Authority, \$390,000; Bridgeport (Conn.) Housing Authority, \$90,000; Wilmington (Del.) Housing Authority, \$78,000; New York (N.Y.) Housing Authority, \$2,772,000; Philadelphia (Pa.) Housing Authority, \$672,000.

Also, Newark (N.J.) Housing Authority, \$414,000; Seattle (Wash.) Housing Authority, (198,000); El Paso (Texas) Housing Authority, \$66,000; New Haven (Conn.) Housing Authority, \$78,000; Albany (N.Y.) Housing Authority, \$60,000; Rochester (N.Y.) Housing Authority, \$84,000; Nashville (Tenn.) Housing Authority, \$192,000, and Jacksonville (Fla.) Housing Authority, \$78,000.



# HUD NEWS

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

HUD-No. 75-244  
Phone (202) 755-5277  
(Spiegel)

FOR RELEASE:  
Monday  
June 30, 1975

An interim financing agreement permitting the new community of St. Charles, Md., to continue development while long-term financial arrangements can be made, was announced today by Otto G. Stolz, General Manager, New Community Development Corporation, U.S. Department of Housing and Urban Development.

Under the interim agreement, Interstate Land Development Company, Inc., the developer of St. Charles, has arranged for \$600,000 in working capital financing from the First National City Bank of New York, which the developer believes will permit development to continue until the long-term financing is finalized.

The developer also pledged three parcels of land, totaling approximately 420 acres, to HUD, to secure defaulted interest payments on federally guaranteed debt. "By the end of September," said Mr. Stolz, "we anticipate that long-term financial arrangements will have been made so that development can continue to successful completion of the project."

-more-

Interstate has requested an additional \$14 million in **Federal** guarantee assistance. Its application submitted June 18, 1975, is now being reviewed by HUD.

St. Charles, located 25 miles southeast of Washington, is one of 13 new communities which has received Federal guarantee assistance. Current planning calls for a 7,600-acre new town to house 70,000 residents by 1991, the end of its 20-year development period.

# # #



# HUD NEWS

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

HUD-No. 75-257  
Phone (202) 755-5277  
(Conn)

FOR RELEASE:  
Wednesday  
July 9, 1975

Revitalizing rundown neighborhoods is a primary goal of cities receiving community development block grant funds under the 1974 Housing and Community Development Act, according to a report recently issued by the U.S. Department of Housing and Urban Development.

Applications received through March 31, 1975, disclosed that cities will use about one third of their funds to rebuild their neighborhoods through such efforts as urban renewal and other community improvement programs. Twenty percent of the funds will be used to improve the use of land and about 17 percent will be spent to expand and improve social services.

Another 16 percent will be used to conserve, rehabilitate, and build housing. Applications revealed that 15 percent of the housing is substandard, and cities estimate they will require an average of 13.3 years to replace or rehabilitate these units. They plan to salvage more than half their housing through rehabilitation and replace the balance through new construction.

The remaining money will be used for a variety of activities including the elimination of conditions harmful to health and safety.

The report, based on application analysis and a survey of 128 cities, shows the following trends among the early applicants:

--Communities are budgeting 66 percent of the money for use in blighted areas.

--Localities are finding that most of their top priority community development needs will be met by block grants; 78 percent will be satisfied in part, nine percent in full.

--Communities will use 71 percent of the funds in areas where family income is below the median.

--Local citizens and elected officials are participating more in the preparation of applications for block grants than they did under prior community development programs.

--Applicants found the block grant program has less red tape and Federal intervention than experienced in the previous categorical grant programs.

# # #

NOTE TO EDITORS:

The 130-page report is entitled Community Development Block Grant Program, A Provisional Report. A limited number of copies are available by writing: Director, Office of Evaluation, Community Planning and Development, U.S. Department of Housing and Urban Development, Washington, D.C. 20410. Copies are also available from HUD's Regional Offices.



# HUD NEWS

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

HUD-No. 75-265  
Phone (202) 755-5277  
(Beckerman)

FILE COPY

FOR RELEASE:  
Thursday  
July 10, 1975

Daniel P. Kearney, President of the Government National Mortgage Association (GNMA) of the U.S. Department of Housing and Urban Development, today announced the schedule for the release of the \$2 billion recently ordered by President Ford. These funds are the remainder of what was made available by the Emergency Home Purchase Assistance Act of 1974.

GNMA will issue commitments to lenders for the purchase of 7-1/2 percent conventional mortgages financing the purchase or construction of single-family homes and condominium units. The Emergency Housing Act of 1975 allows GNMA to include condominium units in the program.

Mr. Kearney said that the Federal National Mortgage Association (FNMA) and the Federal Home Loan Mortgage Corporation (FHLMC) will each administer one-half the funds or \$1 billion each for their respective qualified sellers.

-more-

"Unlike the previous system," Mr. Kearney said, "when funds were reserved on a first-come first-served basis, we will now accept subscription commitments from July 21 through August 1.

"After that period has expired, GNMA will distribute the funds to subscribers on a pro rata basis. All qualified lenders will therefore have ample time to make their decisions and to participate in the program."

Mr. Kearney also announced certain other program revisions designed to address Congressional concern about the allocation of funds previously released.

"The funds are allocated geographically by State," he said, "and each eligible seller is limited to a maximum total commitment of \$2 million. GNMA has also imposed a \$300,000 limitation on the funds a lender can allocate to any one builder. These procedures will insure a broader and more equitable distribution of funds."

To encourage utilization by the moderate income homeowner, not more than 25 percent of the funds can be used for mortgages in amounts of \$36,000 or more, up to the maximum of \$42,000. GNMA will continue to allow up to 10 percent of the funds to be delivered in mortgages financing existing houses.

Only GNMA-approved conventional sellers are eligible to submit requests for commitments, Mr. Kearney said. Eligible sellers are presently being furnished with copies of the regulations governing the release of the \$2 billion. Other lenders who wish to participate should get in touch with the regional offices of FNMA or FHLMC for information about the program and its eligibility requirements. Builders and individuals seeking funds should apply to their local lending institutions.

"This \$2 billion will increase to \$15.5 billion the total commitments for the purchase of mortgages at subsidized rates issued by GNMA during the past 18 months," Mr. Kearney said. "That is sufficient to finance the purchase of approximately 500,000 units. Housing statistics will be closely monitored to determine if any of the additional \$10 billion of authority provided by the Emergency Housing Act of 1975 will be required to sustain the housing recovery currently under way."



# HUD NEWS

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

HUD-No. 75-259  
Phone (202) 755-5277  
(Spiegel)

FOR RELEASE:  
Wednesday  
July 9, 1975

Otto G. Stolz, General Manager, New Community Development Corporation, U.S. Department of Housing and Urban Development, announced today an agreement for interim financing permitting the new community of Riverton, N.Y., to continue development while long-term financial arrangements can be made.

Under the interim financing agreement, Riverton Properties, Inc., the developer of Riverton, will obtain \$1 million in additional working capital. HUD, Citibank (Mid-Western) N.A., Security Trust Company, of Rochester, N.Y., and the stockholders of the development corporation are parties to the agreement.

The developer believes the additional working capital will permit development to continue until the long-term financing arrangements are completed.

Riverton, situated 10 miles south of Rochester, N.Y., is one of 13 new communities which has received federally guaranteed assistance. Plans for the new town provide for the development of 2,347 acres, over a 16-year period, to house 25,600 residents at completion.

On May 16, 1972, \$12,000,000, principal amount of United States Government Guaranteed New Community debentures, 7-1/8 percent, due May 15, 1987, were issued. These debentures are publicly held.



# HUD NEWS

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

Phone (202) 755-6980

FOR RELEASE:

Tuesday

June 10, 1975

## REMARKS PREPARED FOR DELIVERY

By

CARLA A. HILLS

Secretary of Housing and Urban Development

at the

National Governors Conference

Fairmont Hotel

New Orleans, La.

June 10, 1975

EACH TIME THAT I HAVE SPOKEN IN THE THREE MONTHS SINCE COMING TO HUD, I HAVE HAD A GREATER TENDENCY TO SEARCH FOR TOPICS, WHENEVER POSSIBLE, THAT ARE PLEASING TO MY AUDIENCE. BANKERS HEAR ABOUT THE BENEFITS OF THE FINANCIAL INSTITUTIONS ACT, NEWLY GRADUATED LAWYERS HEAR ABOUT THE NEW MORALITY AND OPENNESS IN GOVERNMENT, AND CITY OFFICIALS HEAR ABOUT OUR EFFORTS WHICH I BELIEVE ARE SUBSTANTIAL, TO FORMULATE A NEW URBAN HOMESTEADING PROGRAM.

MY SEARCH TO FIND A TOPIC TO FIT THE GROUP REMINDS ME OF SENATOR HUMPHREY'S REMARK TO A GROUP OF BUSINESSMEN WHEREIN HE EXTOLLED THE VIRTUES OF PRIVATE ENTERPRISE AND LAMMENTED HIGH LABOR COSTS, ONE BUSINESSMAN IN THE AUDIENCE INTERRUPTED AND SAID, "SENATOR, I BET YOU DON'T TALK THAT WAY TO LABOR LEADERS." "YOUNG MAN, THE SENATOR REPLIED, IF YOU MEAN THAT I TALK MORE ABOUT MOTHER ON MOTHER'S DAY THAT I DO ON EASTER, YOU'RE ABSOLUTELY RIGHT."

IN THAT TRADITION WE APPROACH THIS CONFERENCE. IN A STRAIGHTFORWARD MANNER WE SIMPLY POLLED EACH OF YOU TO IDENTIFY YOUR PARTICULAR CONCERNS WITH RESPECT TO THE MATTERS DEALT WITH AT HUD.

WE FOUND THAT GROWTH MANAGEMENT AND LAND USE CONTROL HEAD YOUR LISTS. IT IS EASY FOR US TO AGREE THAT THESE TOPICS ARE OF MAJOR CONCERN.

WE AT HUD FEEL VERY STRONGLY THAT THE ESTABLISHMENT OF SOUND GROWTH POLICIES RANKS HIGH ON THE AGENDA OF CRITICAL PUBLIC ISSUES.

AND, WE ALSO KNOW THAT THERE IS AN INCREASING AWARENESS BY OUR CITIZENS THAT THE WAY IN WHICH WE USE OUR LAND PROFOUNDLY EFFECTS THE COST OF GROCERIES, HOUSING AND TRANSPORTATION.

BUT, AS APPEALING AS THESE WORDS MAY SEEM, BY REASON OF THEIR COMPATIBILITY WITH YOUR EXPRESSED CONCERNS, IT IS DIFFICULT TO SPEAK OR TO ACT MEANINGFULLY WITH RESPECT TO PLANNED GROWTH WHEN OUR REAL ECONOMIC GROWTH HAS BEEN DECLINING, OR TO TRY FOR NEW CONTROLS OVER LAND USE WHEN FEW ARE BUILDING.

THUS, WE WHO ARE STATE OR FEDERAL OFFICIALS MAY APPEAR TO OTHERS TO BE SITTING MOTIONLESS WITH RESPECT TO THESE ISSUES OF RECOGNIZED CONCERN.

THE FISCAL PROBLEMS ALL GOVERNMENTS FACE ARE PROFOUND AND DISTRACTING.

THE PROPERTY TAX BASE OF MANY CITIES HAS BEEN SERIOUSLY ERODED BY DEMOGRAPHIC AND ECONOMIC TRENDS. A PAINFUL RECESSION HAS EATEN AWAY AT THE BASIC SOURCES OF TAX REVENUES.

AT THE VERY TIME WHEN TRADITIONAL SOURCES OF GOVERNMENT REVENUE ARE LESS CERTAIN, DOUBLE DIGIT INFLATION HAS PUSHED THE COST OF PROVIDING BASIC PUBLIC SERVICES TO STAGGERING HEIGHTS, WHILE THE UNEMPLOYMENT GENERATED BY THE RECESSION HAS CREATED EVER INCREASING DEMANDS FOR THOSE SERVICES.

IN TOO MANY COMMUNITIES VITAL SERVICES ARE BEING CURTAILED OR ELIMINATED. IN OTHERS, THE FISCAL INTEGRITY OF LOCAL GOVERNMENT ITSELF HAS FALLEN INTO QUESTION.

IN THE FACE OF THESE PRESSURES, YOU CAN SEE THAT YOU TOO HAVE LESS MONEY TO SERVE GREATER NEEDS, AND AT THE SAME TIME YOU ARE ALL AWARE OF THE PRESIDENT'S BATTLE TO AVOID UNREASONABLY LARGE BUDGET DEFICITS.

SO WE SEEM TO PRESENT THE ISSUES TO THE PUBLIC AND TO THE MEDIA IN VERY SIMPLISTIC TERMS;

SHOULD WE SPEND MORE MONEY OR SHOULD WE SPEND LESS MONEY TO RESTORE OUR ECONOMY TO A HEALTHY AND GROWING STATE?

BUT, I SUGGEST TO YOU THAT OUR ANALYSIS MUST BE MORE PROFOUND AND OUR SOLUTIONS MORE CREATIVE.

IN THIS PERIOD OF ECONOMIC TRAUMA AS WE LOOK BACK UPON THE DAYS WHEN GOVERNMENTS HAD RELATIVELY MORE MONEY, WE CAN SEE THAT OUR PRESENT PLIGHT IS AS MUCH A FAILURE OF SOUND AND COORDINATED INTER-GOVERNMENTAL ACTION AMONG LOCAL, STATE AND FEDERAL GOVERNMENTS, AS A SHORTAGE OF FUNDS; WE ARE FORCED TO THE REALIZATION THAT SOME OF OUR PAST WAYS HAVE BEEN WASTEFUL.

THIS CONFERENCE PROVIDES US WITH THE OPPORTUNITY TO REFLECT UPON OUR RESPECTIVE ROLES AND RESPONSIBILITIES AND TO CONSIDER WHAT BALANCE OF INTER-ACTION AMONG THE DIFFERENT LEVELS OF GOVERNMENT WILL DELIVER PUBLIC SERVICES WITH THE LEAST WASTE TO THE TAXPAYER AND THE MOST RESPONSIVENESS TO THE PUBLIC'S NEEDS.

OURS, WE ARE OFTEN REMINDED, IS A THREE-TIERED SYSTEM OF GOVERNMENT. TO ASSESS GOVERNMENTS' RESPONSIBILITIES IN ANY AREA WITHOUT TAKING INTO CONSIDERATION ALL THREE LEVELS LEADS TO A LOPSIDED ASSESSMENT.

I REITERATE THAT POINT SOMEWHAT HUMBLY IN THE FACE OF THE TITLE YOU HAVE CHOSEN FOR YOUR CONFERENCE: "STATE RESPONSIBILITIES TO LOCAL GOVERNMENTS." THE FEDS GOT LEFT OUT.

I REITERATE IT ALSO BECAUSE THERE ARE SOME BROAD GENERALITIES THAT ARE INSTRUCTIVE. LOCAL GOVERNMENTS ARE, GENERALLY SPEAKING, THE LEAST CAPABLE OF GENERATING SIGNIFICANT AMOUNTS OF REVENUE. EIGHTY-FIVE PERCENT OF LOCAL REVENUES COME FROM PROPERTY TAXES, AND WE KNOW THAT OVERUSE NOW MAY BE ADVERSELY AFFECTING LAND DEVELOPMENT.

AT THE SAME TIME WE KNOW THAT LOCAL GOVERNMENTS CAN BETTER USE PUBLIC MONIES TO ATTRACT PRIVATE FUNDS IN JOINT EFFORTS TO SERVE COMMUNITY NEEDS.

AND MOST IMPORTANT, LOCAL GOVERNMENTS ARE BEST SITUATED TO KNOW AND TO SHARE PUBLIC PROGRAMS TO MEET THE PECULIAR NEEDS OF THEIR RESIDENTS.

STATE GOVERNMENTS, HOWEVER, HAVE A BROADER PERSPECTIVE AND CAN BRING REGIONALISM TO GOVERNMENTAL DECISION-MAKING THAT GUARDS THE INEQUITIES OF PURELY LOCAL RESOURCE ALLOCATION.

AND, THE STATES HAVE A FAR GREATER VARIETY OF INCOME-GENERATING DEVICES AT THEIR COMMAND.

FINALLY, THE FEDERAL GOVERNMENT, HAVING THE BROADEST PERSPECTIVE, IS ABLE TO SET GOALS OF NATIONAL APPLICATION.

AND, THE FEDERAL GOVERNMENT HAS THE BROADEST BASED AND MOST EFFICIENT MEANS OF GENERATING REVENUES.

BUT, ITS DISTANCE FROM LOCAL PROBLEMS MAKES IT FAR LESS SUITED TO IMPLEMENT THOSE GOALS IN INDIVIDUAL COMMUNITIES.

THE AGONY OF THE PRUITT-IGOES TAUGHT US, FOR EXAMPLE, THAT THE PROBLEM OF PUBLIC HOUSING IS NOT ONE SUSCEPTIBLE TO SOLUTION BY THE FEDERAL GOVERNMENT ALONE.

WE NOW KNOW THAT THE PROBLEMS OF HOUSING LOWER-INCOME FAMILIES REQUIRE THE ATTENTION OF THE FULL INTER-GOVERNMENTAL SYSTEM.

HUD'S NEW RENTAL SUBSIDY PROGRAM IS BASED UPON THIS CONCEPT OF SHARED RESPONSIBILITY.

IT PROVIDES FEDERAL ASSISTANCE FOR STATE AND LOCAL DECISIONS ON HOW BEST TO MEET THE HOUSING NEEDS OF LOWER INCOME FAMILIES, AND IT GIVES THE LOCAL GOVERNMENTS THE RIGHT TO DECIDE WHETHER NEW, EXISTING, OR REHABILITATED HOUSING STOCK BEST MEETS THOSE NEEDS.

RENTAL SUBSIDIES FOR HOUSING IS JUST ONE EXAMPLE HOW SHARED RESPONSIBILITY CAN WORK.

WE BELIEVE THAT ALL OF OUR PROGRAMS WHICH ADDRESS STATE AND LOCAL PROBLEMS HAVE A GREATER PROBABILITY OF SUCCESS IF THEY ARE SHAPED AND DIRECTED BY YOU -- THE GOVERNORS, STATE LEGISLATORS AND MAYORS -- WHO HAVE FIRST-HAND KNOWLEDGE OF THE PROBLEMS ADDRESSED.

THE 1974 HOUSING ACT ENCOURAGES SHARED RESPONSIBILITY IN THE DEVELOPMENT OF SOUND GROWTH AND LAND USE PLANNING. I BELIEVE IT POINTS UP AT LEAST TWO AREAS WHERE STATES CAN MAKE GREATER CONTRIBUTIONS.

FIRST, THE COMMUNITY DEVELOPMENT GRANT PROGRAM PROVIDES FEDERAL FUNDS TO LOCALITIES AND GIVES THEM BROAD DISCRETION IN HOW THOSE FUNDS WILL BE USED.

BUT TO OBTAIN THOSE FUNDS, A COMMUNITY MUST SUBMIT A COMPREHENSIVE PLAN SPECIFYING HOW IT WILL PRESERVE OR REVITALIZE EXISTING NEIGHBORHOODS, PROMOTE HOUSING CHOICES FOR LOWER INCOME FAMILIES, AND AVOID UNDUE CONCENTRATION OF POOR PEOPLE. IT IS RIGHT THAT LOCAL GOVERNMENTS BE REQUIRED TO ADDRESS THESE PRIORITIES.

BUT, THE STATES ARE BEST SUITED TO ENSURE GREATER COORDINATION IN THE USE OF THESE FEDERAL FUNDS.

THE PROCESS OF COMMUNITY GROWTH OFTEN IGNORES THE ARTIFICIAL LINES THAT DELINEATE THE POLITICAL BOUNDARIES OF CITIES AND TOWNS. A NEW PLANT IN ONE TOWN MAY CREATE HOUSING NEEDS IN NEARBY COMMUNITIES. UNDUE CONCENTRATION OF POOR PEOPLE IN A CENTRAL CITY MAY ONLY BE CAPABLE OF MITIGATION ON A REGIONAL BASIS.

THE REGIONAL PERSPECTIVE OF THE STATE DILUTES THE PAROCHIALISM WHICH CAN PREVENT LOCAL COMMUNITIES FROM USING THEIR FEDERAL FUNDS IN WAYS THAT PROMOTE SOUND GROWTH:

A STATE CAN BRING ITS REGIONAL PRESSURE TO BEAR:

BY PROVIDING TECHNICAL ASSISTANCE  
TO UNITS OF LOCAL GOVERNMENT;

BY HELPING IN THE PREPARATION OF  
APPLICATIONS FOR COMMUNITY DEVELOPMENT  
FUNDS;

BY PROVIDING EXPERT ADVICE OF  
PLANNERS, ENGINEERS, OR FINANCIAL  
SPECIALISTS; AND,

BY PROVIDING A CLEARING-HOUSE  
FOR THE EXCHANGE OF INFORMATION  
AMONG COMMUNITIES WITHIN THE  
STATE.

CREATIVITY WITH RESPECT TO FUNDING IS A SECOND AREA  
WHERE STATES COULD DO MORE. ALTHOUGH THE FEDERAL COMMUNITY  
DEVELOPMENT GRANTS CONSTITUTE A SUBSTANTIAL RESOURCE, IT IS  
CLEAR THAT THE FEDERAL GOVERNMENT ALONE CANNOT PROVIDE  
ENOUGH FUNDING TO ACHIEVE ALL OF THE LOCAL COMMUNITIES'  
GOALS.

BUT, THE STATES CAN AUGMENT THESE FUNDS BY PROVIDING  
MATCHING GRANTS OF THEIR OWN. BY REGARDING THE FEDERAL  
FUNDS AS SEED MONEY, STATES CAN ENTICE ACTION BY LOCAL  
GOVERNMENTS AS WELL AS BY THE PRIVATE SECTOR, AND THUS  
BE INSTRUMENTAL IN DEVELOPING A CRITICAL MASS OF FUNDING  
THAT CAN FAR MORE EFFECTIVELY ADDRESS THE PROBLEMS OF  
RATIONAL GROWTH.

HUD WILL ENCOURAGE INCREASED STATE PARTICIPATION. IN DISPENSING THE COMMUNITY DEVELOPMENT DISCRETIONARY FUNDS, WE WILL GIVE PREFERENCE TO MULTI-JURISDICTIONAL APPLICATIONS.

THE 1974 ACT ALSO FURTHERS THE CONCEPT OF SHARED RESPONSIBILITY WHILE IT CONTRIBUTES TO BETTER LAND USE PLANNING IN ITS REQUIREMENTS FOR SECTION 701 COMPREHENSIVE PLANNING GRANTS.

EACH RECIPIENT IS NOW REQUIRED TO DEVELOP A LAND USE PLAN SUITABLE TO ITS NEEDS AND SCOPE OF AUTHORITY. AND, EACH RECIPIENT MUST HAVE A COMPLETED LAND USE PLAN TO REMAIN ELIGIBLE FOR 701 FUNDS AFTER AUGUST, 1977.

TO ENSURE COORDINATION AT EACH LEVEL OF GOVERNMENT, HUD REQUIRES EACH LOCAL APPLICATION TO BE REVIEWED BY THE STATE TO DETERMINE WHETHER THERE IS THE REQUISITE COORDINATION WITH OTHER PLANNING ACTIVITIES IN THE STATE AND WHETHER THE PROPOSED OBJECTIVES ARE COMPATIBLE WITH STATE PLANNING GOALS. A NUMBER OF STATES ALREADY SUPPLEMENT THESE PLANNING GRANTS WITH STATE PLANNING FUNDS.

THUS, OUR 701 PROGRAM CAN, IN MANY RESPECTS, PROVIDE A MODEL OF HOW SHARED RESPONSIBILITY CAN WORK.

BUT, IN ADDITION TO HUD'S SECTION 701 PROGRAM, THERE ARE AT LEAST SEVEN MAJOR FEDERAL LAND USE PLANNING PROGRAMS IN THE DEPARTMENTS OF COMMERCE, INTERIOR AND TRANSPORTATION, AND THE ENVIRONMENTAL PROTECTION AGENCY. THEY ARE:

COASTAL ZONE MANAGEMENT  
WATER QUALITY  
HIGHWAY CONSTRUCTION  
OUTDOOR RECREATION  
ECONOMIC DEVELOPMENT  
MASS TRANSIT  
AIRPORT CONSTRUCTION

THE LAND USE PLANNING ASSISTANCE IN THESE FEDERAL PROGRAMS ALONE TOTALS ABOUT \$250 MILLION PER YEAR.

