



HUD NEWS

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

HUD-No. 79-2
Jack Flynn (202) 755-5277
Warren Dunn (202) 755-6980

FOR RELEASE:
Thursday
January 4, 1979

FIRST QUARTER '79 ACTION GRANTS ANNOUNCED

The first urban county to be offered an Urban Development Action Grant is among 30 metropolitan areas selected to receive a total of \$90.7 million in the first Action Grant awards of 1979, Secretary of Housing and Urban Development Patricia Roberts Harris announced today.

The HUD funds are earmarked for 31 joint public/private development projects, supported by more than half-a-billion dollars in private financial commitment. When the projects are completed -- most in 2 to 3 years -- 14,531 new private sector jobs will be created, and an additional 6,268 jobs will be saved.

"President Carter and I recognize that urban areas have tremendous opportunities and we are prepared to join in a new partnership with state and local governments to strengthen their economic bases, eliminate blight and build a better future for all their citizens," Secretary Harris said. "The \$558 million invested in these 31 projects proves that private business and industry also recognize these opportunities and are prepared to join in the partnership."

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The Action Grants offered to cities today constitute a preliminary application approval, the first step in a process which leads to legally binding commitments between the private sector and the city, and a signed contract between the city and HUD. Delivery of funds to a locality is contingent upon completing the entire process. Funds earmarked for a county or city which is unable to obtain legally binding commitments or is otherwise unable to sign a contract with HUD are awarded to other projects in future rounds.

"Beyond the tremendous benefit that individual public/private development projects bring to urban areas, we are also pleased because local governments are sharpening their skills in developing and executing complex financial arrangements," said Robert C. Embry, Jr., Assistant Secretary for Community Planning and Development.

"This makes it possible for cities to pursue the 'New Partnerships' that President Carter and we so strongly encourage, through programs other than the very special Urban Development Action Grant program," he added.

Cities offered awards today range from New London, Connecticut and Bayamon, Puerto Rico in the East, to Gulfport, Mississippi and Long Beach, California in the South and West. The Action Grant awards are based on the merits of the projects, but only cities and counties that meet special criteria for economic and physical distress, and have good overall records for equal housing and employment, may apply.

Beaver County, located in Western Pennsylvania, will receive \$2.9 million to help a glass company which lost its facility in a fire in July, 1978. The Phoenix Glass Company will invest \$25 million to expand and relocate in a new structure that will rise on land acquired by the County.

Youngstown, Ohio, will receive \$750,000 to re-open a rubber plant, which will attract new industry and needed jobs to the area; Pittsburgh, Pennsylvania will receive \$8.1 million for one of the largest neighborhood projects yet selected by HUD; and Chicago will receive \$7.9 million, backed by \$125 million in private investment, for revitalization of the North Loop.

Of the awards announced today, 10 are commercial, 15 are neighborhood, and 6 are industrial projects.

The program receives applications and makes awards to large and small cities on a staggered basis every three months, to allow cities to respond quickly to unique opportunities for development.

Decisions will be made by the end of January for small cities now in competition for Action Grants, with announcement of awards early in February.

January 31 is the closing day for receipt of Action Grant applications for large cities seeking awards in the second quarter of 1979.

February is the month when new small city applications will be received for their second quarter awards, with decisions set for the end of April.

The program is authorized at \$400 million annually through fiscal year 1980, with \$100 million each year reserved for small cities.

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ACTION GRANTS - METRO CITIES FY '79

<u>State</u>	<u>Locality</u>	<u>Amount</u>	<u>Private Commitments</u>
California	Long Beach	\$8,000,000	\$ 56,122,000
California	South Gate	644,899	4,150,000
Connecticut	New London	339,500	1,096,200
District of Columbia	Washington	3,250,000	9,969,000
Georgia	Macon	2,812,000	8,268,815
Illinois	Chicago	7,947,000	125,000,000
Indiana	Terre Haute	1,000,000	4,000,000
Massachusetts	Brockton	1,062,600	3,604,000
Massachusetts	Somerville	3,300,000	15,000,000
Maryland	Baltimore	4,500,000	18,123,727
Michigan	Detroit	3,500,000	11,731,000
Michigan	Detroit	175,000	780,000
Michigan	Flint	6,500,000	33,800,000
Michigan	Muskegon	2,024,000	7,522,000
Mississippi	Gulfport	3,464,228	17,330,000
New Jersey	Bayonne	1,300,000	5,500,000
New Jersey	Irvington	80,000	438,247
New Jersey	New Brunswick	6,000,000	62,000,000
New York	Albany	3,000,000	15,306,805
New York	New York	765,000	2,277,460
New York	Rochester	1,000,000	4,000,000
New York	Troy	852,000	2,605,000
Ohio	Akron	11,400,000	70,000,000
Ohio	Cleveland	1,090,000	3,316,234
Ohio	Dayton	3,180,000	12,955,455

ACTION GRANT FY'79 cont.

<u>State</u>	<u>Locality</u>	<u>Amount</u>	<u>Private Commitments</u>
Ohio	Youngstown	\$ 750,000	\$ 1,950,000
Pennsylvania	Beaver County	2,901,949	22,901,949
Pennsylvania	Pittsburgh	8,100,000	26,400,000
Pennsylvania	Reading	700,000	2,404,000
Puerto Rico	Bayamon	346,500	1,200,000
West Virginia	Huntington	<u>927,000</u>	<u>9,000,000</u>
		\$ 90,911,676	\$558,750,000

CALIFORNIA

Long Beach, California has received preliminary application approval for \$8,000,000 Action Grant to help revitalize the downtown area through the development of an 800,000 square feet enclosed Regional Shopping Mall. The Action Grant funds will be used to assemble the site for subsequent resale to the developer. Action Grant Funds: \$9,000,000. Private sector commitments: \$56,122,950. New permanent jobs: 1,392. Existing jobs retained: 409.

South Gate, California has received preliminary application approval for an Action Grant to develop a shopping center in a low income neighborhood. The Federal money will be used for a surface parking area and public improvements on the proposed site. The center will have approximately 22,000 square feet and will include a drug store and a supermarket. Action Grant: \$544,899. Private sector commitment: \$4,150,000. New Permanent jobs: 200.

CONNECTICUT

New London, Connecticut has received preliminary application approval for an Action Grant to help the city government buy land and make the necessary street improvements for industrial expansion. The Federal money also will be used along with State funds and local private funds to build a 45,000 square feet building to house a manufacturing plant and warehouse. Action Grant: \$339,500. Private sector commitment: \$1,096,200. New permanent jobs: 125 (121 jobs will go to low and moderate income persons).

WASHINGTON, D. C.

Washington, D.C. has received preliminary application approval for an Action Grant to assist in the financing of the construction of Hechinger Plaza, a 212,000 square feet shopping center in the northeast section of the city. The money will be used as a second mortgage for the neighborhood retail complex which will have as major tenants a Hechinger home improvement store, a Safeway supermarket, and a People's drugstore. The shopping center will be the first significant retail investment in a commercial area extensively damaged in the city's 1968 riots. Action Grant: \$3,250,000. Private sector commitment: \$11,240,000. New permanent jobs: 248.

GEORGIA

Macon, Georgia has received preliminary application approval for an Action Grant to help develop a downtown revitalization program that will include new housing, an office tower and parking facilities. The Federal money will be used to finance a parking garage and to purchase one city block and improve it for housing. Action Grant: \$2,812,000. Private sector commitment: \$8,268,815. New permanent jobs: 566.

ILLINOIS

Chicago, Illinois has received preliminary application approval for a \$7 million Action Grant to assist in the revitalization of part of the North Loop area of the downtown business district through providing a site for the development of a new hotel and convention complex at Wacker Drive and State Street. Action Grant funds will be used for acquisition of the site, relocation of existing businesses, and demolition of structures. Hilton Hotels Corporation will develop an 1,800 room hotel and convention complex which will be the flagship hotel for Hilton. The development will result in a private investment of approximately \$125 million and will create 2,000 new permanent jobs and 300 new part-time jobs. The nearby Conrad Hilton will continue in operation as a hotel thus retaining approximately 1,100 jobs. Action Grant funds: \$7,947,000. Private sector commitment: \$125,000,000. New permanent jobs: 2,000 full time and 300 part-time.

INDIANA

Terre Haute, Indiana has received preliminary application approval for an Action Grant of \$1 million to assist in the rehabilitation of 400 housing units in the core area of the city. The project is a first phase of the revitalization of the core area of Terre Haute which is directed toward improvement of housing in the area and, in later phases, the commercial core as well. Action Grant funds will be used to subsidize interest rates to be charged individual homeowners for rehabilitation loans from a special pool of loan funds to be provided by a consortium of local financial institutions. Action Grant funds: \$1,000,000. Private sector commitment: \$4,000,000.

MARYLAND

Baltimore, Maryland has received preliminary application approval for an Action Grant to help expand economic opportunity and housing in Coldspring, a new town-in-town. The Federal money will be used to prepare the site for building 303 housing units and creating commercial space totaling 6,500 square feet. Part of the Grant will be used as venture capital to foster minority entrepreneurship and participation in developing Coldspring. Action Grant: \$4,500,000. Private sector commitment: \$18,123,727.

MASSACHUSETTS

Brockton, Massachusetts has received a preliminary application approval for an Action Grant to build parking facilities for a downtown revitalization project which will be financed by seven downtown businesses. Action Grant: \$1,062,600. Private sector commitment: \$3,604,000. New permanent jobs: 92. Jobs retained: 125.

Somerville, Massachusetts has received preliminary application approval for an Action Grant to help develop Assembly Mall, a neighborhood commercial project which will occupy a former Ford automobile assembly plant now vacant. The Federal funds will be used to improve and widen the access roads to the Mall. Action Grant: \$3,300,000. Private sector commitments: \$15,000,000. New permanent jobs: 735.

MICHIGAN

Detroit, Michigan has received preliminary application approval for a \$3.5 million Action Grant to be used in the New Center area to rehabilitate 300 housing units, buy and develop land for additional residential and commercial construction, and add necessary public amenities. The Federal funds will help tenants who are displaced by these activities, improve residential streets and re-route traffic. The General Motors Corporation has taken the private sector lead and will be joined by eight other Detroit businesses and four local lending institutions in the revitalization effort. Action Grant: \$3,500,000. Private sector commitment: \$11,731,000. Construction jobs: 228.

Detroit, Michigan has received preliminary application approval for an Action Grant to assist in the development of a riverfront restaurant next to Renaissance Center in the Central Business District. The HUD funds will be used to make public improvements to the boat dock area, and private funds will be used to acquire the railroad barge and railroad cars, restore and convert the restaurant facility, and purchase fixtures and equipment: Action Grant funds: \$175,000. Private financial commitment: \$780,000. New permanent jobs created: 109.

Flint, Michigan has received preliminary application approval for an Action Grant to help develop a downtown project which will include a 400 room hotel, a convention center, and parking facility. The Federal money will be used to buy and clear the land, relocate businesses, and make a construction loan to the private developer for the hotel and convention center. Additional private sector money will be available to build the convention complex and a parking facility for 1,600 cars and to buy land for a private office building. Two local groups will be equity partners in the hotel project: the Flint Neighborhood Improvement and Preservation Project, Inc. (FNIPP), a non-profit housing improvement corporation, and the Flint Business Development Corporation, a city sponsored group of minority entrepreneurs. The proceeds of these equity partnerships plus the money from the repayment of the construction loan will go to the two groups. With this money FNIPP will restore 2,300 houses over the next forty years. The Development Corporation will use the money to further economic development by minority entrepreneurs. In addition, the hotel franchise, Hyatt Corporation, will carry out on-the-job training to up-grade and promote minority personnel. Action Grant: \$6,500,000. Private sector commitment: \$33,800,000. New permanent jobs: 495. Retained jobs: 525.

Muskegon, Michigan has received preliminary application approval for an Action Grant for a downtown revitalization program that will include a privately financed two hundred room hotel. Federal funds will be used to buy the land, demolish buildings, and build a parking facility. A local non-profit group, the Muskegon Business League will build the hotel and lease the land and parking facility from the city. The proceeds from the leases will be re-cycled to the Minority Advisory Board and used for other economic development activities in the community. Action Grant: \$2,024,000. Private sector commitment: \$7,522,000. New permanent jobs: 129.

MISSISSIPPI

Gulfport, Mississippi has received preliminary application approval for an Action Grant of \$3.4 million for public improvements in the Harbor Square Core Area Project. The city will use Action Grant funds to construct a 416 space parking garage, develop a small urban park, acquire land and make pedestrian improvements near the project site. Private development will include the construction of a new \$16 million, 200,000 square feet headquarters building by and for the Hancock Bank, rehabilitation of the Bank's existing building, renovation of an unused L and N Railroad Depot for restaurant use, and improvements to its commercial buildings within the project. Action Grant \$3,464,228. Private sector commitments: \$17.3 million. New Permanent jobs: 408. Jobs retained: 98.

NEW JERSEY

Bayonne, New Jersey has received preliminary application approval for an Action Grant to assist in reducing interest on commercial and industrial loans that will be provided by three local banks. The rate will be as low as 3% for owner-occupied residences in two of the city's most deteriorated neighborhoods. Property owners will receive a lump sum payment to help pay off the loans after all work has been satisfactorily completed. As many as 1,000 dwelling units are expected to be rehabilitated within two years under this program. Action Grant: \$1,300,000. Private sector commitments: \$5,500,000. Construction jobs: 100, 50 for low and underate persons.

Irvington, N.J. has received preliminary application approval for an Action Grant to use as a second mortgage loan to a wine distributor to encourage the company to locate and expand its business operations in the city. The company will buy a building now operating at minimal capacity, renovate it, and move into it. Action Grant: \$80,000. Private sector commitment: \$438,247. New permanent jobs: 10.

New Brunswick, New Jersey has received preliminary application approval for an Action Grant to help construct a 300 room downtown hotel/conference center. Action Grant funds will be used to acquire and clear the land, and provide an equity contribution for the developer, a local non-profit corporation. The new headquarter facility of the Johnson and Johnson Corporation will be adjacent to the hotel/conference center. The Corporation, along with Rutgers University and a hospital, will lease a large portion of the facilities. Action Grant: \$5,000,000. Private sector commitments: \$62,000,000. New permanent jobs: 1,025. Existing jobs retained: 500.

NEW YORK

Albany, N.Y. has received preliminary application approval for an Action Grant to help a private developemnt group build a 400 room convention hotel in the downtown area. The city will loan the money to the developer. In addition to receiving repayment of the loan, the city will receive a percentage of the profits from the hotel. Action Grant: \$3,000,000. Private sector commitment: \$15,306,805. New permanent jobs: 302.

New York City, N.Y. has received preliminary application approval for an Action Grant to help a major department store rehabilitate a vacant commercial building in a low income neighborhood. The city expects the new department store operations to stabilize the commercial center of the neighborhood. Action Grant: \$765,000. Private sector commitments: \$2,277,460. New permanent jobs: 270.

Rochester, N.Y. has received preliminary application approval for an Action Grant to rehabilitate houses in eight low income neighborhoods. The rehabilitation program, part of a comprehensive revitalization effort in these neighborhoods, has financial backing from several local banks. Action Grant: \$1,000,000. Private sector commitments: \$4,000,000.

Troy, N. Y. has received preliminary application approval for an Action Grant to launch the first year of a residential revitalization loan program. The Federal money will be used as a revolving fund for home-owners unable to get loans for rehabilitation from their local banks. It will also be used as an interest subsidy on home improvement loans and refinanced mortgages for rehabilitation. Action Grant: \$852,000. Private sector commitment: \$2,605,933.

OHIO

Akron, Ohio has received preliminary application approval for an Action Grant for public improvements that will make possible an expansion of the research and development facilities of the Goodyear Tire and Rubber Company in Akron. Action Grant funds will improve streets and sidewalks, provide improvements to the Little Cuyahoga riverway, reconstruct sewers and landscape the public rights-of-way in a deteriorating industrial area. Goodyear will rehabilitate a vacant factory for a research and development center, construct a tire test track, develop parking lots to serve the new facilities and make landscaping improvements to an area of several hundred acres. The improvements are intended to create a campus-like atmosphere for Goodyear's expanding research and development effort. Summit County, the State of Ohio and the City of Akron will also make financial contributions to public improvements on the area. Action Grant funds: \$11,400,000. Private sector commitments: \$70,000,000. Other Public Funds: \$2,500,000. Existing jobs retained: 1,700. New permanent jobs: 550.

Cleveland, Ohio has received preliminary application approval for an Action Grant to assist in the revitalization of the Detroit-Shorewood neighborhood. The grant will help the existing commercial tenants of the Gordon Arcade buy and rehabilitate the building they occupy. In addition to shops and offices, the building contains some 90 units of low- and moderate-income housing. The Action Grant will also assist the industrial firms to occupy a vacant 400,000 square foot building, bringing new jobs to the neighborhood. Further, Action Grant funds will assist in the construction of a new road which will redirect heavy truck traffic from residential streets. Action Grant funds: \$1,090,000. Private sector commitments: \$3,300,000. Other Public Funds: \$200,000. New permanent jobs: 125. Existing jobs retained: 172.

Dayton, Ohio has received preliminary application approval for an Action Grant to help renovate the Dayton Arcade Square which will house specialty shops, restaurants and residential units. The Federal funds, along with private sector money, will be used to restore the Arcade and two buildings in the immediate area. Action Grant: \$3,180,000. Private sector commitment: \$12,955,455. New permanent jobs: 1,187. Jobs retained: 153.

Youngstown, Ohio has received preliminary application approval for an Action Grant to help re-open the Republic Rubber plant which closed August 1978 and will resume operations under new ownership by former employees and managers. The Federal funds will be used to buy property adjacent to the plant. The city expects to attract new industry to the expanded industrial area. Action Grant: \$750,000. Private sector commitment: \$1,950,000. New permanent jobs: 175.

PENNSYLVANIA

Beaver County, Pa. is the first urban county to receive preliminary application approval for an Action Grant. The funds will be used for land acquisition and relocation of the Phoenix Glass Company, which burned down in July, 1978. The company will re-build and expand its operations on land acquired by the county. Action Grant: \$2,902,000. Private sector commitment: \$22,901,949. New Jobs created: 350. Jobs retained: 350.

Pittsburgh, Pa. has received preliminary application approval for an Action Grant of \$8.1 million, one of the largest ever awarded by HUD for neighborhood revitalization. The funds will be used, in part, to rehabilitate, construct and purchase over 750 houses in five Northside neighborhoods. Some of the money will be used to help minority contractors participate in the rehabilitation work and the rest will be used for neighborhood amenities such as street lighting, parking, and small parks. The Action Grant funds will leverage \$26.4 million in private funds, including a \$23.5 million tax-exempt revenue bond issue. Bond proceeds will make mortgage money available to purchase and rehabilitate the Northside houses at below-market interest rates. One-third of the grant will be used for innovative financing called equity participation loans (EPL's). These loans will be available, interest free, to low and moderate income homebuyers. EPL's will be available to all other homebuyers at below-market interest rates to cover appraisal gaps and rehabilitation financing. Action Grant: \$8,100,000. Private sector commitment: \$26,400,000. Other public commitments: \$5,800,000.

Reading, Pa. has received preliminary application approval for an Action Grant to assist in the construction of 76 moderate-income townhouses located in an existing urban renewal project. The American Bank and Trust Company will provide both constructing and permanent mortgage financing for the units and Action Grant funds will be used to reduce the purchase price to buyers on a monthly basis, with a full subsidy of \$8,600 going to each purchaser if he remains in the house for seven years. Action Grant: \$700,000. Private sector commitments: \$2,404,400. Existing jobs retained: 44.

PUERTO RICO

Bayamon, P. R. has received preliminary application approval for an Action Grant to launch the first year of a neighborhood loan program. Two savings and loan institutions have agreed to approve approximately two hundred forty FHA Title I loans to low income homeowners for home improvements. The Action Grant will be used as an interest subsidy to lower the interest rates from 12% to 3% on the seven year loans. Action Grant: \$346,500. Private sector commitments: \$1,200,000. New permanent jobs: 5.

WEST VIRGINIA

Huntington, W. Va. has received preliminary application approval for an Action Grant to construct a sanitary sewer line which will allow for the construction of the Ashland Coal Company's Headquarters office building. The cost for the extension of the sewer line is \$927,000, and will leverage \$9,000,000 in development. Action Grant funds: \$927,000. Private sector commitment: \$9 million. New permanent jobs: 100.



HUD NEWS

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AND URBAN DEVELOPMENT
WASHINGTON D.C. 20410

HUD-No. 79-7

Dan Day (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:

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HUD HOMESTEADING PROGRAM HELPS NEIGHBORHOOD STABILITY

An interim report on the Department of Housing and Urban Development's Urban Homesteading program shows that the program helps stabilize deteriorating neighborhoods and encourages homeowners in areas where homesteading is occurring to improve their own property.

These are among findings discussed in the recently published Second Annual Report on the Urban Homesteading Demonstration Program initiated by HUD in 1975 to test and evaluate the homesteading concept. The report was prepared by HUD's Office of Policy Development and Research.

Under the homesteading program, HUD is authorized to transfer one to four-family homes it has acquired to local governments for transfer to selected homemakers for as little as one dollar.

Selected homesteaders must agree to repair the property to minimum health and safety standards before occupancy, and then must repair the property to applicable local standards for "decent, safe and sanitary condition" within 18 months after moving in. They also must occupy the property for at least three years and permit periodic inspections to insure compliance with these conditions.

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The majority of cities--14 of 23--had no homesteaders who performed electrical or plumbing repairs; 10 cities had no homesteaders who performed major carpentry.

But the report points out that this lack of homesteader involvement reflects the skill level of the participants, and, in some cases, restrictions imposed by the local agency or building departments requiring licenses or some proof of proficiency in areas of construction.

The report also notes the following:

- ° The majority of urban homesteading neighborhoods have experienced racial transition. The proportion of blacks in all neighborhoods combined increased from 45 percent in 1970 to 65 percent in 1977.

- ° Seventy-three percent of the homesteaders surveyed used some form of city-assisted financing for all or part of the rehabilitation costs.

- ° Three types of loan programs continued to be the most common form of city-assisted financing: special loan programs with private lending institutions, municipal or county loan programs, and the Section 312 Rehabilitation loan program.

- ° The average loan amounts for all three types of city-assisted financing have increased in the last year. As of April 1978, the average amount for private loans to homesteaders was \$9,300; for municipal and county loans, \$11,700; and for Section 312 loans, \$13,000.

Twenty-three cities from among 61 applying for the program were initially selected for the demonstration and sixteen additional ones have since been added. During the past year, the homesteading program was officially changed from a demonstration to an operating program.

As of April 1978, rehabilitation had been started on 1,173 homes, which represent 88 percent of all homes conveyed to homesteaders. Rehabilitation had been completed on 564 homes.

The ratio of rehabilitation starts to completions--an indication of both program progress and refinement--has increased from 39 percent in 1977 to 50 percent this year. The average cost to homesteaders of the rehabilitation work was \$8,400.