BENEFITS FROM THEM ARE OFTEN CONSIDERABLE. LAND USE PLANNING DECISIONS ARE MORE CAREFULLY CONSIDERED IN TERMS OF THE COSTS AND BENEFITS OF ALTERNATIVE PLANS, AND ALSO IN TERMS OF THEIR IMPACT ON OTHER ASPECTS OF COMMUNITY DEVELOPMENT. UNQUESTIONABLY, THEY OFFER THE OPPORTUNITY TO

GET MORE FROM PLANNING DOLLARS.

BUT, THESE MULTIPLE FEDERAL PROGRAMS ALSO OFFER THE OPPORTUNITY FOR CONFUSION, DELAY, AND DUPLICATION OF EFFORT, WHICH MEANS A WASTING OF THOSE SAME PLANNING DOLLARS.

IN SOME CASES AS MANY AS 6 OR 7 LAND USE PLANNING SYSTEMS AND RELATED DEVELOPMENT PROGRAMS HAVE BEEN REQUIRED WITHIN A GIVEN GEOGRAPHIC AREA.

THE EXAMPLES ARE FAMILIAR. AIRPLANES AND HOUSES MAKE POOR NEIGHBORS. HIGHWAY CONSTRUCTION AND WATER QUALITY IMPROVEMENT MAY WORK AT CROSS PURPOSES. SUCH CONFLICTS GREATLY INCREASE DEVELOPMENT COSTS.

THE PROBLEM IS FURTHER COMPLICATED BY THE 60,000 OR SO GOVERNMENTAL UNITS, AT ALL LEVELS, WHICH HAVE VARYING DEGREES OF INFLUENCE OVER LAND USE.

TO ALL OF THIS I CAN ONLY SAY THAT WE INTEND TO PUT OUR HOUSE IN ORDER. PRESIDENT FORD HAS ASKED HUD TO TAKE THE LEAD IN RATIONALIZING THE VARIOUS PLANNING GRANT PROGRAMS. USING HUD's 701 PROGRAM, WE HAVE BEGUN TO ENTER INTO AGREEMENTS WITH THE OTHER FEDERAL AGENCIES

WHICH HAVE PLANNING GRANT RESPONSIBILITIES.

IN AGREEMENTS WITH THE DEPARTMENT OF COMMERCE AND THE ENVIRONMENTAL PROTECTION AGENCY, THE LAND USE PLANS REQUIRED UNDER 701 ARE NOW DEEMED TO BE THE EQUIVALENT OF THOSE REQUIRED FOR EPA'S WATER QUALITY PROGRAM AND COMMERCE'S COASTAL ZONE MANAGEMENT PROGRAM.

IN THESE INSTANCES DUAL PLANS AND DUAL COSTS ARE ELIMINATED. AND, THESE AGREEMENTS FURTHER INSURE THAT ACTIONS TAKEN UNDER ONE PROGRAM WILL NOT NEGATE THE BENEFITS SOUGHT BY ONE OF THE OTHERS.

SIMILARLY, WE ARE ALSO SEEING GREAT STRIDES BEING MADE BY THE STATES TO DECREASE DUPLICATION AND TO INCREASE GOVERNMENT PRODUCTIVITY, OFTEN WITH THE ASSISTANCE OF 701 COMPREHENSIVE PLANNING FUNDS. THE INITIATIVES ARE VARIED AND CREATIVE.

FOR EXAMPLE, A CONSORTIUM OF GOVERNORS ON THE EAST COAST IS JOINTLY PLANNING TO PROTECT COMMUNITY AND ENVIRONMENTAL VALUES, WHILE, AT THE SAME TIME MAKING OFF-SHORE OIL DRILLING POSSIBLE.

ANOTHER GROUP OF GOVERNORS WILL BE USING 701 FUNDS COOPERATIVELY TO DEAL WITH THE RAPID EXPANSION OF COAL MINING.

GOVERNOR KNEIP IS ONE OF THE SEVERAL GOVERNORS WHO HAVE USED 701 FUNDS TO SUPPORT EXTENSIVE STATE GOVERNMENT MODERNIZATION EFFORTS.

GOVERNOR EVANS HAS USED 701 FUNDS TO ENABLE CITIZENS TO PARTICIPATE IN THE SETTING OF PRIORITIES OF HIS ADMINISTRATION.

MANY OF YOU HAVE MADE SIGNIFICANT PROGRESS IN MODERNIZING ORGANIZATIONAL STRUCTURE AND IMPROVING MANAGEMENT SYSTEMS AT THE STATE LEVEL.

IN THE LAST DECADE AT LEAST 20 STATES HAVE ACCOMPLISHED MAJOR REORGANIZATIONS AND 20 OTHERS HAVE RESHAPED MAJOR STATE AGENCIES.

GEORGIA CONSOLIDATED 300 BOARDS AND DEPARTMENTS INTO 22 FUNCTIONAL AGENCIES WHILE JIMMY CARTER WAS GOVERNOR.

IN MISSOURI GOVERNOR BOND HAS SPEARHEADED A MAJOR STATE REORGANIZATION.

WE SEE ALSO IMPROVEMENT AT THE LOCAL LEVEL. WHERE IT HAS PROVEN APPROPRIATE, LOCAL GOVERNMENTS HAVE MERGED FUNCTIONS OR CONSOLIDATED GOVERNMENTAL UNITS TO MAKE SERVICE DELIVERY MORE EFFICIENT.

INDIANAPOLIS AND MARION COUNTY'S UNIGOV IS ONE OF THE MORE AMBITIOUS ATTEMPTS AT SUCH CONSOLIDATION.

OTHER LOCAL GOVERNMENTS HAVE ALSO LAUNCHED PRODUCTIVITY PROGRAMS OR TAKEN OTHER STEPS TO IMPROVE EFFICIENCY.

I AM ESPECIALLY PLEASED THAT MANY OF THESE STATE AND LOCAL REFORMS WERE UNDERTAKEN AS A RESULT OF STUDIES FUNDED WITH 701 COMPREHENSIVE PLANNING GRANTS.

WE ALL KNOW, HOWEVER, THAT MUCH REMAINS TO BE DONE TO IMPROVE THE EFFICIENCY AND PRODUCTIVITY AMONG ALL LEVELS OF GOVERNMENT.

IN THE PAST, COMMUNICATIONS BETWEEN THE FEDERAL GOVERNMENT AND THE GOVERNORS HAVE NOT ENTIRELY MET THE NEEDS OF EITHER. THE IMPACT OF SOME FEDERAL PROGRAMS ON STATE GOVERNMENTS HAS NOT RECEIVED ENOUGH ATTENTION. CONSULTATION ABOUT NEW FEDERAL POLICIES HAS AT TIMES OCCURRED AFTER THE FACT.

THAT KIND OF COMMUNICATION WILL NOT SUPPORT THE PRINCIPLE OF SHARED RESPONSIBILITY THAT WE SO BADLY NEED TO IMPLEMENT FOR TRULY EFFICIENT GOVERNMENT.

WHAT WE NEED NOW IS A CONTINUING DIALOGUE. AS A MECHANISM WE NEED AN ORGANIZATION THROUGH WHICH INFORMATION AND IDEAS MAY BE SOLICITED AND SHARED AT ALL THREE LEVELS OF GOVERNMENT.

THERE IS AN ORGANIZATION THAT CAN BE USED FOR THIS END. THE NEW COALITION, A NON-PARTISAN ASSOCIATION OF GOVERNORS, STATE LEGISLATORS, COUNTY OFFICIALS AND MAYORS, ORGANIZED BY YOUR FORMER CHAIRMAN, GOVERNOR EVANS, AND CONTINUED BY YOUR CURRENT CHAIRMAN, GOVERNOR RAMPTON, IS ALREADY WORKING IN THIS AREA.

PRESIDENT FORD HAS ASKED THE DOMESTIC COUNCIL TO WORK WITH THE NEW COALITION ON FEDERAL BUDGETARY AND POLICY MATTERS.

I WOULD LIKE THE NEW COALITION TO TAKE ON ANOTHER ASSIGNMENT.

I WOULD ASK THAT THE GOVERNORS' CONFERENCE AND THE NEW COALITION TO TAKE THE LEAD IN FORMALIZING THE MUCH NEEDED DIALOGUE SO THAT GOVERNMENT OFFICIALS AT ALL LEVELS CAN SIT DOWN TO AN AGENDA OF ISSUES AS TO WHICH THEY SHARE RESPONSIBILITY. THE POTENTIAL LIST IS LONG.

TOWARD THIS END I AM NOW NAMING DAVID MEEKER, HUD'S ASSISTANT SECRETARY FOR COMMUNITY PLANNING AND DEVELOPMENT TO SERVE AS LIAISON TO BOTH THE GOVERNORS' CONFERENCE AND TO THE NEW COALITION TO ASSIST IN DEVELOPING THIS EXCHANGE OF IDEAS.

I VERY MUCH HOPE THAT APPROPRIATE OFFICIALS CAN MEET WITH MR. MEEKER AT THIS CONFERENCE AND WORK-OUT AN AGENDA OF ISSUES AND FUTURE MEETINGS SO THAT WE CAN CREATE THE CHANNELS OF COMMUNICATIONS ESSENTIAL TO A STRONG, EFFICIENT TRI-PARTITE GOVERNMENTAL SYSTEM.

IT IS AN HONORED MAXIM OF MY PARTY THAT THE BEST GOVERNMENTS ARE OFTEN THOSE THAT GOVERN LEAST -- BUT ALL PARTIES AGREE, THAT THE BEST SPEAKERS ARE THOSE THAT SPEAK THE LEAST. WITH THAT IN MIND I THANK YOU FOR INVITING ME. I HAVE ENJOYED IT. I WILL GLADLY JOIN YOUR QUESTION AND ANSWER SESSION.



# HUD NEWS

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

HUD-No. 75-219  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Monday  
June 23, 1975

The U.S. Department of Housing and Urban Development has invited city officials to a conference on Thursday, June 26, 1975, to discuss HUD's Urban Homesteading Demonstration program. The conference will start at 9:30 a.m. in the HUD Departmental Conference Room, 451 7th Street, S.W., Washington, D.C.

The conference follows an announcement by HUD Secretary Carla A. Hills last month that HUD would implement urban homesteading as a demonstration program "to document the value of this tool for use in neighborhood preservation" in accordance with Section 810 of the Housing and Community Development Act of 1974.

The Homesteading demonstration will transfer HUD-owned properties of positive value to a limited number of selected communities as the Federal contribution to a cooperative effort by local governments and the private sector to stem neighborhood decline. The focus of the program is not property disposition but the development of a comprehensive strategy for neighborhood preservation.



At the June 26 conference local government leaders will participate in the final formulation of the demonstration program. Following the conference, communities will be invited to submit applications outlining their homesteading plans and local initiatives in neighborhood preservation. Application forms will be available July 18.

Applicant cities will have several weeks in which to prepare their urban homesteading plans. Following review of the applications, HUD will announce early next Fall the names of a limited number of communities selected for the program. Homestead plans included in the program will remain local in both design and implementation.

The Urban Homesteading demonstration will be administered by Michael H. Moskow, Assistant Secretary for Policy Development and Research.

Persons who have not received invitations to the conference may request information by calling (202) 755-4977.

Comments about the proposed program are also invited and may be submitted in writing to: Sybil Phillips, Director, Urban Homesteading Demonstration Program, Office of Policy Development and Research, U.S. Department of Housing and Urban Development, 451 7th Street, S.W., Room 8138, Washington, D.C. 20410.



# HUD NEWS

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

HUD-No. 75-245  
Phone (202) 755-3966  
(Read)

FOR RELEASE:  
Wednesday  
July 2, 1975

If you own a home insured by the Federal Housing Administration, and if your home has serious defects, a letter to the nearest office of the U.S. Department of Housing and Urban Development by August 22 of this year could mean the Federal Government will pay for repairs of substantial defects that threaten the lives or safety of you and your family.

HUD's field offices across the Nation are ready to assist you in determining if your home is eligible. The program is part of the Housing and Community Act of 1974 -- Section 518(b). Its purpose is to correct serious defects in houses with mortgages insured by HUD's Federal Housing Administration, specifically, where the defect should have been corrected before you bought your house.

The first, and most essential step is your letter alerting HUD officials that your house may be eligible for federally financed repairs. Or -- if you make the repairs yourself -- let HUD know you think you're due reimbursement.

But you must tell HUD in writing you think your home is eligible for the 518(b) program on or before the August 22 cutoff date for applications.

You may already have received a letter from Acting Federal Housing Commissioner, David M. deWilde which detailed the specific criteria for eligibility under the Section 518(b) program. If not, following are the conditions that must be met:

First, the dwelling must have been more than one year old at the time you purchased it;

Second, the dwelling must consist of not more than two living units;

Third, the defect must be one which so affects the use and livability of the property as to create a serious danger to life or safety;

Fourth, the defect must have existed at the time of the original appraisal and be one which a proper inspection by the HUD-FHA appraiser would have normally revealed. The existence of a defect at this time does not necessarily mean that you have an eligible claim;

Fifth, the mortgage financing the purchase of the dwelling must have been insured under Section 203(b) or Section 221(d)(3) of the National Housing Act, on or after August 1, 1968, but prior to January 1, 1973, and the dwelling must be located in an older declining urban area. An older declining urban area is defined as a community with a population of 2,500 or more and a neighborhood which is comprised predominately (50 percent or more) of dwellings built prior to 1940. The determination of location eligibility will be made by HUD-FHA; and

Finally, a claim must be filed by August 22, 1975.

After eligibility is determined, HUD wants to pay you back for your expense in eliminating defects that went undetected or were inadequately repaired. Where repairs haven't been made, HUD wants you to know, as quickly as possible, if your claim is eligible so you can contact home repair firms and begin the process of transforming your home into a safe environment for your family and friends. The contractor will send the bill directly to HUD.

Look around your house. Could that sagging roof over the porch collapse some summer evening on a gathering of family and friends? Does the heating or electrical system pose a fire hazard? Has brick work deteriorated to the point where it is too weak to support the second story?

Does the peeling paint on the living room wall or back porch stair rail contain lead? Lead-base paint can be poison to small children who nibble at everything.

Those are just some examples of flaws that may make your home eligible for federally financed repairs, if they existed at the time of the original FHA appraisal of the property and should have been noticed and corrected.

Once it appears likely your home is eligible, a HUD inspector will set up an appointment with you to look at the property and identify defects eligible for repair. HUD will then estimate the maximum amount of money repairs should cost.

If repairs are such that a family must move out for the duration, HUD will pay moving costs and reasonable living expenses. Some houses may have such severe structural defects that rehabilitation is not feasible. In those cases, HUD will reimburse the owner for the amount of equity invested in the house and assume the mortgage.

If you are uncertain your case meets all of these requirements, apply for the program anyway. You and your local HUD office can work together to assure all legitimate claims are fairly and completely processed.

# # #

NOTE TO EDITORS: This material will be obsolete after August 22, 1975. Attached is a list of all HUD offices accepting applications from the program described in the article. If you choose to print the attached article, please include the address of HUD offices most accessible to your readership. Your assistance in informing the public of this program will be appreciated.

TO ACCOMPANY HUD-No. 75-245

ALABAMA, BIRMINGHAM 35233  
HUD AREA OFFICE  
DANIEL BUILDING, 15 S. 20 TH STREET  
DIRECTOR: JON WILL PITTS

ALASKA, ANCHORAGE 99501  
HUD/FHA INSURING OFFICE  
334 WEST FIFTH AVENUE  
DIRECTOR: ROGER A. RIDDELL

ARIZONA, PHOENIX 85002  
HUD/FHA INSURING OFFICE  
244 WEST OSBORN ROAD  
DIRECTOR: MERRITT R. SMITH

ARKANSAS, LITTLE ROCK 72201  
HUD AREA OFFICE  
ONE UNION NATIONAL PLAZA  
DIRECTOR: STERLING R. COCKRILL

CALIFORNIA, LOS ANGELES 90057  
HUD AREA OFFICE  
2500 WILSHIRE BOULEVARD  
DIRECTOR: ROLAND E. CAMFIELD, JR.

CALIFORNIA, SACRAMENTO 95809  
HUD/FHA INSURING OFFICE  
801 "EYE" STREET  
DIRECTOR: RICHARD D. CHAMBERLAIN

CALIFORNIA, SAN DIEGO 92112  
HUD/FHA INSURING OFFICE  
110 WEST C STREET  
DIRECTOR: ALBERT E. JOHNSON

CALIFORNIA, SAN FRANCISCO 94102  
HUD REGIONAL OFFICE  
450 GOLDEN GATE AVENUE  
REGIONAL ADMINISTRATOR: ROBERT H. BAIDA

CALIFORNIA, SAN FRANCISCO 94111  
HUD AREA OFFICE  
SUITE 1600, ONE EMBARCADERO CENTER  
DIRECTOR: JAMES H. PRICE

CALIFORNIA, SANTA ANA 92701  
HUD/FHA INSURING OFFICE  
1440 EAST FIRST STREET  
DIRECTOR: ROBERT L. SIMPSON

COLORADO, DENVER 80202  
HUD REGIONAL OFFICE  
FEDERAL BUILDING, 1961 STOUT ST.  
REGIONAL ADMINISTRATOR:  
ROBERT C. ROSENHEIM

COLORADO, DENVER 80202  
HUD/FHA INSURING OFFICE  
FOURTH FLOOR, TITLE BUILDING  
909 17TH STREET  
DIRECTOR: JOSEPH G. WAGNER

CONNECTICUT, HARTFORD 06105  
HUD AREA OFFICE  
999 ASYLUM AVENUE  
DIRECTOR: LAWRENCE L. THOMPSON

DELAWARE, WILMINGTON 19801  
HUD/FHA INSURING OFFICE  
14TH FLOOR  
919 MARKET STREET  
ASSISTANT DIRECTOR:  
HENRY MAXWELL

DISTRICT OF COLUMBIA, WASHINGTON  
20009  
HUD AREA OFFICE  
UNIVERSAL NORTH BUILDING  
1875 CONNECTICUT AVENUE, N.W.  
DIRECTOR: HARRY W. STALLER

FLORIDA, CORAL GABLES 33134  
HUD/FHA INSURING OFFICE  
3001 PONCE DE LEON BOULEVARD  
DIRECTOR: ELMER W. MUHONEN

FLORIDA, JACKSONVILLE 32204  
HUD AREA OFFICE  
PENINSULA PLAZA  
661 RIVERSIDE AVENUE  
DIRECTOR: R.W. BUSKIRK

FLORIDA, TAMPA 33609  
HUD/FHA INSURING OFFICE  
4224 HENDERSON BOULEVARD  
DIRECTOR: L. CLINTON KEIPER  
(ACTING)

GEORGIA, ATLANTA 30309  
HUD REGIONAL OFFICE  
ROOM 211  
PERSHING POINT PLAZA  
1371 PEACHTREE STREET, N.E.  
REGIONAL ADMINISTRATOR:  
E. LAMAR SEALS

GEORGIA, ATLANTA 30303  
HUD AREA OFFICE  
PEACHTREE CENTER BUILDING  
230 PEACHTREE STREET, N.W.  
DIRECTOR: WILLIAM A. HARTMAN, JR.

HAWAII, HONOLULU 96813  
HUD/FHA INSURING OFFICE  
1000 BISHOP STREET  
DIRECTOR: ALVIN K.H. PANG

IDAHO, BOISE 83707  
HUD/FHA INSURING OFFICE  
331 IDAHO STREET  
DIRECTOR: CHARLES L. HOLLEY, JR.

ILLINOIS, CHICAGO 60606  
HUD REGIONAL OFFICE  
300 SOUTH WACKER DRIVE  
REGIONAL ADMINISTRATOR:  
DON MORROW (ACTING)

ILLINOIS, CHICAGO 60602  
HUD AREA OFFICE  
1 NORTH DEARBORN STREET  
DIRECTOR: JOHN L. WANER

ILLINOIS, SPRINGFIELD 62704  
HUD/FHA INSURING OFFICE  
LINCOLN TOWER PLAZA  
524 SOUTH SECOND STREET  
DIRECTOR: BOYD O. BARTON

INDIANA, INDIANAPOLIS 46205  
HUD AREA OFFICE  
4720 KINGSWAY DRIVE  
DIRECTOR: JAMES E. ARMSTRONG

IOWA, DES MOINES 50309  
HUD/FHA INSURING OFFICE  
259 FEDERAL BUILDING  
210 WALNUT STREET  
DIRECTOR: NATE RUBEN

KANSAS, KANSAS CITY 66117  
HUD AREA OFFICE  
TWO GATEWAY CENTER  
FOURTH AND STATE STREETS  
DIRECTOR: EMIL L. HUBER, JR.  
(ACTING)

KANSAS, TOPEKA 66603  
HUD/FHA INSURING OFFICE  
700 KANSAS AVENUE  
DIRECTOR: FRED A. MANN

KENTUCKY, LOUISVILLE 40201  
HUD AREA OFFICE  
CHILDREN'S HOSPITAL FOUNDATION  
BUILDING  
601 SOUTH FLOYD STREET  
DIRECTOR: VIGIL G. KINNAIRD

LOUISIANA, NEW ORLEANS 70113  
HUD AREA OFFICE  
PLAZA TOWER  
1001 HOWARD AVENUE  
DIRECTOR: THOMAS ARMSTRONG

LOUISIANA, SHREVEPORT 71120  
HUD/FHA INSURING OFFICE  
NEW FEDERAL BUILDING, SIXTH FLOOR  
500 FANNIN  
DIRECTOR: RUDY LANGFORD

MAINE, BANGOR 04401  
HUD/FHA INSURING OFFICE  
FEDERAL BUILDING AND POST OFFICE  
202 HARLOW STREET  
DIRECTOR: GEORGE N. McMAHON

MARYLAND, BALTIMORE 21201  
 - HUD AREA OFFICE  
 MERCANTILE BANK AND TRUST BUILDING  
 2 HOPKINS PLAZA  
 - DIRECTOR: EVERETT H. ROTHSCHILD

MASSACHUSETTS, BOSTON 02203  
 HUD REGIONAL OFFICE  
 ROOM 800  
 JOHN F. KENNEDY FEDERAL BUILDING  
 REGIONAL ADMINISTRATOR:  
 HAROLD G. THOMPSON (ACTING)

MASSACHUSETTS, BOSTON 02114  
 HUD AREA OFFICE  
 BULLFINCH BUILDING  
 15 NEW CHARDON STREET  
 DIRECTOR: WILLIAM H. HERNANDEZ, JR.

MICHIGAN, DETROIT 48226  
 HUD AREA OFFICE  
 FIRST NATIONAL BUILDING  
 FIFTH FLOOR  
 660 WOODWARD AVENUE  
 DIRECTOR: ELMER C. BINFORD

MICHIGAN, GRAND RAPIDS 49505  
 HUD/FHA INSURING OFFICE  
 NORTHBROOK BUILDING NUMBER II  
 2922 FULLER AVENUE N.E.  
 DIRECTOR: VERNE R. MATSON

MINNESOTA, ST. PAUL 55104  
 HUD AREA OFFICE  
 GRIGGS - MIDWAY BUILDING  
 1821 UNIVERSITY AVENUE  
 DIRECTOR: THOMAS T. FEENEY

MISSISSIPPI, JACKSON 39213  
 HUD AREA OFFICE  
 101-C THIRD FLOOR  
 JACKSON MALL  
 300 WOODROW WILSON AVENUE WEST  
 DIRECTOR: JAMES S. ROLAND

MISSOURI, KANSAS CITY 64106  
 HUD REGIONAL OFFICE  
 ROOM 300  
 FEDERAL OFFICE BUILDING  
 911 WALNUT STREET  
 REGIONAL ADMINISTRATOR: ELMER E. SMITH

MISSOURI, ST. LOUIS 63101  
 HUD AREA OFFICE  
 210 NORTH 12TH STREET  
 DIRECTOR: P.A. TOWNSEND (ACTING)

MONTANA, HELENA 59601  
 HUD/FHA INSURING OFFICE  
 616 HELENA AVENUE  
 DIRECTOR: ORVIN B. FJARE

NEBRASKA, OMAHA 68106  
 HUD AREA OFFICE  
 UNIVAC BUILDING  
 7100 WEST CENTER ROAD  
 DIRECTOR: GUY J. BIRCH

NEVADA, RENO 89505  
 HUD/FHA INSURING OFFICE  
 1050 BIBLE WAY  
 DIRECTOR: MORLEY W. GRISWOLD

NEW JERSEY, CAMDEN 08103  
 HUD AREA OFFICE  
 THE PARKADE BUILDING  
 519 FEDERAL STREET  
 DIRECTOR: PATRICIA G. HAMPTON

NEW JERSEY, NEWARK 07102  
 HUD AREA OFFICE  
 GATEWAY I BUILDING  
 RAYMOND PLAZA  
 DEPUTY AREA DIRECTOR:  
 THOMAS J. VERDON

NEW HAMPSHIRE, MANCHESTER 03101  
 HUD AREA OFFICE  
 DAVISON BUILDING  
 1230 ELM STREET  
 DIRECTOR: CREELEY S. BUCHANAN

NEW MEXICO, ALBUQUERQUE 87110  
 HUD/FHA INSURING OFFICE  
 625 TRUMAN STREET N.E.  
 DIRECTOR: LUTHER G. BRANHAM

NEW YORK, ALBANY 12206  
 HUD/FHA INSURING OFFICE  
 WESTGATE NORTH, 30 RUSSELL ROAD  
 DIRECTOR: ROBERT J. WOLF

NEW YORK, BUFFALO 14202  
HUD AREA OFFICE  
GRANT BUILDING  
560 MAIN STREET  
DIRECTOR: FRANK D. CERABONE

NEW YORK, NEW YORK 10007  
HUD REGIONAL OFFICE  
26 FEDERAL PLAZA  
ROOM 3541  
REGIONAL ADMINISTRATOR:  
S. WILLIAM GREEN

NORTH CAROLINA, GREENSBORO 27408  
HUD AREA OFFICE  
NORTHWESTERN PLAZA  
2309 W. CONE BOULEVARD  
DIRECTOR: RICHARD B. BARNWELL

NORTH DAKOTA, FARGO 58102  
HUD/FHA INSURING OFFICE  
FEDERAL BUILDING  
653 SECOND AVENUE N.  
DIRECTOR: DUANE R. LIFFRIG

OHIO, CINCINNATI 45202  
HUD/FHA INSURING OFFICE  
FEDERAL OFFICE BUILDING  
550 MAIN STREET  
ROOM 9009  
DIRECTOR: CHARLES COLLINS, II

OHIO, CLEVELAND 44114  
HUD/FHA INSURING OFFICE  
777 ROCKWELL AVENUE  
DIRECTOR: CHARLES P. LUCAS

OHIO, COLUMBUS 43215  
HUD AREA OFFICE  
60 EAST MAIN STREET  
DIRECTOR: PAUL G. LYDENS

OKLAHOMA, OKLAHOMA CITY 73102  
HUD AREA OFFICE  
301 NORTH HUDSON STREET  
DIRECTOR: ROBERT H. BREEDEN

OKLAHOMA, TULSA 74152  
HUD/FHA INSURING OFFICE  
1708 UTICA SQUARE  
DIRECTOR: ROBERT H. GARDNER

OREGON, PORTLAND 97204  
HUD AREA OFFICE  
CASCADE BUILDING  
520 SOUTHWEST SIXTH AVENUE  
DIRECTOR: RUSSELL H. DAWSON

PENNSYLVANIA, PHILADELPHIA 19106  
HUD REGIONAL OFFICE  
CURTIS BUILDING  
SIXTH AND WALNUT STREETS  
REGIONAL ADMINISTRATOR:  
THEODORE R. ROBB

PENNSYLVANIA, PHILADELPHIA 19106  
HUD AREA OFFICE  
625 WALNUT STREET  
DIRECTOR: ALFRED R. MARCKS, JR.  
(ACTING)

PENNSYLVANIA, PITTSBURGH 15212  
HUD AREA OFFICE  
TWO ALLEGHENY CENTER  
DIRECTOR: CHARLES J. LIEBERTH

PUERTO RICO, SAN JUAN  
COMMONWEALTH AREA OFFICE  
GPO BOX 3869  
SAN JUAN, PUERTO RICO  
AREA ADMINISTRATOR:  
J. RAYMOND WATSON

RHODE ISLAND, PROVIDENCE 02903  
HUD/FHA INSURING OFFICE  
330 POST OFFICE ANNEX  
DIRECTOR: SIRROUKA HOWARD

SOUTH CAROLINA, COLUMBIA 29202  
HUD AREA OFFICE  
1801 MAIN STREET  
JEFFERSON SQUARE  
DIRECTOR: FRANKLIN H. CORLEY, JR.

SOUTH DAKOTA, SIOUX FALLS 57102  
HUD/FHA INSURING OFFICE  
119 FEDERAL BUILDING  
U.S. COURTHOUSE  
400 S. PHILLIPS AVENUE  
DIRECTOR: RODGER L. ROSENWALD

TENNESSEE, KNOXVILLE 37919  
HUD AREA OFFICE  
ONE NORTHSHERE BUILDING  
1111 NORTHSHERE DRIVE  
DIRECTOR: CARROLL G. OAKES

TENNESSEE, MEMPHIS 38103  
HUD/FHA INSURING OFFICE  
100 N. MAIN STREET  
28TH FLOOR  
DIRECTOR: ERNEST L. WALLER

TENNESSEE, NASHVILLE 37203  
HUD/FHA INSURING OFFICE  
U.S. COURTHOUSE ANNEX  
801 BROADWAY  
DIRECTOR: GEORGE N. GRAGSON

TEXAS, DALLAS 75202  
HUD REGIONAL OFFICE  
U.S. COURTHOUSE  
FEDERAL OFFICE BUILDING  
1100 COMMERCE STREET  
ROOM 14C2  
REGIONAL ADMINISTRATOR:  
RICHARD L. MORGAN

TEXAS, DALLAS 75201  
HUD AREA OFFICE  
2001 BRYAN TOWER  
4TH FLOOR  
DIRECTOR: MANUEL A. SANCHEZ, III

TEXAS, FORT WORTH 76102  
HUD/FHA INSURING OFFICE  
FEDERAL BUILDING  
819 TAYLOR STREET  
ROOM 13A01  
DIRECTOR: RICHARD M. HAZLEWOOD

TEXAS, HOUSTON 77046  
HUD/FHA INSURING OFFICE  
TWO GREENWAY PLAZA EAST  
SUITE 200  
DIRECTOR: WILLIAM A. PAINTER

TEXAS, LUBBOCK 79408  
HUD/FHA INSURING OFFICE  
COURTHOUSE AND FEDERAL OFFICE  
BUILDING  
1205 TEXAS AVENUE  
DIRECTOR: DON D. EARNEY

TEXAS, SAN ANTONIO 78285  
HUD AREA OFFICE  
KALLISON BUILDING  
410 MAIN AVENUE  
SECOND FLOOR  
DIRECTOR: FINNIS E. JOLLY

UTAH, SALT LAKE CITY 84111  
HUD/FHA INSURING OFFICE  
125 SOUTH STATE STREET  
DIRECTOR: L.C. ROMNEY

VERMONT, BURLINGTON 05401  
HUD/FHA INSURING OFFICE  
FEDERAL BUILDING  
ELMWOOD AVENUE  
DIRECTOR: LESLIE E. SNOW

VIRGINIA, RICHMOND 23219  
HUD AREA OFFICE  
701 E. FRANKLIN STREET  
DIRECTOR: CARROLL A. MASON

WASHINGTON, SEATTLE 98101  
HUD REGIONAL OFFICE  
3003 ARCADE PLAZA BUILDING  
1321 SECOND AVENUE  
REGIONAL ADMINISTRATOR:  
JAMES L. YOUNG

WASHINGTON, SEATTLE 98101  
HUD AREA OFFICE  
403 ARCADE PLAZA BUILDING  
1321 SECOND AVENUE  
DIRECTOR: EDWARD J. MOGER

WASHINGTON, SPOKANE 99201  
HUD/FHA INSURING OFFICE  
746 U.S. COURTHOUSE  
WEST 920 RIVERSIDE AVENUE  
DIRECTOR: DARYL MABEE

TO ACCOMPANY HUD-No. 75-245 - 6 -

WEST VIRGINIA, CHARLESTON 25330  
HUD/FHA INSURING OFFICE  
NEW FEDERAL BUILDING  
500 QUARRIER STREET  
DIRECTOR: PERRIN M. LAW

WISCONSIN, MILWAUKEE 53203  
HUD AREA OFFICE  
744 NORTH FOURTH STREET  
DIRECTOR: JOHN E. KANE

WYOMING, CASPER 82601  
HUD/FHA INSURING OFFICE  
4227 FEDERAL OFFICE BUILDING  
100 EAST B STREET  
DIRECTOR: ROBERT W. FINKBINER



# HUD NEWS

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

HUD-No. 75-252  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Wednesday  
July 2, 1975

The Department of Housing and Urban Development today announced the award of \$2 million in special grant assistance to help 12 States and cities carry out innovative community development projects in public service productivity improvement, energy conservation and neighborhood preservation.

The recipients were selected following a nationwide competition involving more than 200 localities. The projects will be carried out under the Innovative Projects Program (IPP) authorized by Title I of the Housing and Community Development Act of 1974.

In making the announcement, HUD Assistant Secretary Michael H. Moskow said the IPP is "designed to encourage State and local governments to conduct research aimed at solving their community development problems." He said, "to the extent these projects are successful we can advance our understanding of community development and in turn disseminate the results of these demonstrations to other jurisdictions for replication."

Following is a listing of the winning localities, their grant amounts, and project goals:

-more-

Anaheim, Calif., \$30,000: To assemble the information and develop a model for municipal management of energy conservation activities.

Davis, Calif., \$86,000: To demonstrate implementation of a new energy-conserving building code.

Indio, Calif., \$27,600: To demonstrate how energy-saving methods can be developed and implemented at the small-city (population 20,000 or less) level of government.

Cincinnati, Ohio, \$200,000: To join city inspection services and community development funds with a private revolving loan fund to meet the objectives of eliminating blight, preventing building and property value deterioration while enabling businesses to enhance their profit-making and employment capability.

State of Connecticut, Department of Environmental Protection, \$75,000: To further test the concept of an Environmental Review Team (ERT) in Eastern and Western Connecticut. The ERT's innovative feature is its capacity to utilize expertise of existing Federal, State and regional agencies on a cooperative basis to meet needs of local decision-makers for better information and analysis in evaluating both public and private proposals for future land use.

Wilmington, Del., \$161,115: To improve the delivery of city services within present and future budgetary constraints by establishing a full-time analytic staff which will develop and implement productivity improvement methods in selected areas.

Wichita, Kan., \$180,000: To identify, test and document methods for integrating the grant management process for the Community Development Block Grant program with that used for general local government.

Commonwealth of Massachusetts, Office of Community Development, \$150,000: To enhance local capabilities for integrating energy conservation principles into ongoing planning and designing processes by developing a concise body of information for local officials to understand what measures they can take to further energy conservation. Will also provide technical help for local officials.

Kansas City, Mo., \$259,000: To fund a pooled maintenance reserve program. Fund would be used for repair or replacement of major elements of homes which have been rehabilitated under the city's neighborhood conservation fund. Participants would pay into the maintenance reserve fund an amount based on projected cost of replacement or repair of major elements of their homes.

Helena, Mont., \$150,000: To demonstrate a way for local government and private enterprise to jointly engage in solar energy projects toward securing mutually beneficial objectives.

Hoboken, N.J., \$240,000: To establish the Hoboken Mortgage Insurance Program. Administered by the municipality of Hoboken through its Office of Community Development, the fund would be used to guarantee \$1,500,000 in private mortgage investment for up to 200 units in multifamily housing in the central neighborhood of Hoboken. Will be piggy-backed with the Hoboken Tenement Rehabilitation Project, which provides a subsidy for multifamily rehabilitation.

Paterson, N.J., \$355,000: To develop, implement and evaluate a series of incentive mechanisms to improve the structure and performance of the private market for housing and neighborhood preservation.

# # #

NOTE: For additional detail on individual projects, please call Tom Bacon, (202) 755-5277.



# HUD NEWS

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

HUD-No. 75-260  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Tuesday  
July 8, 1975

All Federal agencies involved in the sale, lease or rental of federally-associated housing would be required to comply with [lead-based paint regulations of the U.S. Department of Housing and Urban Development under proposed revisions of the regulations recently published by the Department for public comment.

Secretary Carla A. Hills said the proposed revisions would expand HUD's consumer protection coverage and lead-paint prohibitions. The proposed regulations would require the elimination of the immediate hazards of lead-based paint in all HUD-associated properties and in residential units sold by other Federal agencies.

The proposed revisions would also lower the allowable lead content in paint to the .5 percent determined safe for residential uses by the Consumer Product Safety Commission rather than the earlier 1 percent.

Other proposed revisions would modify the pamphlets now given residents and prospective purchasers of HUD-associated housing, notifying them of the hazards of lead-based paint, the symptoms of lead poisoning in children, and precautions to be taken.

Details of the planned revisions and of HUD's extensive research program on lead-based paint are spelled out in the Federal Register of June 25, 1975.

Comments from industry and the public are invited and should be addressed to the following:

Rules Docket Clerk  
Office of the General Counsel  
Room 10245, HUD Building  
451 Seventh St., S.W.  
Washington, D.C. 20410

Comments should be received no later than July 21, 1975.



# HUD NEWS

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

HUD-No. 75-261  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Thursday  
July 10, 1975

The U.S. Department of Housing and Urban Development today announced the award of nearly \$600,000 in five research contracts for the development of new techniques and products to abate the poison hazards of lead-based paint. This brings a total of more than \$4 million that HUD has committed over the past four years to eliminate, through research, the hazards of lead-paint poisoning for children in the Nation's older housing.

In announcing the awards, HUD Assistant Secretary Michael H. Moskow said the new contracts are part of the Department's first large-scale allocation of research funds for the development of abatement technology. Other on-going research to eliminate the hazards of lead paint poisoning is focused on development of new instruments for lead detection, and on evaluation of lead paint removal techniques already in use. All of HUD's research into methods of eliminating lead paint hazards is funded by HUD's Office of Policy Development and Research.

Contractors and details of their individual contracts follow:

United Technologies Corporation of Sunnyvale, Calif., \$103,233 for development of a "lead coordinating polymer" coating for lead-painted surfaces that will cause the child that eats lead-paint flakes coated by the product to excrete them before they can be absorbed into the system.

Johns - Manville Sales Corporation of Denver, Colo., \$247,880 for development of three different barrier systems for covering lead-painted surfaces, making them inaccessible to children. Two of the coverings will be of fiberglass, the third a mineral fiber sheet. All will be permanent coverings that can be painted.

DeBell & Richardson of Enfield, Conn., \$67,077 for development of a spray-on barrier of thick, glass-reinforced polyester, covering lead-painted surfaces.

I.I.T. Research Institute of Chicago, \$89,226 for development of a system using a chemical-backed film that can be applied to a lead-painted surface and then peeled off, removing the lead-based paint. The encapsulated materials on the sheet would be activated by heat or pressure.

International Magna of Cleveland, Ohio, \$89,000 to modify and further develop their line of hand-held heat guns for paint removal, making them safer and easier to use in lead-based paint removal.

Mr. Moskow said his office will be initiating further research contracts as additional ideas and products for abating the hazards of lead-based paint are developed. While research efforts in the field are directed primarily toward elimination of lead paint hazards from federally owned or assisted housing, the results of this research will become available to States and localities concerned with making their own lead-poisoning prevention programs more effective, Mr. Moskow said.



# HUD NEWS

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

FILE COPY

HUD-No. 75-262  
Phone (202) 755-5277  
(Bacon)

FILE COPY

FOR RELEASE:  
Friday  
July 11, 1975

The U.S. Department of Housing and Urban Development today announced award of a major contract in the solar energy field.

HUD Assistant Secretary Michael H. Moskow made a \$238,000 award to Arthur D. Little, Inc. of Cambridge, Massachusetts, for development of a location matrix, or plan, under which HUD can select sites for the demonstration and long-range evaluation of solar heating and cooling equipment in residences.

The location matrix will also enable HUD to match individual locations with appropriate types of solar systems, Mr. Moskow said.

The demonstrations could involve up to 100 locations over a five-year period.

The HUD residential solar heating and cooling demonstration is part of a larger effort headed by the Energy Research and Development Administration (ERDA) which calls for demonstrations of solar heating by the end of fiscal 1977 and combined solar heating and cooling by the end of fiscal year 1979. In addition to the HUD residential

demonstration, ERDA will conduct a demonstration of commercial and agricultural applications.

The overall goal of the national program is creation of a viable industrial and commercial capability to produce, distribute and maintain solar heating and cooling systems that can reduce the demand for conventional fuels.

The Arthur D. Little organization, with some 15 years experience in solar energy, will collect and analyze data on many different factors that must be considered in the location of demonstration projects, Mr. Moskow said. These factors include climate, geography, local building codes and zoning regulations, housing market and financing patterns and related items.

The final plan will be ready by October 1 of this year, and will include a recommended list of demonstration project locations, correlating the various selection factors with the solar energy systems of each location.

The HUD contractor will work closely with the General Electric Company and the InterTechnology Corporation, which are now developing similar plans for ERDA's demonstration program, Mr. Moskow said.

Dr. Peter Glaser, head of Engineering Sciences for Arthur D. Little and past president of the International Solar Energy Society, will direct the HUD project.

Boston  
8/55



# HUD NEWS

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

HUD-No. 75-272  
Phone (202) 755-5284  
(Anderson)

NOTICE OF PUBLICATION:  
FOR RELEASE:  
Friday  
July 18, 1975

The North American Indian; A Bibliography of Community Development, published by the U.S. Department of Housing and Urban Development, offers selected items concerning native American Indians.

Prepared by the HUD Library, the 65-page publication provides a selection of references that includes recent materials on current social, economic, health and education concerns as well as community development.

References also detail the North American Indians' history and relations with the Federal and State governments, and specialized bibliographies in each section on sources for further research.

Part II of the Bibliography indexes publications produced by Tribal Councils with funds from HUD's Comprehensive Planning Assistance program which provides both Tribal Councils and State agencies with funding for planning and management activities.

Part II Planning Assistance Tribal reports may be consulted in the HUD Headquarters Library, the Regional offices, and various State and university libraries. All other items are generally available in libraries, bookstores, or from the publisher or issuing organization. HUD distributes only its own publications.

The North American Indian; A Bibliography of Community Development (Stock Number 023-000-00294-9), may be purchased for \$1.30 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.



# HUD NEWS

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

HUD-No.75-274  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Friday  
July 18, 1975

Funding levels for 131 Indian Housing Authorities (IHAs) which will participate in a training program to improve IHA management were announced today by the U.S. Department of Housing and Urban Development.

H. R. Crawford, Assistant Secretary for Housing Management, announced recently that \$500,000 had been set aside in the Target Projects Program (TPP) to be channeled through IHA operating budgets, and earmarked to defray expenses of IHA employees participating in management training programs approved by HUD.

"With the obligation of these funds, we can now proceed with the planning and implementation of this management training program whose goal is to improve the living environment, operations and administration of Indian Housing Authorities," said Mr. Crawford.

The training program is being developed in consultation with Indian leaders and organizations representative of the views of all the IHAs involved in the program.

Following are the 131 IHAs and the funds obligated to each:

-more-

<u>IHA</u>	<u>Amount</u>
<b><u>REGION I (Boston):</u></b>	
Pleasant Point Passamaquoddy Reservation Housing Authority, Princeton, Maine	\$2,500
Indian Township Passamaquoddy Reservation Housing Authority, Princeton, Maine	2,500
Penobscot Tribal Reservation Housing Authority, Old Town, Maine	<u>2,500</u>
Total, REGION I	\$7,500
<b><u>REGION II (New York):</u></b>	
Seneca Nation Housing Authority, Irving, N.Y.	<u>7,100</u>
Total, REGION II	7,100
<b><u>REGION III (Philadelphia):</u></b>	
NONE	
<b><u>REGION IV (Atlanta):</u></b>	
Qualla Housing Authority, Cherokee, N.C.	4,000
Choctaw Housing Authority, Philadelphia, Miss.	3,850
Seminole Tribal Housing Authority, Hollywood, Fla.	<u>2,950</u>
Total, REGION IV	10,800

REGION V (Chicago):

Lac du Flambeau Housing Authority, Lac du Flambeau, Wis.	\$5,300
Oneida Housing Authority, Oneida, Wis.	3,500
Bad River Housing Authority, Odenah, Wis.	3,500
Red Cliff Chippewa Housing Authority, Bayfield, Wis.	3,500
Mohican Housing Authority, Bowler, Wis.	4,500
Menominee County Housing Authority, Keshena, Wis.	4,500
Potawatomi Housing Authority, Crandon, Wis.	2,000
Sakaogan Chippewa Housing Authority, Crandon, Wis.	2,000
Black River Falls Housing Authority, Black River Falls, Wis.	2,000
LacCourte Orielles Housing Authority, Stone Lake, Wis.	5,300
St. Croix Chippewa Housing Authority Webster, Wis.	3,500
Wisconsin Dells Housing Authority Wisconsin Dells, Wis.	2,000
Wisconsin Winnebago Housing Authority, Wisconsin Rapids, Wis.	2,000
Tomah La Crosse Housing Authority, Tomah, Wis.	2,000
Bois Forte Reservation Housing Authority Nette Lake, Minn.	3,000

(Region V (Chicago) Cont'd.)

Fond du Lac Reservation Housing Authority, Cloquet, Minn.	\$3,200
Leech Lake Reservation Housing Authority, Cass Lake, Minn.	3,000
White Earth Reservation Housing Authority, White Earth, Minn.	3,500
Red Lake Reservation Housing Authority, Red Lake, Minn.	3,500
Lac Vieu Desert Housing Authority, Watersmeet, Mich.	3,200
Michigan Potawatomi Housing Authority, Wilson, Mich.	3,200
Saginaw Chippewa Housing Authority, Mt. Pleasant, Mich.	2,500
L'Anse Ojibwa Housing Authority, L'Anse, Mich.	2,500
Bay Mills Indian Housing Authority, Brimley, Mich.	<u>3,200</u>
TOTAL, REGION V	\$76,400

REGION VI (Dallas):

Chickasaw Nation Housing Authority, Ada, Okla.	9,000
Choctaw National Housing Authority, Hugo, Okla.	4,000
Cherokee Nation Housing Authority, Tahlequah, Okla.	7,200
Creek Nation Housing Authority, Okmulgee, Okla.	5,450

(Region VI (Dallas) Cont'd.)

Seminole Nation Housing Authority, Wewoka, Okla.	\$2,000
Osage Tribe Housing Authority, Hominy, Okla.	2,000
Comanche Indian Tribe Housing Authority, Lawton, Okla.	2,000
Kiowa Tribe Housing Authority, Anadarko, Okla.	2,000
Otoe Missouria Housing Authority, Bedrock, Okla.	2,000
Pawnee Tribe Housing Authority, Pawnee, Okla.	2,000
Ponca Tribe Housing Authority, Ponca City, Okla.	2,000
Sac & Fox Indian Housing Authority, Shawnee, Okla.	2,000
Absentee Shawnee Housing Authority, Shawnee, Okla.	2,000
Caddo Indian Housing Authority, Gracemont, Okla.	2,000
Cheyenne Arapahoe Housing Authority, Clinton, Okla.	2,000
Apache Indian Housing Authority, Anadarko, Okla.	2,000
Alabama Coushatta Housing Authority, Livingston, Texas	2,500
Tigua Indian Reservation Housing Authority, El Paso, Texas	<u>2,500</u>
<b>TOTAL, REGION VI</b>	<b>\$54,650</b>

REGION VII (Kansas City):

Kickapoo Tribal Housing Authority, Horton, Kan.	\$5,000
Iowa Tribal Housing Authority, Whitecloud, Kan.	5,000
Omaha Tribal Housing Authority, Macy, Neb.	5,000
Santee Sioux Tribal Housing Authority, Santee Sioux, Neb.	5,000
Winnebago Tribal Housing Authority, Winnebago, Neb.	5,000
Prairie Pottawatomi Tribal Housing Authority, Mayetta, Kan.	<u>5,000</u>
TOTAL, REGION VII	\$30,000

REGION VIII (Denver):

Southern Ute Housing Authority, Ignaccio, Colo.	4,000
Ute Mountain Ute Tribal Housing Authority, Towaoc, Colo.	4,000
Wind River Housing Authority, Ft. Washakie, Wyo.	4,000
Lower Brule Housing Authority, Lower Brule, S.D.	4,000
Sisseton Wahpeton Reservation Housing Authority Sisseton, S.D.	4,000
Rosebud Housing Authority, Rosebud, S.D.	4,000
Oglala Sioux Housing Authority, Pine Ridge, S.D.	4,000

(Region VIII (Denver) Cont'd.)