The report notes that the role of sweat equity, wherein homesteaders do some of the work themselves, has been well publicized, but "somewhat overstated." While 20 of the cities involved allow and generally encourage sweat equity by homesteaders, the actual tasks performed by them have been generally limited to interior finish (painting, floor finishing, etc.). Slightly more than half of the homesteaders in 14 cities participated in finish activities.

In only three cities did more than 10 percent of the homesteaders perform repairs on the plumbing, heating or electrical systems.

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° The average homesteading household has 3.3 members. Approximately 57 percent are married households and 67 percent are headed by males.

° Ninety-seven percent of the homesteaders are employed and have held the same job for an average of five years, earning a mean income of \$12,560.

° Approximately 67 percent of the homesteaders are members of non-white minority groups.

° Urban homesteading neighborhoods did not experience losses in population which are characteristic of many declining areas.

Copies of the Report are available by writing to:

Division of Product Dissemination and Transfer
Office of Policy Development and Research
U.S. Department of Housing and Urban Development
Washington, D.C. 20410.

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HUD NEWS

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

HUD No. 79-11
Tom Vinciguerra (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
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HUD ANNOUNCES FY '80
BUDGET OF \$33.3 BILLION

A fiscal year 1980 budget of \$33.3 billion in budget authority and \$10.6 billion in outlay, consistent with the Government-wide effort to reduce the Federal deficit but with a strong commitment to meeting the nation's housing and community development needs, was announced today by Secretary Patricia Roberts Harris of the Department of Housing and Urban Development.

"The \$33.3 billion budget, while reflecting the President's desire to reduce the Federal deficit," she said, "represents a firm commitment by the President and this administration to the revitalization of our nation's urban areas and the provision of decent housing for all of its citizens.

"It is obvious that HUD faces a challenge in 1980 -- a challenge to every HUD employee to increase efficiency and to make our housing and community development programs work better," the Secretary said.

The proposed budget, which would be effective October 1, underscores the Department's emphasis on the President's New Urban Partnership to bring together the private and public sectors, neighborhood groups and volunteer organizations and governments at all levels to aid distressed communities, large and small, wherever they are located.

For housing, the budget allocates \$27 billion for rental assistance for up to 300,000 low and moderate income families under the rental assistance (Section 8) and Public Housing programs.

In addition to public housing and rental assistance, the budget reflects mortgage interest subsidies under the homeownership program (Section 235) for 25,000 unit reservations, including 7,000 units targeted for inner-city neighborhoods for families displaced as a result of urban revitalization.

The Secretary noted that housing starts, a major objective of the Department, totaled 159,000 in Section 8 units alone in 1978, exceeding her pledge to Congress. The estimate for starts for all assisted housing programs is 212,500 in 1979 and 251,000 for 1980.

The Secretary forecast that by the close of FY'80, there will be more than 3.2 million units for low and moderate income families supported by HUD subsidies. Of this number, 2.3 million will be in rental assistance (Section 8) and public housing.

Referring to the secondary mortgage market, the Secretary announced that additional housing assistance will come from a continuation of the programs of the Government National Mortgage Association (GNMA or Ginnie Mae), an office of HUD.

Builders and developers will have available to them \$1.5 billion in low-interest mortgage money for construction of rental assistance (Section 8) multifamily projects for low and moderate income families. Another \$500 million will be available to support low-interest mortgages for apartment houses in city areas targeted for revitalization, such as Neighborhood Strategy Areas (NSAs), the Secretary said.

Detailing the 1980 budget projections for Community Development, the Secretary announced that:

- Increased funding for the Community Development Block Grant (CDBG) program, \$3.9 billion, the full amount authorized by Congress for the last year of the current three-year program has been requested.

"About 5,140 communities and cities are expected to benefit from this vital program in 1980," the Secretary said.

- The Urban Development Action Grant (UDAG) program will be continued at the \$400 million level. Another three-year authorization program, introduced by the Carter Administration in 1978, Action Grants totalling \$1.2 billion will have been allocated to governmental units by the end of 1980.

"We take pride in pointing out that every Federal dollar of Action Grant money has generated approximately \$6 in private funds to create jobs and stimulate new economic life in distressed areas of our cities," the Secretary said. "This program also has set new examples for the country in successfully bringing together public, private, neighborhood groups, voluntary associations and government units--all taking a hand in making our communities better places to live, work and play."

- The popular tool for urban renovation, HUD's low-interest loan rehabilitation program (Section 312) is budgeted for a \$130 million appropriation which, with \$55 million available from repayments of prior loans, would provide a total loan level of \$185 million in 1980.

"This is less than the \$230 million appropriated for 1979, but it is a reasonable amount of resources and will enable us to carry out an effective program. I would like to note that this administration rescued this program from the oblivion decreed for it by the previous administration, and our 1979 and 1980 appropriations will total \$360 million compared to \$340 million for the prior eight years," Secretary Harris said.

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Funding for two HUD initiatives in the President's New Urban Policy program -- Neighborhood Self-Help Development and Livable Cities -- is requested in the 1980 budget.

For the Neighborhood Self-Help Program -- under which HUD may award grants and other assistance to neighborhood organizations to form and carry out programs of housing and economic and community development in deteriorated neighborhoods -- the budget requests \$15 million for 1979 and 1980.

The budget also recommends \$5 million in 1979 and 1980 for the Livable Cities program to assist nonprofit organizations to undertake projects of historic, artistic or cultural merit as part of neighborhood revitalization.

Other budget highlights:

- Public Housing Operating Subsidies: \$741.5 million, an increase of \$14.5 million over 1979. The funds are disbursed among public housing agencies according to a Performance Funding System that recognizes efficient operations.

- Elderly and Handicapped: \$800 million, including \$50 million for the non-elderly handicapped, the same level as for 1979. The money would provide loans for an estimated 19,700 housing units in 1980.

- Troubled Multifamily Projects: \$82 million to assist an estimated 2,440 apartment projects. Funded for the first time in 1979, this new program helps prevent foreclosures and avert massive evictions or rent increases for low income tenants.

- Comprehensive Planning (Section 701): \$40 million to support state, areawide, and local comprehensive planning and management activities.

- Fair Housing Assistance: \$3.7 million for a new program to assist an estimated 31 state agencies process discrimination complaints under the 1968 Fair Housing legislation.

The Secretary noted that although the law has been on the books for 10 years, the 1980 budget funding is the first effort to assist Fair Housing Agencies in states whose laws are substantially equivalent to Title VIII of the Civil Rights Act of 1968.

"This amount, while not large, can go a long way to assist these states to meet their responsibilities in this area," the Secretary said.

- Research and Technology: \$53 million.

The budget proposed an employment level for HUD of 16,175 positions by the end of 1980.

"This level, an increase of 50 positions over 1979, reflects the President's desire to hold down Federal employment and complies with the hiring ceiling in the recently-enacted Civil Service Reform bill," the Secretary noted.

Total 1980 budget authority required is \$33.5 billion. Because of a small carry-over of unused housing assistance budget authority, the actual amount requested of the Congress is \$33.3 billion. This compares to \$37.5 billion available in 1979 which included \$6.4 billion of carry-over housing assistance budget authority. Outlays are expected to total \$10.6 billion in 1980 compared with \$9.0 billion in 1979, an increase of about \$1.6 billion.

For comparison purposes, HUD budget totals exclude amounts for the Federal Insurance Administration and the Federal Disaster Assistance Administration, which are being transferred to the recently-created Federal Emergency Management Agency.

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BUDGET SIDEBARS

Following are three budget sidebars that are being included to furnish additional information on proposals or items of special interest.

FAIR HOUSING ASSISTANCE

The proposed budget for FY 1980 would authorize for the first time \$3.7 million in Fair Housing Assistance under the 1968 Fair Housing legislation to an estimated 31 state and local public enforcement agencies handling complaints of housing discrimination.

The money would be used to improve the management, investigative and determination capacity of the state agencies through training and data banks and to process complaints in compliance with standards under the Title VIII Program.

Investigators and attorneys would be trained in administrative control procedures and personnel would be trained to improve the technical competency needed to process Fair Housing cases.

States sharing the money have laws that are substantially equivalent to the Federal law as required by Title VIII of the Civil Rights Act of 1968 and applicable Departmental regulations.

Title VIII of the 1968 Civil Rights Act, the Federal Fair Housing Law, prohibits discrimination in housing on the basis of race, color, religion, sex and national origin.

NEIGHBORHOOD SELF-HELP PROGRAM

Part of the President's Urban Policy proposes a partnership between neighborhood groups and the Federal government to increase self-help programs and so revitalize our nation's cities.

The Neighborhood Self-Help Program, which encourages neighborhood housing and community development projects through grants and other forms of assistance, is designed to strengthen neighborhood organizations' role in the local-Federal partnership by building the groups' capacity to take advantage of the resources available from the public and private sector as well as neighborhood residents themselves.

The Department is requesting a supplemental appropriation for the Self-Help Program of \$15 million for fiscal 1979; an additional \$15 million is requested in the fiscal year 1980 budget.

Among other things, funds may be used for local housing rehabilitation, creative reuse or improvement of existing housing, conservation and revitalization of neighborhood businesses, recycling vacant industrial sites, public facilities, energy conservation and weatherization projects.

LIVABLE CITIES

Under the proposed budget, HUD's Livable Cities program would offer grants of \$5 million in fiscal 1979 and another \$5 million for fiscal 1980.

The funds would go to non-profit organizations including community and state arts councils, state and local governments, and neighborhood organizations for activities which use or develop the artistic, cultural and historic resources of a community. the activities must contribute to revitalizing an urban area, create a better living environment, and expand economic and cultural activities for local residents.

The program recognizes that creative art and design are catalysts for revitalization and economic reinvestment in neighborhoods.

Types of programs can include neighborhood and community based art programs, urban design, landscape architecture, and historic preservation.

The projects must have the active involvement of neighborhood residents, community groups, local officials, and persons with expertise in the arts.

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HUD NEWS

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

SECRETARY'S BUDGET STATEMENT

Those of you who attended our first budget press conference a year ago may sense today that some of my remarks have a familiar ring.

One year has not diminished the need to stretch the available dollars. However, the \$33.3 billion budget for fiscal year '80 is consistent with the government-wide effort to reduce the Federal deficit without diminishing our strong commitment to meeting the Nation's housing and community development needs.

Again this year, I find myself wishing more funds were available to do the job that confronts us in fiscal 1980. I can assure you that if the total resources available to the Federal Government were greater than they are, both the President and I would have wanted to see a larger budget.

While this budget is lean, it is workable. We will not turn our backs on Americans in need of shelter. And our commitment to help the Nation's cities and towns with community and economic development is shored up in this budget.

The \$33.3 billion budget, while reflecting the President's desire to reduce the Federal deficit, represents a firm commitment by the President and this Administration to the revitalization of our Nation's urban areas and the provision of decent housing for all its citizens.

Before I turn the microphone over to our budget director, Al Kliman, who will have a slide presentation on the basic numbers of the budget, I want to discuss a few of the major programs with you.

The budget allocates \$27 billion for up to 300,000 units of rental assistance (Section 8) and Public Housing programs for low- and moderate-income families.

This level is lower than the current fiscal year. What this means is that we must work harder to get more housing for the dollars. This, we intend to do.

In this connection, I am happy to announce the continuation of the \$1.5 billion GNMA tandem program to support this mission and the \$500 million targeted tandem for construction of critically-needed apartment units for middle income Americans.

And we are again budgeting funds for federally-assisted apartment projects where rising utility bills and maintenance costs pose the threat of mass evictions because tenants cannot pay the rent increases and owners must levy to stay solvent. A total of \$82 million is budgeted to assist an estimated 2,440 multifamily projects.

Our Urban Initiatives program for Public Housing Authorities will continue with no letup in our determination to make them more cost efficient and to improve management and living conditions for the tenants.

I want to note here that by the close of fiscal year 1980, there will be 3.2 million units for low- and moderate-income families supported by HUD subsidies, including 2.3 million in rental housing assistance (Section 8) and Public Housing.

In Community Planning and Development, we are asking for the full authorization, \$3.9 billion, for block grants. About 5,140 communities and cities are expected to benefit from this vital program in FY 1980.

The Urban Development Action Grant (UDAG) program will be continued at the \$400 million level. By the end of 1980 the Department will have allocated to governmental units action grants totaling \$1.2 billion.

This program is an example of the Department's emphasis on the President's New Urban Partnership designed to bring together the private and public sectors, neighborhood groups and volunteer organizations and governments at all levels to turn around distressed communities, large and small, wherever they are located.

We take pride in pointing out that every Federal dollar of Action Grant money has generated approximately \$6 in private funds to create jobs and stimulate new economic life in distressed areas of our cities.

We will have available in the new budget \$180 million for the low-interest rehabilitation loan program (Section 312). This is less than the \$230 million appropriated for 1979, but it is a reasonable amount of resources and will enable us to carry out an effective program.

We are requesting funding for the two HUD initiatives in the President's New Urban Policy Program -- \$15 million in FY 1979 and \$15 million in FY 1980 for Neighborhood Self-Help and \$5 million in FY 1979 and \$5 million in FY 1980 for the Livable Cities programs.

I want to make special note of an additional \$3.7 million in the new budget for Fair Housing Assistance. This money is for a new program to assist an estimated 31 state agencies process discrimination complaints under the Fair Housing legislation.

Although the law has been on the books for 10 years, the 1980 funding is the first effort to assist the states whose Fair Housing laws are substantially equivalent to HUD's. This amount, while not large, can go a long way to help these states meet their responsibilities in this area.

To handle the work load I have just outlined for you, the budget requests a staffing level of 16,175, an increase of 50 positions over 1979. This reflects the President's desire to hold down Federal employment and complies with the hiring ceiling in the recently-enacted Civil Service Reform Bill.

It is obvious that HUD faces a unique challenge in 1980 -- a challenge to every HUD employee to increase efficiency and to make our housing and community development programs work better.

I now turn the program over to Mr. Kliman.

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FILE HUD NEWS

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

HUD-No. 79-14
George Norris (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Friday
January 19, 1979

[GNMA MULTIFAMILY TARGETED TANDEM FUNDS RELEASED

An additional \$450 million in mortgage funds will become available on February 5 under GNMA's multifamily Targeted Tandem programs, John H. Dalton, President of the Government National Mortgage Association (GNMA), announced today.

Mr. Dalton said that GNMA, a government corporation within the Department of Housing and Urban Development, will commit to purchase below-market rate mortgages insured by the Federal Housing Administration on multifamily properties in Action Grant-eligible cities and counties. The below-market rate will enable projects to be economically feasible which might not have been if only market rate financing were available. In this way, affordable housing will be provided which will attract or retain middle-income households and improve the tax bases of these selected areas.

The \$450 million will be split between two programs: \$250 million will be available for projects located anywhere within cities and counties meeting the basic eligibility

-more-

criteria for HUD's Urban Development Action Grant program. These criteria relate to the age of the housing stock, per capita income, population growth rates, unemployment, employment growth rates, and incidence of poverty. This program is similar to the Targeted Tandem program operated by GNMA in fiscal year 1978.

The remaining \$200 million will be available for projects located in designated areas of concentrated community development activity within these eligible cities and counties. These "neighborhood strategy areas" are to be designated by the city or county in its application for Community Development Block Grant funding.

As with past GNMA mortgage purchase programs, the Federal National Mortgage Association will administer the program as agent for GNMA. Program guidelines will be printed and distributed in late January to lenders qualified to participate in GNMA's programs.

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DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410

PRESIDENT OF
GOVERNMENT NATIONAL MORTGAGE ASSOCIATION

IN REPLY REFER TO

QUESTIONS AND ANSWERS ON GNMA FISCAL YEAR 1979
MULTIFAMILY TARGETED TANDEM PROGRAMS

(Programs 27 and 29)

On February 5, 1979 the Government National Mortgage Association (GNMA) will begin taking applications from lenders for commitments to purchase FHA-insured mortgages on multifamily housing projects located in Action Grant cities. Authority in the amount of \$450 million is being made available for commitments in Fiscal Year 1979: \$250 million will be available for projects located anywhere within Action Grant cities (Program 27); and the remaining \$200 million will be for projects in "neighborhood strategy areas" in such cities (Program 29). Some general questions about these programs are answered below.

- Q. During what period of time may commitments under Programs 27 and 29 be obtained?
- A. Commitments may be obtained by GNMA-approved mortgage lenders beginning February 5, 1979 and through September 28, 1979, the last business day of the fiscal year, unless available funds are exhausted sooner.
- Q. How can lenders and developers find out the amount of funds remaining available at any given time?
- A. Lenders and developers may call the Federal National Mortgage Association (FNMA), GNMA's agent, at (202) 293-5240 at any time, any day, for a recorded announcement of the remaining amount of funds.
- Q. Will commitments be allocated by state or limited in amount?
- A. No. Commitments will be available on a first-come, first-serve basis to all qualified lenders. There are no limitations as to the total number of commitments a

lender or builder/developer may obtain (except, of course, that the commitment contract amount must correspond to the project mortgage amount).

Q. What mortgages are eligible for purchase by GNMA under Programs 27 and 29?

A. Eligible mortgages are those which (a) are insured by FHA, and (b) cover substantially rehabilitated or newly constructed multifamily residential projects in eligible locations. For Program 27, projects located anywhere within an Action Grant city or county are eligible. For purposes of this GNMA program an Action Grant city or county is one which meets the physical and economic distress criteria set forth in section 570.452(b) of Title 24 of the Code of Federal Regulations (CFR). These regulations are published in volume 43 of the Federal Register on page 1605 of the January 10, 1978 edition and page 13341 of the March 29, 1978 edition. Each HUD Area Office has available a list of the eligible cities and counties in its jurisdiction. If the project is to be located in an area of concentrated community development, or neighborhood strategy area, designated or proposed to be designated by the city in its fiscal year 1978 or 1979 Community Development Block Grant application, it is eligible for a Program 29 commitment contract. The regulations for these neighborhood strategy areas can be found in 24 CFR section 570.301(c) which is published in 43 Federal Register, March 1, 1978 (page 8460).

Q. Are condominium and cooperative housing projects eligible?

A. Both condominium and cooperative housing developments are eligible if the project mortgages are insured under Section 234(d) or 213 of the National Housing Act, respectively. There are no restrictions on housing structure type. For condominium properties, GNMA will buy either the Section 234(d) project mortgages or individual unit mortgages.

Q. Are hospitals and nursing homes eligible?

A. No.

Q. What size mortgage is eligible for purchase under this program?

A. The amount of the project mortgage will be determined by FHA, but GNMA will be able to purchase it only if the average mortgage amount per dwelling unit does not

exceed \$45,000 (just increased from the previous \$38,000 limitation), figured on space attributable to dwelling use in accordance with the formula set forth in Section 422c of the GNMA Sellers Guide. For individual condominium unit mortgages the single-family maximum mortgage amount of \$55,000 applies and individual mortgages may be delivered in amounts up to that limit as long as the average per unit amount of all the unit mortgages delivered does not exceed \$45,000.

- Q. What interest rate is involved?
- A. GNMA will purchase mortgages bearing interest at a rate not less than 7-1/2 percent.
- Q. At what price will GNMA purchase mortgages under these two programs?
- A. GNMA will purchase the mortgages at 97-1/2 percent of par.
- Q. What lenders are eligible to obtain Program 27 and 29 commitments?
- A. FHA-approved mortgagees (except authorized loan correspondents of approved mortgagees) which also are GNMA-approved Sellers are eligible. State, territorial or municipal authorities are not eligible to apply for commitment contracts.
- Q. How long are the commitment periods and what is the commitment fee?
- A. The initial commitment period may be for from 24 to 36 months for a fee of 2 percent for a 24-month commitment plus 1/10 of 1 percent for each month over 24. If the lender assumes the commitment contract during the initial commitment period, in effect cancelling the contract, he is entitled to a partial refund of the commitment fee. Commitments may be extended by 30-day periods for a 1/10 of 1 percent fee as long as the extension request is made prior to the expiration of the previous commitment period. The method of charging extension fees is further described below.
- Q. When may a lender obtain a GNMA commitment?
- A. The lender may obtain the commitment as soon as it has received: (a) for substantial rehabilitation projects

only, an FHA Feasibility Letter, or (b) for rehabilitation and new construction projects, an FHA Conditional or Firm Commitment.

- Q. Must the lender apply for the GNMA commitment within a prescribed period of time?
- A. Yes, for lenders holding the required documents on February 5, 1979, the application for the GNMA commitment must be made within 30 calendar days, that is, by March 7, 1979. For lenders not holding the documents on February 5, the application must be made within 30 days after the earliest of the above documents has been issued.
- Q. Is a lender, which was eligible in 1978 but did not apply for a GNMA commitment, eligible under the Fiscal Year '79 programs?
- A. Only if the lender did not obtain the required documentation until on or after August 31, 1978. Lenders who had the required documentation prior to August 31 and failed to apply within the prescribed 30-day period will not be eligible to obtain a commitment for the subject project under this year's programs.
- Q. In the past lenders have waited as long as they could to apply for GNMA commitments with the purpose of postponing the expiration dates of the commitments. The 30-day requirement eliminates this option and may result in lenders having to pay extension fees. Isn't GNMA aware of this added expense?
- A. Yes, GNMA is aware of this consequence and, accordingly, has adjusted the method of charging extension fees. This year's programs provide that regardless of the date of expiration of the GNMA commitment, extension fees will not be charged for extensions lapsing prior to two years from the date of initial endorsement. For example, assume a mortgage, covered by a two-year GNMA commitment due to expire on March 8, 1981, was initially endorsed on June 15, 1979. The lender will request extensions to avoid expiration of the commitment beginning March 8, 1981, but will not have to pay extension fees until he requests an extension covering a 30-day period which includes June 15, 1981. The 1/10 of 1 percent fee will be charged for that 30-day period as well as for all subsequent 30-day extensions. This provision applies to commitments issued on or after August 14, 1978, when the 30-day requirement first became effective.

- Q. What are the other fees and allowable charges under the program?
- A. GNMA purchases mortgages under these programs at a discounted price of 97.5 percent. The resulting 2-1/2 discount points may be passed on by the lender to the mortgagor. GNMA also allows the originator of the mortgage to charge up to 1-1/2 percent as an origination, or financing, fee. Thus, together, with the 2 percent commitment fee, the initial fees associated with the program total six percent. The commitment and financing fees are mortgageable. The discount points are mortgageable only if there are qualified cost savings.
- Q. Can lenders obtain a GNMA commitment by paying 1/4 of 1 percent toward the 2 percent commitment fee and the remaining 1-3/4 percent by the end of Fiscal Year '79?
- A. No. That provision, which was implemented for the Fiscal Year '78 program, is no longer in effect. For the Fiscal Year '79 programs, the lender must pay the full 2 percent commitment fee at the time he requests the commitment.
- Q. Can the amount of the GNMA commitment be increased after issuance of the commitment?
- A. Yes, if the mortgage is increased because of FHA-approved cost increases. However, GNMA will not grant commitment increases for mortgage increases resulting from actions such as the addition of units not included in the project at the time of application for the GNMA commitment.



HUD NEWS

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

*Research
or Building Technology*

HUD No. 79-15
Dan Day (202) 755-5277 or
Warren Dunn (202) 755-6980

For Release:
Monday
January 22, 1979

NEW PROGRAM TO SPUR HOMEBUILDING TECHNOLOGY

Secretary Patricia Roberts Harris of the Department of Housing and Urban Development today announced a new program designed to stimulate thinking and advance technology in homebuilding while helping to reduce construction costs.

In a speech to the annual convention of the National Association of Home Builders in Las Vegas, she said the new approach--called the Residential Building Technology Innovations Programs (RBTIP)--will do this by identifying and recognizing promising new building products or subsystems.

The Secretary said "backyard inventors" and others whose innovations meet the selection criteria, especially those who need assistance in publicizing and marketing their products, will receive cash grants of \$5,000.

Approximately ten such grants for these new building products or subsystems, which must be ready or near ready for the marketplace, will be awarded by HUD in the current fiscal year.

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"We have discussed a number of ways to cut the costs of housing construction and what we all can do and must do to keep from pricing housing out of the reach of many Americans," said the Secretary. "An additional way is through American technological ingenuity."

"I know that your industry is continuously looking for new concepts, ideas, products, and production processes that could lower housing costs," she told the home builders, "HUD is happy to join in that effort."

Donna Shalala, HUD Assistant Secretary for Policy Development and Research, later told the home builders that the new program, the first of its kind in the Department, is not "a Government technology development project."

She emphasized that there are "no continuing grants to support additional product research and development, no complicated follow-up forms and reports, and no commitment to achieve stated milestones." She noted that special effort has been made to simplify the required application forms and procedures.

While contributions from individuals and firms, both small and large, are welcomed and will be publicized, only those from individuals and small firms (generally under 50 employees) will receive cash grants.

Shalala explained that successful contributors to RBTIP face no loss of rights to their products, except the "very limited" right permitting HUD to publicize the information submitted with the application, certain supplemental information, and the right to purchase or procure future use of the item in a demonstration project. The use of the item in a demonstration project will be coordinated with each winner.

Eligible contributions include items that have reached the "operable prototype" stage of development, especially those products and subsystems for both new construction and rehabilitation of single family and multi-family housing and mobile homes.

Examples of eligible building products are such items as doors, windows, siding, brick and concrete block; eligible sub-systems may consist of a completely designed and coordinated series of parts which serve a structural, lighting or plumbing function within prescribed performance limits.

Ineligible items include those whose primary purpose is energy conservation, complete housing systems, products being currently marketed in the residential construction industry, and certain appliances as noted on the application form. Also ineligible are items which cost more than those they are intended to replace.

A brochure on the RBTIP together with application forms will be available to the public in February. The closing date for applications is June 15, 1979.

It is expected that the selection of successful entries will be completed and announced by September 28. A booklet listing the winning entries will be available not later than January 15, 1980.

FOR FURTHER INFORMATION CONTACT:

Building Technology Research Staff
Office of Policy Development and Research
Department of Housing and Urban Development
Washington, D. C. 20510
Phone (202) 755-0640

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HUD NEWS

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

HUD-No. 79-34
Virginia Welch (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE
Wednesday
February 7, 1979

HUD ANNOUNCES SOLAR GRANT COMPETITION

A grant competition for over \$2 million in the continuing effort to encourage residential use of solar energy was announced today by Secretary of Housing and Urban Development Patricia Roberts Harris.

This is the last of five planned cycles of grants under HUD's Residential Solar Demonstration Program which is part of the National Solar Heating and Cooling of Buildings Program managed by the U.S. Department of Energy. The residential program is administered by HUD's Office of Policy Development and Research. The formal announcement and solicitation for the competition will be issued in mid-February to eligible interested parties.

Noting that HUD has funded solar demonstrations in more than 11,500 dwelling units in the previous demonstration cycles, Secretary Harris said the fifth cycle is designed to stress energy efficiency in housing by concentrating on energy conservation and use of both passive and active solar systems.

In general, active solar systems are those requiring specialized equipment, and passive systems use elements of the building structure, such as heat absorbent materials.

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This round of awards differs from previous demonstration cycles in two respects: it initiates a two-step process, the first for design and the second for construction; and it limits the competition to two categories of projects.

The first category deals with solar system installations in existing urban multifamily buildings housing low and moderate income families. Projects being rehabilitated for energy efficiency by community development groups, neighborhood housing associations and neighborhood revitalization organizations with established housing rehabilitation records will be eligible for consideration. Approximately 25 awards of \$5,000 each will be made to help these groups design a solar system that can be used when multifamily buildings are being rehabilitated. Those with winning designs will receive an additional award of up to \$50,000 with which to actually construct and install their creation.

The second category will concentrate on energy conserving solar systems in new single family homes built for sale. Established builders of single family homes who have experience in energy efficient construction are eligible applicants. Some 100 design grants of \$2,000 each are to be made to homebuilders for energy conserving designs that incorporate active and passive solar energy systems. Construction grants for technically acceptable designs will be for \$10,000 each.

Following the mid-February call for applications, eligible builders and groups must submit their applications during March, defining experience, type of project and project team membership. Selections for design funding will be made in April, followed by approximately a sixteen week period of design work. Construction grant awards for all designs judged technically feasible will be made in September so that construction can begin this year.

Copies of the formal announcement and solicitation will be sent to those on the mailing list of the National Solar Heating and Cooling Information Center. Copies will not be distributed to private individuals. Organizations not on the list wishing to receive a copy should contact the Center by calling 800-523-2929 (800-462-2983 in Pennsylvania, and 800-523-4700 in Alaska and Hawaii), or by writing to Solar Heating, P.O. Box 1607, Rockville, Md. 20850.

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FILE COPY

*INSURANCE - Riot
Crime*



HUD NEWS

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

HUD-No. 79-39
Dan Day (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Monday
February 12, 1979

FIVE STATES MAY LOSE RIOT REINSURANCE CONTRACTS

Property insurance companies in five States have until March 3 to lower Fair Plan rates or face cancellation of their Federal Riot Reinsurance contracts, the Department of Housing and Urban Development announced today.

Gloria M. Jimenez, HUD Federal Insurance Administrator, said the five States--Iowa, New York, Minnesota, Missouri and Virginia--have failed to comply with the insurance rate requirement of the 1978 amendment to the law governing FAIR Plans (Fair Access to Insurance Requirements).

The amendment provides that Federal Riot Reinsurance coverage would no longer be available to property insurance companies that charge higher rates for FAIR Plan coverage than the prevailing rates charged in the market place for fire insurance on similar properties.

Jimenez noted that the amendment was passed by Congress following a report by the Federal Insurance Administration in May 1978 which pointed out that residents and business covered under FAIR Plans, particularly in the redlined areas of New York State, were being charged rates as much as four times higher than those charged in the voluntary market. About 95 percent of those insured, she said, had no losses.

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FAIR Plans were established following the riots of the late 1960's in response to the Urban Property Protection and Reinsurance Act of 1968. Under that authority, the Federal Insurance Administration began reinsuring FAIR Plan members against losses due to riots. Nearly one million FAIR Plan policies now protect residents and businesses in 26 States, the District of Columbia and Puerto Rico against fire insurance losses.

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HUD NEWS

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

HUD No. 79-40

Jackie Conn (202) 755-5284

Warren Dunn (202) 755-6980

FOR RELEASE:

Monday

February 12, 1979

HUD SETS CONFERENCE ON ENERGY CONSERVATION

A conference to introduce community leaders to energy conservation ideas and techniques that can be carried out at the neighborhood level will be held on Monday, February 19 in the Washington metropolitan area, the U.S. Department of Housing and Urban Development announced today.

The first Community Housing and Energy Conservation Conference, co-sponsored by HUD and a coalition of National and local community groups with the U.S. Department of Energy, will be a model for other community energy forums throughout the nation.

The meeting will be held at the Jewish Community Center of Greater Washington, 6125 Montrose Road, Rockville, Md. It will bring together leaders from consumer, neighborhood, and voluntary associations from various economic, religious, social, and racial groups in the area.

This Conference is an example of HUD's commitment to work with local voluntary organizations and participate in President Carter's Urban Policy partnership which includes voluntary and community groups, local, state and Federal officials, and the private sector.

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Geno C. Baroni, HUD Assistant Secretary for Neighborhoods, Voluntary Organizations, and Consumer Protection will convene the conference at 9:00 a.m. Dr. Maxine L. Savitz, DOE's Deputy Assistant Secretary for Conservation and Solar Applications will address the afternoon session. The all day activities will run through the evening ending at 9:30 p.m. Barry Commoner, environmentalist and energy expert who directs the Center for the Biology of Natural Systems at Washington University in St. Louis, will address the closing session.

The conference is designed to give local leaders a broad overview of conservation activities and techniques and to direct them to Federal resources which can be used in their communities.

Participants will attend workshops on topics that include energy conservation in the home, consumer protection, weatherization for low income families, solar heating and cooling, and HUD programs for energy conservation. Representatives from community groups will discuss their experiences with successful local conservation projects. The conference exhibits will include demonstrations of practical energy saving techniques and solar heating and cooling systems.

For registration forms and further information write or telephone:

Community Housing and Energy Conservation Conference
c/o CJF
Suite 100
227 Massachusetts Ave., NE
Washington, DC 20002
(202) 547-0022



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HUD NEWS

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

INSURANCE F1000

HUD-No. 79-43
Jackie Conn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Tuesday
February 13, 1979

**FLOOD INSURANCE INFORMATION
AVAILABLE VIA TOLL FREE NUMBER**

U.S. residents living in areas outside the continental United States can now telephone, toll free, for consumer information on the National Flood Insurance Program, the Department of Housing and Urban Development announced today.

Residents in Puerto Rico, Alaska, Hawaii and the Virgin Islands can call: 800-424-9080.

The lines are staffed from 9:00 a.m. to 5:00 p.m. Eastern Standard Time, Monday through Friday.

The toll free line for all other States is 800-424-8872. Residents in the District of Columbia and the Washington metropolitan area should call 472-2381.

The National Flood Insurance Program, created by Congress in 1968, makes flood insurance available at reasonable prices to residents and property owners in flood prone communities. Participating communities are required to pass local regulations to control development in flood prone areas. Flood plain management, as it is called, protects homes and businesses from future flooding and saves tax dollars.

Under the program, property owners can insure homes, businesses, and contents for as little as twenty-five cents per hundred dollars coverage. Tenants can insure their personal belongings.

Over 1.4 million policies are now in force representing over \$49 billion in insurance coverage.

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HUD NEWS

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

HUD-No. 79-46
Virginia Welch (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Tuesday
February 20, 1979

MARCH CONFERENCE SET ON EXPERIMENTAL HOUSING PROGRAM

A conference on basic research uses of data from the Experimental Housing Allowance Program (EHAP), the largest social experiment ever undertaken by the Federal government, is to be held March 8 and 9 in Washington, D.C.

Sponsored by the Department of Housing and Urban Development's Office of Policy Development and Research, "Housing Choices of Low-Income Families" is a forum for social scientists associated with the project to present their uses of the EHAP data to shed light on basic analytic questions that concern housing scholars and policy analysts.

"The conference agenda is designed to illustrate the ways in which the housing data base developed during this experiment have contributed to housing research," HUD Assistant Secretary Donna E. Shalala said. "Furthermore, the conference proceedings, and subsequent reports, offer a vehicle for creating a dialogue among housing scholars and a focus on the extensive EHAP data base."

The research conference is to be held in the Departmental Auditorium building,* Rooms A and B, on Constitution Avenue between 12th and 14th Streets, N.W. (between the Departments of Labor and Commerce).

Each session will feature papers especially prepared for the conference and include a discussion of empirical findings and the methodologies developed for and utilized in EHAP. An agenda is attached.

The EHAP experiment, initiated in 1973 in 12 locations throughout the country, involved more than 25,000 households. EHAP was designed to test the effects of giving lower-income families direct cash payments to help them obtain adequate housing. Various payment plans were tested, and the program's effect on both recipients and housing markets monitored. After completion of primary analyses, data from these surveys will be made available to the public.

For further information, call Howard Hammerman at (202) 755-5900.

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* NOTE: This is not the HUD Departmental Auditorium.

(To Accompany HUD-No. 79-46)

THE CONFERENCE ON HOUSING CHOICES OF LOW-INCOME FAMILIES

Thursday, March 8

9:00am Welcoming Remarks

Donna E. Shalala, Assistant Secretary for Policy
Development and Research, Department of Housing
and Urban Development

9:15am Session 1 Housing Responses of Low-Income Households

Papers by: John E. Mulford, THE RAND CORPORATION:
Joseph Friedman and Daniel Weinberg, ABT
ASSOCIATES, INC.; and
James Ohls, MATHEMATICA POLICY RESEARCH

Discussion of Papers - Harold Watts, Director, Center for
Social Science and Professor of Economics, Columbia
University

1:30pm Session 2 Measuring Housing Consumption

Papers by: Sally Merrill and Stephen Kennedy, ABT
ASSOCIATES, INC.;
C. Lance Barnett, THE RAND CORPORATION; and
Larry Ozanne, THE URBAN INSTITUTE

Discussion of Papers - John Kain, Chairman, Department of City
and Regional Planning and Professor of Economics, Harvard
University

Friday, March 9

9:00am Session 3 Search and Mobility

Papers by: Jean MacMillan, Daniel Weinberg, Joseph Friedman
and Stephen K. Mayo, ABT ASSOCIATES, INC.; Frank Cronin,
THE URBAN INSTITUTE; Kevin F. McCarthy, THE RAND
CORPORATION; and Cynthia Thomas, MATHEMATICA POLICY RESEARCH.

Discussion of Papers - Peter Rossi, Director, Social and
Demographic Research Institute, University of
Massachusetts

1:30pm Session 4 Market Response to Increased Housing Demand

Papers by: Ira S. Lowry and C. Lance Barnett, and C. Peter
Rydell, THE RAND CORPORATION.

Discussion of Papers - Edwin Mills, Professor of Economics,
Princeton University

3:00pm Closing Remarks

Raymond J. Struyk, Deputy Assistant Secretary for Research,
Department of Housing and Urban Development



HUD NEWS

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

HUD-No. 79-49
Jackie Conn (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Wednesday
February 21, 1979

HUD WARNS OF SPRING FLOODS

Where are the snows of yesteryear?

Forget yesteryear! What about tomorrow?

Yesterday's snows could be tomorrow's floods! Are you protected?

The Department of Housing and Urban Development has a program to help residents in flood prone communities. HUD's Federal Insurance Administration (FIA) offers low cost subsidized flood insurance to tenants, homeowners, and other property owners.

FIA Administrator Gloria M. Jimenez warned today, "If the severe snows that blanketed many parts of the country this winter are accompanied by heavy spring rains and quickly rising temperatures, millions of Americans could face financial losses and property damage in the next few weeks.

"Flooding could extend well beyond the areas hit by winter storms. Any area in the path of the flood waters could suffer damages.

"FIA offers help now to property owners - before the floods strike. It is important to act immediately. It takes five days for a flood insurance policy to take effect. See your local insurance agent or broker today."

-more-

Mrs. Jimenez went on with a reminder to persons who already have flood insurance. "Be sure your policy is still in effect. If you have any doubts check with your local insurance agent. If it has lapsed, renew it today. You will be covered again in five days."

Policy holders should consider increasing their coverage, she said. Increased coverage takes effect the following day.

When property is sold, coverage takes effect immediately if the new owner pays for flood insurance before the closing date or takes over an existing policy before closing.

The National Flood Insurance Program, created in 1969, does more than make flood insurance available to property owners at a reasonable cost. It requires the communities participating in the program to pass local regulations to control development in flood prone areas. Flood plain management, as it is called, protects lives, homes and businesses from future flooding and saves tax dollars.

Under the program, property owners can insure homes, businesses, and contents for as little as twenty-five cents per one hundred dollars coverage. Tenants can insure their personal belongings.

Over 1.4 million policies are now in force across the nation representing over \$49 billion in insurance coverage.



FILE

HUD NEWS

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

HUD-No. 79- 52
Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-7980

FOR RELEASE:
Tuesday
February 27, 1979

**DENVER REHAB PLAN
WINS INNOVATIVE AWARD**

An innovative proposal from Denver to rehabilitate old homes, build new houses and provide good quality apartments for low income renters--all with a minimum of displacement--has brought the city a \$640,984 Innovative Award from the Department of Housing and Urban Development.

"This is a stellar example of a partnership between an experienced private non-profit organization, residents and neighborhood groups, private organizations, the business community, and government agencies," said HUD Secretary Patricia Roberts Harris.

"The Innovative Award will allow Denver to assist the residents of the neighborhood, most of whom are lower income," she said, "and at the same time attract middle income persons and private revitalization with a minimum of displacement."

-more-

The two-year demonstration project is targeted for the Baker Area, a lower income, predominantly Spanish-surnamed neighborhood to which the city has given top priority under the HUD Community Development Block Grant program. It is located just south of the area where Denver received preliminary approval for a HUD Action Grant to rehabilitate existing homes and build new ones.

"The proposal has merit in the partnerships created and technical approach, as well as in the immediate and long-term benefit for the homes and residents in the neighborhood," said Robert C. Embry, Jr., HUD Assistant Secretary for Community Planning and Development.

"The results Denver will achieve--including the minimal displacement of the existing residents--should be a reachable goal for all communities that receive HUD funds and carry out urban revitalization programs," he added.

The neighborhood project is expected to rehabilitate 255 homes, 40 percent of the low income owner-occupied properties in the Baker target area.

Mortgage assistance--at 95 percent of the "value after needed repairs"--will assist about 90 families to purchase homes there. Other new, single family owner-occupants will be attracted through new construction on vacant lots, and the purchase, rehab and resale of abandoned and dilapidated buildings.

In addition, 16 small apartment buildings, containing two-to-four units each, will be purchased, rehabilitated and resold to area residents for use as quality housing for low income renters.

The proposed activities will be carried out by Brothers Redevelopment, Inc., a private, non-profit organization experienced in rehabilitation activities. The proposal was developed with the assistance of the Lutheran Resources Commission-Washington, a non-profit ecumenical consulting agency.

The target area for the activities has a population of 6,670, with 75 percent Spanish-surnamed and a median family income of \$7,200. The median income for the Baker area, according to 1970 census data, is only 59 percent of the median income for Denver.

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HUD NEWS

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

HUD-No. 79-62
Virginia Welch (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Monday
March 12, 1979

RESULTS OF SMALL CITIES STUDY RELEASED BY HUD

Officials of America's small cities believe Federal programs would be more useful to them if requirements could be standardized and reduced, and if similiar programs were grouped under a single Federal agency, according to a report released today by the Department of Housing and Urban Development.

"Developmental Needs of Small Cities," a Congressionally-mandated study conducted by HUD, is primarily a report of the views of local elected officials on their communities' needs and priorities. Their concerns also focused on a need for more information on available Federal funding, reduced application approval time and more equitable allocation of Federal funds.

"Our small cities defy generalizations," Secretary Patricia Roberts Harris said. "They have the same tremendous diversity that characterizes all of America's cities. Averages portraying small cities as a category tend to mask the individuality of the communities, their needs and characteristics."

-more-

Small cities -- defined as those under 50,000 population which are not central cities of metropolitan areas -- are home to almost one-third of our population. Population figures for 1975 show 71,323,000 persons living in large cities, 77,811,000 living in rural areas outside of incorporated places, and 64,701,000 living in small cities.

Small city characteristics, such as size, geography, economic base, poverty level, tax effort and population makeup, that impact developmental needs and fund allocations vary significantly.

Almost three quarters of the small cities are in the category of very small, meaning less than 2,500 population. At the same time, these very small cities account for only 16.6 percent of the total population of small cities.

Information on small city developmental needs was compiled for this study through: a mail survey directed to chief executives of 1,962 randomly selected small cities, to which more than 1,000 responded; intensive cases studies of forty-eight small cities with populations ranging from 154 to 43,262; and seventeen group meetings with city officials held in every part of the country.

Attitudes toward growth, particularly rapid growth, are less than unanimous. Some of the smallest cities see growth outside their limits as an asset, with others viewing it as inevitable. Larger nonmetropolitan communities perceive a negative impact on their municipal finances, as expansion draws off middle income and industrial taxpayers. And still others hold the view that rapid growth will lead to an increase in the cost of housing and burdensome municipal costs associated with expanding demands on facilities.

The single economy small town is a condition of the past. Most small cities have combined economic bases. In the case where cities do identify a predominant economic base, residential cities are the fastest growing and manufacturing cities the slowest.

The poverty rate for small cities in metropolitan areas is lower than the metropolitan central cities. Until recently, nonmetropolitan areas had higher poverty rates than large cities but the two rates are now about equal.

Community problems related to development cited most frequently by the small cities respondents were lack of jobs, lack of adequate housing for low- and moderate-income persons, and condition of streets. Ranked as top funding priorities were infrastructure needs -- water and sewer facilities, streets, solid waste disposal, parks and recreation, and public buildings.

Housing, cited consistently as a severe or moderate community problem, was generally considered a priority for funding in only the larger -- over 25,000 population -- of the small communities. Existing housing facilities received ratings as poor or less than adequate more often than any other community facility. Housing conditions were rated poor more often by nonmetropolitan cities than by their metropolitan counterparts.

The question of how community development funds for small cities should be allocated is addressed in one section of the study. Combinations of variables, such as poverty, age of housing, overcrowded housing, lack of plumbing, population, and population lag, are discussed as possible elements in alternative formulas.

"The role of these variables in determining the equitable allocation of available funds to the nation's small communities is one that remains unresolved," Secretary Harris said. "In presenting a range of alternatives, and the relative strengths and weakness of each, we offer a basis which will encourage discussion and consideration by the Congress and the Administration."

A copy of the study may be obtained by writing to: HUD, Division of Product Dissemination and Transfer, Room 8124, Washington, D.C. 20410.



HUD NEWS

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

HUD-No. 79-65
Tom Bacon (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE:
Wednesday
March 14, 1979

INDIAN INPUT SOUGHT ON WAYS TO IMPROVE HOUSING PRODUCTION

A planned new initiative to test ways of improving the design, quality and production of housing for American Indians is being re-evaluated to ensure it reflects the views of the Indians themselves, the Department of Housing and Urban Development reported today.

HUD Secretary Patricia Roberts Harris said a three-year demonstration effort testing the effectiveness of using professional construction managers to improve the production time and the quality of Indian housing at lower per unit costs is being reassessed. Indian input will be solicited to improve the proposal or to devise an alternative method to achieve the same results as intended by the original proposal, she said. The activity is formerly known as the Indian Housing Development and Construction Management Demonstration Program.

Effectiveness of the effort will depend largely upon the active cooperation of the Indian community, Secretary Harris said. "We expect to use this additional time to solicit specific comments and suggestions. The initiative lies with the Indian people themselves."