Crow Creek Housing Authority, Fort Thompson, S.D.	\$4,000
Cheyenne River Housing Authority, Eagle Butte, S.D.	4,400
Fort Berthold Housing Authority, New Town, N.D.	4,000
Standing Rock Housing Authority, Fort Yates, N.D.	4,000
Fort Totten Housing Authority, Fort Totten, N.D.	4,000
Turtle Mountain Housing Authority, Belcourt, N.D.	4,000
Salish & Kootenai Housing Authority, Ronan, Mont.	4,375
Fort Peck Housing Authority, Poplar, Mont.	4,000
Northern Cheyenne Housing Authority, Lame Deer, Mont.	4,000
Fort Belknap Housing Authority, Harlem, Mont.	4,000
Crow Tribal Housing Authority, Crow Agency, Mont.	4,000
Blackfeet Indian Housing Authority, Browning, Mont.	4,000
Chippewa Cree Housing Authority, Boxelder, Mont.	4,000
Yankton Sioux Tribal Housing Authority, Wagner, S.D.	<u>4,000</u>
<b>TOTAL, REGION VIII</b>	<b>\$84,775</b>

REGION IX (San Francisco):

Camp Verde Indian Housing Authority, Camp Verde, Ariz.	\$3,150
Colorado River Indian Housing Authority, Parker, Ariz.	3,975
Gila River Indian Housing Authority, Sacaton, Ariz.	3,975
Cocopah Housing Authority, Yuma, Ariz.	3,150
Hopi Tribal Housing Authority, Keams Canyon, Ariz.	3,150
Hualapai Housing Authority, Peach Springs, Ariz.	3,150
Kaibab-Paiute Tribal Housing Authority, Fredonia, Ariz.	3,150
Navajo Housing Authority, Window Rock, Ariz.	13,000
Papago Tribal Housing Authority, Sells, Ariz.	3,975
Quechan Tribal Housing Authority, Yuma, Ariz.	3,150
Salt River Pima-Maricopa Housing Authority, Scottsdale, Ariz.	3,150
San Carlos Housing Authority, San Carlos, Ariz.	3,975
White Mountain Apache Housing Authority, Whiteriver, Ariz.	4,800
All Indian Pueblo Housing Authority, Albuquerque, N.M.	6,450
Jicarilla-Apache Housing Authority, Dulce, N.M.	3,150

(Region IX (San Francisco) Cont'd.)

Pueblo of Laguna Housing Authority, Laguna, N.M.	\$3,975
Apache Tribe of the Mescalero Housing Authority, Mescalero, N.M.	3,975
Northern Pueblo Housing Authority, Pojoaque, N.M.	3,150
Zuni Housing Authority, Zuni, N.M.	3,975
All Mission Housing Authority, Valley Center, Calif.	3,150
Hoopa Valley Indian Housing Authority, Hoopa Valley, Calif.	3,500
Duck Valley Indian Housing Authority, Owyhee, Nev.	3,150
Ely Indian Housing Authority, Ely, Nev.	3,150
Fallon-Paiute Housing Authority, Fallon, Nev.	3,150
Fort McDermitt Housing Authority, Fort McDermitt, Nev.	3,150
Lovelock Indian Housing Authority, Lovelock, Nev.	3,150
Moapa Indian Housing Authority, Moapa, Nev.	3,150
Pyramid Lake Housing Authority, Wadsworth, Nev.	3,150
Reno-Sparks Indian Housing Authority, Reno, Nev.	3,150
Te-Moak Western Shoshone Housing Authority, Elko, Nev.	3,150

(Region IX (San Francisco) Cont'd.)

Walker River Housing Authority, Stewart, Nev.	\$3,150
Washoe Housing Authority, Stewart, Nev.	3,150
Yerrington Paiute Housing Authority, Yerrington, Nev.	3,150
Ft. McDowell Mojave-Apache Housing Authority, Cedarville, Calif.	3,150
Modoc-Lassen Housing Authority, Cedarville, Calif.	<u>3,150</u>
TOTAL, REGION IX	\$131,175

REGION X (Seattle):

Fort Hall Housing Authority, Fort Hall, Idaho	5,100
Warm Springs Housing Authority, Warm Springs, Ore.	4,000
Umitilla Reservation Housing Authority, Pendleton, Ore.	4,000
Coeur d'Alene Housing Authority, DeSmet, Idaho	4,400
Nez Perce Tribal Housing Authority, Lapwapi, Idaho	4,700
Association of Village Council Presidents Housing Authority, Bethel, Alaska	7,100
NANA Regional Housing Authority, Kotzebue, Alaska	7,100
Bering Straits Housing Authority, Nome, Alaska	9,200

(Region X (Seattle) Cont'd.)

Bristol Bay Housing Authority, Dillingham, Alaska	\$4,500
Metlakatla Housing Authority, Metlakatla, Alaska	5,700
Tanana Chiefs Conference Regional Housing Authority, Fairbanks, Alaska	6,100
Tlingit-Haida Housing Authority, Juneau, Alaska	8,800
Spokane Indian Housing Authority, Wellpinit, Wash.	3,000
Swinomish Indian Housing Authority, LaConnor, Wash.	3,600
Quinault Housing Authority, Taholah, Wash.	3,700
Makah Housing Authority, Neah Bay, Wash.	4,000
Colville Indian Housing Authority Nespelem, Wash.	3,000
Lummi Housing Authority, Bellingham, Wash.	2,700
Port Gamble Clallum Housing Authority, Kingston, Wash.	3,000
Yakima Nation Housing Authority, Wapato, Wash.	<u>3,900</u>
<b>TOTAL, REGION X</b>	<b>\$97,600</b>

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# HUD NEWS

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

HUD-No. 75-283  
Phone (202) 755-5277  
(Conn)

FOR RELEASE:  
Tuesday  
July 22, 1975

The U.S. Department of Housing and Urban Development has announced corrections and amendments to the Environmental Review Procedures for the Community Development Block Grant Program. The changes reflect the experience gained through implementation of procedures that have been in effect since January 7, 1975.

The changes are intended to assist applicants by clarifying the earlier text and bringing time periods into conformance with other Community Development regulations now in effect. They include:

- Redefining some time periods to include Saturdays, Sundays, and holidays;
- Assisting localities in starting their programs by exempting administrative cost from Environmental Review Procedures; and
- Requiring applicants to submit a copy of each Draft Environmental Impact Statement to the Environmental Protection Agency in addition to those Federal agencies specified in existing regulations.

-more-

Under the procedures, applicants for block grant money must certify, prior to a commitment of funds, that they have met all environmental responsibilities in accordance with regulations issued by the HUD Secretary.

The Community Development Block Grant Program was created under Title I of the Housing and Community Development Act of 1974. The Act places the responsibility for community development at the local level. Cities now receive a single block of money and spend it according to the priorities set by their elected officials.

The changes were published in the Federal Register on July 16.

# # #



# HUD NEWS

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

HUD-No. 75-293  
Phone (202) 755-5284  
(Bacon)

FOR RELEASE:  
Friday  
August 1, 1975

Invitations to participate in the Urban Homesteading Program, the new neighborhood preservation strategy to be tested in selected communities across the country, have been issued by the U.S. Department of Housing and Urban Development.

Under the homesteading concept, \$5 million worth of HUD-owned properties having positive value will be transferred to a limited number of communities as the Federal contribution to a cooperative effort by local governments and the private sector to stem neighborhood decline. An additional \$5 million in rehabilitation loans will be available for use in conjunction with the homesteading program under Section 312.

The Urban Homesteading Demonstration was announced by HUD Secretary Carla A. Hills in May. The demonstration was refined at a June planning conference in which more than 200 local officials participated. The comments and suggestions from city officials attending that conference are reflected in the final program design.

The purpose of the program is to demonstrate the effectiveness of homesteading as a neighborhood preservation tool, not to promote property disposition. Accordingly, eligibility will not be confined to localities having large numbers of HUD-held properties.

Included in the homesteading information packets are application guidelines and descriptions of the following:

- \* Program objectives, city selection processes and evaluation procedures for the homesteading demonstration;
- \* Properties eligible for homesteading and financing;
- \* Legal and technical aspects of the demonstration; and
- \* Homesteading's relationship to ongoing local community planning and community development programs.

The invitations are available to communities on request from HUD's field offices or by calling the Director of the Urban Homesteading Program in Washington, D.C., on (202) 755-4977.

Urban homesteading applications must be received by August 29, and should be sent directly to:

Director, Urban Homesteading Program  
U.S. Department of Housing and Urban Development  
451 Seventh Street, S.W., Room 2138  
Attn: Duane Murray, Contracting Officer

HUD expects to name localities selected as urban homesteading sites by late September of this year. The demonstration is being administered by HUD's Office of Policy Development and Research.

# # #

NOTE TO EDITORS: Should you chose to print this release, please include the addresses of HUD area offices most accessible to your readers. Your assistance in informing the public of this program will be appreciated.

TO ACCOMPANY HUD-No. 75-293

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- 4 -

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ROOM 14C2  
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WASHINGTON, SPOKANE 99201  
HUD/FHA INSURING OFFICE  
746 U.S. COURTHOUSE  
WEST 920 RIVERSIDE AVENUE  
DIRECTOR: DARYL MABEE

TO ACCOMPANY HUD-No. 75-293

- 6 -

WEST VIRGINIA, CHARLESTON 25330  
HUD/FHA INSURING OFFICE  
NEW FEDERAL BUILDING  
500 QUARRIER STREET  
DIRECTOR: PERRIN M. LAW

WISCONSIN, MILWAUKEE 53203  
HUD AREA OFFICE  
744 NORTH FOURTH STREET  
DIRECTOR: JOHN E. KANE

WYOMING, CASPER 82601  
HUD/FHA INSURING OFFICE  
4227 FEDERAL OFFICE BUILDING  
100 EAST B STREET  
DIRECTOR: ROBERT W. FINKBINER



# HUD NEWS

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

*Public Housing*

HUD-No. 75-291  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Monday  
August 4, 1975

Far-reaching proposals that would cut costs and tighten the operation and administration of smaller housing authorities while increasing services to tenants will be tested under five demonstration projects funded by the U.S. Department of Housing and Urban Development.

The demonstration, a joint effort of HUD's offices of Housing Management and Policy Development and Research, funds the following local housing authorities (LHAs) and State agencies:

--Decatur Housing Authority, Decatur, Georgia, \$99,906; Roanoke-Chowan Regional Housing Authority, Roanoke Rapids, North Carolina, \$99,090; and the Wilmington Housing Authority, Wilmington, Delaware, \$301,004.

--The Community Affairs Departments of New Jersey, \$298,766, and Florida, \$180,082.

"Although the primary purpose of this effort is to benefit small local housing authorities, the demonstration will also show how larger LHAs, working through cooperative arrangements, can provide services for a number of smaller ones," said H.R. Crawford, Assistant Secretary for Housing Management.

Michael H. Moskow, Assistant Secretary for Policy Development and Research, said, "We are looking forward to solid results that will mean more efficient operation and an improved living environment for tenants of low cost housing."

Planned management system prototype demonstrations, in housing management, maintenance and social services, will be conducted for LHAs ranging in size from 50 to 4,681 units in three demonstration sites in Florida. The demonstrations will involve three modes of management structures: consolidation, aggregation (grouping) and cooperation.

3f

The New Jersey demonstration involves a cooperative working agreement with four LHAs, Morristown, Boonton, Dover and Summit, with assistance from the New Jersey Department of Community Affairs. They will coordinate vital services such as: accounting and budgeting; purchasing; tenant application and verification; rent collection; personnel administration and training; maintenance, and social services delivery.

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"This demonstration will give this State a unique opportunity to use various resources within the State and local communities with which to provide positive and meaningful assistance to LHAs," said Mr. Crawford.

The Decatur Housing Authority will demonstrate that a single staff using computer services can provide budgetary controls, maintenance and tenant services to 15 small LHAs ranging in size from 14 to 399 units. Costs will be prorated among the LHAs. In this demonstration, the Executive Director of the Decatur Housing Authority will serve as the chief staff official to all the participating authorities.

The Roanoke-Chowan Regional Housing Authority will demonstrate how county or regional housing authorities, where permitted by State enabling legislation, can establish a Regional Housing Authority, from planning and development through management.

The demonstration will involve three North Carolina counties-- Halifax, Northampton and Hertford--and would include diversification of housing types and unified services provided by a single administrative and maintenance staff to LHAs in small towns and rural areas.

The Wilmington Housing Authority will demonstrate how as an "agent authority" with an administrative contract and technical capability, it can provide computer services to a cluster of LHAs of varying sizes. Using a system called Shared Information Processing, the Wilmington Housing Authority will provide project, financing and authority management information. Each participating authority retains full control of its administrative operations and policy decisions.

For further information, the following persons may be contacted:

1. --Thomas H. Lewis, Jr., Chief, Bureau of Housing Assistance, Department of Community Affairs, 2571 Executive Center Circle, East, Tallahassee, Florida; (904) 488-1536.

2. --Constance B. Gibson, Administrator, Housing Demonstration Program, Department of Community Affairs, 363 West State Street, P.O. Box 2768, Trenton, New Jersey 08625; (609) 292-8819.

--David L. Smotherman, Executive Director, Housing Authority City of Decatur, P.O. Box 1627, Decatur, Georgia 30031; (404) 373-0118.

--Leigh Tinsley, Executive Director, Roanoke-Chowan Regional Housing Authority, 1025 Jackson Street, Roanoke Rapids, North Carolina 27870; (191) 537-1051.

--Vincent V. Lewis, Executive Director, Wilmington Housing Authority, 300 Delaware Avenue, Box 1005, Wilmington, Delaware 19899; (302)655-7502.

# # #

NOTE TO EDITOR: Fact sheets on each project can be had by calling Thomas Vinciguerra at (202) 755-5277.



# HUD NEWS

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

HUD-No. 75-313  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Thursday  
August 21, 1975

"The hurricane season is upon us again and not enough people have protected their property against losses from flood damage." That warning came today from J. Robert Hunter, Acting Administrator of the Federal Insurance Administration, U.S. Department of Housing and Urban Development.

Mr. Hunter urged people living along the populous East and Gulf coasts to buy Federal flood insurance to protect life and property against losses. The insurance, subsidized by the Federal Government, can be purchased from any licensed property and casualty broker or agent -- but only where communities have joined the program.

"City Hall has to move before the ordinary citizen can buy," said Mr. Hunter. "That's why we suggest that people contact their local governments. They should find out if it's available in their community, and if not, they should ask why not."

Mr. Hunter said his office is prepared to process community applications for membership in the flood program immediately. Usually the application is accepted within a week of its receipt.

-more-

In the Gulf and East coast States, a band stretching from Texas to Maine, almost 384,000 flood insurance policies have been purchased by property owners. "The problem is," said Mr. Hunter, "there are still too many buildings in flood hazard zones not covered by flood insurance. They represent a staggering potential loss if a hurricane should strike."

The Flood Disaster Protection Act of 1973 requires the Federal Insurance Administration to map the flood hazard areas of the country. Copies of the maps are sent to local officials. Communities then have one year to join the program. After that time, they are subject to loss of certain Federal financial benefits for structures located in the flood areas.

Membership in the program requires that communities adopt measures to control building in flood prone areas. Owners of property within the flood zone must buy flood insurance in order to receive Federal disaster relief funds.

"We think people should take advantage of this opportunity to help themselves," Mr. Hunter said, "but evidently many prefer to do nothing until disaster hits. Then they and their local officials appeal to the government for Federal assistance. It's not fair to the rest of the country, since the burden of disaster assistance falls on every citizen."

He went on to say that disaster relief from the Federal Government usually comes in the form of a loan. And if the structure already carries a mortgage, repaying the Federal disaster loan would amount to carrying two mortgages on one property at the same time.

Weather experts say it has been a long time since a major hurricane hit the Gulf or East coasts. Past figures show that August and September are the worst months for hurricanes. According to some experts, the longer the cycle between hurricanes, the shorter the odds against one happening at any given moment.

And for the benefit of those who have just experienced the ordeal of a natural catastrophe, statistics have exploded the myth that "lightning never strikes twice."

Yet in the face of nature's unpredictable behavior, a good deal of unsafe building continues to go on in areas likely to flood.

"People who have built or moved into a dangerous area since the last major storm may not have considered the problem seriously," Mr. Hunter said. "Then, too, we find that a lot of people think their homeowners insurance will pay for flood losses. It won't. If you suffer damage or loss from hurricane-caused floods, your insurance policy will not pay -- unless you're covered by Federal flood insurance."

The worst two recent disasters were Tropical Storm Agnes, which caused an estimated \$3.5 billion damage and killed 122 people in a swath from Florida to New England, 1972; and Hurricane Camille, which hit both the Gulf Coast and the interior of Virginia and West Virginia in 1969, causing some \$1.5 billion in damages and killing 256 people.

Typical rates for the Federal flood insurance are: \$87.50 per year for \$35,000 worth of coverage on a home; or \$400 per year for \$100,000 worth of coverage on a commercial structure.

"The eventual goal of the program," said Mr. Hunter, "besides protecting citizens against losses due to flooding, is to eliminate unwise building in areas of high flood hazard.

"But meanwhile, the hurricane season is here and I cannot urge too strongly that residents along the coasts buy flood insurance now, before it's too late."

# # #



# HUD NEWS

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

HUD-No. 75-322  
Phone (202) 755-5284  
(Bacon)

FOR RELEASE:  
Monday  
August 25, 1975

You've read hundreds of them--tips on how to save energy by fixing up your home--and you've kept a few to do sometime because energy costs are high; heating and cooling your home costs more than ever before.

But such tips, collected at random, have limited value. It's difficult to tailor them to your needs because they don't answer questions about your home.

Questions like: how do I figure out what energy-saving improvements my home needs, and which one should I do first? How much will it cost, and how much fuel and money will it save? Usually the answers just aren't there--until now.

Today there's a publication that virtually does it all. The answers have been packaged, for the first time, in an attractive, easily readable booklet entitled In the Bank...Or Up the Chimney?--A Dollar and Cents Guide to Energy-Saving Home Improvements. It should help you put your energy dollars in the bank instead of up the chimney.

The new booklet was developed by the Department of Housing and Urban Development as part of the agency's continuing research into ways of conserving the nation's energy supplies, particularly in the field of residential energy consumption. It was prepared by HUD's Office of Policy Development and Research through its Division of Energy, Building Technology and Standards.

Housing accounts for about 20 percent of the energy consumed in the United States. In other words, it consumes 50 percent more energy than all our cars put together.

In the Bank...Or Up the Chimney? enables the American homeowner to inventory his home's present energy-saving condition and to determine exactly which parts are using more energy than they should.

From that point, it shows the homeowner how to combine this inventory with cost and savings information and arrive at the return he can expect on his energy-saving investment. Savings for all the energy improvements that make sense for his home are presented in one easy-to-read energy checklist.

Remedies are then described and illustrated in step-by-step, foolproof fashion, right down to the types of materials and tools needed to do the job. For complicated projects, contractor versus do-it-yourself options are clearly explained, and for contractor options, how to choose and work with a good contractor is dealt with thoroughly.

In the Bank...Or Up the Chimney? presents in a simple, easily-understood format all the information a consumer needs to start an informed program of energy-saving improvements in his home.

The new publication can be ordered at \$1.70 per copy from:

Superintendent of Documents  
U.S. Government Printing Office  
Washington, D.C. 20402.

The GPO stock number for In the Bank...Or Up the Chimney? is 023-000-00297-3.



# HUD NEWS

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

HUD-No. 75-336  
Phone (202) 755-5277  
(Spiegel)

FOR RELEASE:  
Tuesday  
August 26, 1975

Otto G. Stolz, General Manager of the New Community  
Development Corporation, has announced the award of a  
\$2,840,000 grant for the Woodlands New Community, north of  
Houston, Texas.

The Woodlands is being developed with the assistance of  
\$50 million of HUD guaranteed debentures issued in September,  
1972.

The community development grant will be used to build a  
bridge on the Woodlands Parkway and drainage district  
facilities in the Woodlands. The bridge will improve safe  
access to the McCulloch High School, now under construction.

Upon completion the facilities developed with grant funds  
will be dedicated to a local public body.

The Woodlands is situated on approximately 17,000 acres,  
and will house more than 47,000 families by 1992, according  
to current projections.

A prime objective of the HUD-sponsored new community  
program is to provide a wide range of housing types in close  
proximity to jobs and attractive recreational and cultural  
facilities.

Amenities in the new community will include swimming pools,  
tennis courts, playfields, golfing and boating facilities, a  
greenway system incorporating riding trails and walking paths,  
and neighborhood community center buildings to house such  
activities as cultural activities, neighborhood meetings, and  
arts and crafts instruction.



FILE COPY

# HUD NEWS

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

*File Energy*

This Release is Being Issued Simultaneously  
by the Federal Energy Administration

HUD-No. 75-319  
Phone (202) 755-5277  
(Conn)

FILE COPY

FOR RELEASE:  
Wednesday  
August 27, 1975

Two Federal agencies today announced joint funding of \$375,000 for initial projects in a program to encourage states to upgrade their planning activities by including energy considerations.

The cooperative effort was announced by Carla A. Hills, Secretary of Housing and Urban Development and Federal Energy Administrator Frank G. Zarb.

The joint projects stem from an FEA-HUD agreement to encourage State planning for long- and short-range solutions to the Nation's energy needs and to coordinate energy planning activities among State, regional and local government officials.

Administrator Zarb said that the agreement would ensure "State consideration of energy matters as an essential element of comprehensive planning, similar to existing planning programs for transportation, land use, coastal zone mortgage, and environmental protection. It is essential that States establish energy planning efforts if this Nation is to achieve energy independence by 1985. Energy is rapidly becoming recognized as a major determinant of future growth management decisions by all public officials."

The HUD grants were made through the Comprehensive Planning Assistance Program (701) and the FEA assistance was provided through contractual authorities.

The projects are:

-- A study being conducted by the Mid-Atlantic Governors Resources Advisory Council to determine the State policy and decision needs related to offshore oil drilling. The participating States are New York, New Jersey, Maryland, Virginia, and Delaware. The project involves \$50,000 in HUD 701 funds and \$115,000 in FEA funds and will be concerned with community and environmental impacts.

-- A similar study funded through the State of California to determine and analyze the onshore implications of West Coast offshore drilling. This project involves \$50,000 in HUD 701 funds and \$50,000 in FEA funds.

-- A State of Utah study related to the impacts on communities of energy extraction. The project involves \$50,000 in HUD 701 funds and \$60,000 in FEA funds.

The agreement also commits HUD and FEA to the development of an interagency information exchange system on energy planning, joint funding of future energy-related projects, and communication of results to State, regional, and local officials.

Among the first joint information products will be a guidebook for local elected officials and planners on energy siting needs, and a National Energy Planning Conference, both scheduled for later in the year.

In a letter to the Governors of the 50 States informing them of the agreement and announcing the demonstration grants and other cooperative HUD/FEA efforts, Administrator Zarb and Secretary Hills emphasized the importance of State action in planning for energy supply and demand, conservation, domestic resource development, and siting of energy production facilities.

The FEA/HUD agreement demonstrates the mutual recognition by Secretary Hills and Administrator Zarb that State energy management plans are an essential part of each State's comprehensive plan. The agreement sets forth basic policies for coordination and supportive delivery of HUD 701 and FEA resources to promote integration of energy planning into the already established comprehensive programs of more than 2,000 recipients of HUD 701 assistance.



# HUD NEWS

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

HUD-No. 75-346  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Wednesday  
September 3, 1975

Regulations designed to solve severe problems threatening the social and economic status of Local Housing Authorities have been announced by the U.S. Department of Housing and Urban Development.

The regulations are:

- \* A final rule establishing requirements for lease and grievance procedures in public housing.
- \* An interim rule on tenant selection criteria.

The lease and grievance regulations, representing a major revision of policies originally adopted by HUD in 1971, include:

- a. A clarification of the right of a Local Housing Authority (LHA) to charge tenants for excess utility usage and damage to the dwelling;
- b. A statement of the rights and obligations of both tenants and management under the lease;
- c. A provision for tenant comment on lease and grievance procedures prior to their adoption by the LHA; and
- d. Selection of a grievance officer or panel that will represent the interests of both parties--tenant and LHA management.