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She emphasized that HUD is committed to finding "the most effective way of streamlining our own procedures and obtaining the best technical assistance that will enable us and the Indian Housing Authorities, together, to produce Indian housing economically and efficiently -- housing that is responsive to the needs and desires of the Indian community."

In the meantime, HUD is prepared to approve construction management proposals initiated by individual Indian Housing Authorities.

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HUD NEWS

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

HUD-No. 79- 76
Dan Day (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Wednesday
March 21, 1979

FLORIDA DEVELOPER BARRED FROM SELLING LOTS

Under terms of a court settlement growing out of a civil fraud suit brought by the Office of Interstate Land Sales Registration (OILSR) of the Department of Housing and Urban Development, a Florida land developer has been barred from selling additional lots at Hernando Beach subdivision in Hernando County.

The court complaint filed by OILSR charged that the developer, Charles Sasser and Hernando Beach, Inc., not only sold unregistered land in Units 12, 13 and 14 of the subdivision, but fraudulently misrepresented it by claiming, for example, that all necessary construction permits had been obtained when in fact such was not the case.

The court decree, handed down in the U.S. District Court for the Middle District of Florida in Tampa, ordered Charles M. Sasser to offer by September 20 of this year either contract cancellations with full refunds, or, if other pending litigation is settled, lot exchanges, at the purchasers' options.

-more-

Sasser, whose office is located in Brooksville, Fla., is president of the development firm, Hernando Beach, Inc.

Future land sales are forbidden until the subdivision is registered with OILSR as required by the Land Sales Act.

Hernando Beach is located 50 miles northwest of Tampa, near Weeki Wachee Springs.

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Jim Hausing

STATEMENT OF
PATRICIA ROBERTS HARRIS
DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

BEFORE THE
SENATE COMMITTEE ON THE JUDICIARY
SUBCOMMITTEE ON CONSTITUTION

MARCH 21, 1979

I AM PLEASED TO HAVE THIS OPPORTUNITY TO TESTIFY BEFORE THE SUBCOMMITTEE IN SUPPORT OF S.506, THE "FAIR HOUSING AMENDMENTS ACT OF 1979." THE PROPOSED CHANGES IN TITLE VIII OF THE CIVIL RIGHTS ACT OF 1968 -- KNOWN AS THE FEDERAL FAIR HOUSING LAW -- WILL STRENGTHEN SIGNIFICANTLY THE IMPACT OF THAT LAW.

THE FEDERAL FAIR HOUSING LAW WAS ENACTED TO REFLECT THE COMMITMENT OF OUR GOVERNMENT TO ELIMINATION OF BARRIERS TO EQUAL OPPORTUNITY IN HOUSING. UNFORTUNATELY, IT IS A LAW WITHOUT TEETH. THE FAIR HOUSING LAW IDENTIFIED AND PROHIBITED MOST FORMS OF DISCRIMINATION IN HOUSING. IT DID NOT PROVIDE THE GOVERNMENT WITH THE TOOLS NECESSARY TO ADDRESS SUCH DISCRIMINATION EFFECTIVELY OR TO ENFORCE THE PROHIBITIONS AGAINST IT.

IT IS NO RECENT DISCOVERY THAT CONCILIATION ALONE, WITHOUT ADDITIONAL MACHINERY TO BACK IT UP WHEN IT PROVES INADEQUATE, IS SCARCELY A REMEDY AT ALL. CONCILIATION WASN'T CONSIDERED ADEQUATE FOR ENFORCEMENT OF THE NATIONAL LABOR RELATIONS ACT, WAGE AND HOUR LAWS, ENVIRONMENTAL REQUIREMENTS OR HEALTH AND SAFETY LEGISLATION. CONGRESS ALSO RECOGNIZED, IN ITS 1972 AMENDMENTS TO THE EQUAL EMPLOYMENT OPPORTUNITY ACT, THAT CONCILIATION COULDN'T ASSURE FAIR EMPLOYMENT.

HOWEVER, AS THE RESULT OF EXTENDED CONGRESSIONAL DEBATE IN 1968 IN THE ORIGINAL CIVIL RIGHTS BILL, CEASE AND DESIST POWERS FOR THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT WERE DELETED.

SPECIAL PROBLEMS REQUIRE SPECIAL SOLUTIONS, AND WE NOW HAVE NUMEROUS AGENCIES WITH RESPONSIBILITY TO CONDUCT HEARINGS AND TO ISSUE ORDERS, WHERE NECESSARY, TO ASSURE COMPLIANCE WITH A FULL RANGE OF IMPORTANT NATIONAL OBJECTIVES.

THAT IS WHAT S.506 SEEKS WITH REFERENCE TO A NATIONAL POLICY THAT THE SUPREME COURT HAS RECOGNIZED AS BEING 113 YEARS OLD, THE NATIONAL POLICY AGAINST DISCRIMINATION IN HOUSING. FAIR HOUSING ENFORCEMENT BY HUD IS NOW "BY INVITATION," AND WHEN A RESPONDENT DOESN'T ACCEPT OUR INVITATION, THE AGGRIEVED PARTY HAS NO REMEDY. ONE OF MY PREDECESSORS CALLED IT AN "INVITATION TO INTRANSIGENCE."

EVEN THE PRIVATE ACTIONS PROVIDED BY THE STATUTE REQUIRE THE COMPLAINANT TO USE HIS OR HER OWN RESOURCES. THEY ARE A REMEDY LARGELY AVAILABLE ONLY TO THE FINANCIALLY SECURE -- THEY ARE NOT SUBSTITUTES FOR GOVERNMENT ACTION TO PROTECT IMPORTANT PUBLIC RIGHTS.

S.506 WOULD BE CALLED THE "FAIR HOUSING ACT,"
AND WITH THE ENFORCEMENT POWERS YOU PROPOSE TO
PROVIDE, THAT IS WHAT IT WILL BE.

THE PRESIDENT HAS RECOGNIZED THE INADEQUACY
OF THE PRESENT LAW. IN HIS STATE OF THE UNION
MESSAGE, THE PRESIDENT REFERRED TO THE LAW'S
"WEAKNESS," AND CHARACTERIZED TITLE VIII AS
"LARGELY AN EMPTY PROMISE BECAUSE OF THE LACK OF
AN ADEQUATE ENFORCEMENT MECHANISM." HE EXPRESSED
HIS COMMITMENT TO WORK WITH THE CONGRESS FOR THE
ENACTMENT OF LEGISLATION TO PROVIDE MORE EFFECTIVE
ENFORCEMENT.

I AM HERE TODAY TO REINFORCE THAT COMMITMENT.
THE SUBSTANCE OF THE FAIR HOUSING AMENDMENTS ACT
INDICATES THAT THE SPONSORS FULLY COMPREHEND THE
NEED. THEIR INTRODUCTORY REMARKS DEMONSTRATE THEIR
SENSITIVITY BOTH TO THE FAILINGS OF THE PRESENT LAW
AND TO THE PERSISTENCE OF HOUSING DISCRIMINATION.

A RECENT HUD SPONSORED FAIR HOUSING MARKETING SURVEY INDICATES THAT BLACKS WERE DISCRIMINATED AGAINST IN 30 PERCENT OF THE RENTAL TRANSACTIONS AND 22 PERCENT OF THE SALES TRANSACTIONS. THE FAR-REACHING IMPACT OF SUCH CONTINUING PATTERNS OF DISCRIMINATION HAS BEEN VOICED BY SENATOR BAYH.

GIVEN ITS LIMITED ENFORCEMENT CAPABILITY, THE FAIR HOUSING LAW OF 1968 HAS NOT BEEN ENTIRELY DEVOID OF ACCOMPLISHMENTS. IT HAS PROVIDED REMEDIES FOR THOSE WITH THE TIME AND MONEY TO GO TO COURT AND SUPPORT FOR VOLUNTARY COMPLIANCE BY CONSCIENTIOUS REAL ESTATE BROKERS, LAND DEVELOPERS AND FINANCIAL INSTITUTIONS. IT HAS BEEN "SINGULARLY INEFFECTIVE," IN THE WORDS OF SENATOR HEINZ, IN ASSISTING INDIVIDUAL VICTIMS OF DISCRIMINATION.

- IT DEFINED PROHIBITED PRACTICES BUT PROVIDED GOVERNMENT NO ADMINISTRATIVE ENFORCEMENT TOOLS, SUCH AS CEASE AND DESIST.
- IT GAVE HUD AUTHORITY TO INVESTIGATE COMPLAINTS, BUT NO AUTHORITY TO REDRESS THOSE COMPLAINTS EXCEPT THROUGH "CONFERENCE, CONCILIATION AND PERSUASION."
- AS AN INADEQUATE SUBSTITUTE FOR HUD ENFORCEMENT AUTHORITY, IT PROVIDED LIMITED AND CONFUSING PRIVATE LITIGATION RIGHTS AND NEGLIGIBLE MONETARY DAMAGES.
- IT PROVIDED SUBSTANTIAL REMEDIES ONLY IN CASES OF "PATTERN OR PRACTICE" OF DISCRIMINATION BROUGHT BY THE ATTORNEY GENERAL.

S.506 REFLECTS A CLEAR UNDERSTANDING OF THESE LIMITATIONS AND ADDRESSES THEM VIGOROUSLY AND EFFECTIVELY. IF ENACTED IT WILL FULFILL THE PROMISE OF TITLE VIII BY PROVIDING SIGNIFICANT ENFORCEMENT TOOLS NOW UNAVAILABLE TO HUD, TO THE DEPARTMENT OF JUSTICE, AND TO THE PRIVATE LITIGANT.

- S.506 WOULD PROVIDE HUD COMPREHENSIVE ADMINISTRATIVE ENFORCEMENT AUTHORITY TO STOP VIOLATIONS AND TO PUNISH VIOLATORS THROUGH TEMPORARY INJUNCTION, CEASE AND DESIST ORDERS AND ASSESSMENT OF SUBSTANTIAL PENALTIES. THE AUTHORITY TO ORDER TEMPORARY RELIEF BEFORE FINAL DISPOSITION OF A CHARGE WILL BE PARTICULARLY USEFUL TO ASSURE THAT A DWELLING IN CONTROVERSY REMAINS AVAILABLE TO THE AGGRIEVED PERSON WHILE HIS COMPLAINT IS BEING HEARD.

ADDITIONALLY, THE PROPOSED BILL WOULD AUTHORIZE HUD TO REFER COMPLAINTS TO THE DEPARTMENT OF JUSTICE FOR THE PURPOSE OF FILING A CIVIL SUIT -- EVEN IN CASES WHICH MAY NOT CONSTITUTE A "PATTERN OR PRACTICE" OF DISCRIMINATION. THIS WOULD PROVIDE HUD TWO ALTERNATIVE ENFORCEMENT ROUTES: THE JUDICIAL ROUTE IN CASES WHERE THERE APPEAR TO BE SUBSTANTIAL DAMAGES AND THE ADMINISTRATIVE ROUTE IN COMPLAINTS WHERE THE PRIMARY ISSUES ARE DISCRIMINATORY POLICIES AND SECURING HOUSING IN CONTROVERSY.

- S.506 WOULD EXPAND THE ENFORCEMENT CAPABILITY OF THE DEPARTMENT OF JUSTICE SIGNIFICANTLY BEYOND ITS PRESENT AUTHORITY TO BRING "PATTERN OR PRACTICE" SUITS. THE DEPARTMENT WOULD HAVE THE AUTHORITY TO SEEK REMEDIES IN BEHALF OF AGGRIEVED INDIVIDUALS THROUGH INTERVENTION IN COURT ACTIONS BROUGHT BY SUCH INDIVIDUALS AND BY THE FILING OF SUITS ON COMPLAINTS REFERRED BY THE SECRETARY.

FURTHER, THE REMEDIES AVAILABLE THROUGH SUIT BY THE ATTORNEY GENERAL WOULD BE SUBSTANTIAL -- EQUAL TO THE REMEDIES WHICH THE AMENDMENTS MAKE AVAILABLE TO PRIVATE LITIGANTS.

- FINALLY, THE PROPOSED BILL WOULD PROVIDE THE AGGRIEVED INDIVIDUAL SIGNIFICANTLY GREATER FLEXIBILITY IN SEEKING REMEDIES. IT WOULD GIVE SUCH A PERSON THE OPTION OF SEEKING ADMINISTRATIVE RELIEF THROUGH HUD OR PURSUING PRIVATE CIVIL REMEDIES THROUGH THE COURT. THE OBSTACLES AND AMBIGUITIES NOW CIRCUMSCRIBING THE LATTER COURSE OF ACTION WOULD BE REMOVED. THE CONFUSION ARISING FROM THE PRESENT DUAL PRIVATE LITIGATION PROCESS WOULD ELIMINATED. FURTHER, A SUIT COULD BE BROUGHT BY AN AGGRIEVED INDIVIDUAL AT ANY TIME WITHIN THREE YEARS AFTER THE DISCRIMINATORY PRACTICE OCCURRED. THE POTENTIAL REMEDIES AVAILABLE TO THE AGGRIEVED INDIVIDUAL WOULD BE SUBSTANTIAL.

FINALLY, IN EITHER AN ADMINISTRATIVE OR A JUDICIAL PROCEEDING, FEES AND COURT COSTS COULD BE AWARDED TO THE PREVAILING PARTY -- REGARDLESS OF HIS OR HER FINANCIAL STATUS.

I APPLAUD THIS CAREFULLY FORMULATED NETWORK OF COMPLEMENTARY ENFORCEMENT TOOLS. IT CONSTITUTES A COMPREHENSIVE ENFORCEMENT APPROACH WHICH OFFERS BOTH THE GOVERNMENT AND THE AGGRIEVED INDIVIDUAL MAXIMUM FLEXIBILITY TO CHOOSE THE MOST APPROPRIATE ROUTE TO REDRESS A COMPLAINT.

AN IMPORTANT ELEMENT OF THIS ENFORCEMENT STRATEGY IS A RECOGNIZED CONCILIATION PROCESS, AND I SUPPORT ITS INCLUSION IN THE ADMINISTRATIVE PROCESS. I HAVE INDICATED THAT, IN THE ABSENCE OF EFFECTIVE ENFORCEMENT AUTHORITY, THIS TOOL HAS OFTEN PROVED TO BE A PAPER TIGER. WHEN SUCH ENFORCEMENT POWER EXISTS, HOWEVER, CONCILIATION CAN BE A VERY USEFUL TOOL TO RESOLVE COMPLAINTS SPEEDILY AND TO PROVIDE ACCESS TO THE HOUSING IN CONTROVERSY. HOWEVER, I DO BELIEVE THAT REQUIRING THE CONSENT OF THE AGGRIEVED IN A CONCILIATION PROCESS UNDULY RESTRICTS THE ABILITY OF THE SECRETARY TO RESOLVE COMPLAINTS.

WITH RESPECT TO ENFORCEMENT THROUGH REFERRAL TO STATE AGENCIES, I SUPPORT THE INCREASED DISCRETION GIVEN THE SECRETARY TO MAKE SUCH REFERRALS AND TO CERTIFY THESE AGENCIES. ONCE A STATE AGENCY HAS BEEN CERTIFIED, HOWEVER, THE REFERRAL OF COMPLAINTS TO THAT AGENCY SHOULD NOT BE SUBJECT TO THE CONSENT OF THE COMPLAINANT. SUCH A PROVISION WOULD ADD AN ADDITIONAL PROCEDURAL REQUIREMENT WHICH WOULD DELAY THE PROCESSING OF COMPLAINTS REFERRED TO THE STATE AGENCIES.

ADDITIONALLY, I HAVE SOME CONCERN ABOUT THE LIMITATION PLACED UPON THE SECRETARY ON RECALLING OF COMPLAINTS REFERRED TO STATE AGENCIES. NOTWITHSTANDING SUCH REFERRAL, THE RESPONSIBILITY TO ENFORCE THE LAW REMAINS IN HUD; THE DEPARTMENT'S CAPACITY TO EXERCISE ULTIMATE CONTROL OVER ENFORCEMENT SHOULD NOT BE SUBJECT TO THE CONSENT OF THE RECIPIENT AGENCY.

THE ENFORCEMENT PROVISIONS OF THE PROPOSED BILL ARE CLEARLY ITS PIVOTAL FEATURES. THERE ARE OTHERS WHICH WOULD BROADEN THE COVERAGE OF THE FAIR HOUSING LAW. THE PROPOSED BILL EXPANDS THE DEFINITION OF A "DISCRIMINATORY HOUSING PRACTICE" TO INCLUDE "ANY ACT THAT IS UNLAWFUL" UNDER TITLE VIII. ONE POSITIVE EFFECT IS TO EXTEND THE ARM OF THE FAIR HOUSING LAW TO PERSONS USING COERCION OR INTIMIDATION AGAINST INDIVIDUALS EXERCISING THEIR RIGHTS UNDER THE LAW.

A TROUBLESOME EFFECT OF THIS EXPANDED DEFINITION IS AMBIGUITY ABOUT THE EXTENT TO WHICH THE SECRETARY AND FEDERAL AGENCIES MAY BECOME LIABLE UNDER SECTIONS 808(D) AND 808(E) TO CIVIL SUITS BECAUSE OF THE ALLEGED FAILURE OF EMPLOYEES TO APPLY THEIR INDIVIDUAL CONCEPTIONS OF AFFIRMATIVE ACTION. THERE IS NO QUESTION UNDER EXISTING CASE LAW THAT FEDERAL AGENCIES ARE LIABLE TO CIVIL SUIT FOR INSTITUTIONAL FAILURES TO ACT AFFIRMATIVELY IN IMPLEMENTING THE FAIR HOUSING LAW. I AM TROUBLED, HOWEVER, BY THE POSSIBILITY OF ADDED LIABILITY WHICH MIGHT OPEN THE SECRETARY AND OTHER OFFICIALS TO WHOLESALE CIVIL SUITS BY PERSONS CLAIMING INJURIES AS THE RESULT OF THE FAILURE OF INDIVIDUAL EMPLOYEES TO ACT

AFFIRMATIVELY. ACCORDINGLY, I URGE THAT THE DEFINITION OF "DISCRIMINATORY HOUSING PRACTICE" BE BROADENED ONLY TO THE EXTENT OF INCORPORATING SECTION 817 OF THE ACT.

THE EXPANDED PROHIBITIONS IN THE BILL AGAINST REDLINING BY INSURANCE COMPANIES, LENDING INSTITUTIONS AND THE SECONDARY MORTGAGE MARKET MERIT PARTICULAR ATTENTION.

A NEW PROPOSAL, NOT INCLUDED IN PREVIOUS DRAFTS OF THIS LEGISLATION, WOULD PROHIBIT REFUSAL TO BUY A DEBT SECURED BY REAL PROPERTY ON THE GROUNDS OF THE RACE, COLOR, RELIGION, SEX, HANDICAP OR NATIONAL ORIGIN OF PERSONS RESIDING IN OR NEAR THE SECURED PROPERTY.

MY REACTION TO THE PROVISION IS POSITIVE. HOWEVER, THE ADMINISTRATION NEEDS ADDITIONAL TIME TO STUDY THE PROVISION AND ITS POTENTIAL IMPACT BEFORE AN ADMINISTRATION POSITION IS STATED.

I SUPPORT, WITHOUT RESERVATION, THE CLARIFYING AMENDMENTS IN THE BILL WHICH WOULD MAKE EXPLICIT THE LAW'S COVERAGE OF INSURANCE AND LENDER REDLINING ACTIVITY.

THE PROPOSED AMENDMENTS SPECIFICALLY ADDRESS THE ROLE OF OTHER FEDERAL AGENCIES WHICH HAVE AUTHORITY IN THE AREA OF HOUSING DISCRIMINATION. MOST SIGNIFICANTLY, THE BILL REQUIRES COOPERATION BETWEEN HUD AND OTHER FEDERAL AGENCIES IN ELIMINATING DUPLICATION AND IN NOTIFYING EACH OTHER OF INSTANCES OF CONCURRENT JURISDICTION. THE VALUE OF SUCH COOPERATIVE ARRANGEMENTS IS CLEAR. THIS SHOULD ENHANCE HUD'S EFFORTS TO ENSURE THAT FEDERAL HOUSING PROGRAMS ARE CARRIED OUT IN A WAY THAT IS CONSISTENT WITH THE PROVISIONS OF TITLE VIII.

THE SPONSORS OF THIS PROPOSAL HAVE ALREADY RECOGNIZED THAT SEVERAL DIFFICULT QUESTIONS ARE RAISED BY THE INCLUSION OF "HANDICAP" AS A PROTECTED CLASS UNDER THE FAIR HOUSING ACT.

I SUPPORT THE EFFORT TO PROTECT HANDICAPPED PERSONS FROM DISCRIMINATION IN HOUSING. I WOULD RECOMMEND TO THE SUBCOMMITTEE, HOWEVER, THAT THE MOST COMPLETE EXPLORATION OF THIS ISSUE BE UNDERTAKEN DURING MARK UP OF THIS PROPOSAL.

LAST YEAR, TESTIFYING ON A SIMILAR PROPOSAL BEFORE THE HOUSE SUBCOMMITTEE ON CIVIL AND CONSTITUTIONAL RIGHTS, I RECOMMENDED THAT A DEFINITION BE PROVIDED FOR THE TERM "HANDICAP." I NOTE THAT THE TERM HAS NOW BEEN DEFINED IN S.506, AND THAT THE DEFINITION CHOSEN CLOSELY RESEMBLES THAT EMPLOYED IN THE REHABILITATION ACT AMENDMENTS. THE REHABILITATION ACT COVERS A BROAD RANGE OF INFIRMITIES RANGING FROM HEARING IMPAIRMENT TO ALCOHOLISM AND DRUG ADDICTION. IN THE CONTEXT OF THE REHABILITATION ACT(WHICH CAN BE DESCRIBED AS A KIND OF TITLE VI FOR THE HANDICAPPED) THERE IS LITTLE DOUBT THAT THIS BROAD DEFINITION MAKES SENSE. I ALSO BELIEVE THAT A SOMEWHAT BROAD DEFINITION MAKES SENSE FOR THE FAIR HOUSING AMENDMENTS BILL -- BUT THERE MAY BE ROOM TO EXAMINE WHETHER THE DEFINITION SHOULD BE PRECISELY THE SAME AS THAT CONTAINED IN THE REHABILITATION ACT. SHOULD THE SUBCOMMITTEE DETERMINE THAT THE PRESENT DEFINITION IS APPROPRIATE, I RECOMMEND THAT THE LEGISLATIVE HISTORY BE EXPLICIT IN DEFINING THE CIRCUMSTANCES UNDER WHICH IT IS INTENDED THAT THE LAW PROVIDE PROTECTION.

THE BILL SHOULD CLEARLY DEFINE THE LIMITS OF ITS PROTECTION.

THE SPONSORS HAVE ALREADY BEGUN THE PROCESS OF DESCRIBING THE INTENDED EFFECT OF PROHIBITING DISCRIMINATION AGAINST THE HANDICAPPED. IT HAS BEEN MADE CLEAR THAT THE BILL WOULD NOT "REQUIRE RETROFITTING TO REMOVE ARCHITECTURAL BARRIERS, ALTHOUGH REASONABLE ACCOMMODATIONS (AT THE EXPENSE OF THE BUYER OR LESSEE) WOULD HAVE TO BE PERMITTED."

ON A SIMILAR ISSUE, I RECOMMEND THAT IT BE MADE EXPLICIT IN THE BILL, OR IN ITS SUPPORTING HISTORY, THAT LANDLORDS ARE NOT TO BE HELD TO A HIGHER "DEGREE OF CARE" FOR HANDICAPPED TENANTS THAN IT WOULD BE THEIR LEGAL DUTY TO PROVIDE FOR ALL TENANTS. THIS HAS BEEN THE APPROACH TAKEN BY STATES WHICH HAVE ADOPTED ANTI-DISCRIMINATION LAWS FOR THE HANDICAPPED, AND IT IS MY VIEW THAT IT IS AN APPROPRIATE MATTER FOR THE SUBCOMMITTEE TO ADDRESS.

I SUPPORT THE EFFORTS TO SECURE PROTECTION FOR THE HANDICAPPED AGAINST HOUSING DISCRIMINATION. HOWEVER, THE NEED EXISTS FULLY TO DOCUMENT THE PURPOSE AND INTENT OF THIS FEATURE OF THE BILL, AND EVEN TO CONSIDER WHETHER THE NEW PROTECTIONS TO BE DEFINED OUGHT TO BE STATED IN THE BILL SEPARATELY, IN A SELF-CONTAINED PROHIBITIONS SECTION.

AS IMPORTANT AS THIS ISSUE IS, I WOULD HOPE THAT THE RESOLUTION OF THE QUESTIONS RAISED WILL NOT DELAY OR DETER THIS SUBCOMMITTEE IN ITS DELIBERATIONS OVER THIS LEGISLATION. MOST OF ALL, THE ENFORCEMENT POWERS PROVIDED IN THIS BILL NEED TO GO FORWARD.

ALTHOUGH MY REMARKS HAVE FOCUSED ON THE AREAS WHICH REQUIRE FURTHER ATTENTION OR REFINEMENT, I DO WANT IT TO BE CLEAR THAT I FULLY SUPPORT THIS LEGISLATION BECAUSE I CONSIDER IT TO BE A VITAL AND ESSENTIAL PART OF FULFILLING THE TRUE PROMISE OF THIS SOCIETY.

I BELIEVE WE MUST ALL RENEW OUR COMMITMENT TO THE ACHIEVEMENT OF A SOCIETY IN WHICH RACE DOES NOT DETERMINE DESTINY.

WE FACE NO GREATER CHALLENGE THAN THE RECONCILIATION OF THE DIVERSE PEOPLE WHO LIVE TOGETHER IN THE COUNTRY. ENDING HOUSING DISCRIMINATION IS THE MOST IMPORTANT COMPONENT OF THIS CHALLENGE. WHILE HOUSING WAS THE LAST CIVIL RIGHTS ISSUE TO GAIN NATIONAL ATTENTION, IT IS LITERALLY A QUESTION OF WHERE PEOPLE LIVE AND HOW THEY LIVE AND THIS CONGRESS CAN SHOW ITS COMMITMENT TO ENDING THE DIVISIONS AMONG US BY ENACTING THIS BILL.

THE RIGHT OF ALL PERSONS TO EQUAL OPPORTUNITY IN THEIR CHOICE OF HOUSING IS A RIGHT WHOSE FULL ENFORCEMENT IS ESSENTIAL TO THE ACHIEVEMENT OF THE DEMOCRATIC SOCIETY PROVIDED BY THE CONSTITUTION. ENACTMENT OF THIS LEGISLATION WITH ITS ENFORCEMENT PROVISIONS NOT ONLY FULFILLS THE PURPOSE OF THE 1968 FAIR HOUSING LAW, BUT ALSO INSURES THE RIGHTS OF PERSONS PROTECTED BY THE CONSTITUTION. THIS CONCLUDES MY PREPARED STATEMENT. I WOULD BE HAPPY TO RESPOND TO YOUR QUESTIONS.



HUD NEWS

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

HUD-No. 79-82
George Norris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Thursday
March 22, 1979

HUD ANNOUNCES SECURITIES PROGRAM TO BOOST HOME MORTGAGE FINANCING

Greater resources for the financing of American home purchases will be possible under a new program of the U.S. Department of Housing and Urban Development, Secretary Patricia Roberts Harris reported today.

Under the program, HUD's Government National Mortgage Association (Ginnie Mae) will for the first time guarantee securities backed by pools of Graduated Payment Mortgages insured by the Department's Federal Housing Administration. The securities will be issued by private mortgage lenders to private investors.

"The effect of the sales," Secretary Harris said, "will be to augment the supply of funds available for these innovative mortgages. This will benefit primarily first-time home buyers, and particularly young people, who purchase homes under the Graduated Payment Mortgage (GPM) program."

Until now, Ginnie Mae's guaranteed securities have been backed by other FHA-insured and Veterans Administration-guaranteed mortgages, but not those of the recently inaugurated GPM program.

The GPM program is designed to help young buyers start homeownership with lower monthly payments than are required under regular HUD/FHA mortgage insurance programs. Payments rise during the early years, and then level off after a set period of years.

Secretary Harris pointed out that the new GPM mortgage program has just completed its first full year as a permanent operation.

"We recognized," Mrs. Harris said, "that Ginnie Mae could enhance the usefulness of the Graduated Payment Mortgage program by making these mortgages eligible for the highly successful Mortgage-Backed Securities Program. And that is what we are doing in the program that becomes effective April 23."

"The new Ginnie Mae program means that lenders making GPM loans can market securities backed by the loans and free-up previously untapped investable funds from the capital markets to finance more of these mortgages."

Ginnie Mae will support the new GPM home-buying program as it does other FHA, VA, and Farmers Home Administration mortgage programs. For instance, Ginnie Mae guaranteed securities in excess of \$15 billion during the past year, and over 2 million American homes have been financed through the GNMA securities program.

Ginnie Mae will limit guarantees under the new program to pools made up exclusively of graduated payment mortgages obtained under the program's three most popular home-buying plans.

Under these plans, monthly payments "graduate," or increase, by between 2-1/2 and 7-1/2 percent annually over the first five years of the loan. Then, payments level off for the balance of the loan.

Final regulations for the new Ginnie Mae program were published in the Federal Register today (March 22).

Lenders may obtain additional information about the Mortgage-Backed Securities Program from Ginnie Mae's offices at HUD.

Home buyers may obtain information about the GPM from mortgage lenders or any one of HUD's field offices.

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HUD NEWS

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

HUD-No. 79-91
Tom Bacon (202) 755 5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Sunday
April 1, 1979

HUD AWARDS \$5.2 MILLION IN HOUSING COUNSELING GRANTS

The Department of Housing and Urban Development today announced the award of more than \$5.2 million in housing counseling grants, substantially expanding the Department's efforts to help financially hard-pressed low- and moderate-income families avoid loss of their HUD-assisted homes or apartments.

In announcing the awards, HUD Secretary Patricia Roberts Harris cited the Housing Counseling Program as "an example of the Administration's commitment to involve non-profit and neighborhood sectors in the urban partnership," and said counseling can play an effective role in stabilizing neighborhoods undergoing revitalization.

"Counseling is both a consumer service and a practical vehicle for minimizing mortgage defaults on HUD-insured and subsidized housing," she said, "and in the latter role can help people remain in homes or apartments they might otherwise, because of poor money management, have to vacate."

-more-

Targeted to 281 professional counseling agencies in 44 States, the District of Columbia and Puerto Rico, the funds will be used to support a broad range of **counseling** services that can, for example, help low- and moderate-income families suffering job loss or major illness avoid mortgage foreclosure; or show prospective homeowners with limited incomes whether they can afford to take on the financial demands of homeownership. On the rental side, effective counseling can help tenants cope with eviction problems created by conversion of their apartments to condominiums, a practice causing displacement of low-income families in many cities and reducing the supply of affordable rental housing.

The award, \$5,222,618, is the largest single grant of funds in the 11-year history of the Housing Counseling Program, and represents a 40 percent increase over last year. The average grant is \$18,693, compared to \$16,080 in FY 1978, and sixteen agencies in 14 States will receive the maximum grant amount of \$50,000 each.

HUD Assistant Secretary Geno Baroni, whose Office of Neighborhoods, Voluntary Associations and Consumer Protection administers the Housing Counseling program, described it as a "tangible example of where Government meets the people." He also noted the benefits of effective housing counseling to all taxpayers. "It costs the Federal Government, on the average, more than \$10,000 when a HUD-insured mortgage goes into foreclosure, while the average counseling cost of a client in default is only \$300."

Secretary Harris noted that the Housing Counseling program has become a mainstay of the Administration's urban revitalization strategies in neighborhoods, and said the Department is presently exploring ways to link counseling to other HUD-funded and private sector programs being carried out at local levels by neighborhood organizations, community groups, cities, and the private development and lending institutions.

In addition, the Secretary noted, "The Carter Administration's commitment to housing counseling has already produced an 80 percent increase in funding over the 1978 program, and the Administration's 1980 budget proposes a \$9 million funding level, targeted principally to default and pre-purchase homeowners' counseling."

A listing of housing counseling agencies, by State and city, with their respective grant amounts, is attached.

ALABAMA

Birmingham Urban League P.O. Box 11269 Birmingham, Alabama 35203	\$ 10,000
Human Resource Development Corporation 104½ N. Main Street, P.O. Box 896 Enterprise, Alabama 36330	10,000
Community Action Agency of Calhoun, Cleburne and Cherokee Counties, Inc. 1705 Quintard Avenue, P.O. Box 2223 Anniston, Alabama 36202	10,000
Community Service Programs of Tuscaloosa-Bibb Counties 2230 University Boulevard, 814 1st National Bank Building Tuscaloosa, Alabama 35401	8,500
Organized Community Action Program, Inc. 101 E. Church Street Troy, Alabama 36081	16,140

ARKANSAS

Arvac Housing Development Corporation Post Office - Box 846 1011 S. Ark Russellville, Arkansas 72801	10,000
ECAEOC PO Box 709 125 Grant Street Forest City, Arkansas 72335	10,000
Northcentral Arkansas Development Council 9th & Oak Streets Batesville, Arkansas 72501	10,000
Pine Bluff Jefferson County Economic Opportunities Commission, Inc. 2703 West 28th Ave. PO Box 7228 Pine Bluff, Arkansas 71611	10,000
Urban League Of Greater Little Rock, Inc. 2200 Main Street-P.O. Box 6368 Little Rock, Arkansas 72206	10,654

ARIZONA

Chicanos Por La Causa 2333 East University Drive Phoenix, Arizona 85034	\$ 33,725
Property Conservation Division 830 East Jefferson Street Phoenix, Arizona 85034	28,320
Tucson Urban League 745 North Fourth Avenue Tucson, Arizona 85705	14,755

CALIFORNIA

Inland Area Urban League 498 West Court Street San Bernardino, California 92401	10,000
Pittsburgh Economic and Housing Development Corporation P.O. Box 1397, 501 Railroad Avenue Pittsburgh, California 94565	27,225
Housing Authority of the City and County of Fresno 1833 "E" Street, P.O. Box 11985 Fresno, California 93776	23,755
Housing Alliance of Contra Costa County 2480 Pacheco Street Concord, California 94520	10,000
Consumer Credit Counselors of Inland Empire 3679 Arlington Avenue, Suite E Riverside, California 92506	10,000
Housing Authority of the County of Santa Barbara 815 West Ocean Street Lompoc, California 93436	46,800
Housing Authority of the County of Monterey 134 Carneros Street Salinas, California 93901	11,505
Contra Costa County Community Services Department 2265 Contra Costa Boulevard Pleasant Hill, California 94523	10,000

(To accompany HUD-No. 79-91)

CALIFORNIA (continued)

Bay Area Urban League 2400 Sutter Street San Francisco, California 94115	\$10,000
Neighborhood House Association 841 South 41st Street San Diego, California 92113	44,780
Consumer Credit Counselors of Los Angeles 650 South Spring Street, Suite 1119 Los Angeles, California 90014	29,065
Community Housing Services 15 North Euclid Avenue, Suite 300 Pasadena, California 91101	21,620
Office of Community Development 1333 Broadway, Suite 400 Oakland, California 94612	26,190
People Coordinated Services 1221 South Western Avenue Los Angeles, California 90006	50,000
Community Development Commission Housing Authority 405 West Perkins Street Ft. Bragg, California 95482	10,000
San Jose Housing Service Center 380 N. First Street San Jose, California 95112	21,550
Housing Authority, City of Santa Cruz 1543½ Pacific Avenue Santa Cruz, California 95060	10,000

COLORADO

Urban League of the Pikes Peak Region 707 South Tejon Street Colorado Springs, Colorado 80903	\$ 17,535
Neighbor-to-Neighbor, Inc. PO Box 1835 732 Alta Vista Ft. Collins, Colorado 80522	50,000
Community Services, Dept. of El Paso County 9 East Costilla Street Colorado Springs, Colorado 80903	8,060
Francis Heights/Clare Gardens 2626 Osceola Street Denver, Colorado 80212	40,945
Adams County Housing Authority 7475 Dakin Street, Suite 241 Denver, Colorado 80221	45,840
Human Resources Department 2750 Spruce Street Boulder, Colorado 80302	10,000
Housing Authority, City and County of Denver 1100 West Colfax Avenue PO Box 4226 Denver, Colorado 80204	13,365
Brothers Redvelopment, Inc. 2519 West 11th Avenue Denver, Colorado 80204	10,000
Consumer Credit Counseling 1353 South 8th Street Colorado Springs, Colorado 80906	10,000

CONNECTICUT

Connecticut Housing Investment Fund, Inc. 121 Tremont Street Hartford, Connecticut 06105	\$40,020
Neighborhood Housing, Inc. 83 Grand Avenue New Haven, Connecticut 06513	11,835
Northeastern Connecticut Community Development Corporation Post Office Box 156 Danielson, Connecticut 06239	10,000
Urban League of Greater Hartford 1229 Albany Avenue Hartford, Connecticut 06112	10,000

DELAWARE

Community Housing Inc. 300 Delaware Avenue Suite 1480 Wilmington, Delaware	11,959
Sussex County Community Action Agency Inc. .. 508 N. Dupont Highway Georgetown, Delaware 19947	9,600
St. Anthony's Community Center 1714 West Ninth Street Wilmington, Delaware 19805	10,000

DISTRICT OF COLUMBIA

Housing Counseling Services, Inc. 2436 18th Street, N. W. Washington, D. C. 20009	\$23,970
People's Involvement Corporation 2146 Georgia Avenue, N. W. Washington, D. C. 20001	10,000
Southeast Community Organization 2041 Martin Luther King, Jr., Avenue, S. E. Suite LL-2 Washington, D. C. 20020	10,000
Near Northeast Community Improvement Corporation 1125 H. Street, N. E. Washington, D. C. 20002	10,000
University Legal Services 324 H. Street, N. E. Washington, D. C. 20007	10,000

FLORIDA

City of Tampa - Housing Opportunity Center 1514-16 8th Avenue Tampa, Florida 33605	50,000
Jacksonville Urban League 829 Pearl Street Jacksonville, Florida 32202	12,275
Tallahassee Urban League 923 Old Bambridge Road Tallahassee, Florida 32303	13,355
Hillsborough County Housing Assistance Department 9350 Bay Plaza Boulevard, Suite 109 Tampa, Florida 33619	24,780
Urban Development Corporation of Pinellas County 1501 22nd Street South St. Petersburg, Florida 33712	17,875

GEORGIA

Heart of Georgia Community Action Council, Inc. 213 Pine Street Eastman, Georgia 31023	\$ 10,000
Coastal Plain Area Economic Opportunity Authority, Inc. P.O. Box 1645, 200 North Lee Street Valdosta, Georgia 31601	10,000
Metro Columbus Urban League, Inc. 1214 1st Avenue Columbus, Georgia 31901	17,310
Metro Fair Housing Services 1870 Columbia Drive Decatur, Georgia 30032	12,000
Economic Opportunity for Savannah-Chatham 618 W. Anderson Street, P.O. Box 1353 Savannah, Georgia 21402	12,925
Albany Urban League, Inc. 626 Pine Avenue Albany, Georgia 31701	50,000
CSRA Economic Opportunity Authority 360 Bay Street, Suite 310 Augusta, Georgia 30901	10,000
Athens Housing Development Corporation 155 E. Washington Street Athens, Georgia 30601	49,630
The Atlanta Urban League 75 Piedmont Avenue, N.E. Atlanta, Georgia 30303	10,000
Coastal Georgia Area C.A.A. 2801 Fourth Street Brunswick, Georgia 31520	10,535
Middle Georgia Community Action Agency, Inc. P.O. Box 2286, 801 Young Avenue Warner Robins, Georgia 31093	10,000
Consumer Credit Counseling Service 1105 West Peachtree Street, N.E. Atlanta, Georgia 30309	10,000

HAWAII

Hawaii Housing Authority
1002 N. School Street
Honolulu, Hawaii 96817

\$ 45,310

ILLINOIS

Tri-County (Peoria) Urban League
317 S. MacArthur Highway
Peoria, Illinois 61605

10,000

Joliet-Will County Community Action Agency
57 West Jefferson Street
Joliet, Illinois 60431

10,720

Lake County Community Action Project
102-106 South Sheridan Road
Waukegan, Illinois 60085

20,000

Spanish Coalition for Housing
2150 West North Avenue
Chicago, Illinois 60651

16,210

Romeo-Brook Community Service Council
759 Luther Drive
Romeoville, Illinois 60441

10,000

Bolingbrook Counseling Center
251 N. Bolingbrook Drive
Bolingbrook, Illinois 60439

10,000

INDIANA

Urban League of South Bend and St. Joseph County, Inc.
P.O. Box 3779, 404 S. Walnut Street
South Bend, Indiana 46619

15,200

Neighborhood Care, Inc.
8th Floor, City-County Building
Ft. Wayne, Indiana 46802

11,045 8

L.O.W. Economic Development Corporation
602½ West Main Street, Box 205
Mitchell, Indiana 47446

10,000

Joint Organization for Broader Services, Inc.
514 S. Wayne, P.O. Box 1087
Portland, Indiana 47371

10,000

INDIANA (continued)

Hope of Evansville, Inc. 614 East Blackford Avenue Evansville, Indiana 47713	\$ 10,000
Housing Authority of the City of Terre Haute One Dreiser Square - P.O. Box 3086 Terre Haute, Indiana 47803	19,855
Community Development Department-Anderson Housing Authority 120 E. 8th Street, P.O. Box 2100 City Hall Anderson, Indiana 46011	25,530
City of Indianapolis, Indiana Dept. of Metropolitan Dev. Div. of Urban Renewal 1942 City-County Building Indianapolis, Indiana 46204	50,000
Urban League of N.W. Indiana 3101 Broadway Gary, Indiana 46408	10,000
HOME, Inc. 626 Cleveland Street Elkhart, Indiana 46415	19,865

IOWA

City of Des Moines, Urban Development Department 102 East First Street Des Moines, Iowa 50307	32,455
Hawkeye Area Community Action Program, Inc. 105 8th Avenue SE Cedar Rapids, Iowa 52401	10,000

KANSAS

Human Relations Department 701 North 7th Street Kansas City, Kansas 66101	22,920
Topeka Housing Complaint Center 3120 East Sixth Street Topeka, Kansas 66607	10,000
Shawnee County Community Assistance and Action, Inc. 603 Topeka Avenue Topeka, Kansas 66603	17,700

KANSAS (continued)

Economic Opportunity Foundation, Inc. 1014 Armstrong Street Kansas City, Kansas 66102	\$ 10,000
E.C.K.A.N., Inc. 111 West Second Street Ottawa, Kansas 66067	6,800
Northeast Kansas Comm. Action Program 113 East 8th Street Horton, Kansas 66439	10,000

KENTUCKY

Brighton Center, Inc. P.O. Box 325, 746 Central Avenue Newport, Kentucky 41072	10,000
Blue Grass Community Action 202 Woodford Street Lawrenceburg, Kentucky 40342	10,000
City of Ashland Community Development 1717 Greenup Avenue Ashland, Kentucky 41101	6,000
Louisville Urban League 1202 South 3rd Street Louisville, Kentucky 40203	10,000
Urban Renewal and Community Development Agency 202 West Broadway Street Frankfort, Kentucky 40601	10,000
Accept, Inc. Room 407 Speed Building, 333 Guthrie Green Louisville, Kentucky 40202	10,000

LOUISIANA

Jeff Davis Community Action Assn. PO Box 1106 1715 S. Cuttings Ave. Jennings, Louisiana 70546	\$ 10,000
St. Martin, Iberia, Lafayette C.A.A. 501 St. John St. PO Box 3343 Lafayette, Louisiana 70502	20,650
North Central, Inc. 205 Main Street PO Box 294 Colfax, Louisiana 71417	10,000
Gulf Assistance Program of S.W. Louisiana, Inc. PO Box 3049 Lake Charles, Louisiana 70601	10,000
St. James Community Action, Inc. P.O. Box 87 Old Courthouse Bldg. Convent, Louisiana 70723	10,000
Acadia Vermillion Community Action Program, Inc. 403 North Parkerson Avenue Crowley, Louisiana 70526	50,000
Ouachita Multi-Purpose Community Action Program 2920 Louberta St., - Room 102 Monroe, Louisiana 71201	10,000
Jefferson Community Action Program 1817 Airline Highway Kenner, Louisiana 70062	16,815
St. Landry Parish Community Action Agency PO Box 899 Opelousas, Louisiana 70570	16,640
Caddo Community Action Agency, Inc. 1530 Arlington Street Shreveport, Louisiana 71103	19,410
Cenla Community Action Committee, Inc. 425 Polton Avenue Alexandria, Louisiana 71301	10,000

LOUISIANA (continued)

Central City Housing Development Corp.
2020 Jackson Avenue
New Orleans, Louisiana 70113

\$ 42,480

Allen Action Agency
519 Fifth Street
Oberlin, Louisiana 70655

10,000

MAINE

Consumer Credit Counseling Centers, Inc.
477 Congress Street - Suite 410
Portland, Maine 04101

4,000

MARYLAND

Southern Maryland Tri-County C. A. C., Inc.
Post Office Box 378
Hughesville, Maryland 20637

48,320

Baltimore Urban League
1150 Mondawmin Concourse
Baltimore, Maryland 21215

11,505

Family Service of P. G. County
7580 Annapolis Road
Lanham, Maryland 20801

10,000

Housing Opportunities Commission of Montgomery County
4100 Fenwick Lane
Silver Spring, Maryland 20910

10,000

Community Action Agency
251 West Street
Annapolis, Maryland 21401

50,000

Shore Up Inc.
520 Snow Hill Road
Post Office Box 430
Salisbury, Maryland 21801

10,000

MARYLAND (continued)