The lease and grievance procedures clarify LHA authority to collect rents, enforce reasonable standards of behavior, and to remove tenants whose presence is deemed a threat to the project. The rule also gives tenants protection against arbitrary eviction.

The interim rule on non-discriminatory tenant selection would:

- a. Require LHAs to adopt policies that encourage renting to families with a broad range of income in order to promote and preserve the social and physical environment or projects; and
- b. Retain present HUD requirements prohibiting the LHAs from arbitrarily denying occupancy to people such as unwed mothers or families with children born out of wedlock.

"We feel these policies will contribute substantially to our program of putting LHAs on a sound financial footing and at the same time improving living conditions for the vast majority of themselves," said H.R. Crawford, Assistant Secretary for Housing Management.

Comments on the Interim Rule may be submitted until September 15, 1975, to the Rules Docket Clerk, Office of General Counsel, Room 10245, 451-7th Street, S.W., Washington, D.C. 20410

# # #



# HUD NEWS

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

HUD--No. 75-347  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Tuesday  
September 2, 1975

Secretary Carla A. Hills of the Department of Housing and Urban Development today announced that the maximum allowable interest rate for mortgages insured by HUD's Federal Housing Administration will be raised to 9 percent, effective September 2.

The current rate, set April 28 is 8 1/2 percent.

The increase was made in accord with HUD's policy of keeping the maximum rate in line with actual mortgage market conditions, and to keep discount points - prepaid interest - to a minimum.

According to Mrs. Hills, recent weeks have seen a rise in the number of points charged by mortgage lenders originating FHA/VA loans. The discount points, having reached excessively high levels, have caused hardship for people selling houses with FHA/VA financing. Moreover, when points become excessive, funds for FHA/VA loans tend to dry up.

Consequently, Mrs. Hills observed, the new rate should help assure a continuing flow of funds for moderate income housing.

The new rate was determined after consultation with Richard L. Roudebush, Administrator of the Veterans Administration, who simultaneously announced a similar change in the maximum rate for GI home mortgage loans.

# # #

To Accompany HUD-No. 75-347

QUESTIONS AND ANSWERS ON INTEREST RATE INCREASE

Q. How will the rise in the FHA interest ceiling affect the buyer of a house?

A. On a \$30,000 mortgage over 30 years, there would be an increase of \$10.70 in the monthly payment.

Q. How will the rise affect those applications for mortgage insurance now in process?

A. Mortgage lenders may charge the higher rate; however, it is FHA's policy to encourage mortgagees to apply the lower previous interest rate in all cases that have not been closed prior to the effective date of the increase.

Q. When was the last time the FHA interest rate was raised? When last lowered?

A. Raised to 8-1/2 percent on April 28, 1975, lowered to 8 percent on March 3, 1975.

Q. What is meant by "paying points" and what does this have to do with the cost of a house?

A. Paying points amounts in practice to prepaying the interest differential between the FHA/VA rate and the market rate. During periods when this differential exists, investors are unwilling to invest in FHA/VA mortgages without this discount since the yield would not be competitive with that available from other investment.

To Accompany HUD No. 75-347

HUD-FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	Nov. 27, 1934 - June 23, 1935
5%	June 24, 1935 - July 31, 1939
4-1/2%	August 1, 1939 - April 23, 1950
4-1/4%	April 24, 1950 - May 1, 1953
4-1/2%	May 2, 1956 - Dec. 2, 1956
5%	Dec. 3, 1956 - Augusut 4, 1957
5-1/4%	August 5, 1957 - Sept. 22, 1959
5-3/4%	Sept. 23, 1959 - Feb. 1, 1961
5-1/2%	Feb. 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - Feb. 6, 1966
5-1/2%	Feb. 7, 1966 - April 10, 1966
5-3/4%	Arril 11, 1966 - Oct. 2, 1966
6%	Oct. 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - Jan. 23, 1969
7-1/2%	Jan. 24, 1969 - Jan. 4, 1970
8-1/2%	Jan. 5, 1970 - Dec. 1, 1970
8%	Dec. 2, 1970 - Jan. 12, 1971
7-1/2%	Jan. 13, 1971 - Feb. 17, 1971
**7%	Feb. 18, 1971 - June 30, 1973
**7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - Jan. 21, 1974
8-1/4%	Jan. 22, 1974 - April 14, 1974
8-1/2%	April 15, 1974 - May 12, 1974
8-3/4%	May 13, 1974 - July 7, 1974
9%	July 8, 1974 - August 13, 1974
9-1/2%	August 14, 1974 - Nov. 24, 1974
9%	Nov. 25, 1974 - Jan. 20, 1975
8-1/2%	Jan. 21, 1975 - March 2, 1975
8%	March 3, 1975 - April 27, 1975
8-1/2%	April 28, 1975 - Sept. 1, 1975
9%	Sept. 2, 1975 -

\* 5% for acquisition, 5-1/2% refunding of mortgage indebtedness or creation of mortgage indebtedness on property constructed before June 7, 1934.

\*\* FHA authority lapsed June 30, 1973; renewed August 10, 1973.



# HUD NEWS

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

*Public Housing*

HUD-No. 75-346  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Wednesday  
September 3, 1975

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- d. Selection of a grievance officer or panel that will represent the interests of both parties--tenant and LHA management.

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# # #



FILE COPY

# HUD NEWS

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

COMPREHENSIVE  
PLANNING

HUD-No. 75-354  
Phone (202) 755-5277  
(Conn)

FILE COPY

FOR RELEASE:  
Sunday  
September 7, 1975

Seven regional conferences will be conducted by the U.S. Department of Housing and Urban Development in cooperation with R. L. Polk and Company to discuss the use of housing data in satisfying requirements of HUD programs. Both the 701 Comprehensive Planning Assistance Program and the Community Development Block Grant Program contain legislative requirements for housing planning. The first three-day conference is scheduled for Washington, D.C. beginning tomorrow.

HUD recently purchased the Polk publication Profiles of Change for distribution to the 318 Community Development block grant entitlement cities where Polk data is collected.

Comprehensive Planning Assistance (701) Program funds were used to purchase the publication, which will be distributed at no cost within the next six months to the cities, and pertinent State and area wide planning organizations. HUD offices working with 701 Comprehensive Planning Assistance, the block grant and housing assistance programs will also receive the data.

Profiles of Change is an information package specifically designed to provide facts on neighborhood change. It includes:

- up to date census-type counts of people, housing
- vacancies and businesses
- detail on the components of neighborhood change, including characteristics of households, housing stock and businesses

- index of household income
- key indicators of changes
- comparison of current city data with 1970 census data and with general ranges of indicators for all cities.

HUD found that cities applying for community development block grants often lack sufficient current data to prepare housing assistance plans (HAPS), a required element of the application for funding. Profiles of Change will do much to correct the problem. The Polk publication will also facilitate 701 Comprehensive Planning Assistance work, particularly in preparing the housing elements, planning related to housing assistance applications, and other governmental planning activities.

The forthcoming regional conferences will run through early November. States, areawide organizations, cities and HUD offices receiving Profiles of Change data will be invited to participate.

The conference schedule and a listing of the 318 cities receiving the data follows:

#### SCHEDULE FOR REGIONAL CONFERENCES

Meetings will begin at 1:30 PM on the first day and end at noon on the third day.

<u>HUD Region</u>	<u>Conference City</u>	<u>Dates</u>
III	Washington, D.C.	Sept. 8-10
I & II	New York City	Sept. 17-19
IV	*Atlanta, Ga.	Sept. 22-26
V	*Chicago, Ill.	Oct. 6-10
VI	Dallas, Tex.	Oct. 15-17
IX & X	San Francisco, Calif.	Oct. 22-24
VII & VIII	Denver, Colo.	Nov. 3-5

\*Because of the large number of cities from these regions two conferences will be held.

TO ACCOMPANY HUD-No. 75-354

318 ENTITLEMENT CITIES RECEIVING PROFILES OF CHANGE DATA  
(Delivery Priorities and Survey Years are Indicated)

First Priority (1973-1974 Data)

ALABAMA

Anniston  
Mobile  
Montgomery

KANSAS

Wichita

RHODE ISLAND

Cranston City

ARKANSAS

Pine Bluff  
Little Rock  
North Little Rock

LOUISIANA

Lafayette  
New Orleans  
Shreveport

SOUTH CAROLINA

Charleston

CALIFORNIA

Chula Vista  
Fresno  
Hayward  
Salinas

BOSTON

MINNESOTA  
Minneapolis  
St. Cloud

TEXAS

Killeen

COLORADO

Colorado Springs  
Pueblo

NEVADA

Reno

SALT LAKE CITY

FLORIDA

Fort Myers  
Hialeah  
Hollywood  
Jacksonville  
Miami  
Orlando  
Titusville

NEW YORK

Rochester

VIRGINIA  
Chesapeake  
Portsmouth

WASHINGTON

Seattle

INDIANA

Evansville  
Hammond

NORTH CAROLINA

Winston-Salem

OHIO

Cleveland  
Springfield

WISCONSIN

West Allis

IOWA

Davenport  
Des Moines  
Sioux City

OKLAHOMA

Oklahoma City

OREGON

Salem

PENNSYLVANIA

Pittsburgh

Second Priority (1973-1974 Data)

<u>ALABAMA</u>	<u>INDIANA</u>	<u>NEW MEXICO</u>	<u>TEXAS</u>
Birmingham	Gary South Bend	Albuquerque	Beaumont Dallas
<u>ARIZONA</u>	Terre Haute	<u>NEW YORK</u>	Denison El Paso Garland Grand Prairie
Tucson	<u>IOWA</u>	Utica	Orange Pasadena Port Arthur San Angelo San Antonio Sherman Tyler Waco
<u>CALIFORNIA</u>	Cedar Falls Council Bluffs Waterloo	<u>NORTH CAROLINA</u>	
El Cajon Glendale Monterey Napa Palo Alto Pasadena Sacramento Santa Clara Santa Cruz Whittier	<u>KENTUCKY</u>	Charlotte Gaston High Point Raleigh	Port Arthur San Angelo San Antonio Sherman Tyler Waco
<u>COLORADO</u>	Ashland	<u>NORTH DAKOTA</u>	
Aurora Lakewood	<u>MASSACHUSETTS</u>	Fargo	<u>WASHINGTON</u>
<u>FLORIDA</u>	Lawrence Lynn Waltham	<u>OHIO</u>	Everett Richland Tacoma Yakima
Sarasota Tampa	<u>MICHIGAN</u>	Hamilton Lakewood Lima	<u>WEST VIRGINIA</u>
<u>GEORGIA</u>	Battle Creek Bay City Detroit Flint Lincoln Park Wyoming	Middletown Parma Toledo	Parkersburg
<u>IDAHO</u>	<u>MISSOURI</u>	<u>OKLAHOMA</u>	<u>WISCONSIN</u>
Albany Macon Savannah	Columbia St. Joseph Springfield	Lawton	Madison Milwaukee
<u>ILLINOIS</u>	<u>MONTANA</u>	<u>PENNSYLVANIA</u>	
Aurora Bloomington Decatur Normal Waukegan	Boise City	Harrisburg Hazleton Lancaster Scranton	
<u>NEW HAMPSHIRE</u>	Billings	<u>RHODE ISLAND</u>	
<u>NEW JERSEY</u>	Manchester	Pawtucket Warwick City	
Bridgeton Vineland	<u>NEW JERSEY</u>	<u>SOUTH DAKOTA</u>	
		Sioux Falls	

Third Priority (1974-1975 Data)\*

<u>ALABAMA</u>	<u>FLORIDA</u>	<u>KANSAS</u>	<u>MISSISSIPPI</u>
Florence	Boca Raton	Kansas City	*Biloxi
Gadsden	Clearwater	*Topeka	*Gulfport
Huntsville	*Cocoa		Jackson
Tuscaloosa	*Daytona Beach	<u>KENTUCKY</u>	
	Fort Lauderdale	* Covington	<u>MISSOURI</u>
<u>ARKANSAS</u>	Gainesville	Lexington-Fayette	Florissant
Fayetteville	* Lakeland	Louisville	Independence
Fort Smith	Miami Beach	* Owensboro	* Kansas City
Texarkana	* Melbourne		* St. Louis
	Pensacola	<u>LOUISIANA</u>	<u>MONTANA</u>
<u>CALIFORNIA</u>	St. Petersburg	Alexandria	Great Falls
Bakersfield	* Tallahassee	Baton Rouge	
Fairfield	* West Palm Beach	* Lake Charles	<u>NEBRASKA</u>
* Lampoc	Winter Haven	Monroe	Lincoln
Modesto			* Omaha
San Diego	<u>GEORGIA</u>	<u>MASSACHUSETTS</u>	<u>NEW JERSEY</u>
* San Francisco	* Atlanta	Fall River	* Atlantic City
* San Jose	Augusta	* Lowell	Millville
San Mateo	Columbus	Malden	* New Brunswick
Santa Barbara		Newton	
* Santa Maria	<u>ILLINOIS</u>	Worcester	<u>NEW YORK</u>
* Santa Rosa	Elgin		Albany
* Stockton	* Joliet	<u>MICHIGAN</u>	Buffalo
* Vallejo	Moline	Ann Arbor	Niagara Falls
* Ventura	Peoria	* Dearborn	* Poughkeepsie
	Rock Island	* East Lansing	* Rome
<u>COLORADO</u>	Springfield	Grand Rapids	Syracuse
Boulder		Jackson	Troy
* Denver	<u>INDIANA</u>	* Kalamazoo	<u>NORTH CAROLINA</u>
	* Fort Wayne	* Lansing	* Asheville
<u>DELAWARE</u>	* Indianapolis	* Muskegon	Burlington
Wilmington	Lafayette	* Muskegon Heights	Durham
	Muncie	Portage	Fayetteville
	West Lafayette	Saginaw	Greensboro
			Wilmington
	<u>IOWA</u>	<u>MINNESOTA</u>	
	Cedar Rapids	Bloomington	
	* Dubuque	Duluth	
		Rochester	
		St. Paul	

\*Cities with asterisks may receive 1973-1974 data if canvas schedules cause undue delay.

Third Priority (1974-1975 Data) cont'd

<u>OHIO</u>	<u>TEXAS</u>	<u>WASHINGTON</u>
* Cincinnati	Abilene	Belleview
* Cleveland Heights	* Amarillo	Spokane
* Columbus	Arlington	
Dayton	Austin	
* Euclid	Bryan	
Kettering	College Station	
* Lorain	* Corpus Christi	
Marietta	Fort Worth	Charleston
	Galveston	Huntington
<u>OKLAHOMA</u>	Houston	* Wheeling
Tulsa	* Irving	Weirton
	Lubbock	
<u>OREGON</u>	Midland	
Portland	* Temple	
	* Texas City	
	* Wichita Falls	
<u>PENNSYLVANIA</u>	<u>UTAH</u>	<u>WISCONSIN</u>
Allentown	Ogden	* Green Bay
Altoona	* Orem	Kenosha
Bethlehem	* Provo	La Crosse
* Easton		Oshkosh
* Erie		Racine
* Johnstown		Superior
* Reading		* Wauwatosa
Wilkes-Barre		
Williamsport		
* York		
<u>RHODE ISLAND</u>		
* Providence City		<u>VIRGINIA</u>
<u>SOUTH CAROLINA</u>		Alexandria
Columbia	* Colonia Heights	
Spartanburg	Hampton	
	* Hopewell	
	Lynchburg	
	Newport News	
	Norfolk	
	* Petersburg	
	Richmond	
	Roanoke	
	* Virginia Beach	
<u>TENNESSEE</u>		
Memphis		



file

# HUD NEWS

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

HUD-No. 75-358  
Phone (202) 755-7522  
(Spiegel)

**FILE COPY**

FOR RELEASE:  
Monday  
September 8, 1975

The New Communities Administration, U.S. Department of Housing and Urban Development, today announced the award of a \$525,690 grant for road construction in the Riverton, N.Y., New Community.

The grant, under the Housing and Community Development Act of 1974, was made to the town of Henrietta, which has road jurisdiction over the area involved in the proposed construction. The grant will be used to extend Erie Station Road to provide access to Riverton's planned central business district, and to new residential areas.

Riverton is located 10 miles south of Rochester, on approximately 2,400 acres. The new community is being developed by Riverton Properties, Inc., through \$16 million of HUD-guaranteed debentures issued in September, 1972, and November, 1974. It is expected to house more than 8,000 families by 1991, according to current projections.

A prime objective of the New Communities program is to provide a wide range of housing types in close proximity to jobs and attractive recreational and cultural facilities.

Riverton New Community is expected to have swimming pools, tennis courts, playfields, golfing and boating facilities, a pathway system incorporating bicycle and walking paths, and neighborhood community center buildings for day care, recreational, educational, and cultural activities and neighborhood meetings.



# HUD NEWS

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

File  
(Indians)

HUD-No. 75-364  
Phone (202)755-5284  
(Day)

FOR RELEASE:  
Monday  
September 15, 1975

The U. S. Department of Housing and Urban Development today announced the establishment--and initial meeting--of a HUD Task Force on Indian Programs.

The Task Force, under the co-chairmanship of Reaves F. Nahwooksy, HUD Coordinator for Indian Programs, and William E. Hallett, Special Assistant to the Administrator of the HUD Denver Regional Office, will explore the many issues required for a successful Indian program within the Department.

Secretary Carla A. Hills appointed Dennis Blair, a HUD White House Fellow, to represent her in the effort, which she said is designed to "recommend policy alternatives within the Central Office and field organization to best support Indian programs."

Policy areas to be reviewed by the Task Force include factors involved in subsidized housing such as annual contributions contracts and fund allocations, modernization funds, rent collections, minimum property standards, and factors involving community planning and development.

Secretary Hills asked the Task Force to give her a report by November 1.

Other members of the Task Force are: Howard E. Ball, Acting Director, Policy Planning, Office of Community Planning and Development; George Bennett, Regional Indian Coordinator, Region V, Chicago; Carl Brown, Special Assistant to the Administrator, Region X, Seattle; Joseph Burstein, Assistant General Counsel; Abner D. Silverman, Counselor to the Assistant Secretary for Housing Management; William L. Warfield, Special Assistant to the Assistant Secretary for Mortgage Credit and Federal Housing Commissioner; and David Epstein, Office of the Assistant Secretary for Administration.

# # #



# HUD NEWS

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

HUD-No. 75-379  
Phone (202) 755-5284  
(Bacon)

FOR RELEASE:  
Monday  
September 29, 1975

The U.S. Department of Housing and Urban Development is seeking new projects for the use of solar heating built into the home, including domestic hot water, and possibly combined heating and cooling systems.

Charles J. Orlebeke, Assistant Secretary for Policy Development and Research, is calling for proposals to be submitted for demonstration projects integrating solar energy systems into building plans for single and multi-family homes.

Builders, developers, public agencies and other interested groups are invited to send in their proposals within six weeks from the date of HUD's announcement. The deadline is November 10.

A number of grants will be awarded, perhaps as many as 20, depending upon the number and quality of the proposals, funding available and other program requirements. The awards will finance only the solar energy portion of the selected projects.

Entrants are expected to have already arranged for the financing, land, building type and solar energy system. They must have completed their basic engineering designs and be ready to start construction within 90 days after the award is made.

- more -

"These will be the first private solar energy residential demonstration projects under the National Solar Heating and Cooling Demonstration Program," Assistant Secretary Orlebeke said.

"We expect them to be a major factor in alerting the country to the potential energy savings that can be achieved in the effective use of solar energy. Over the five-year program we hope to demonstrate many different methods of heating, cooling and heating water, and to resolve many of the issues that may restrict the widespread use of solar energy for heating and cooling."

A similar request will be issued in about nine months to allow organizations which did not submit their plans or whose submissions were not accepted to have another chance to demonstrate their projects. This Request for Grant Applications (RFGA) is expected to be reissued approximately five times during the program.

Copies of the RFGA Number H 2353 may be obtained by writing to the Office of Procurement and Contracts, Attn: Cheryl Yeargin or Wayne Cutrell, Room B-133, 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. 75-389  
Phone (202) 755-5277  
(Conn)

FOR RELEASE:  
Friday  
October 10, 1975

The U.S. Department of Housing and Urban Development today announced the publication of Something to Preserve, a report describing a special approach to historic preservation in Ipswich, Mass. Historic homes are being saved by Preservation Agreements - a unique partnership between the town's historic commission and the local homeowners.

In 1969 HUD and the Ipswich Historical Commission signed a contract for a demonstration project, designed to use recorded Agreements in historic preservation. Traditionally preservation is achieved by local regulation or the purchase of significant properties by civic-minded groups.

The Ipswich Preservation Agreement is a written voluntary commitment between the Ipswich Historical Commission and the homeowner to preserve the architecturally significant features of his home, both exterior and interior. The Agreement is a simple statement of purpose. Under its provisions the homeowner agrees not to permit any alterations to the designated features of his home and to obtain written approval of the Commission to make changes. A uniform fee of \$1000 is offered to homeowners signing the contract.

-more-

Something to Preserve chronicles the history of the project. It includes a brief history of the town, photographs of the historic homes including many architectural details, and a homeowners guide to preservation.

Copies of the report are available for \$3.50 plus mailing costs from John Conley, Chairman, Ipswich Historical Commission, 31 High Street, Ipswich, Mass. 01938.

# # #



Interstate LAND SALES

File

# HUD NEWS

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

HUD-No. 75-393  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Thursday  
October 9, 1975

The U.S. Department of Housing and Urban Development has filed suit in the Federal District Court in Wichita, Kans. against the National Development Company, Inc., developer of the Lake Chaparral subdivision. Lake Chaparral, a recreational development, is located in Linn County, Kans., near Mound City. Corporate headquarters of the developer is Dallas, Tex.

According to Alan J. Kappeler, Assistant Deputy Administrator of HUD's Office of Interstate Land Sales Registration, the developer has been selling lots at Lake Chaparral throughout the summer despite suspension of his HUD registration on April 25, 1975. HUD alleges that all lot sales since April 25th are in violation of the federal Interstate Land Sales Full Disclosure Act.

The federal agency has requested that the National Development Company be ordered to stop sales until its registration has been made effective again. HUD is also requesting that the developer be required to refund money if requested to approximately 80 purchasers who have bought lots at Lake Chaparral since April 25th. It is estimated that approximately \$35,000 has been collected under these sales contracts and HUD has asked the Court to require the developer to set up an escrow account to assure payment of the refunds.



Homesteading File

# HUD NEWS

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

HUD-No. 75-394  
Phone (202) 755-5284  
(Farley)

FOR RELEASE:  
Friday  
October 10, 1975

With the help of \$5 million worth of structurally sound homes awarded by the U.S. Department of Housing and Urban Development, plus another \$5 million in HUD rehabilitation loans, 22 cities will spend about \$50 million of their own funds to launch an experiment in urban homesteading as a device to preserve selected ailing urban neighborhoods.

The cities selected for the demonstration program from a total of 61 applicants were announced today by HUD Secretary Carla A. Hills.

The program, Secretary Hills said, is designed to help revitalize the cities by making the best use of HUD-held properties to preserve declining urban neighborhoods.

Neighborhood preservation was described by the Secretary as one of the principal strategies at HUD's disposal to recycle the cities as self-sustaining entities, capable of reversing the population trend to the outlying suburbs.

The awards were made to those cities which submitted the most comprehensive and coordinated plans for utilizing the basically sound housing supplied by HUD from its inventory of foreclosed one to four-family homes.

-more-

The creativity and versatility of the concepts were critical factors in determining the winners, the Secretary said, along with the degree of local initiative in mobilizing public and private resources into an integrated program of neighborhood revitalization, including the upgrading of community services and facilities.

Under the program, authorized by the Housing and Community Development Act of 1974, HUD will transfer the homes to the selected communities, using the \$5 million to reimburse the FHA insurance fund. The \$5 million in loans will be allocated to rehabilitate property in target areas.

The cities will transfer the housing conditionally to an individual or family, giving special consideration to the homesteader's need for housing and his or her ability to undertake the necessary repairs and improvements.

The homesteader must agree to occupy the property for not less than three years, make the needed repairs for health and safety prior to occupancy, and meet local standards for decent, safe and sanitary housing within 18 months, permitting inspections at reasonable times.

If all of these conditions are met, the homesteader is given title to the property.