St. Ambrose Housing Aid Center
321 E. 25th Street
Baltimore, Maryland 21218

\$16,520

Human Resources Development Agency of Baltimore County
8330 Kavanaugh Road
Dundalk, Maryland 21222

10,000

MASSACHUSETTS

Boston Neighborhood Housing Services, Inc.
One Federal Street
Post Office Box 2735
Boston, Massachusetts 02208

10,000

Consumer Credit Counseling Service
of Eastern Massachusetts
11 Beacon Street, Room 812
Boston, Massachusetts 02108

10,000

Housing Allowance Project, Inc.
135 State Street
Springfield, Massachusetts 01103

50,000

Rural Housing Improvement, Inc.
14 Walnut Street
Winchendon, Massachusetts 01475

10,000

Worcester Tenants' Association, Inc.
122 Millbury Street
Worcester, Massachusetts 01610

29,855

MICHIGAN

City of Detroit Neighborhood Services Department
5031 Grandy Street
Detroit, Michigan 48211

10,315

Credit Counseling Centers, Inc.
17000 W. Eight Mile Road, Suite 280
Southfield, Michigan 48075

22,440

Urban League of Flint
202 East Boulevard Drive
Flint, Michigan 48502

12,390

MICHIGAN (continued)

Tele Non Profit Housing Corporation 3901 Grand River Detroit, Michigan 48208	\$ 10,000
Detroit Non Profit Housing Corporation State of Michigan Plaza, 1200 Sixth Street, Suite 404 Detroit, Michigan 48226	50,000
Calhoun Community Action P.O. Box 1026, 7 E. State Street Battle Creek, Michigan 49016	10,000

MINNESOTA

SMRLS 370 Selby Avenue St. Paul, Minnesota 55102	10,000
Pilot City Regional Center 1315 Penn Avenue North Minneapolis, Minnesota 55411	11,045

MISSISSIPPI

Harrison County CAA P.O. Box 519 Gulfport, Mississippi 39501	13,430
Prairie Opportunity, Inc. P.O. Box 1526 Starkville, Mississippi 39759	10,000
AJFC - Community Action Program 101 Clifton Avenue, P.O. Box "L" Natchez, Mississippi 39120	10,000

MISSOURI

West Central Missouri Rural Development Corporation PO Box 125/101 East Fourth Appleton City, Missouri 64724	30,370
Housing Information Center Catholic Charities 1414 E. 27th Street Kansas City, Missouri 64108	18,250
Metropolitan Lutheran Ministry 4240 Genesee Street Kansas City, Missouri 64111	17,895

MISSOURI (continued)

Urban League of St. Louis, Inc. 3701 Grandel Square St. Louis, Missouri 63108	\$ 26,225
Central Missouri Counties Human Development Corporation 206 4th Avenue, P.O. Box 1038 Columbia, Missouri 65205	21,515
Housing Development Corporation and Information Center 306 E. 12th Street Suite 219 Kansas City, Missouri 64106	50,000
Consolidated Neighborhood Services, Inc. 2600 Hadley Street St. Louis, Missouri 63106	10,000
North Area Community Forum 7900 Florissant Road St. Louis, Missouri 63121	10,000
Ozark Area Community Action Corp. 3003 E. Trafficway Street Springfield, Missouri 65802	22,880

MONTANA

Rocky Mountain Development Corporation PO Box 721, 201 South Main Helena, Montana 59601	10,000
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NEBRASKA

Urban Housing Foundation, Inc. 2416 Lake Street Omaha, Nebraska 68111	24,000
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NEW HAMPSHIRE

Family Financial Counseling Service 10 Fayette Street Concord, New Hampshire 03301	10,000
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NEW JERSEY

Atlantic Human Resources, Inc. 32 N. Massachusetts Avenue Atlantic City, New Jersey 08401	\$10,000
B. C. C. A. P. 57 Main Street Hackensack, New Jersey 07601	17,400
Burlington County Community Action Program 1304 North Route 130 Burlington, New Jersey 08016	14,950
City of Plainfield 972 West Third Street Plainfield, New Jersey 07060	10,455
City of Paterson, Department of Community Development 100 Hamilton Plaza Paterson, New Jersey 07505	16,100
Department of Planning and Development 10 Capital Street Trenton, New Jersey 08618	18,245
Fair Housing Council of Bergen County 191 Main Street Hackensack, New Jersey 07601	10,000
Jaycee Housing Counseling, Inc. 33 South - 33 Street Camden, New Jersey 08105	23,895
Jersey City Development Agency Relocation Division 3000 Kennedy Boulevard Jersey City, New Jersey 07306	30,855
Middlesex County Economic Opportunities, Corp. 290 George Street New Brunswick, New Jersey 08901	10,000

NEW JERSEY (continued)

Morris County Fair Housing Council 19 Market Street - Post Office Box 773M Morristown, New Jersey 07960	\$12,800
Morris County Human Resources Agency, Inc. 35 Ridgedale Avenue Morristown, New Jersey 07960	42,655
Neighborhood Development Corp. of Orange 42 No. Day Street Orange, New Jersey 07050	10,000
Newark Redevelopment and Housing Authority 57 Sussex Avenue Newark, New Jersey 17103	22,450
O. C. E. A. N., Inc. 40 Washington Street Post Office Box 1029 Toms River, New Jersey 08753	10,000
PACO, Inc. 371 Montgomery Street Jersey City, New Jersey 07302	12,685
Patterson Task Force 240 Broadway Street Paterson, New Jersey 07501	10,000
Rahway Community Action Organization, Inc. 796 East Hazelwood Avenue Rahway, New Jersey 07065	10,000
Rutgers Community Mental Health Center Post Office Box 101 Piscataway, New Jersey 08854	10,000
SCOPE, Inc. 83-93 East Commerce Street Bridgeton, New Jersey 08302	50,000
Urban League of Bergen County 106 West Palisade Avenue Englewood, New Jersey 07631	10,000

NEW JERSEY (continued)

Urban League of Union County, Inc.
272 N. Broad Street
Elizabeth, New Jersey 07208

\$10,000

Urban League of Hudson County
779 Bergen Avenue
Jersey City, New Jersey 07306

10,000

Western Union County
1470 Campbell Street
Rahway, New Jersey 07065

10,000

NEW YORK

CBMC Housing Development Co., Inc.
136-8 Pennsylvania Avenue
Brooklyn, New York 11207

10,000

Chautauqua Opportunities, Inc.
Post Office Box
188 S. Erie Street
Mayville, New York 14757

21,410

F. L. A. R. E. Community Development Center
307 Leroy Avenue
Buffalo, New York 14214

10,000

Family Service Association
129 Jackson Street
Hempstead, New York 11550

10,000

Highland Education and Information Center, Inc.
2801 Highland Avenue
Niagara Falls, New York 14305

10,000

Housing Assistance Center of Niagara Frontier, Inc.
1490 Jefferson Avenue
Buffalo, New York 14208

50,000

Housing Council in the Monroe Co. Area, Inc.
121 North Fitzhugh Street
Rochester, New York 14614

39,605

NEW YORK (continued)

Ingersoll Willoughby Housing 173 Myrtle Avenue Brooklyn, New York 11201	\$10,000
Menno Housing, Corning-Elmira, New York, Inc. 269 W. Pulteney Street Corning, New York 14830	10,000
Metro Interfaith Services 230 Main Street Binghamton, New York 13905	10,000
Monroe County Human Relations Commission 80 Main Street West Rochester, New York 14614	10,000
New York Urban League, Inc. 1500 Broadway, 14th Floor New York, New York 10036	15,680
South Bronx Action Group Housing, Inc. 509 Willis Avenue Bronx, New York 10455	10,000
Urban League of Onondaga County, Inc. 825 South Salina Street Syracuse, New York 13202	10,000
Village of Catskill Housing Authority P.O. Box 362 Catskill, New York 12414	10,000

NORTH CAROLINA

Family Service of Greater Greensboro 1301 N. Elm Street Greensboro, North Carolina 27401	10,000
Greensboro Housing Authority P.O. Box 21287 Greensboro, North Carolina 27420	16,235
Housing Authority of the City of Raleigh P.O. Box 28007 Raleigh, North Carolina 27611	50,000

NORTH CAROLINA (continued)

Family Housing Service, Inc. 403 North Tryon Street Charlotte, North Carolina 28202	\$ 46,020
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Cumberland Community Action Program, Inc. 503 Hillsboro Street Fayetteville, North Carolina 28302	18,895
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Johnston-Lee Community Action, Inc. P.O. Drawer 711 - 1102 Massey Street Smithfield, North Carolina 27577	17,370
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Salisbury-Rowan Community Service Council, Inc. 1300 West Bank Street Salisbury, North Carolina 28144	10,805
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REMCA, Inc. P.O. Box 195, 1905 Chapel Hill Road Durham, North Carolina 27702	23,470
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NORTH DAKOTA

Community Action 219 North 7th Street Bismarck, North Dakota 58501	10,000
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Southeastern North Dakota Community Action Agency 670 4th Avenue North Fargo, North Dakota 58108	10,000
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OHIO

Lutheran Housing Corporation 1424 Hayden Avenue East Cleveland, Ohio 44112	23,545
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The Better Housing League of Greater Cincinnati 2400 Reading Road Cincinnati, Ohio 45202	27,540
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Massillon Urban League 405 Massillon Building Massillon, Ohio 44646	10,000
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Spanish American Committee 4407 Lorrain Avenue Cleveland, Ohio 44113	10,000
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OHIO (continued)

CONSOC 272 South Gilt Street Columbus, Ohio 43215	\$50,000
HOC 700 Bryden Road, Suite 208 Columbus, Ohio 43215	24,985
Marion-Crawford Community Action Committee 2375 Harding Highway East Marion, Ohio 43302	10,000
Children and Family Service (Consumer Credit Counseling) 535 Marion Avenue Youngstown, Ohio 44502	10,000
Consumer Credit Counseling (Svc. of Metropolitan Cleveland) 423 Euclid Avenue, P.O. Box 5151 Cleveland, Ohio 44101	50,000

OKLAHOMA

Tulsa Urban League's Housing Information & Counseling Program 240 East Apache Tulsa, Oklahoma 74106	34,705
Urban League of Greater Oklahoma City, Inc. 3017 N. Eastern Avenue Oklahoma City, Oklahoma 73111	26,490
SAC & FOX Housing Authority P.O. Box 1252 Shawnee, Oklahoma 74801	10,000
Little Dixie Community Action Agency, Inc. 207 East Jackson Street Hugo, Oklahoma 74743	10,000
The Chickasaw Nation Housing Authority 901 Country Club Road Ada, Oklahoma 74820	10,000
Payne/Noble Community Action Foundation P.O. Box 263 619 W. 12th Street Stillwater, Oklahoma 74074	21,700

OREGON

Housing and Community Development P.O. Box 2, Marylhurst Campus Marylhurst, Oregon 97036	\$10,000
Housing and Community Development 170 East 11th Avenue Eugene, Oregon 97401	11,485
Southwestern Oregon Community Action Committee P.O. Box 427, 1993 Sherman Avenue North Bend, Oregon 97459	25,665
Salem Non Profit Housing Corporation 840 Jefferson Street, N.E. Salem, Oregon 97303	21,240

PENNSYLVANIA

Consumer Credit Counseling Service of Western Pennsylvania, Inc. 307 Fourth Av-the Bank Tower-St. 510 Pittsburgh, Pennsylvania 15222	45,300
Urban League of Pittsburgh 200 Ross Street Pittsburgh, Pennsylvania 15119	50,000
Housing Opportunities - 623 Versailles Avenue McKeesport, Pennsylvania 15132	50,000
Urban League of Philadelphia 1317 Filbert Street Philadelphia, Pennsylvania 19107	23,835
Philadelphia Housing Development Corp. 1422 Chestnut Street Philadelphia, Pennsylvania 19102	50,000
North Western Legal Service 121 West Tenth Street Erie, Pennsylvania 16501	35,60
Elder-Ado, Inc. Knox Avenue at Charles Street Pittsburgh, Pennsylvania 15210	13,280

PUERTO RICO

U. S. Dept. of Agriculture (U. of P. R.)	
College Station Street	
Rio Piedras, Puerto Rico 00708	\$12,350

RHODE ISLAND

Cranston C. A. P. Committee, Inc.	
30 Rolee Street	
Cranston, Rhode Island 02910	10,000

Urban League of Rhode Island, Inc.	
246 Prairie Avenue	
Providence, Rhode Island 02905	31,820

Warwick Community Action, Inc.	
455 West Shore Road	
Warwick, Rhode Island 02889	11,800

SOUTH CAROLINA

Spectrum, Inc.	
P.O. Box 11726 - 1518 Pine Street	
Columbia, South Carolina 29211	24,115

Greenville Urban League, Inc.	
300 University Ridge, Suite 203	
Greenville, South Carolina 29601	10,000

Orangeburg Area Committee for Economic Progress, Inc.	
710, St. John Street	
Orangeburg, South Carolina 29115	10,000

Housing Authority of the City of Greenville, S.C.	
511 Augusta Street	
Greenville, South Carolina 29605	10,000

Aiken County Community Action Committee	
237 Park Avenue, S.W., P.O. Box 2094	
Aiken, South Carolina 29801	24,855

GLEAMS Human Resources Commission	
North Hospital Street, P.O. Box 1326	
Greenwood, South Carolina 19646	15,700

Florence Housing Authority	
306 E. Cheves Street	
Florence, South Carolina 29501	19,375

Trident United Way	
P.O. Box 1696	
Charleston, South Carolina 29403	21,175

SOUTH DAKOTA

Inter-Lakes Community Action, Inc.
 Post Office Box 268
 Madison, South Dakota 57042

\$ 32,615

TENNESSEE

Knoxville Area Urban League
 820 Tulip Street
 Knoxville, Tennessee 37921

50,000

Nashville Urban League
 2701 Jefferson Street
 Nashville, Tennessee 37208

10,000

Memphis Urban League
 2279 Lamar Avenue
 Memphis, Tennessee 38114

10,000

First Tennessee Housing Services Corporation
 906 Grover Street
 Johnson City, Tennessee 37601

10,000

Metro Development and Housing
 P.O. 846
 Nashville, Tennessee 37202

36,755

Douglas Cherokee Economic Authority
 534 East First North Street
 Morristown, Tennessee 37814

10,000

East Tennessee Human Resource Agency
 4711 Old Kingston Pike, Suite 112
 Knoxville, Tennessee 37919

50,000

City of Cleveland, Department of Community Development
 170 2nd Street, N.E.
 Cleveland, Tennessee 37311

10,400

Knoxville's Community Development Corporation
 P.O. Box 3629, 901 Broadway N.E.
 Knoxville, Tennessee 37917

10,000

HOPE, Inc.
 1502 Edgehill Avenue
 Nashville, Tennessee 37212

33,000

TEXAS

San Antonio Development Agency 418 S. Santa Rosa Street San Antonio, Texas 78207	\$13,035
Cameron-Willacy Counties 940 East Washington Street #206 Brownsville, Texas 78520	10,000
South Plains Community Action Assn., Inc. 411 Austin St. Box 610 Levelland, Texas 79336	10,000
Ella Austin Community Center 1023 North Pine Street San Antonio, Texas 78202	11,720
Texas Panhandle Community Action Corporation PO Box 32150 Amarillo, Texas 79120	14,055
Community Development Corporation of Corpus Christi 517 Glazebrook Drive PO Box 6098 Corpus Christi, Texas 78411	13,310
Centro del Barrio, Inc. 737 West Mayfield Street San Antonio, Texas 78211	10,000
Gulf Coast Community Services Assn. 6300 Bowling Green Houston, Texas 77021	7,510
Housing Authority of Travis County 2201 Post Road - #103 Austin, Texas 78704	10,000
Nueces County Welfare Division 1810 Howard Street PO Box 1540 Corpus Christi, Texas 78403	50,000
E.T.M.B.D., Inc. 2129 West Gentry Parkway Tyler, Texas 75702	47,025

TEXAS (continued)

Associated City-County Economic Development Corp. of Hidalgo Co. 1304 South 25th St., PO Box 1198 Edinburg, Texas 78539	\$20,120
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E.O.D.C. 410 S. Main Avenue San Antonio, Texas 78204	10,000
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East Texas Human Development Corp. P.O. Box 1343 Marshall, Texas 75670	19,590
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MHMR Regional Center 305 S. Broadway, Tenth Floor Tyler, Texas 75701	10,000
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Dallas Co. Community Agency 2208 Main Street Dallas, Texas 75201	10,000
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Dallas Urban League, Inc. 2606 Forest Avenue Dallas, Texas 75215	10,000
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UTAH

Community Action Program 28 East 2100 South Suite 101 Salt Lake City, Utah 84115	10,000
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Weber State College 3750 Harrison Boulevard Ogden, Utah 84408	21,280
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VERMONT

Consumer Credit Counseling Service of Vt. 160 1/2 College Street Burlington, Vermont 05401	10,000
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VIRGINIA

Norfolk Redevelopment and Housing Authority Post Office Box 968 Norfolk, Virginia 23501	\$12,520
Newport News Office of Human Affairs Post Office Box 37 Newport News, Virginia 23607	34,290
Saunders B. Moon HDC 8100 Fordson Road Post Office Box 6058 Alexandria, Virginia 22306	10,000
Richmond Urban League 101 East Clay Street Richmond, Virginia 23219	11,505
Portsmouth Redevelopment and Housing Authority Post Box 1098 Portsmouth, Virginia 23705	10,000
Department of Development 22 Lincoln Street Hampton, Virginia 13202	10,000
Total Action Against Poverty 702 Shenandoah Avenue, N. W. Post Office Box 2868 Roanoke, Virginia 24001	18,800
Southeastern Tidewater Opportunity Project 415 St. Paul's Boulevard Norfolk, Virginia 23510	10,000
Roanoke Redevelopment and Housing Authority P.O. Box 6359 Roanoke, Virginia 24017	10,000

WASHINGTON

Seattle Housing Authority
105 14th Avenue, Suite 1A
Seattle, Washington 98031

\$10,000

Pierce County
2401 South 35th Street
Tacoma, Washington 98409

36,170

Fremont Public Association
3410 Fremont Avenue North
Seattle, Washington 98103

22,340

WISCONSIN

West CAP
525 Second Street
Glenwood City, Wisconsin 54013

10,000

ADVOCAP, Inc.
174 W. Division
Fond du Lac, Wisconsin 54935

37,140



HUD NEWS

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

HUD-No.79-107
Andy Gasparich (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE:
Sunday
April 15, 1979

HUD SIMPLIFIES LAND SALES REGULATIONS

The Department of Housing and Urban Development **has taken** another step in its continuing effort to simplify regulation requirements and to make them easier to understand. It announced revisions to the Interstate Land Sales regulations.

In making the announcement, Secretary Patricia Roberts Harris noted that the changes will make it easier for land developers to comply with the law without sacrificing protection for consumers.

The revised regulations were published in the April 10 issue of the Federal Register.

The Interstate Land Sales Full Disclosure Law, which is administered by the HUD Office of Interstate Land Sales Registration (OILSR), requires land developers to register their real estate offerings and give a disclosure document to each lot purchaser before a contract is signed. The law applies, with certain exceptions, to sellers who are offering 50 or more lots in a subdivision.

The disclosure document which purchasers receive is the Property Report. It gives lot purchasers information they need in order to make intelligent decisions on whether to buy. This includes information about rights to cancel contracts, title information, facts about the physical condition of the land, about the roads or streets, crucial utility services and other important details.

"We have not only simplified registration requirements by reducing the documentation previously required," said Secretary Harris, "but we have eliminated cumbersome provisions."

HUD has been concerned that the length of the Property Report might be discouraging purchasers from reading them. Under the revisions, the Report will be composed in a more easily understood narrative fashion and a cost sheet will be included so a purchaser can read on one page all the costs being incurred.

Deputy Assistant Secretary and Interstate Land Sales Administrator Patricia M. Worthy outlined some of the other revisions:

- * Gives developers additional options in both disclosure and documentation requirements.
- * Substantially increase exceptions to the requirements for audited financial statements.
- * Exempt developers from registration requirements without prior HUD review in the following instances:
 - a. Local offerings of fewer than 200 lots;
 - b. Sales to persons in the land sales business;
 - c. Sales of lots adjoining that of residents;
 - d. Small volume subdivisions having fewer than 12 sales a year;
 - e. Scattered sites of fewer than 50 lots, although technically part of a subdivision; and
 - f. Sales to existing lessee residents and Government agencies.

"These revisions," said Ms. Worthy, "represent a conscientious effort to improve HUD's efficiency in serving consumers while reducing costs for the industry."

Paperwork and duplication have been reduced substantially. Previous documentation requirements have been reduced by one third. In addition, paperwork for statutory annual exemption reporting requirements have been reduced by 95.5 percent.

The amendments to the land sales regulations also provide new advertising guidelines and new disclosure requirements dealing with property owner associations and the environment. The advertising guidelines provide new rules on racial discrimination and the use of investment potential as a sales inducement.

"It is hoped," said Ms. Worthy, "that these revisions will result in better disclosure for land purchasers, foster a better working relationship with legitimate developers and ultimately free the agency's time so that more attention can be given to serious cases of fraud."

For further information contact: Roger Henderson (202)
755- 6847.



HUD NEWS

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

HUD-No. 79-108
George Norris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE
Friday
April 13, 1979

GNMA PROJECT AUCTION

The Government National Mortgage Association (GNMA) announced today that it has tentatively scheduled to offer for sale by auction approximately \$600 million of FHA-insured project mortgages on Thursday, June 7.

The mortgages to be offered were purchased by GNMA, through the Federal National Mortgage Association (FNMA), under Special Assistance Programs 17, 21 and the Emergency Mortgage Purchase Program 23. The FHA-insured project mortgages offered for sale will not be eligible for inclusion in pools of project mortgages that support issues of GNMA-guaranteed mortgage-backed securities.

This sale will be conducted for GNMA by FNMA under procedures, terms and conditions described in a bidding invitation to be issued during the second week in May. A listing of the mortgages offered for sale will be included in the invitation.

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HUD NEWS

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

HUD-No. 79-113

George Norris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE AFTER:

3:00 P.M. Friday
April 20, 1979

FHA HOME MORTGAGE RATE INCREASED

Secretary Patricia Roberts Harris of the U.S. Department of Housing and Urban Development today announced that the maximum allowable interest rate for HUD-FHA insured single-family mortgage loans is being increased to 10 percent. This new rate will be the highest in FHA's 45-year history.

Secretary Harris said she was reluctant to take this action, but that the increase was necessary to bring the FHA rate in line with other competitive rates in both the mortgage and financial markets.

The new single-family rate was determined after consultation with Max Cleland, Administrator of the Veterans Administration, who simultaneously announced the same change in the maximum rate of VA home mortgage loans.

The change is effective Monday, April 23.

"It has become clear," Secretary Harris said, "that yields in the mortgage and other long-term markets have stabilized and by taking action at this time, we will not lend further impetus toward higher rates."

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"The change was dictated by the persistent high level of discounts prevalent for FHA-insured loans. This condition has created hardships for many families in their efforts to achieve homeownership and to sell their homes, particularly among low- and moderate-income families who need the more favorable terms available in FHA and VA financing to either buy or sell."

She pointed out that the current level of discounts home sellers must pay, which, in effect, represent a prepayment of interest, discourages both buyers and sellers from using FHA financing.

"With the increased allowable interest rate at 10 percent," she said, "the number of discount points charged on FHA loans should be substantially reduced from the 5 to 7 points now required by investors."

The previous rate for single-family loans was 9-1/2 percent, which has been in effect since June 29, 1978.

The allowable rate on multifamily mortgage loans remains at 9-1/2 percent. The Department is monitoring multifamily mortgage rates and will make necessary changes when conditions warrant.

QUESTIONS AND ANSWERS

- Q. How will the increase in the FHA interest ceiling affect the person who is trying to sell his house?
- A. Presently, FHA and VA mortgages are selling at approximately 5 to 7 percent discount. Taking this action means that the seller will not be forced to increase the price of his house to pay that discount or absorb some or all of this cost.
- Q. How will it affect the buyer?
- A. On a \$40,000 loan for a 30-year term, it will increase the monthly payment by \$14.80. But, more importantly, it will maintain FHA/VA as a financing alternative for many buyers. Under present market conditions, a seller must pay approximately 5 to 7 "discount points" to make the FHA/VA mortgage marketable. When added to the 6 percent sales commission and other related costs, front-end costs become so high that many sellers are reluctant to sell on a FHA/VA basis, and thus buyers who cannot qualify for conventional mortgage credit find desirable housing scarce. In the example above, this could amount to as much as \$4,800 in front-end cost for these items alone.

The action we are taking will remove a source of built-in inflation of selling prices, and will make for healthier home buying practices. First, when a seller has to pay discount points he often compensates by building this cost into the selling price of his property, and this not only increases the purchase price to the buyer but also works toward increases in the real estate taxes and insurance he will pay as a homeowner. The buyer accepts this because, in most cases, he has no other home buying alternative. Second, since the points are in effect prepaid interest, if the buyer sells the home during the early years of the mortgage, a windfall may accrue to the lender.

-2-

- Q. What is meant by "paying points" and what does this have to do with the cost of a house?
- A. The FHA/VA interest rate has been 9-1/2 percent. To attract money into FHA/VA mortgages, lenders have had to be offered discount points that would make up the difference between the FHA/VA rate of 9-1/2 percent and the "going rate" in the market of well in excess of 10 percent. Paying points amounts in practice to pre-paying the interest differential between the FHA/VA rate and the market rate. Without this discount, no lender would invest in FHA/VA mortgages since the yield would not be competitive with that available from other investments.
- Q. When the allowable interest rate goes up, who gets the extra interest?
- A. The mortgage money lender seeks the market level rate and he gets it either through discount or through the interest payable under the terms of the mortgage. In effect there is no "extra" interest, because the higher rate provided in the mortgage simply takes the place of discount points. Obviously, lenders should not be expected to invest in 9-1/2 percent FHA loans when conventional rates are in excess of a full percentage point higher or good quality corporate bonds are available at yields in excess of 10 percent.

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HUD/FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	November 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 - December 2, 1956
5%	December 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - September 22, 1959
5-3/4%	September 23, 1959 - February 1, 1961
5-1/2%	February 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - February 6, 1966
5-1/2%	February 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - October 2, 1966
6%	October 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - January 23, 1969
7-1/2%	January 24, 1969 - January 4, 1970
8-1/2%	January 5, 1970 - December 1, 1970
8%	December 2, 1970 - January 12, 1971
7-1/2%	January 13, 1971 - February 17, 1971
**7%	February 18, 1971 - June 30, 1973
**7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - January 21, 1974
8-1/4%	January 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 - November 24, 1974
9%	November 25, 1974 - January 20, 1975
8-1/2%	January 21, 1975 - March 2, 1975
8%	March 3, 1975 - April 27, 1975
8-1/2%	April 28, 1975 - September 1, 1975
9%	September 2, 1975 - January 4, 1976
8-3/4% (Single Family)	January 5, 1976 - March 29, 1976
9% (Multifamily)	January 5, 1976 - June 28, 1978
8-1/2% (Single Family)	March 30, 1976 - October 17, 1976
8% (Single Family)	October 18, 1976 - May 30, 1977
8-1/2% (Single Family)	May 31, 1977 - February 27, 1978
8-3/4% (Single Family)	February 28, 1978 - May 22, 1978
9% (Single Family)	May 23, 1978 - June 28, 1978
9-1/2% (Single Family)	June 29, 1978 - April 22, 1979
9-1/2% (Multifamily)	June 29, 1978 -
10% (Single Family)	April 23, 1979 -

* 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

HUD-No. 79-116

George Norris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE

Tuesday

April 24, 1979

HUD'S NEW SECURITIES PROGRAM DRAWS HUGE INITIAL RESPONSE

Secretary Patricia Roberts Harris of the U. S.

Department of Housing and Urban Development today announced that requests for more than 250 guarantee commitments amounting to over \$1.8 billion have been received from lenders under the newly implemented mortgage-backed securities program involving Graduated Payment Mortgages (GPM).

Although the new program became operational only yesterday (April 23), virtually all of those commitment applications have already been approved by the Department. The first commitment was issued to VNB Mortgage Company of Richmond, Va. The company received a commitment to issue \$5 million in securities, which will finance GPM loans for homebuyers throughout Virginia.

Under the program, HUD's Government National Mortgage Association (GNMA) guarantees securities backed by the pools of GPMS insured by the Department's Federal Housing Administration. The securities will be issued by private mortgage lenders to private investors.

Commenting on the initial response, Secretary Harris said, "It is evident that the lending institutions agree with us that there is a proven need for GPMS supported by the GNMA securities. The money generated by the new securities program should help many more people to buy their first homes."

-more-

The GPM program which just completed its first full year as a permanent operation enables home buyers to make lower initial monthly payments than are possible under the regular mortgage insurance programs. It is aimed at first time home buyers, particularly young people, whose incomes can reasonably be expected to increase and keep pace with the annual "graduation" or increase in the monthly installments required under the various GPM plans.

The GPM Mortgage-Backed Securities program will be limited to mortgages insured under GPM Plans I, II, and III. These provide for an increase in mortgage installments over a five year period. Depending on the plan, the monthly installments increase either 2-1/2, 5, or 7-1/2 percent each year over the first five years of the loan. After the fifth year, the monthly installments remain the same for the term of the loan.

The mortgage-backed securities issued against these mortgages will help mortgage lenders to convert their GPM mortgage originations into cash which they can use to make additional GPM mortgages.

Secretary Harris indicated that the GPM securities program, under HUD's GNMA, will broaden the current secondary market for GPM loans and facilitate sales in that market at a minimum cost to the home buyer.

Mortgage lenders may obtain additional information about the Graduated Payment Mortgage-Backed Securities program from the Office of the Vice President for Mortgage-Backed Securities, GNMA, Washington, D.C. 20410.

Potential homebuyers may obtain information about the Graduated Payment Mortgage insurance program (Section 245) from mortgage lenders or their nearest HUD field office.

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HUD NEWS

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

HUD-No. 79-124
Jackie Conn (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Wednesday
April 25, 1979

HUD PARTICIPATES IN NEIGHBORHOOD SELF-HELP FAIR

Interested in homesteading on the urban frontier?

Will solar energy be in your future?

Can your neighborhood group make your street a better place to live?

You can find answers to these questions at ACT '79, a community technology fair and conference, opening Friday, April 27 and running through Monday, April 30 on the Washington Mall.

The U.S. Department of Housing and Urban Development is supporting the fair along with other Federal agencies, community organizations, small businesses, local governments, community action groups and representatives from universities.

HUD's participation will include exhibits, information booths, and panel discussions on the role of neighborhood groups in revitalizing cities, urban homesteading, solar energy, new town development, and the National Urban Policy.

The fair will focus on technologies, old and new, to increase self-reliance for the individual, the family and the community. Appropriate community technology (ACT) is a self-help approach to problem solving at the local level through local efforts.

Geno C. Baroni, HUD Assistant Secretary for Neighborhoods, Voluntary Associations, and Consumer Protection said today, "At HUD we work closely with neighborhood, consumer, voluntary, and citizen groups pursuing a wide range of local needs. Most of these groups are small, they focus on self-help, they rely on indigenous labor, they are decentralized, and they don't consume much energy in their work. When it comes to solving most human or community problems, these citizens' groups are by definition 'appropriate technology' and should be vigorously supported. They offer appropriate and strategic ways to deal with any number of the nation's problems and goals.

"ACT '79 brings together in one place self-help information for handling problems locally in the neighborhoods."

Coinciding with the opening of ACT '79, Assistant Secretary Baroni will testify on appropriate community technology before the House Committee on the District of Columbia.

The fair will include information and demonstrations on food, housing, health care, energy, transportation, communications, economic development, education, legal aid, land use, environmental protection, recreation and the arts.

ACT '79 will be held in the Reflecting Pool area of the Mall between the Lincoln and Washington Monuments. Activities will begin each day at 10:00 a.m. and run through 5:30 p.m.

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HUD NEWS

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

HUD-No. 79-126
Dan Day (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Friday
April 27, 1979

WASHINGTON CONFERENCE SET ON WOMEN'S RIGHTS IN HOMEBUYING

A program developed by the Department of Housing and Urban Development to encourage homeownership for women will be a special feature of the training conference of the Women's Equity Action League to be held May 4-6 at the L'Enfant Plaza Hotel in Southwest Washington.

The HUD program, known as the Women and Mortgage Credit Project, is a national effort directed by Donna Shalala, Assistant Secretary for Policy Development and Research. Directed toward women of all racial, ethnic and social backgrounds, the program seeks to achieve its objectives through research, homeownership workshops for women and a lender awareness campaign.

Jo Ann McGeorge, director of the project, will conduct a workshop at the L'Enfant Plaza Hotel on Saturday, May 5 emphasizing homeownership as an investment for single women and women who head households.

The workshop, open to the public, will mark the first participation of HUD's new Women and Mortgage Credit Project in a national women's organization conference, Shalala said.

The Women's Equity Action League is a national organization dedicated to improving the social, legal and economic status of women.

FOR FURTHER INFORMATION, CONTACT:

Jo Ann McGeorge
HUD, Room 8204
Washington, D.C. 20410
Phone: (202) 755-6970



HUD NEWS

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

HUD-No. 79-127
Andy Gasparich (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Tuesday
May 8, 1979

MOBILE HOME ADVISORY COUNCIL SCHEDULES BIENNIAL MEETING

Research on wind, fire and transportation as they relate to mobile homes will be among the topics to be discussed at the biannual meeting of the National Mobile Home Advisory Council.

The meeting, to be held May 22, 23 and 24 in Room 10233 of the Department of Housing and Urban Development, 7th and D Streets, Southwest, Washington, D.C., is open to the public. The daily sessions begin at 9:00 a.m.

Under the National Mobile Home Construction and Safety Standards Act of 1974, HUD has the responsibility of establishing construction and safety standards for mobile homes. The 24-member Advisory Council, composed of consumer, industry and Government representatives, meets twice a year to advise the HUD Secretary on the establishment, amendment or revocation of the standards.

For further information, contact:

John Mason, Acting Director
Office of Mobile Home Standards
Telephone (202) 755-7970

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FILE HUD NEWS

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

HUD-No. 79-122
Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE
Tuesday
May 1, 1979

HUD LAUNCHES MANAGEMENT/LEADERSHIP PROGRAM

A unique work/study program designed to develop a network of Federal, State and local Government managers who can more effectively and creatively implement community development and housing programs was announced today by Patricia Roberts Harris, Secretary of Housing and Urban Development.

The new HUD/Intergovernmental Management Program will be a one year, intensive work/study experience for approximately 25 men and women now working throughout the nation as program specialists and technicians. Students will pursue a rigorous combination of full-time graduate study at the University of Southern California, Washington Public Affairs Center, and full-time work as a professionals in HUD's Office of Housing or Office of Community Planning and Development. Upon completion of the program, and any additional academic requirements of the University, they will be eligible to receive a Masters Degree in Public Administration.

"I think this is an exceptionally promising program to help identify and develop the future generation of people who will manage an intergovernmental system that delivers housing, community development and economic development programs," Secretary Harris said.

"These men and women, from all levels of Government, will be exposed to management and policy issues here in HUD headquarters as full time staff employees," she said. "At the same time, they will be analyzing contemporary urban development, public administration, and management issues as full time graduate students.

FILE

"Best of all," she added, "they will return to their original organizations after one year, ready to manage their inter-related program delivery system better and more creatively."

The Intergovernmental Management Program is open to all HUD and State and local government employees with at least three years experience in housing and community development. Individuals should be now working at the GS-11 to 13 level or non-federal equivalent. Applicants must be recommended by their supervisor and nominated by the HUD Regional Administrator for their location (Assistant Secretary for HUD headquarters employees).

The University of Southern California, Washington Public Affairs Center, requires an undergraduate college degree, a 3.0 grade average for the final two college years, official graduate or law school admissions test scores, (one of these tests must be taken before entering or sometime prior to the second course of the program) and 12 units of basic social science.

The Department will pay all costs of the training, including tuition, fees and books, and for travel and relocation to and from the Washington, D.C. area. HUD employees will receive their usual salaries for the position to which they are assigned, and non-HUD participants, detailed to HUD under the Intergovernmental Personnel Act (IPA), will continue to be paid their regular salaries by the respective State/local governments, with HUD reimbursing 75 percent.

Participants will be selected on the following:

1. Evidence of superior work performance, initiative, and leadership potential;
2. Demonstrated knowledge of housing and/or community development programs;
3. Supervisory appraisals and recommendations, and
4. Management plan for utilizing the employee's enhanced abilities within the employing organization.

Further details and application information may be obtained from the HUD Regional Training Officer serving the applicant's geographic area.

Q & A

INTERGOVERNMENTAL MANAGEMENT PROGRAM

Q: How will the students arrange full time study and full time work?

A: The two components of the program - the Academic Component and the HUD Service Component - are complementary and both must be completed. The Academic Component is taught on the "Intensive Semester" basis, with a four-week preparatory reading period, eight full days of class scheduled around two weekends (usually Thursday through Sunday), and a four-week period between classes for preparation of a project paper. The HUD Service Component will assign students to responsible positions within the Office of Housing or the Office of Community Planning and Development, where they will work closely with a key headquarters manager, be exposed to policy and operational planning, and integrate their academic assignments into their work assignments.

Q: How will the curriculum be constructed for the Academic Component?

A: The University of Southern California, Washington Public Affairs Center, has worked with HUD Housing and CPD officials to create a curriculum relevant to the needs of the students. Each course will be geared to the needs of the individual students, groups of students, and the goals of the Department.

Q: How many courses are required for the Master of Public Administration?

A: Nine graduate level courses - a total of 36 units.

Q: How can I apply for the program?

A: Submit a Standard Form 171, recent performance appraisal, a written statement of career plans, and written statement by a supervisor describing how your enhanced abilities will benefit your organization to the Regional Administrator for the geographic area where you are employed, or, for headquarters employees, to the Assistant Secretary.

In addition, applicants must submit the following to USC Washington Public Affairs Center, 512 Tenth St., N.W. Washington, D.C. 20004:

1. Standard University Application Form
2. College transcripts
3. Examination scores

Q: Will college grades or test scores determine who is selected for the program?

A: Grades and test scores are among the factors which will be considered, but they will not in themselves prevent highly qualified men and women from being selected for this program.

Q: When must I apply to be eligible for the program?

A: The deadline for submission of documents to HUD and USC is July 16, 1979.



HUD NEWS

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

HUD-No. 79-130
George Norris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE AFTER:
3:00 P.M. Friday
May 4, 1979

FHA MOBILE HOME FINANCING RATES INCREASED

Secretary Patricia Roberts Harris of the U.S. Department of Housing and Urban Development today announced that the maximum allowable charges for FHA-insured mobile home financing are being increased.

The maximum charge allowable for the regular mobile home loan will be increased from 12 percent to 12-1/2 percent. The maximum finance charge allowable for a mobile home lot loan, and a combination of mobile home and lot loan, will be increased from 10-1/2 percent to 11-1/2 percent. However, the insurance premiums which insure the lender against loss if the borrower fails to make payments will be paid by the lender to HUD out of interest paid.

These changes are effective May 7.

Secretary Harris said that the increases were necessary to bring these maximum allowable finance charges into line with other competitive rates in the consumer lending and financial markets.

"These changes," she said, "will help to assure that this important source of lower priced housing has adequate available financing."

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HUD NEWS

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

HUD-No. 79-140
Andy Gasparich (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Thursday
May 10, 1979

HUD LAUNCHES ENHANCED ANTI-CRIME PROGRAM

A multi-million dollar interagency program aimed at stemming crime and fear of crime in public housing projects was announced today by Secretary Patricia Roberts Harris of the Department of Housing and Urban Development.

"This program," said the Secretary, "which had its start last year as part of the President's National Urban Policy, has been greatly enhanced by enactment of the Public Housing Security Act of 1978."

The new effort--Urban Initiatives Anti-Crime Program--recognizes the need for a more comprehensive anti-crime program which, the Secretary said, "is necessary if we are to succeed in turning around distressed public housing projects."

The initial funding for the interagency program will be slightly more than \$30 million with the bulk being provided by HUD: \$20 million in modernization loan authority and \$2.25 million from Community Development Block Grant discretionary funds. The Department of Labor's (DOL) Youth Community Conservation and Improvement Projects (YCCIP) will account for \$8 million.

The funds will be distributed nationwide on a competitive basis to housing projects with serious crime and vandalism problems that can be substantially reduced by a comprehensive anti-crime program.

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Other Federal monies and services will be co-targeted to the participating housing projects to supplement the activities started with the HUD and Labor Department funds. These agencies include the Law Enforcement Assistance Administration (LEAA), ACTION, the Administration on Aging (AoA), the Administration on Alcohol, Drug Abuse and Mental Health (ADAMHA), the Administration on Children, Youth and Families (ACYF), the Community Services Administration (CSA), the Economic Development Administration (EDA), the U.S. Fire Administration and the Interior Department through its Urban Park Program.

The Secretary disclosed that in making awards, HUD and DOL will be looking for applications that include improved PHA management of public safety, physical rehabilitation of facilities, physical security improvements, social services, tenant anti-crime efforts, employment opportunities, better linkages with the police, and new partnership with local government and the private sector.

"To be sure we are on the right track," said Secretary Harris, "we are going to assess and evaluate the effectiveness of our efforts."

The Washington-based, non-profit Foundation will make before and after evaluations of the participating housing projects to determine whether the program is working.

"This evaluation process," Secretary Harris said, "will not only tell us how successful the program is, but also provide us with the information we'll need to make any necessary changes."

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THE URBAN INITIATIVES ANTI-CRIME PROGRAM
QUESTIONS AND ANSWERS

Q. What is the Urban Initiatives Anti-Crime Program?

A. The Program is a \$30.25M effort administered by the Department of Housing and Urban Development (HUD), in partnership with the Department of Labor (DOL), nine other Federal agencies, and local institutions. The objective is to co-target resources on 20 to 30 public housing projects across the Nation which propose the most comprehensive and workable anti-crime plans in an open competition among Public Housing Agencies (PHAs).

Q. How did the Program evolve?

A. Last July, the President announced the Administration's intent to develop the Program as part of the National Urban Policy and HUD's Public Housing Urban Initiatives.

Later in the year, Congress passed the Public Housing Security Demonstration Act of 1978--which reinforced the Administration's plan, called for additional funding, and encouraged that more agencies be drawn into the picture.

The present program integrates the initial Administration proposal and the later Congressional mandate.

Q. Who is eligible to apply for awards in the competition?

A. All 2,800 PHAs in the country.

Q. What exactly are the roles and funding commitments of HUD and DOL?

A. HUD is the lead agency, committing \$20M in FY1979 modernization capital development loan authority and \$2.25 in FY1979 discretionary Community Development Block Grant (CDBG) funding.

DOL is transferring to HUD \$8M in FY1979 funds from its Youth Community Conservation Improvement Projects (YCCIP) Program to provide jobs, supervision and training for unemployed persons aged 16 to 21 living in public housing projects.

This means that a total of \$30.25M is available. Twenty-six million has been set aside for PHAs with 1,250 or more public housing units in management. Four and one-quarter million has been set aside for PHAs with less than 1,250 units in management. This distribution of funding was chosen because the larger cities, with the larger PHAs, generally have the most serious crime problems.

Q. What other agencies are involved and what roles will they play?

A. The other agencies are the Law Enforcement Assistance Administration (LEAA), ACTION, the Administration on Aging (AoA), the Administration on Alcohol, Drug Abuse and Mental Health (ADAMHA), the Administration on Children, Youth and Families (ACYF), the Community Services Administration (CSA), the Economic Development Administration (EDA), the Fire Administration and the Interior Department through its Urban Park Program.

These agencies are not committing funds at this time. However, after HUD and DOL select award winners, the other agencies may co-target FY1979 and 1980 resources to some of the sites chosen.

Q. Who are the local partners in the Program?

A. Applicant PHAs must involve tenants and local government in the preparation of their proposals. They also are encouraged to leverage additional resources--for example, through neighborhood organizations and the private sector.

A letter of concurrence from the Chief Executive Officer of the locality must accompany an application.

PHAs winning awards will administer them subject to review of oversight teams composed of tenants, representatives of the Chief Executive Officer of local government, representatives of the Chief Law Enforcement Officer, and representatives from all other local contributors.

CDBG discretionary funds will be administered through the Chief Executive Officer of the locality.

Each locality will be required to supply a match of funds and/or in-kind resources equal to at least 10 percent of the total program budget.

Q. Can you estimate what the total dollar impact of the Program may be?

A. The combined level of funding from the "up front" HUD and DOL \$30.25M commitment, possible co-targeted programs from other Federal agencies and local matches could be more than \$35M.

Q. What do you mean when you require PHAs to propose comprehensive anti-crime plans?

A. To emphasize the partnerships between Federal agencies, PHAs, tenants and local institutions, the Program requires that each applicant addresses all of the following program areas:

- o Refinement of PHA public safety management
- o Installation of capital improvements to make units more secure and rehabilitation of facilities to house anti-crime activities.
- o Establishment or extension of tenant-based efforts to fight crime--like block watches and patrols.
- o Provision of jobs, training and supervision to unemployed youths living in housing projects.
- o Improvement of services to mitigate against crime--like drug abuse and youth programs--as well as services to assist victims and witnesses.
- o Expansion of more sensitively trained local police and PHA security forces in housing projects.
- o Encouragement of public/private partnerships that target programs not only on housing projects but also on the surrounding residential, recreational, commercial and industrial neighborhoods.

Q. How can an applicant PHA address the Program Areas?

- A. By applying for HUD and DOL funds, encouraging co-targeted programs from the other Federal agencies, incorporating local matches, and instituting management changes. In addition, some Program Areas may already be addressed by ongoing PHA efforts.