The allocation of the property must be made without regard to race, creed, religion, sex, national origin or marital status.

All applicant cities were required to submit plans for assuring the availability of short and long term financing for rehabilitation; furnishing technical assistance and support services for homesteading; and providing such neighborhood services and facilities as code enforcement, improved policy and fire protection, refuse collection, traffic control, recreational facilities and neighborhood amenities.

The plans had to include ways to help other property owners to improve their homes in the target neighborhood, and the suggested use of city held and other unoccupied properties, including clearance of buildings that cannot be rehabilitated.

HUD's part of the program is administered by Charles J. Orlbcke, Assistant Secretary for Policy Development and Research, who will negotiate any necessary modification with the cities.

The names of the winning cities follow, along with a brief description of their plans, the tentative allocation of HUD held houses and Federal funds, the responsible homesteading agency, and the name and telephone number of the coordinator:

CALIFORNIA

Oakland - \$250,000 in HUD held houses, \$200,000 in rehabilitation loans. City will supply loan guarantee programs, emergency hardship loan program and municipal revolving loan fund for rehabilitation of target areas, with the State helping to finance rehabilitation. Oakland Redevelopment Agency. Enrico LaBarbera, (415) 273-9000.

DELAWARE

Wilmington - \$200,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$1,380,000 for capital improvements and rehabilitation loans for its homesteading areas, and has commitment from private lenders for \$1 million for permanent mortgage capital. Wilmington Homestead Board. Charles W. Fields, (302) 571-4131.

GEORGIA

Atlanta - \$280,000 in HUD held houses, \$280,000 in rehabilitation loans. City pledged \$300,000 for code enforcement, housing counseling and limited public improvements in their targeted areas. Private sector has committed \$3.5 million in revolving loan fund for mortgage capital. Department of Community and Human Development. Davey Gibson, (404) 658-6797.

Decatur - \$200,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$675,000, of which \$350,000 will go for community facilities, the rest for rehabilitation loans. Decatur Housing Authority. J. W. Anderson, Jr., (404) 373-0118.

ILLINOIS

Chicago - \$250,000 in HUD held houses, \$350,000 in rehabilitation loans. City pledged \$800,000, plus \$200,000 from private lenders for mortgage financing in target areas. Department of Urban Renewal. Lewis W. Hill, (312) 744-4471.

Rockford - \$250,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$750,000 and four local savings and loan associations committed \$250,000 for rehabilitation financing in target areas. Homestead Board. Paul L. Preston, Jr., (815) 987-5690.

#### INDIANA

Gary - \$232,000 in HUD held houses, \$232,000 in rehabilitation loans. City committed \$1,205,000 to upgrade community facilities, for housing counseling and rehabilitation loans for target areas. Gary Housing Development Corp. Richard Comer, (219) 885-4349.

Indianapolis - \$140,000 in HUD held houses, \$140,000 in rehabilitation loans. City pledged \$3,090,715 for rehabilitation loans, grants and capital improvements. Greater Indianapolis Housing Development Corp. Michael A. Carroll, (317) 633-3844.

South Bend - \$162,000 in HUD held houses, \$108,000 in rehabilitation loans. City pledged \$985,050 for rehabilitation loans and public facility improvements in target areas. A consortium of five banks will put up \$300,000 for rehabilitation loans. Bureau of Housing. William Hojnacki, (219) 284-9409.

#### MARYLAND

Baltimore - \$120,000 in HUD held houses, \$120,000 in rehabilitation loans. City pledged \$5,230,000 for capital improvements, a revolving loan and grant program, and technical assistance in the area. Department of Housing and Community Development. Robert C. Embry, Jr., (301) 396-3232.

#### MASSACHUSETTS

Boston - \$320,000 in HUD held houses, \$360,000 in rehabilitation loans. City pledged \$1 million for rehabilitation loans, with matching amount from private lenders for permanent financing in their targeted areas. Boston Redevelopment Authority. David Strohm, (617) 722-4100.

#### MINNESOTA

Minneapolis - \$112,000 in HUD held houses, \$60,000 in rehabilitation loans. City pledged \$3,875,000, mostly for

rehabilitation and site improvements in target areas, with \$3,300,000 pledged by private lenders. City also will float \$2 million bond issue to guarantee rehabilitation loans. Minneapolis Housing and Redevelopment Authority.

Richard A. Brustad, (612) 348-2511.

#### MISSOURI

Kansas City - \$250,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$1.5 million to buy and rehabilitate properties and improve community facilities in their target areas. Kansas City, Mo. Homestead Authority. James I. Threatt, (816) 274-2474.

#### NEW JERSEY

Jersey City - \$60,000 in HUD held houses, \$120,000 in rehabilitation loans. City pledged \$1,165,000 for site improvements, neighborhood services, code enforcement and technical assistance for target areas. Jersey City Housing Authority, Redevelopment Agency and Jersey City Department of Community Development. Elliott Bernold, (201) 434-3666.

#### NEW YORK

Islip - \$140,000 in HUD held houses, \$60,000 in rehabilitation loans. City pledged \$476,000 for target areas, plus \$140,000 from a private lender for rehabilitation loans. Department of Planning, Housing and Development. Michael A. LaGrande, (516) 581-2000.

New York City - \$365,000 in HUD held houses, \$530,000 in rehabilitation loans. City committed \$500,000 for technical assistance and administrative expenses in rehabilitating their target areas. New York City Housing Development. Barry Zelikson, (212) 566-6557.

#### OHIO

Cincinnati - \$140,000 in HUD held houses, \$80,000 in rehabilitation loans. City pledged \$708,000, with \$150,000 from private capital for rehabilitation loans in target areas. Home-steading and Redevelopment Corp. Arnold Rosemeyer, (513) 352-3735.

Columbus - \$132,000 in HUD held houses, \$132,000 in rehabilitation loans. City pledged \$3,073,067 for rehabilitation loans and upgrading of community facilities in target areas, and expects \$200,000 in privately donated properties. Department of Community Development. Michael White, (614) 461-8100.

#### PENNSYLVANIA

Philadelphia - \$252,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$50,000 for physical improvements in areas, and has a revolving loan fund of \$100,000. Urban Homestead Board. Aubrey J. Myers, (215) 686-3690.

#### TEXAS

Dallas - \$200,000 in HUD held houses, \$200,000 in rehabilitation loans. City pledged \$190,056 for rehabilitation loans and administrative costs for target area. Department of Housing and Urban Rehabilitation. Richard H. Wilson, (214) 630-1111.

#### WASHINGTON

Tacoma - \$180,000 in HUD held houses, \$120,000 in rehabilitation loans. City pledged \$779,000 for rehabilitation loans, community facilities, technical assistance and capital improvements in target areas. Tacoma Housing Authority and Department of Community Development. Peter DeMark, (206) 383-4933.

#### WISCONSIN

Milwaukee - \$126,000 in HUD held houses, \$85,000 in rehabilitation loans. City pledged \$4.2 million for public improvements and community facilities in target areas, with \$1,225,000 from private lenders for rehabilitation loans. Homestead Board. William Ryan Drew, (414) 278-2900.



Public *Housing* - *File*

# HUD NEWS

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

HUD-No. 75-398  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Monday  
October 13, 1975

Interim regulations designed to protect tenants of low-income housing against excessive payment of rent, while at the same time increasing income for Public Housing Authorities, have been announced by the Department of Housing and Urban Development.

The rules would apply to more than 2,400 Public Housing Authorities, representing 1.4 million units, and about three million people.

Authorized by the National Housing Act of 1937, as amended by Congress in 1974, the rules provide that no tenant of a low-income housing project pay more than 25 percent of adjusted gross income for rent, unless:

- (1) Five percent of gross income exceeds twenty five percent of adjusted income;
- (2) A tenant receives public assistance, a portion of which is based on his actual housing costs.

In the latter case, the tenant will generally pay the maximum rent allowed by the public welfare agency.

For the purpose of determining minimum and maximum rents, the proposed rules detail deductions that may be taken from income in computing rents, and are designed to prevent "double deductions."

Public Housing Authorities, when applying for an increase in operating subsidies--financial assistance from HUD--would, under the new rules, have to certify that rental income of the project at least totals 20 percent of the income of all tenants.

Responsibility for setting rents remains with the Public Housing Authorities, subject to approval by HUD. LHA management can adopt rent schedules suitable to their respective projects so long as rent levels remain within the minimums and maximums established by the proposed rules.

Comments on the regulations may be submitted until October 31 to the Rules Docket Clerk, Office of General Counsel, Room 10245, Department of Housing and Urban Development, 451 7th Street, Southwest, Washington, D.C. 20410.

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# HUD NEWS

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

HUD-No. 75-403  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Tuesday  
October 14, 1975

Private sponsors were invited by the U.S. Department of Housing and Urban Development to apply for fund reservations for the construction or rehabilitation of housing for the elderly and the handicapped under Section 202 of the Housing Act of 1959, as amended.

The invitations appeared in the Federal Register Sept. 24. The closing date for applications is Nov. 14.

Congress authorized HUD to provide \$375,000,000 during FY 76 for 100 percent permanent financing loans with any cash equity or other financial commitment not to exceed \$10,000. This provision, if approved by the President, would require HUD to amend the regulations to provide both construction and permanent financing, but the criteria for eligibility as a sponsor would not change.

Accordingly, interested organizations should not wait for changes in the regulations for permanent financing to submit applications, but should file their applications before the Nov. 14 deadline.

In addition to the financing set forth above, "seed money" loans will be made available to cover up to 80 percent of preconstruction costs.

In order to assure wide knowledge of HUD's readiness to receive Section 202 applications, HUD is mailing invitations to apply to a broad spectrum of organizations which have indicated interest in the program on behalf of elderly or handicapped people.

Elderly families and handicapped persons living in the units to be constructed or substantially rehabilitated through Section 202 will have the benefits of HUD's Housing Assistance Payments program, generally referred to as Section 8.

The Sept. 24 publication stipulates that no single sponsor shall receive a reservation of loan funds in a single HUD region more than necessary to finance the construction or substantial rehabilitation of 300 housing units and related facilities.

Application forms may be obtained from any HUD field office.

Sponsors have until close of business on Nov. 14 to apply. Applications should be addressed to:

Assistant Secretary for Housing Production and  
Mortgage Credit  
Department of Housing and Urban Development  
Attention: Correspondence Unit, Room 6110  
451 - 7th Street, Southwest  
Washington, D.C. 20410

Inquiries concerning the program should be directed to the same address.

# # #



# HUD NEWS

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

HUD-No. 75-405  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Monday  
November 3, 1975

New techniques for reducing earthquake losses in the quake-prone San Francisco Bay area of California also can be used in 38 other States facing various degrees of similar risk, according to two Federal agencies.

These scientific methods, which provide a basis for "seismic zonation," are described in a report announced jointly today by the U.S. Department of Housing and Urban Development and the U.S. Geological Survey, Department of the Interior.

Seismic zonation--the mapping of earthquake hazard areas--classifies areas according to their susceptibility to, and the degree of potential damage from, earthquake effects such as ground faulting, ground shaking, landsliding and flooding. The nine-county Bay study area, with varying degrees of earthquake risk, covers some 7,000 square miles and has a population of more than three million people.

By knowing the potential hazards for each area, planners and decision-makers can develop regional zone-by-zone land-use and construction procedures such as building codes and designs that enable structures to withstand earthquake hazards. This knowledge is vital to the location of critical structures such as nuclear power plants, dams and schools in areas with lesser potential for quake hazards.

HUD Assistant Secretary Charles J. Orlebeke, whose Office of Policy Development and Research helped fund the study, said, "This advance in technology will assist local governments across the nation in their efforts to prevent earthquake losses through more effective land-use and construction practices."

He emphasized, however, that "the value of seismic zonation can be realized only if it is used wisely by those making the day-to-day decisions that determine development and redevelopment in the nation's urban areas."

A second report, now in preparation by the two agencies will present specific guidance for use by local decision-makers.

Mr. Orlebeke urged elected officials and private citizens to work with planners, engineers and scientists in developing and adapting an effective plan to reduce earthquake hazards for their areas.

Many findings of the report can be applied directly to hazard reduction programs already underway, and for those initiating the program for the first time, the report presents the basic tools for identifying the different kinds of quake effects and their severity. The report also assists in determining what kinds of professional help are needed for specific types of hazard problems.

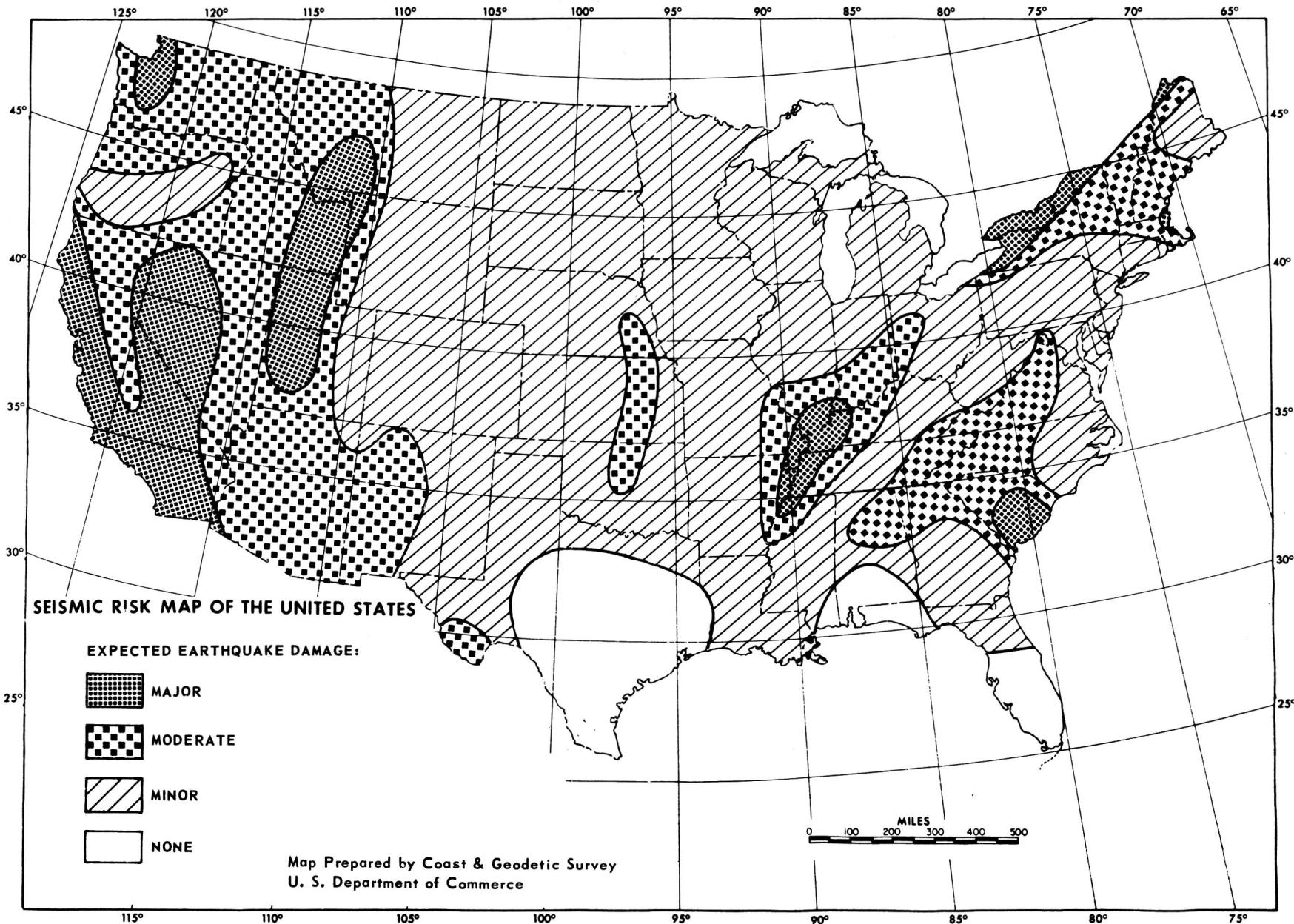
Emphasizing what could happen if urbanization continues without regard to earthquake hazards, the report presents a scenario of possible effects in an area south of San Francisco resulting from a hypothetical earthquake registering 6.5 on the Richter scale.

The seismic zonation report is one of a series of reports resulting from the San Francisco Bay Region Environment and Resources Planning study begun by HUD and the USGS in 1970 and still underway. The study is developing methods for the use of earth-science information in support of land-use planning and decision-making for application in the Bay Region and throughout the nation.

Copies of the report, USGS Professional Paper 941-A, entitled Studies for Seismic Zonation of the San Francisco Bay Region, may be ordered prepaid for \$2.80 each from the U.S. Geological Survey, Branch of Distribution, 1200 South Eads St., Arlington, Va. 22202. Copies also may be purchased over the counter in San Francisco at the U.S. Geological Survey's Public Inquiries Office, 504 Custom House, 555 Battery St.

NOTE TO EDITORS: A similar release is being issued simultaneously by the U.S. Geological Survey, Department of Interior.

TO ACCOMPANY HUD-No. 75-405





# HUD NEWS

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

HUD-No. 75-405  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Monday  
November 3, 1975

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Seismic zonation--the mapping of earthquake hazard areas--classifies areas according to their susceptibility to, and the degree of potential damage from, earthquake effects such as ground faulting, ground shaking, landsliding and flooding. The nine-county Bay study area, with varying degrees of earthquake risk, covers some 7,000 square miles and has a population of more than three million people.

By knowing the potential hazards for each area, planners and decision-makers can develop regional zone-by-zone land-use and construction procedures such as building codes and designs that enable structures to withstand earthquake hazards. This knowledge is vital to the location of critical structures such as nuclear power plants, dams and schools in areas with lesser potential for quake hazards.

HUD Assistant Secretary Charles J. Orlebeke, whose Office of Policy Development and Research helped fund the study, said, "This advance in technology will assist local governments across the nation in their efforts to prevent earthquake losses through more effective land-use and construction practices."

He emphasized, however, that "the value of seismic zonation can be realized only if it is used wisely by those making the day-to-day decisions that determine development and redevelopment in the nation's urban areas."

A second report, now in preparation by the two agencies will present specific guidance for use by local decision-makers.

Mr. Orlebeke urged elected officials and private citizens to work with planners, engineers and scientists in developing and adapting an effective plan to reduce earthquake hazards for their areas.

Many findings of the report can be applied directly to hazard reduction programs already underway, and for those initiating the program for the first time, the report presents the basic tools for identifying the different kinds of quake effects and their severity. The report also assists in determining what kinds of professional help are needed for specific types of hazard problems.

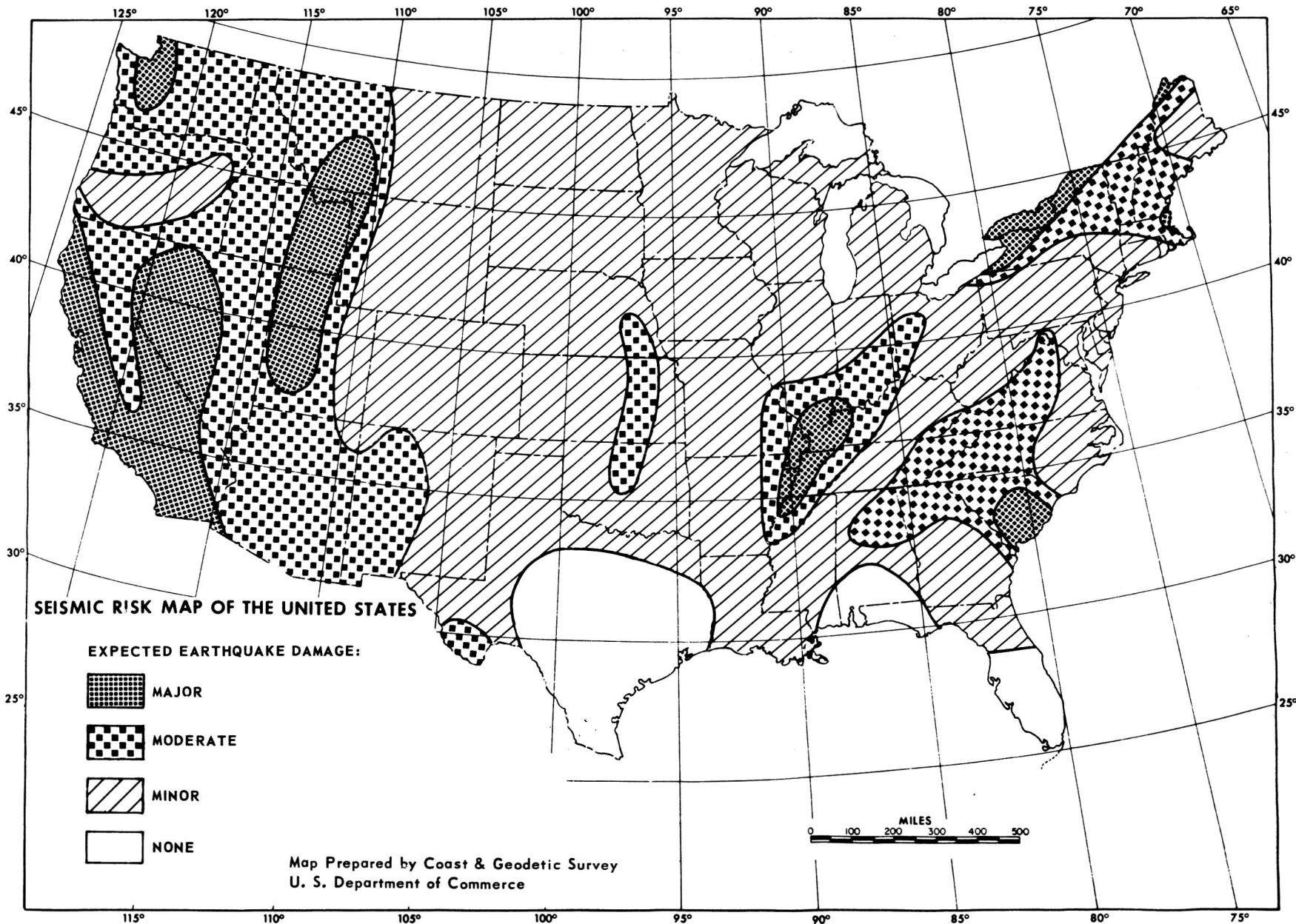
Emphasizing what could happen if urbanization continues without regard to earthquake hazards, the report presents a scenario of possible effects in an area south of San Francisco resulting from a hypothetical earthquake registering 6.5 on the Richter scale.

The seismic zonation report is one of a series of reports resulting from the San Francisco Bay Region Environment and Resources Planning study begun by HUD and the USGS in 1970 and still underway. The study is developing methods for the use of earth-science information in support of land-use planning and decision-making for application in the Bay Region and throughout the nation.

Copies of the report, USGS Professional Paper 941-A, entitled Studies for Seismic Zonation of the San Francisco Bay Region, may be ordered prepaid for \$2.80 each from the U.S. Geological Survey, Branch of Distribution, 1200 South Eads St., Arlington, Va. 22202. Copies also may be purchased over the counter in San Francisco at the U.S. Geological Survey's Public Inquiries Office, 504 Custom House, 555 Battery St.

NOTE TO EDITORS: A similar release is being issued simultaneously by the U.S. Geological Survey, Department of Interior.

TO ACCOMPANY HUD-No. 75-405





# HUD NEWS

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

HUD-No. 75-405  
Phone (202) 755-5277  
(Bacon)

FOR RELEASE:  
Monday  
November 3, 1975

New techniques for reducing earthquake losses in the quake-prone San Francisco Bay area of California also can be used in 38 other States facing various degrees of similar risk, according to two Federal agencies.

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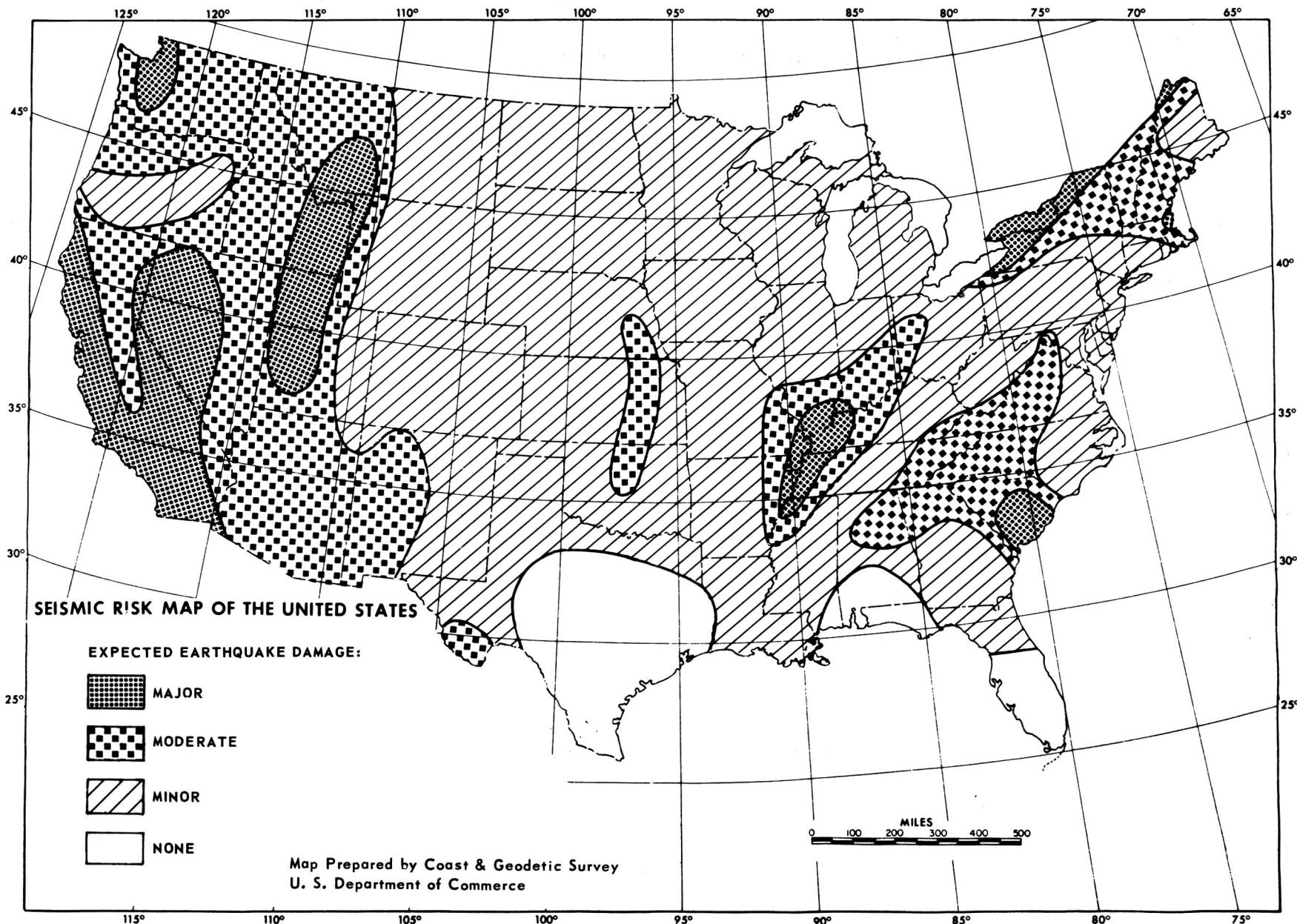
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TO ACCOMPANY HUD-No. 75-405





# HUD NEWS

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

HUD-No. 75-410  
Phone (202) 755-5277  
(Spiegel)

FOR RELEASE:  
Friday  
October 17, 1975

Melvin Margolies, Acting Administrator of the New Communities Administration, today announced the award of a \$260,000 grant for the Newfields New Community.

Newfields, located near Dayton, Ohio, is being developed jointly by the Newfields Development Corporation through \$18 million of HUD guaranteed debentures issued in November, 1973, and by the Newfields New Community Authority.

The grant to the Newfields New Community Authority will be used to build a grade-separated pedestrian railroad crossing offering safe access to the Trotwood-Madison Junior High School now under construction.

The Authority is a public body authorized by Ohio statute to provide public amenities in the new town. Residents will have access to a variety of amenities including a swim-recreation center, pedestrian walkways, bikeways, lakes, and public meeting facilities.

Newfields is located on some 4,000 acres and will house approximately 40,000 persons by 1993, according to current projections. A prime objective of the HUD-sponsored new community program is to provide a wide range of housing types in close proximity to jobs and attractive recreational and cultural facilities.

# # #



235

# HUD NEWS

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

HUD No. 75-412  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE AFTER:  
10:00 a.m., Friday  
October 17, 1975

Secretary Carla A. Hills of the Department of Housing and Urban Development today announced reactivation of a revised homeownership subsidy program to spur construction and rehabilitation of single-family homes for low and moderate income families and to assist the recovery in the housing industry.

Secretary Hills said HUD will use \$264.1 million over the next two years, in funds already authorized to subsidize over 250,000 new single-family units as a tool to revitalize the troubled housing industry and create construction jobs and to assist in the rehabilitation of urban neighborhoods.

The new program, the Secretary said, differs from the old in significant respects:

- Not more than 30 percent of the new housing in any subdivision will be eligible for subsidy payments, eliminating concentration of subsidized units in a single area.

. To qualify, the family must have an adjusted gross income up to 80 percent of the median income for the area. Under the old program, the adjusted income could not exceed 135 percent of the income for the same sized family eligible to move into public housing.

. The mortgage for a new home must not exceed \$21,600, or \$25,200 for a family of five or more. In designated high cost areas, the mortgage limits can go to \$25,200 for a single family, or \$28,800 for a family of five or more.

. The homeowner must make a down payment of at least 3 percent of the first \$25,000, plus 10 percent of any additional amount of the purchase price, and all closing or transfer costs, ensuring a significant financial commitment to the property which was lacking in the old program. Under the old program, the minimum investment was \$200, and base assets could not exceed \$2,000.

. The HUD subsidy payments will reduce mortgage interest costs to as low as 5 percent, but the homeowner must contribute at least 20 percent of his adjusted gross income towards monthly mortgage, insurance and taxes. The old program permitted interest rates as low as 1 percent for the homebuyer.

. The subsidized home can be a new or substantially rehabilitated single-family detached, townhouse, condominium, or cooperative unit. The subsidies are not available for the purchase of existing homes, which were eligible under the old program.

Additionally, the new one is designed to help families now priced out of the new home market because of high interest rates and escalated housing costs. Subsidy payments can continue through the term of the mortgage until the property is sold, or until the homeowner can pay the monthly mortgage, insurance and taxes out of 20 percent of his adjusted gross income.

The Section 235 program is being reactivated at this time in order to help sustain the housing recovery. There are presently no plans to continue the program after the funds have been exhausted.

# # #

FACT SHEET

HUD'S HOMEOWNERSHIP SUBSIDY PROGRAM

Secretary of Housing and Urban Development Carla A. Hills today announced the reactivation of a revised Section 235 home-ownership subsidy program.

Background

The new program provides a limited interest subsidy to qualified homebuyers, but is significantly different from the program as it previously had been implemented. The changes reflect lessons learned from the prior operation of Section 235 and amendments to that statutory provision contained in the Housing and Community Development Act of 1974.

Features of the New Homeownership Program

- Any family with an adjusted gross income of up to 80% of the area median is eligible for participation.
- The subsidy is available to the purchaser of a newly constructed home or substantially rehabilitated with a mortgage not exceeding \$21,600 (\$25,200 in certain high cost areas) or \$25,200 (\$28,800 in certain high cost areas) for a family of 5 or more. The house can be a single-family detached, townhouse, condominium, or cooperative unit.
- The homeowner must provide a minimum down payment of at least 3% of the first \$25,000 and 10% of any additional amount of the purchase price and all closing or transfer costs. The new homeownership program's down payment requirements are the same as those for the unsubsidized FHA programs and should ensure that participants have a significant cash investment in their homes and therefore a greater commitment to the property. That commitment was often lacking in the old program when the initial cash investment was only \$200.

- Not more than 30% of the homes in any subdivision will be eligible for subsidy payments. More specific requirements to ensure a geographic dispersal of subsidized units will be issued by the Department.
- Direct cash subsidy payments will be made by HUD to a mortgagee on behalf of a participating family to reduce mortgage interest costs to as low as 5%. The homeowner must, however, contribute, at least 20% of adjusted gross income towards monthly mortgage, insurance, and tax payments on the house.
- Subsidy payments can continue throughout the term of the mortgage, until the property is sold or until the homeowner, with 20% of adjusted gross income, can pay monthly mortgage, insurance, and tax payments on the house.

#### Impact of the New Homeownership Program

The increased down payment requirements and limited subsidy provided will result in the new program focusing primarily on families who traditionally have been successful homeowners but are now priced out of the new home market because of high interest rates and escalations in housing costs.

The new geographic dispersal requirements will eliminate concentrations of subsidized housing units.

The new homeownership program will involve the use of \$264.1 million in contract authority, enough to subsidize over 250,000 new single-family units. This subsidy tool should provide a stimulus to the troubled housing industry and result in a significant number of new construction jobs.

The new homeownership subsidy program allows HUD to subsidize homeowners as well as renters, single-family as well as multi-family construction, and moderate as well as lower-income families.

(To Accompany HUD No. 75-412)

QUESTIONS AND ANSWERS FOR THE REVISED  
HOMEOWNERSHIP SUBSIDY PROGRAM

1. Q. Will recaptured Section 235 authority be utilized as it becomes available?
  - A. Statutory authority for the Section 235 program terminated on August 22. The only funds that we have available for the program are those which, pursuant to a court order, I obligated prior to that date. This amounts to \$264.1 million in contract authority.
2. Q. Does your announcement mean that the Section 8 new construction program is an admitted failure?
  - A. The Section 8 new construction program is suffering along with the rest of the multifamily construction market from current financial conditions. The program design is a sound one. We intend to continue the Section 8 new construction program to assist in the construction of multifamily dwellings primarily for lower-income families and to add a Section 235 program to make our subsidy tools more flexible by also assisting single-family homeownership.
3. Q. What if Section 8 new construction doesn't work? Will you or can you transfer those funds to Section 235?
  - A. Such a transfer would require legislation and consideration of such action now is premature. The Section 8 program serves the very poor and we have no intention of abandoning our Section 8 program.
4. Q. What are the runout costs of the program?
  - A. We estimate that the program will cost a total of \$1.9 billion over its 30-year runout period.
5. Q. Are you still aiming for 400,000 Section 8 units in this fiscal year? How many of these will be new construction?
  - A. We have budget authority for 400,000 units of Section 8 premised on a mix of 160,000 existing units and 240,000 new or substantially rehabilitated units. We expect to utilize the full amount of existing housing subsidies. However, current market conditions have cast considerable doubt on whether we will achieve 240,000 reservations for new construction. Unless those conditions change over the coming months, it may be impossible to do so, but it is too early to have a firm estimate of the number of new construction commitments we will actually secure.

6. Q. Why is the revised Section 235 program better than its predecessor which the Administration suspended in January of 1973?
  - A. The new program provides a more limited subsidy to different income markets. The program is focused on families who traditionally have been homebuyers but who have been priced out of the home purchase market by currently high interest rates and recent rapidly escalating housing costs. These families are more likely to work themselves out of the subsidy and to be successful homeowners than many of the previous participants in the Section 235 program. In addition, existing housing and subsidized tracts of housing caused many of the problems which plagued the prior 235 program. Existing housing will not be subsidized under the new homeownership program, nor will entirely subsidized tracts of housing be allowed since there are specific geographic dispersal requirements for assisted units.
7. Q. What will be the outlays in Fiscal Year 1977?
  - A. We are currently projecting outlays of approximately 39 million dollars in Fiscal Year 1977. We do not project any outlays in Fiscal Year 1976, because of time that will be required for eligible units to be constructed and participating families to assume occupancy.
8. Q. Are you assuming that Section 235 will substantially replace the new Section 8 program which does not appear to be a viable new construction device?
  - A. No, the Section 235 program reaches a different income group than Section 8. It also subsidizes a different form of tenure-homeownership as opposed to rentals. Accordingly, we consider Section 235 to add to the flexibility of our subsidy devices, not to replace the tools that we already have.

9. Q. You note that the new program is intended to reach a different income group than Section 8, yet the income limits for both programs contained in the statute are the same. Can you explain?

A. Although the upper limit of eligibility for both programs is the same, the limited subsidy provided under the new Section 235 program and its higher down payment requirement will effectively limit the income group assisted. In contrast, the Section 8 rental subsidy can assist families down to a zero income level.

10. Q. The statute says mortgages can be subsidized down to one percent, yet you are implementing a program that provided a subsidy only to five percent. How do you square this decision with the terms of the statute?

A. The statute provides that the interest payment shall not exceed the amount necessary to subsidize the mortgage to one percent. It gives the Secretary the discretion to subsidize the mortgage to a higher amortization rate. I have exercised that discretion in order to focus the program on those families who I think have the greatest potential to be successful homeowners. Many of these families are now priced out of homeownership. This program will enable them to achieve homeownership with limited subsidy dollars.

11. Q. Will the new program be available for newly constructed unsold inventory?

A. No, the program will be available primarily for units yet to be constructed. We hope to achieve a maximum stimulus to construction during this period of low housing industry activity. Focusing the program entirely on not-yet constructed housing provides the greatest degree of stimulus.

12. Q. One of the major criticisms of the prior implementation of the Section 235 program was that it lacked the counseling program which Congress had envisioned for it. Will your reimplementation involve a counseling program?

A. The more limited subsidy and higher downpayment requirements are themselves selection devices which should assure participation only by families who are more capable of the obligations of homeownership. Thus, we expect the need for counseling to be less crucial. Nonetheless, we recognize the value of prepurchase counseling and are currently investigating whether the new homeownership program should involve any form of counseling.

13. Q. How many people worked themselves out of subsidy in the old 235 program?
  - A. During the first five years of the program, approximately 50,000 of the 450,000 participating families worked themselves totally out of subsidy. Many others significantly reduced the amount of subsidy they are receiving.
14. Q. How long will it take you to reimplement the program?
  - A. We hope to have the program operational by January 1.
15. Q. What was the default and foreclosure rate under the old 235 program?
  - A. Currently, approximately 10% of the units under subsidy in the old Section 235 program are in default. We project an ultimate default rate somewhat higher than that. You should note, however, that the reactivated program will reach the income group that had the greatest success under the predecessor program. Moreover, the new program requires the homeowner to have a significant cash investment in his home which should prevent the abandonment which plagued its predecessor. We expect a much better default experience under the new homeownership program than under the old Section 235.
16. Q. One aspect of the Section 8 program which the Administration has emphasized is that it provides a deep subsidy to the very poor. Only families with a substantial income will be able to afford to purchase a home under the new Section 235 program. Why is HUD helping the middle-class at the expense of the poor who need the help most?
  - A. We have a Section 8 rental assistance program for the very poor, which we believe is the best means of providing housing assistance to them. We fully intend to continue to make that assistance available to the very poor. The Section 235 program is a far more limited subsidy to those families who traditionally would have been homeowners but cannot now afford the inflated cost of homeownership. We hope to be able to provide assistance to both of the groups to which your question is addressed.

17. Q. With the high cost of housing, how can HUD expect houses to be built with \$21,000 mortgages as the statute requires. Will these houses last?

A. There is a commendable movement in the housing industry to build smaller houses at more reasonable prices. This movement toward the "no frills" house should provide structures within the requisite price range. In addition, greater use of less expensive construction techniques such as townhouses or cluster developments can also decrease costs. Nonetheless, we realize that the mortgage limits in the Section 235 program will be low in some areas. We have authority to increase those limits in high cost areas, and we are currently studying whether inflation in the price of housing since the suspension of the program requires some changes in the applicable mortgage limits. As to whether these houses will last, for the most part, they will be FHA insured and subject to FHA minimum property standards and appraisals to ensure quality construction techniques and materials.

18. Q. Large numbers of poor people were victimized under the original Section 235 program by builders who built shoddy homes and by lenders who foreclosed too quickly. Who will look out for the buyer under this new program?

A. That's a two part question. First of all, the people who will be served by the new program are families who are apt to be more sophisticated home purchasers. Secondly, we intend to make it very clear to our field offices that we want quality production. Our FHA underwriting standards and minimum property standards will be carefully applied to insure durable and quality construction of assisted homes. As to lenders who foreclose too quickly, our recent changes in FHA mortgage insurance rules and mortgagee surveillance regulations should protect Section 235 and all other FHA home purchasers.

19. Q. The old 235 program provided for the rehabilitation of existing dwelling units. Will the new program be restricted entirely to new construction?

A. We are considering a set-aside of funds to be used for substantial rehabilitation. None of the program funds will be used for existing housing.

20. Q. How will you allocate funds?

A. The new program will be subject to Section 213 of the 1974 Housing and Community Development Act. Accordingly, the funds must be allocated on a geographic formula basis.

21. Q. Will Section 235 subsidies be available only with FHA insured mortgages?
  - A. We are presently looking into whether state agencies may participate in the program, making available homes outside the FHA mortgage insurance program.
22. Q. You have indicated that interest rates may be subsidized down to 5%. If the FHA interest rate substantially increases or decreases, will you revise that subsidized interest rate?
  - A. The 5% rate reflects the depth of subsidy to which we think it appropriate to bring a mortgage for an eligible income family. If there is a significant change in the FHA mortgage interest rate, we will review the maximum subsidy available under the program. It is certainly premature at this point to make any judgment as to whether that rate will be changed in the foreseeable future.
23. Q. Will HUD's Project Selection Criteria be used in connection with this program? If so, does this mean that very few projects will be approved for areas already characterized by concentration of minority population?
  - A. We would expect that the problem of concentration of subsidized units will be resolved by our limitations on the number of subsidized units in a subdivision and our requirement for geographic dispersal of individual subsidized units.
24. Q. Do you have enough field office personnel to process the applications you expect?
  - A. There are sufficient HUD personnel trained in single-family processing to implement this program on the scale that we envision.
25. Q. Can you give an educated guess on how this program will affect construction industry employment once it gets under way?
  - A. Assuming two jobs per unit, the best estimate of our economists is that our proposal should produce 150,000 jobs in Fiscal Year 1976, between 160,000 and 200,000 jobs in Fiscal Year 1977, and over 200,000 jobs in Fiscal Year 1978.

26. Q. Regarding the 80% of median income limits, what are the limited circumstances referred to in the fact sheet under which you would increase that limit?

A. The statute prescribes the circumstances under which the limit could be increased. The income ceiling can be revised where necessary because of prevailing construction costs or unusual low median family incomes.

27. Q. Does the 30% limit on Section 235 subsidized homes in a subdivision also apply to the number of units in a condominium or co-op?

A. Yes, there would be both a limitation on the total number of assisted units and their dispersal within the project. The only difference between a condominium unit and the other kinds of units eligible for subsidy is that the mortgage limits for condominiums is marginally lower.

	<u>ORIGINAL SECTION 235 PROGRAM</u>	<u>NEW HOME OWNERSHIP SUBSIDY PROGRAM</u>		
<b>MAXIMUM INCOME OF ELIGIBLE FAMILIES</b>	135% of public housing limits	80% of area median income		
<b>PRINCIPAL INCOME GROUP SERVED</b>	\$5,000 - \$7,000 (50% of recipients)	\$9,000 - \$11,000 (anticipated)		
<b>MORTGAGE LIMIT ON ELIGIBLE UNITS</b>	Mortgage Amounts of \$18,000-\$21,000 and, in high cost areas, \$21,000 - \$24,000	Mortgage Amounts of \$21,600 - \$25,200 and, in high cost areas, \$25,200 - \$28,800		
<b>TYPES OF HOUSING ELIGIBLE</b>	Single Family Detached Townhouse Co-Operative Condominium	New Rehabilitated Existing	Single Family Detached Townhouse Co-Operative Condominium	New Substantially Rehabilitated
<b>SITE LIMITATIONS</b>	NONE	No more than 30% of the units in a subdivision under subsidy  Geographic dispersal of assisted units required		
<b>HOMEOWNERS MINIMUM INITIAL CASH INVESTMENT</b>	Typical Investment = \$200	-- 3% of the first \$25,000 and 10% of the excess of purchase price -- points -- closing costs Typical Investment = \$1,500 - \$2,000		
<b>MAXIMUM AMOUNT OF SUBSIDY</b>	Reducing mortgage interest to 1%	Reducing mortgage interest to 5%		
<b>MINIMUM HOMEOWNER CONTRIBUTION</b>	20% of adjusted gross income towards mortgage, taxes and insurance payments	20% of adjusted gross income towards mortgage, taxes and insurance payments		



# HUD NEWS

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

HUD-No. 75-413  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Monday  
October 20, 1975

Claims for damages from Hurricane Eloise will result in record-high payments by the Department of Housing and Urban Development to holders of its subsidized National Flood Insurance policies.

J. Robert Hunter, Acting Administrator of HUD's Federal Insurance Administration (FIA), announced that still tentative estimates reveal that about half of the total property damage was covered by National Flood Insurance, "minimizing the hurricane's impact on those foresighted enough to invest in flood insurance."

"These figures are early estimates only," he said, "and are subject to change, of course, but we're now estimating damage to property covered by Federal flood insurance policies at \$52 million." Preliminary insurance industry figures place total damage from Eloise, which ran in a swath from Puerto Rico to New England, at just under \$100 million.

"If these figures are anywhere near accurate," Mr. Hunter continued, "they show that a lot of people bought flood insurance policies during the years between Hurricanes Agnes and Eloise. In 1972, when Agnes hit, only about two percent of the damage was covered by flood insurance." He said that total claims paid out in 1972 as a result of that hurricane amounted to \$5 million.

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Mr. Hunter said this means not only that the program is working -- it means that a great many people have been spared the agony of paying off a loan to rebuild their home or business.

The Federal Disaster Assistance Administration (FDAA), which coordinates relief work in Presidentially-declared disasters, lists the most destructive recorded hurricane as Agnes, which caused an estimated \$3 billion in damages.

Losses in the states hit hardest by Hurricane Eloise:  
(All figures are estimates only)

Florida: \$8 million in FIA-insured damage; 413 claims filed to date

Virginia: \$4.2 million in FIA-insured damage; 400 claims **filed** to date

Pennsylvania: \$32.5 million in FIA-insured damage;  
6,100 claims filed to date

Connecticut: \$500,000 in FIA-insured damage; 135 claims filed to date

Maryland: \$2.9 million in FIA-insured damage; 553 claims filed to date

Puerto Rico: \$900,000 in FIA-insured damage; 209 claims filed to date

\*New York-New Jersey: \$3 million in FIA-insured damage;  
1,749 claims filed to date

\*(New York-New Jersey figures are kept jointly. 350 claims from above total are from New Jersey.)

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# HUD NEWS

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

HUD-No. 75-415  
Phone (202) 755-5277  
(Beckerman)

FOR RELEASE:  
Monday  
October 20, 1975

Final regulations have been issued by the U.S. Department of Housing and Urban Development for mortgage insurance to purchase or refinance existing multifamily projects. The projects may be conventionally financed or subject to federally insured mortgages at the time of application.

The regulations, implementing Section 223(f) of the National Housing Act, as amended, were published in the Federal Register September 24, effective on that date. Interim regulations were published March 5, with an amendment published June 3.

It should be noted that Section 223(f) in effect is a modification of Section 207 of the National Housing Act as amended.

With the publication of the interim regulations, interested persons were invited to submit comments. The thirty-eight responses received were carefully considered and the interim rule was modified in several respects, either as a result of the comments, or upon reconsideration of technical matters by the Department.

David S. Cook, HUD Assistant Secretary for Housing Production and Mortgage Credit and Commissioner of the Federal Housing Administration, said, "These modifications are intended to implement the program more effectively. We believe that by FHA underwriting loans on sound existing rental properties a substantial step will be taken to induce investment for the long term rather than for short term 'milking' or merely as a tax shelter."

-more-

Following are some of the resulting changes:

- \* The minimum number of rental units has been reduced to 8 from 25;
- \* An applicant for mortgage insurance may now apply for either a conditional or firm commitment; previously, the applicant had been required to have a firm commitment;
- \* The loan-to-value ratio is increased from 80 percent to 85 percent. However, in the case of refinancing, when the existing indebtedness is less than 70 percent, the maximum mortgage amount may not exceed 70 percent of the Commissioner's estimate of value; when the existing indebtedness exceeds 70 percent of value, the insured mortgage is limited to the cost to refinance the existing indebtedness, but not to exceed 85 percent of value. The definition of the cost to refinance consists of the amount of the existing indebtedness, the amount for initial deposit to the reserve fund for replacements, reasonable legal, organizational, title and recording expenses, fees and charges by the mortgagee, the estimated repair cost, and architect's, municipal inspection and/or engineering fees, all as determined by the Commissioner.
- \* The definition of the cost of acquisition is the same as the definition of the cost to refinance above, except that instead of listing the amount of existing indebtedness, the applicant lists the purchase price.
- \* The prohibition against secondary financing has been modified to permit it in the form of a promissory note not to exceed 7 1/2 percent of the Commissioner's estimate of value. Such a note shall not be due and payable until the maturity date of the mortgage insured under Section 223(f), but may be prepaid in cash.

Not all comments submitted resulted in changes.

- \* Recommendations were made that applications be accepted for insurance under Section 223(f) for partially completed projects. However, the Department considers that the provision is intended only for purchase or refinancing of existing, completed, economically viable rental housing.
- \* Some comments recommended the establishment of a national uniform capitalization rate. Because of the many factors to be considered in establishing a capitalization rate, from an underwriting standpoint, such a move would not be feasible.



# HUD NEWS

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

HUD-No. 75-416  
Phone (202) 755-5277  
(**Spiegel**)

FOR RELEASE:  
Thursday  
October 23, 1975

Melvin Margolies, Acting Administrator of the New Communities Administration, Department of Housing and Urban Development, has announced the award of a \$110,000 grant for St. Charles Community in Charles County, Maryland.

The grant, made under Title I of the Housing and Community Development Act of 1974, will be used to construct a system of trails and pathways in the Bannister and Wakefield neighborhoods of Smallwood Village in St. Charles, ultimately connecting the village center, schools, residential areas, and employment centers.

St. Charles is situated on approximately 7,000 acres, and will house more than 70,000 people by 1990, according to current projections. A prime objective of the New Communities program is to offer a wide range of housing types in close proximity to jobs and attractive recreational and cultural facilities.

Facilities planned in St. Charles include swimming pools, tennis courts, playfields, golf links, and a greenway system incorporating biking trails and walking paths. Also planned are neighborhood community center buildings for day care centers, cultural activities, neighborhood meetings, and arts and crafts instruction.



# HUD NEWS

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

HUD-No. 75-416  
Phone (202) 755-5277  
(Spiegel)

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# HUD NEWS

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

HUD-No. 75-421  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Friday  
October 24, 1975

The Department of Housing and Urban Development today announced policy on local rent controls involving HUD-owned multifamily projects and multifamily projects with mortgages held or insured by HUD.

The policy, published in the Federal Register, applies to projects for which a rent increase was approved by HUD on or after February 26, 1975, and covers both subsidized and unsubsidized projects.

For UNSUBSIDIZED projects, with mortgages insured or held by the Department, HUD generally will not take issue with decisions of local rent control boards.

However, if it is determined that delay or decision of a local rent control board jeopardizes the Department's economic interest in the project, HUD will preempt the regulation of rents for such a project.

For SUBSIDIZED projects, with mortgages insured or held by the Department, HUD preempts the authority of local rent control boards or other authorities whose policies affect multifamily projects with the following subsidies:

--Interest reduction payments pursuant to Section 236 of the National Housing Act.

--Below market interest rates under Section 221(d)(3) and (5)

--Direct loans at below-market interest rates under Section 202 of the Housing Act of 1959.

--Rent supplement payments under Section 101 of the Housing and Urban Development Act of 1965 and/or housing assistance payments under (1) Section 8 of the Housing Act of 1937, or (2) Section 23 of the Housing Act of 1937, in effect prior to January 1, 1975, if 10 percent or more of the units in a project receive either rent supplement payments or housing assistance payments.

HUD will continue to exercise exclusive jurisdiction over rents in HUD-owned projects, regardless of any state or local rent control law or ordinance.

# # #



# HUD NEWS

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

HUD-No. 75-423  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Friday  
October 24, 1975

Carla A. Hills, Secretary of Housing and Urban Development, today announced that the Department will be ready to accept applications under the revised homeowner's interest subsidy program - Section 235 - by January 5, 1976. The program will be implemented according to the following schedule:

November 10: Proposed regulations will be ready for publication in the Federal Register for a 30-day comment period;

December 20: Final regulations for the administration of the program, incorporating any changes made on the basis of comments on the proposed regulations, will be ready for publication in the Register.

A new Section 235 Handbook will be prepared for use by HUD field offices in processing applications and in the general operation of the program between now and the first of the year.

Also, during this period, allocations of units to the ten HUD regions will be made for sub-allocations by them to the area offices within their respective jurisdictions.

Secretary Hills announced that homes, on which construction or substantial rehabilitation has begun after October 17, pursuant to an FHA commitment for mortgage insurance, will be eligible for inclusion in the program. Therefore, construction scheduled to start after October 17 need not be delayed pending publication of the final regulations.

The Secretary also indicated that the use of the Section 235 program for the purchase of substantially rehabilitated housing will be encouraged. Minimum requirements for substantial rehabilitation would be the improvement of a unit in deteriorating or substandard condition to a decent safe and sanitary level, meeting FHA's standards for mortgage insurance.

Secretary Hills explained that builders interested in participating in the new program could inquire of local HUD area and insuring offices as to whether the "high cost area" statutory limits on mortgage amounts were applicable in the localities in which they intend to build. The basic program has upper statutory limits of \$21,600 except for families of 5 or more for whom the upper limit is \$25,200. These limits can each be raised for high cost areas by \$3,600.

Generally, this program will be available for families whose incomes do not exceed 80 percent of the median income for the area. In some areas this may be raised somewhat because of high construction costs or other factors.





# HUD NEWS

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

HUD-No. 75-425  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Tuesday  
October 28, 1975

Thirty-seven local housing authorities (LHAs) have been selected as candidates in the \$35,000,000 third phase Target Projects Program (TPP), Carla A. Hills, Secretary of Housing and Urban Development, announced today.

TPP, launched in June, 1974 as a three-year program, scheduled to allocate \$35,000,000 a year, is designed to improve public housing projects that have serious operational and social problems.

In the first phase (June, 1974) TPP, 37 LHAs participated. Another 94 were designated in the second phase (December, 1974).

Commenting on the impact of TPP thus far, H. R. Crawford, Assistant Secretary for Housing Management, said, "This program, in view of the urgent problems it is designed to solve, is showing encouraging early signs that it is possible to make public housing operationally efficient and a safe and decent place for people to live."

-more-

LHA candidates for TPP participation are selected on the basis of a number of factors, including extent of physical deterioration and maintenance needs, crime and vandalism rates, closed and vandalized dwelling unit inventory, adequacy of municipal services, community reputation.

Of the \$35,000,000 in third phase TPP funds, \$10,000,000 in special use reservations will be used as follows: tenant management, \$5,000,000; productivity management, \$1,000,000; small LHA consolidation, \$1,000,000; Indian LHAs and Alaska Native Housing, \$3,000,000.

Another \$7,027,200 are discretionary funds, and the balance will go to the selected LHAs. Their projected funding levels by Regions are:

<u>LHA</u>	<u>Project Name</u>	<u>Projected Funds</u>
<u>REGION I</u>		
Cambridge, Mass.	Washington Elms	\$ 324,000
Providence, R.I.	Admiral Terrace	278,000
<u>REGION II</u>		
East Orange, N.J.	Arcadia Gardens	162,000
Newark, N.J.	Scudder Homes	1,680,000
Puerto Rico	Monte Hatillo	698,000
Virgin Islands	Paradise	448,000
<u>REGION III</u>		
Chesapeake, Va.	Broadlawn	170,000
Newport News, Va.	Harbor Homes	
	Ridley Place	960,800
	Dickerson Court	
	Lassiter Courts	
Norfolk, Va.	Biggs Park	428,000
Rockville, Md.		142,000
Wilmington, Del.	East Lake	
	East Lake Extension	400,000
Glenarden, Md.		25,000

REGION IV

Chapel Hill, N.C.	Ridgefield	\$ 104,000
Durham, N.C.	Feu Garden	240,000
Ft. Pierce, Fla.	Garden Terrace	190,000
	Garden Terrace	60,000
Lexington, Ky.	Fowler's Gardens	
	Havely-Caulder	685,000
	Blue Grass	
Montgomery, Ala.	Riverside Homes	52,000
Nashville, Tenn.	Sudekum Homes	495,000
Pompano Beach, Fla.	Blanche Ely Estates	120,000
Raleigh, N.C.	Chavis Heights	64,000
Tampa, Fla.	Halifax Courts	231,000
Tuskegee, Ala.	College Hill Homes	500,000
Wilmington, N.C.	Nesbith	320,000
		216,000

REGION V

Cincinnati, Ohio	Millvale North	392,000
Cleveland, Ohio	King-Kennedy	670,000
Gary, Ind.	Delaney West	
	Delaney Courts	400,000
Minneapolis, Minn.	Glenwood	87,000

REGION VI

Dallas, Texas	G. Loving Place	
	E. P. Ward	2,500,000
	E. Scott	
Oklahoma City, Okla.	Hamilton Courts	392,000
New Orleans, La.	Florida St.	60,000
Cherokee Nation		113,000

REGION VII

Omaha	Logan Fontenelle	500,000
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REGION VIII

NONE

REGION IX

Los Angeles City, Calif.	Jordan Downs	
	Estrada Courts	1,214,000
	Rose Hills	
Phoenix, Ariz.	Marcos De Niza	
	Matthew Henson	
	Sidney Osborne	504,000
	A. L. Krohn	

REGION IX  
(Cont'd.)

Sinajana, Guam		\$ 250,000
San Joaquin County, Calif.	Sierra Vista Conway Homes	462,000 436,000

REGION X

Seattle, Wash.	Holly Park	1,000,000
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# HUD NEWS

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

HUD-No. 75-427  
Phone (202) 755-5284  
(Spiegel)

FOR RELEASE:  
Saturday  
November 1, 1975

The New Communities Development Corporation (NCDC) of the U.S. Department of Housing and Urban Development has authorized release of up to \$100,000 for the Gananda New Community near Rochester, N.Y.

The funds will be turned over to the Gananda Development Corporation (GDC), developer of Gananda, solely for payment of current operating expenses. They represent a portion of the proceeds from the sale of \$22 million of GDC federally-guaranteed debentures in 1972. Earlier this year NCDC had halted further distribution of the funds. The debentures, bearing an interest rate of 7.15 percent, due Dec. 12, 1992, are publicly held. Release of the funds is subject to NCDC approval of a proposed list of expenditures to be submitted by GDC.

Gananda is situated 12 miles east of Rochester on a 5,800-acre tract. It is projected to have a population of more than 50,000 persons and approximately 17,200 dwelling units.



# HUD NEWS

U.S. DEPARTMENT OF HOUSING  
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WASHINGTON D.C. 20410

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# HUD NEWS

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

HUD-No. 75-437  
Phone (202) 755-5277  
(Conn)

FOR RELEASE:  
Thursday  
November 6, 1975

Fifty-two cities and towns as well as five local housing authorities (LHAs) have been selected to receive about \$18 million to provide 4,383 persons with public employment jobs, Carla A. Hills, Secretary of Housing and Urban Development announced today.

Allocation of the funds to HUD, under Title X of the Public Works and Economic Development Act of 1965, was announced by Rogers C. B. Morton, Secretary of Commerce.

On June 26, 21 LHAs were granted \$6 million to provide more than 750 persons with similar employment opportunities.

The five LHAs will receive \$2,493,000, to provide for 277 jobs, and 52 Community Planning and Development localities (CPD projects) will share \$15,747,726, to provide for 4,106 jobs.

Work is expected to get under way within 60 days after final approval by participating agencies, and be completed within a year.

-more-

Today's action is the final distribution of funds from the \$500 million authorized for the Title X program. Since the goal of the program is to put jobless persons to work on useful public projects in their home communities, projects of a labor-oriented nature received special consideration, according to Wilmer D. Mizell, Assistant Secretary of Commerce for Economic Development.

The Department of Commerce disclosed that nearly 10,000 eligible proposals totalling \$3.5 billion were submitted by 30 Federal departments, agencies, and Regional Commissions. With \$375 million available for allocation, Commerce could approve only about 10 percent of the money requested.

The funds were made available to 18 Federal agencies and eight multi-state regional commissions for a variety of projects.

Persons for the LHA projects, mostly tenants in public housing projects, will be employed in a wide range of jobs that improve the general living environment, including repair work and general maintenance projects, and assistance in administrative and operations functions. CPD funds were allocated to local governments and one Indian tribe receiving block grants under the Housing and Community Development Act of 1974, in accordance with proposals they submitted for Title X funds.

-more-

Following are the locations and allocations to the Community Planning and Development projects: (In some counties the distribution to the various localities has not yet been determined.)

Arizona	Eloy	\$ 125,000
California	Anaheim	42,968
	Garden Grove	25,000
Florida	Hollywood	25,000
Illinois	Chicago	431,250
	Chicago	250,000
Indiana	Austin	150,000
	Ft. Wayne	23,000
Maine	Passamaquoddy Tribal Council	350,000
Massachusetts	Boston	259,875
	Malden	500,000
Michigan	Flint	131,300
	Lansing	500,000
Mississippi	Corinth	32,000
New Jersey	Bayonne	629,000
	Dover	10,000
	Dover	75,000
	Jersey City	669,600
	Newark	948,750
	Paterson, Clifton, & Passaic	991,200
	Perth Amboy	100,000
	Plainfield	85,800
	Union City	120,000
	Vineland	447,500
	Vineland	429,000

(Multi-jurisdictional project) \$2,400,000  
 Includes Atlantic City, Burlington, Camden, East Orange,  
 Hackensack, Hoboken, Irvington, Jersey City, New Brunswick,  
 Newark, Phillipsburg, and Trenton

New York	Islip	65,000
	Long Beach	75,000
	New York	2,871,683
	Yonkers	200,000
	Yonkers	50,000
	Yonkers	50,000
Ohio	Cincinnati	500,000
	Cleveland	350,000
	Toledo	440,000
Oklahoma	McAlester	720,000
Tennessee	Jellico	190,400
	Memphis	120,000
Virginia	Suffolk	314,400

LHAs and their allocations:

Massachusetts	Holyoke	63,000
	Lawrence	90,000
	Lynn	45,000
	Worcester	126,000
Puerto Rico		2,169,000

# # #



# HUD NEWS

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

HUD-No. 75-438  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Sunday  
November 9, 1975

A Nebraska ski resort development has been charged by the Department of Housing and Urban Development (HUD) with selling lots without telling the public about the law suits (at least eight), foreclosure actions (at least three) and a Federal tax lien presently arrayed against it.

In a notice giving the developer 15 days to request a hearing, HUD's Office of Interstate Land Sales Registration (OILSR) charges that Devils Nest, a development in Knox County in the northern part of the state, told the buying public little if anything about its numerous financial and legal problems.

According to the HUD notice, Devils Nest also failed to disclose that it lacks the financial ability to construct or complete certain amenities within the time schedule promised.

The Omaha National Bank is bringing suit, the HUD order says, to foreclose all unsold Devils Nest properties; the National Bank of Commerce, Trust and Savings of Omaha has already foreclosed and taken possession of all the personal property of Devils Nest President Don E. Dixon; the First National Bank and Trust Company of Omaha is bringing suit against the resort for more than \$250,000, owed it by Dixon; and an outdoor advertising firm is filing suit to collect for unpaid services.

Mr. Dixon, the HUD order reads, failed to disclose what effect, if any, the several foreclosures and suits will have on his ability to proceed with the orderly development of the subdivision.

If Devils Nest fails to request a hearing on the charges within two weeks, HUD will halt all further lot sales.



# HUD NEWS

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

HUD-No. 75-439  
Phone (202) 755-5277  
(Vinciguerra)

FOR RELEASE:  
Friday  
November 7, 1975

The Department of Housing and Urban Development has invited public comment on the revised home mortgage interest subsidy program designed to house families priced out of the new home market because of high interest rates and soaring construction costs.

The proposed regulations for the revised Section 235 home ownership program appeared in the Federal Register Friday, November 7.

Interested persons are invited to submit comments by December 10 to the Rules Docket Clerk, Office of General Counsel, Room 10245, Department of Housing and Urban Development, 451 7th Street, SW, Washington, D.C. 20410.

The comments will be available for public inspection at the above address during regular business hours before and after the close of the comment period.

The Section 235 program is a revision of the mortgage interest subsidy established by the Housing and Urban Development Act of 1968.

The proposed regulations specify that the applicant shall have an adjusted annual income NOT in excess of 80 percent of median income for the area, with adjustments for smaller or larger families. Although the actual income limits will vary substantially by market area, the usual income eligible range will be \$9,000-\$11,000.

-more-

The mortgage ceiling for a new home is \$21,600 for a family of four, or \$25,200 for larger families. In designated high cost areas, the limits are \$25,200 for a four-member family, and \$28,800 for larger families.

For a \$25,000 mortgage, downpayments are expected to be about \$1,500. Maximum mortgage term would be 30 years.

The proposed rules specify that no more than 30 percent of the Section 235 homes, or a limit of 40, whichever is lesser, will be eligible for mortgage assistance in a subdivision.

The Department is developing specific features of a counseling program, proposed by the published rules, which may include use of buyer education material, counseling through local organizations and other measures to assist home purchasers to better understand and deal with the responsibilities of homeownership.

The subsidized home can be a new or substantially rehabilitated single-family detached, townhouse, condominium or cooperative unit.

The proposed rules define "substantially rehabilitated" as a dwelling whose cost to rehabilitate is at least 25 percent of the value of the property after rehabilitation.

About 250,000 single-family units will be subsidized under the revised Section 235 program with a funding level of \$264.1 million over the next two years.

The revised program will apply to mortgages approved for insurance after January 1, 1976, but properties may qualify if construction or rehabilitation started after October 17, 1975, under an FHA commitment for mortgage insurance.

Copies of the summary of the proposed regulations for the Revised Section 235 may be reviewed at HUD's field offices. Copies of the regulations themselves will be available as soon as possible at the field offices.



# HUD NEWS

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

HUD-No. 75-450  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Tuesday  
November 25, 1975

The Department of Housing and Urban Development (HUD) is seeking members to serve on the National Insurance Development Program Advisory Board. The 19-member board was created by Congress in 1968 to report to the HUD Secretary on "potential problems of unavailability of essential property insurance" and to recommend modifications in FAIR plans (Fair Access to Insurance Requirements.)

The system of FAIR plans for homeowners and small business-  
ment who have difficulty buying property insurance on the normal  
commercial market was created by the Act. In exchange for setting  
up a FAIR plan to aid hard-pressed owners, insurance companies  
get Federal reinsurance against excess losses they might suffer  
because of civil disorders.

The board's charter calls for a membership of at least six Federal Government employees, four representatives of the insurance industry, four people from State insurance authorities, and four public members. The Board Chairman is J. Robert Hunter, Acting Federal Insurance Administrator. All members are paid per diem and travel expenses for attending the required minimum of four meetings per year in Washington, D.C.

Nominations should be submitted in writing to the Acting Administrator, Room 4100, Department of Housing and Urban Development, 451 Seventh St., S.W., Washington, D.C. 20410, by December 15.



# HUD NEWS

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

Insurance

HUD-No. 75-451  
Phone (202) 755-5277  
(Ernst)

FOR RELEASE:  
Tuesday  
December 9, 1975

The Department of Housing and Urban Development and the State of Missouri have reached an agreement resolving certain problems in the Missouri FAIR Plan which had led HUD's Federal Insurance Administrator to call hearings in Kansas City and St. Louis earlier this year, inquiring into practices of the Plan and its treatment of insurance consumers.

The agreement was announced today by J. Robert Hunter, Acting Administrator of the Federal Insurance Administration (FIA), and Henry W. Edmiston, Director of Insurance for the State of Missouri.

FAIR (Fair Access to Insurance Requirements) plans offer property insurance to owners who have difficulty buying it on the normal commercial market. Missouri is one of 26 States operating the plans.

A review of the Missouri Plan earlier this year by the FIA turned up numerous cases where property owners filing claims with the Plan had their policies voided retroactively after presentation of a claim because they were involved in disputes over taxes.

-more-

Today's agreement calls for a significant revision of the Plan's underwriting guidelines so that the Plan may void policies retroactively only when suspected arson is involved and it is established that the insured has clearly misrepresented the tax status of the insured property on his signed application for insurance.

Missouri FAIR Plan applications must, in the future, include a clear warning to potential customers that wrong answers may result in the voiding of their policies and denial of a claim.

One of the most critical points in the agreement consists of Director Edmiston's directive to the Missouri FAIR Plan ordering it to reexamine all claims denied since October 18, 1974, on the basis of the new guidelines. Cases currently pending or in suit are also to be re-evaluated by the PLAN on this basis.

An Act of Congress passed in 1968 provides insurance companies with Federal reinsurance against excessive losses they might suffer from civil disorders in exchange for participation by the State and insurers in setting up a FAIR Plan to provide property insurance to those otherwise unable to buy.

The plans are regulated principally by State insurance regulatory authorities subject to standards and requirements established by Congress. Auditing for compliance is periodically performed by the Department of Housing and Urban Development through its Federal Insurance Administration.

# # #



FILE COPY

# HUD NEWS

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

File - "Energy"

HUD-No. 75-461  
Phone (202) 755-5284  
(Bacon)

FOR RELEASE:  
Sunday  
December 7, 1975

FILE COPY

The Department of Housing and Urban Development is seeking a contractor to help develop a Solar Heating and Cooling Data Bank and disseminate this information to the public.

Assistant Secretary Charles J. Orlebeke of HUD's Office of Policy Development and Research said the selected contractor may be a firm or a consortium of firms with marketing, communication and technical experience.

A detailed statement of work required is outlined in the Request for Proposals (REF No. H-2377) issued Friday, December 5.

Mr. Orlebeke said the contractor selected through this competitive solicitation will carry out a series of closely-related tasks in disseminating solar information to the building industry and to other interested parties.

-more-

These tasks include:

-- determining the kind of information needed and the form it should take;

-- developing appropriate procedures and programs to use the computer facilities at the Energy Research and Development Administration's Technical Information Center in Oak Ridge, Tennessee;

-- and developing creative ideas to disseminate the information in the demonstration program.

Copies of the RFP may be obtained from Ms. Lydia Jackson of HUD's Office of Procurement and Contracts. Ms. Jackson's address is:

Ms. Lydia Jackson  
Department of Housing and Urban Development  
Room B-133, (ACR-Y) (711 Building)  
Washington, D.C. 20410

Under the Solar Heating and Cooling Demonstration Act of 1974, HUD is charged with responsibility to demonstrate solar heating and cooling systems in residential applications and to establish a Solar Heating and Cooling Data Bank. This effort is part of a larger national program of solar energy research led by the Energy Research and Development Administration.

Specific information on the program can be obtained by writing the Solar Energy Staff, Room 8158, 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. 75-469  
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The Habitat National Center, a Federal Government effort to support HABITAT '76 - the U.N. Conference on Human Settlements - is now open, the U.S. Department of Housing and Urban Development announced today.

The HABITAT Conference, to be held in Vancouver, May 1 - June 11, 1976, will focus on world wide problems created by massive urbanization. The meeting, the first U.N. forum for considering the phenomenon of rapid world urbanization, will spotlight successful, reproducible ways to improve the environment of the places where people live -- human settlements.

The Habitat National Center, located at 1111 - 18th Street, N.W., Washington, D.C. 20036, is promoting the flow of information and ideas between HABITAT '76 activities and government officials at all levels, public interest groups, private-sector institutions and organizations, colleges and universities, and interested citizens.

. Horizons on Display, HUD's major Bicentennial effort, is headquartered at the Center. This program will identify 200 outstanding community projects throughout the U.S.,

which are effectively solving human settlement problems. HABITAT delegates, international visitors and interested Americans will be encouraged to visit the projects during the Bicentennial year. Horizons on Display will be formally announced in January.

In addition to the 200 selected projects, the Center will compile information on more than 1,000 successful community solutions in the area of community development, health, learning, transportation, communication, human values, and understanding.

The numerous services offered by the Center include:

- "hotline" toll free number: 800-424-2974, available December through August for all types of information on HABITAT and Horizons on Display
- publications about the Conference and related activities
- screening room for HABITAT films
- clearinghouse for the ~~DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT~~ exchange of ideas and information
- newsletter
- speakers bureau
- "share a solution" program gathering solution suggestions from many sources
- information about HABITAT Forum, a conference for non-governmental organizations, to be held concurrently with HABITAT '76

The Center is open each week day from 8:30 a.m. to 5:30 p.m.