There is an emphasis on flexibility. HUD and DOL recognize that crime is a local problem requiring individually tailored solutions.

Q. How were the Program Areas determined?

- A. Over the past year, HUD has convened conferences in which PHA executives, tenants, security directors, police, government officials, and housing and criminal justice experts offered recommendations. A review also was made of what anti-crime programs relevant to public housing have and have not been successful.

The above Program Areas simply organize all this advice and information. Hence, the Program is based on the most up-to-date knowledge available.

From what is known, there are no simple solutions or catch phrases. No one Program Area is the answer. All appear to be necessary--as part of a comprehensive plan in which each Program Area reinforces the others.

Q. What is the process through which the 20 to 30 awards will be made?

- A. Two separate notices--for PHAs with 1,250 or more units in management and less than 1,250 units in management--were published in the

Federal Register on May 7. The deadline for submitting full applications is June 22 for the larger PHAs and July 2 for the smaller PHAs. Semifinalists will be announced later in July and asked to revise their proposals. Award winners will be announced later in August. The criteria by which HUD and DOL will select awardees are found in the Program Notices.

Q. How will the Program be monitored and evaluated?

A. HUD and DOL Central Office and Field Office staffs will monitor the Program.

An outside contractor will evaluate the Program. Possible measures of "success" may be improved quality of life, increased tenant satisfaction, increased reporting of crime, reduced fear of crime, and reduced incidence of crime (although the actual victimization rate is difficult to measure because so much crime goes unreported).

Q. Is there provision for technical assistance from sources other than the Federal government?

A. For PHAs which receive awards, the HUD and DOL funds do allow for technical assistance during the implementation of the Program.

Q. Is the Program permanent?

A. This is a pilot program, with one-time awards. PHAs must demonstrate future sustainability.

Q. How can more detailed information be obtained?

A. Write or call Lynn A. Curtis, Suite 6230, U.S. Department of Housing and Urban Development, Washington, D.C. 20410, (202 755-2980).



HUD NEWS

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

HUD-No. 79-157
Virginia Welch (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Tuesday
May 22, 1979

HUD ANNOUNCES SOLAR DESIGN GRANTS

Grants totaling \$353,000 for 139 residential solar heating and cooling designs have been awarded in a competition conducted by the Department of Housing and Urban Development, Secretary Patricia Roberts Harris announced today.

The grant awards are in two categories. Twenty-five neighborhood and community organizations were selected for grants of \$5,000 each to complete designs for solar systems in existing low- and moderate-income multi-family projects being rehabilitated.

Design grant awards of \$2,000 each go to single-family home builders for design of 114 energy conserving, solar homes being built for sale. Over 880 applications were received for the design assistance grant awards.

HUD Assistant Secretary Donna E. Shalala, whose Office of Policy Development and Research administers the HUD solar program, said, "The choice of project categories reflects our belief that energy conservation and solar energy installations in these housing types will have an early, effective impact on the solar market and on the developing market for solar energy.

"At the same time, we will be demonstrating to many urban residents that they, too, can benefit from this new technology through reduced energy costs, which are becoming a major burden to all of us."

The \$5,000 grant awardees (Category 1) are neighborhood and community development groups which have demonstrated expertise and effectiveness in carrying out neighborhood revitalization projects.

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Those receiving \$2,000 grants (Category 2) are builders of single-family homes, and their involvement is designed to help encourage other builders to consider solar and energy conservation.

To assist the award winners in completing their designs, HUD will hold a series of meetings in late May and early June followed by design workshops early in July. In these meetings, the latest techniques for designing and evaluating solar energy applications and the documentation requirements of the design process will be reviewed.

The completed designs are to be submitted to HUD by August 21 for evaluation for technical feasibility. Those found eligible will receive additional funding for construction and implementation costs.

This is the fifth in a series of awards under HUD's Residential Solar Demonstration Program, which is part of the National Solar Heating and Cooling of Buildings Program managed by the U.S. Department of Energy.

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CYCLE 5 AWARDSCATEGORY ONE (Urban Multi-Family Retrofit Projects) \$5,000 each

<u>Grantee</u>	<u>City</u>	<u>State</u>
Potrero Hill Development Corporation	San Francisco	CA
Bridgeport Neighborhood Housing Services	Bridgeport	CT
Neighborhood Housing, Inc.	New Haven	CT
Community of Hope	Washington	DC
Anacostia Economic Development Corporation	Washington	DC
Community Action Against Poverty of Indianapolis	Indianapolis	IN
Mission Hill Neighborhood Housing Services, Inc.	Boston	MA
Fenway Community Development Corporation	Boston	MA
Symphony Area Renaissance, Inc.	Boston	MA
Project for Pride in Living, Inc.	Minneapolis	MN
Housing Development Corporation & Information Center	Kansas City	MO
Motion, Inc.	Charlotte	NC
Better Living Ecumenical Realty Center, Inc.	Brooklyn	NY
Better Neighborhoods, Inc.	Schenectady	NY
Housing Conservation Coordinators, Inc.	New York	NY
Settlement Housing Fund/Park West Community Apartments (SHF/PARK WEST) - Joint Venture	New York	NY
11th Street Movement, Inc.	New York	NY
Center for Housing Partnership	New York	NY
Oceanhill Brownsville Tenant Association	Brooklyn	NY
Hope Community, Inc./Church of the Living Hope	New York	NY
Manchester Citizens Corporation	Pittsburgh	PA
Elmwood Neighborhood Housing Services	Providence	RI
Southwest Virginia Community Development Fund	Roanoke	VA
Northeastern Vermont Development Association	St. Johnsbury	VT
Westside Conservation Corporation	Milwaukee	WI

CATEGORY TWO (New Single-Family Projects) \$2,000 each

<u>Grantee</u>	<u>City</u>	<u>State</u>
Solarctic Construction Company	Anchorage	AK
Land Trust, Realtors/Devcon Enterprises, Inc.	Anchorage	AK
The Southard Companies	Guntersville	AL
Simmons Builders	Prattville	AL
Winrock Homes, Inc.	North Little Rock	AR
Edmiston Prewitt Builders	Fayetteville	AR
Village Homes, Inc.	Bentonville	AR
William L. Pritchett & Son	Tucson	AZ
Gary E. Wagley, General Contractor	Sedona	AZ
Mosedale Construction	Tahoe City	CA
Streng Brothers Homes, Inc.	Davis	CA
George D. Dyer	Sanger	CA
Walker, Donat & Company/Lien, Stonegate Co.	Sacramento	CA
Jim F. Wadlow, General Contractor	Lockford	CA
Ken Litchfield	Sonoma	CA
Hornbeek Construction Company	Davis	CA
Redwood City Associates/Baker Construction Co.	Menlo Park	CA
Construction Division of Concept Interior Designs	Davis	CA
Energy Techniques	Colorado Springs	CO
Holling and Associates, Inc.	Grand Junction	CO
Habitat Design & Construction Company	Walden	CO
Ashcroft Constructors	Boulder	CO
West Sopris Creek Builders	Carbondale	CO
The Wexford Corporation	Englewood	CO
Colorado Homes, Inc.	Colorado Springs	CO
Hartford West, Inc.	West Simsbury	CT
H. & H. Custom Homes	New Milford	CT
Building Co-Ordinators, Inc.	Shelton	CT
Suncatcher Construction	Huntington	CT
Mel Miller Construction Company	Sarasota	FL
Millen Properties, Inc.	Atlanta	GA
Hairston Enterprises, Inc.	Snellville	GA
Walnut Town & Country	Mineral Bluff	GA
Charles Siler, Builder, Inc.	Marietta	GA
Central States Energy Research Corporation/ Furman Construction, Inc.	Iowa City	IA
James R. Mazzitelli	Ames	IA
Larry D. Ratliff Construction	Pocatello	ID

CATEGORY TWO - Cont'd

<u>Grantee</u>	<u>City</u>	<u>State</u>
George W. Rosenbarger	New Albany	IN
Miles-Richmond, Inc.	Liberty	IN
Barnard Brothers, Inc.	Indianapolis	IN
John M. Roberts	Wichita	KS
Country Club Heights Developers	Dodge City	KS
Solar Construction Company, Inc.	Haysville	KS
George Koncinsky Builder	Alexandria	LA
Donald C. Oster & Associates, Inc.	Kenner	LA
Worthington Associates	West Dennis	MA
Urban Development and Investment	Cambridge	MA
Orlando Homes, Inc.	Foxboro	MA
Trellis & Watkins	Columbia	MD
Hartman Briddell Watkins	Rockville	MD
M.S. Milliner Construction, Inc.	Myersville	MD
St. Charles Homes	Waldorf	MD
R.H. Campbell Residential Design	Bangor	ME
Starbird Lumber Company	Strong	ME
Heritage Builders, Inc.	Turner	ME
Holtzman & Silverman	Southfield	MI
DeVries Builders, Inc.	Maple Grove	MN
Berg and Associates Design/Build	Wayzata	MN
G.T. Kinnikin & Associates	House Springs	MO
Parkton Development Company	Barnhart	MO
N.O. Brown Development Company	St. Louis	MO
Feasible Solar Construction Company	Bozeman	MT
Mountain Home Builders	Gallatin Gateway	MT
Wood Builders, Inc.	Raleigh	NC
Lawson Construction & Developers of Mt. Airy, Inc.	Mt. Airy	NC
Capricorn Building Company	Carrboro	NC
Bismarck-Mandan Home Builders Association	Bismarck	ND
Peterson Construction Company	Lincoln	NE
Walter W. Cheney, Inc.	Newmarket	NH
Evog Associates, Inc.	Hebron	NH
Diamond Crest, Inc.	Blackwood	NJ
Eaglenest Hill Corporation	Freehold	NJ
Chemical Engineering Associates	Las Cruces	NM
Wolfe Company, Inc.	Albuquerque	NM
Stanley Associates	Santa Fe	NM
Enecon, Inc.	Santa Fe	NM

CATEGORY TWO - Cont'd

<u>Grantee</u>	<u>City</u>	<u>State</u>
Paradise Development Company	Las Vegas	NV
Robert Brown Butler	Katonah	NY
Gualtieri Homes	Rome	NY
Bonnerville Construction Corporation	Monsey	NY
Don Whitner, Builders & Developers	Toledo	OH
Louis S. Ionna, III & Associates, Inc.	Cincinnati	OH
Huth Westwood Builders/Environmental Design Alternatives	Akron	OH
Solartherm Building Systems	Columbus	OH
H.R. Ransom, Inc.	Columbus	OH
Trans Western Investors, Inc.	Eugene	OR
Turtle Island Building & Design	Coburg	OR
James L. Richey, Jr.	Roseburg	OR
Paz-Peterson-McRae, Inc.	Springfield	OR
Gary F. Martin Investments & Construction Co.	Eugene	OR
Sunburst	Unionville	PA
IBE Construction	Palmyra	PA
Dick Sorum Construction	Renner	SD
Adanoroc Corporation	Nashville	TN
Winston Cox, Admiral Construction Company	Concord	TN
R.N. Stanley Construction Company	Memphis	TN
Cliff Parrish	Franklin	TN
Dwayne Rhea Construction, Inc.	College Station	TX
Community Developers/Texas-California	Carrollton	TX
Skip Morgan, Inc.	San Marcos	TX
CTC Enterprises, Inc.	Woodlands	TX
Prowswood, Inc.	Salt Lake City	UT
Warren L. Smith, Inc.	Virginia Beach	VA
Bradco Construction Company, Inc.	Wytheville	VA
Heath Builders, Inc. & Star Tannery Design Studio	Winchester	VA
Hinman Homes, Inc.	Stephens City	VA
W. Allen Nicholls, Inc.	Front Royal	VA
Pierre Realty	Burlington	VT
Burnham Construction	Port Townsend	WA
Northland Country Homes, Inc.	Middleton	WI
Environmental Living, Inc.	Madison	WI
Arnold Builders	Janesville	WI
Trustway Homes, Inc.	Milwaukee	WI
Edeen Construction	Cheyenne	WY



International Affairs

HUD NEWS

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

HUD-No. 79-162
Gloria Harris (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Friday
May 25, 1979

**HUD SECRETARY TO OPEN
US/MEXICO EXCHANGE SESSION**

The first session of the Joint Steering Committee established under an agreement for exchange of urban information between the United States and Mexico will be opened June 5 in Mexico City by Secretary Patricia Roberts Harris of the U.S. Department of Housing and Urban Development. The session will be held at the Department of Human Settlement and Public Works (SAHOP).

The Joint Steering Committee was established under the U.S.-Mexico Agreement for Cooperation in the Field of Housing and Urban Development which was signed in February by U.S. Secretary of State Cyrus Vance and Mexico's Minister of State Santiago Roel. The Agreement, to exchange information about National Urban Policies and urban programs along the United States/Mexican border, is administered by HUD as executive agency on the U.S. side.

The purpose of the first committee meeting is to work out an agenda for the Agreement and to adopt a first year implementation plan.

Some of the activities proposed by HUD to be considered under the Agreement for cooperation in the field of housing and urban development included:

- ° A seminar in Washington on the development and status of the U.S. National Urban Policy and the Mexican Plan for National Urban Development.
- ° Workshops on technical aspects of planning and community development.

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- ° Seminars in selected border cities on urban issues of mutual concern.

Steering Committee members appointed by Secretary Harris are Lawrence B. Simons, Assistant Secretary for Housing and Richard H. Broun, Director of Environmental Quality for HUD's Office of Community Planning and Development. Responsibilities of the Executive Secretary are filled by Tila Maria de Hancock, Assistant to the Secretary for International Affairs.

Members of the Steering Committee from Mexico are Dr. Gregorio Valner Onjas, SAHOP Under Secretary for Human Settlement and Roberto Eibenschutz Hartman, Director General of Population Centers. The Executive Secretary is Luis Sanchez de Carmona, Director of Urban Ecology in the Sub Secretary of Human Settlement of SAHOP.

Any cooperative project will carry out one or more of the following activities:

- ° exchange of documentation related to urban programs in general and projects along border areas in particular;
- ° joint meetings and seminars;
- ° joint research and study projects;
- ° exchange visits by experts, advanced students, representatives of public or private organizations, or private citizens;
- ° other activities as may be agreed by the joint steering committee.

During her stay in Mexico, Secretary Harris and Pedro Ramirez Vazquez, Mexico's Minister of Human Settlement and Public Works will hold additional discussions on urban issues of mutual concern.

Secretary Harris is also expected to tour community development projects in Mexico City and its vicinity.



HUD NEWS

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

HUD-No. 79-169
George Norris (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Thursday
May 24, 1979

HUD PLANS MAJOR REVISIONS IN PROGRAM TO INCREASE AVAILABILITY OF MOBILE HOMES

The U.S. Department of Housing and Urban Development today announced plans for a comprehensive revision of its mobile home loan program to add important support to the financing of this vital alternative form of shelter for thousands of Americans.

Housing Assistant Secretary Lawrence B. Simons noted that this would be the first significant revision in the program in the past five years and is crucial to the Nation's need for more than the 275,000 mobile homes now being produced annually.

"The changes," Mr. Simons said, "will stimulate the industry to expand its production of mobile homes for the many Americans who can not afford conventional homes now priced far beyond their means.

"We expect the revised program will result in HUD loan insurance support for almost 50,000 mobile homes annually, or more than double the 23,000 units now insured.

"We recognize that mobile homes are now quality products, due to an evolution of improvements by industry and HUD-administered national production standards. We are positive that these dwellings can easily take their places alongside of conventional homes."

HUD Secretary Patricia Roberts Harris authorized the proposed changes, Mr. Simons said, as imperative in HUD's overall efforts to help meet the dire need for lower cost housing throughout the country.

Mr. Simons said the changes are designed to make the HUD program more workable for industry. The proposed revisions would:

- Increase the mortgage allowance limit from \$100 to \$300 for "skirting" or shielding at the base of the home when installed.

- Raise the air-conditioning allowance to actual dealer's cost plus installation, instead of the present sliding scale allowed for units by weight.

- Raise the maximum allowance for set up of a mobile home from \$400 for a single-wide unit to \$500, and from \$600 for double-wide units to \$1000.

- Raise the maximum "tear-down" allowance for repossession and refurbishing from a flat \$500 on all units, to \$500 for single-wide units and \$1000 for double-wide units.

- Increase the "advance," or the amount allowed dealers in the sale of homes, from 113 percent to 116 percent of the manufacturer's invoice.

- Pay lenders holding outstanding defaulted mobile home notes 7 percent interest on the entire balance due from the date of default until the date of claim, or for a period of nine months and 31 days, whichever is less. Previously, a note holder received 7 percent interest on whatever loss was sustained after resale of the unit.

In addition, Mr. Simons said, the Department is proposing a regulation change to require that hazard insurance be obtained on all FHA insured mobile homes. Lenders will be permitted to "escrow," or collect monthly payments to cover the insurance, or the borrower-homebuyer may be permitted to pay the insurance out of his own funds.

Plans for these changes follow by two weeks HUD's announced increase in the maximum allowable charges for financing under the program. The rate for the regular mobile home loan was increased from 12 percent to 12-1/2 percent.

The program is under the overall jurisdiction of HUD Deputy Housing Assistant Secretary Milton J. Francis and directed by John L. Brady.

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HUD NEWS

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

HUD-No. 79-188
Virginia Welch (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Wednesday
June 13, 1979

**TWENTY-SEVEN STATES
SELECTED FOR HUD/HEW PROGRAM**

The selection of 27 States to participate in a program that provides residential housing accommodations and services for persons with chronic mental illness was announced today by the U.S. Department of Housing and Urban Development.

This is the second year of operation for the "Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill," which was initially announced last year at the White House by HUD Secretary Patricia Roberts Harris and First Lady Rosalynn Carter. The program was initiated by HUD in cooperation with the Department of Health, Education and Welfare (HEW) and currently operates in 14 States.

This interagency demonstration targets Federal funds to meet the housing and support services needed by mentally ill persons if they are to live independently in the community. State selection is based on need and the availability of resources to insure a successful program. Forty States submitted proposals for consideration.

The HUD funds include \$25 million for construction or substantial rehabilitation of small group homes for up to 12 individuals or small apartment complexes of up to 10 units and up to \$5 million in rental subsidies to assure that residents pay no more than 25 percent of their incomes for rent. It is anticipated that this money will provide some 700 housing units in the selected States.

Through a special procedure, the States are allowed to use HEW Medicaid and other Social Security Act program funds for support services in the residential facilities.

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Secretary Harris said the overwhelming response to the demonstration program in its initial year highlighted the great need for Federal assistance to enable the chronically mentally ill to make the often difficult transition from institutional to community living.

"As a result," the Secretary said, "the amount of funding available for the program has been increased to almost double the amount of funding allocated in 1978."

The combined 1978 and 1979 funding for the demonstration program will provide approximately 1,200 units in 159 projects for nearly 2,500 mentally ill persons throughout the Nation. The first project is expected to be ready for occupancy in January 1980.

Sponsorship of the group homes and apartment complexes is limited to community-based private non-profit organizations. Their applications for funding should be submitted to the State coordinator, responsible for forwarding applications to HUD by August 17.

Following is a list of the selected States and their program coordinators:

Alabama

Don V. Schofield, Director
Division of Mental Illness
Department of Mental Health
135 S. Union
Montgomery, Alabama 36130
(205) 265-2301 Ext. 251

Arkansas

Robert M. Rankin, M.D., M.P.H.
Commissioner
Mental Health Services
Department of Social and
Rehabilitative Services
4313 W. Markham Street
Little Rock, Arkansas 72201
(501) 664-4500 Ext. 401

California

Mary Ellen Shay, Program Manager
Housing Programs for the Disabled
Department of Housing and Community
Development
921 10th Street
Sacramento, California 95814
(916) 445-6501

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Georgia

R. Derril Gay, Director
Division of Mental Health
and Mental Retardation
Department of Human Resources
47 Trinity Avenue, S.W.
Room 315H
Atlanta, Georgia 30334
(404) 656-4908

Hawaii

George Yuen, Director
Department of Health
P.O. Box 3378
Honolulu, Hawaii 96801
(808) 548-6505

Illinois

James Karlan, Community Services Consultant
Division of Community Services
Department of Mental Health
901 Southwind Road
Springfield, Illinois 62703
(217) 786-6931

Louisiana

David L. Bornman, Mental Health Executive Officer
Department of Health and Human Resources
P.O. Box 106
655 North 5th Street
Baton Rouge, Louisiana 70821
(504) 342-2547

Maine

George A. Zitney, Commissioner
Department of Mental Health
and Corrections
State Office Building
Room 411
Augusta, Maine 04333
(207) 289-3161

Massachusetts

Robert DeSimone
Office of Community Residential Development
Department of Mental Health
160 North Washington Street
Boston, Massachusetts 02114
(617) 727-2508

Minnesota

Harvey G. Caldwell, Assistant Commissioner
Bureau of Community Services
Department of Public Welfare
Centennial Office Building
St. Paul, Minnesota 55155
(612) 296-4890

Missouri

Beverley Wilson, M.D., Acting Director
Department of Mental Health
2002 Missouri Boulevard
Jefferson City, Missouri 65102
(314) 751-3070

Nevada

Ralph R. DiSibio, E.D.D., Director
Department of Human Resources
505 East King Street, Rm. 600
Carson City, Nevada 89710
(702) 885-4730

New Hampshire

Ron Andrews, Deputy Director
Division of Mental Health
Department of Health and Welfare
Health and Welfare Building
Hazen Drive
Concord, New Hampshire 03301
(603) 271-4683

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New Jersey

Geraldine Botwinick, Director
Office of Community Services
Division of Mental Health and Hospitals
Capital Place One
222 South Warren Street
Trenton, New Jersey 08625
(609) 292-4216

New York

James A. Prevost, M.D., Commissioner
Office of Mental Health
44 Holland Avenue
Albany, New York 12229
(518) 474-4403

North Carolina

Sarah T. Morrow, M.D., M.P.H., Secretary
Department of Human Resources
325 North Salisbury Street
Raleigh, North Carolina 27611
(919) 733-4534

Ohio

Timothy B. Moritz, M.D., Director
Department of Mental Health and
Mental Retardation
30 East Broad Street
Columbus, Ohio 43215
(614) 466-2337

Pennsylvania

Trevor R. Hadley, Ph.D., Director
Bureau of Community Programs
Office of Mental Health
308 Health and Welfare Building
Harrisburg, Pennsylvania 17120
(717) 783-5132

Tennessee

James S. Brown, M.D., Commissioner
Department of Mental Health
and Mental Retardation
501 Union Building
Nashville, Tennessee 37219
(615) 741-3107

Texas

John J. Kavanagh, M.D., Commissioner
Department of Mental Health
and Mental Retardation
Box 12668 - Capitol Station
Austin, Texas 78711
(512) 459-7315

Utah

Anthony W. Mitchell, Ph.D., Executive Director
Department of Social Services
150 West North Temple, Room 310
Salt Lake City, Utah 84103
(801) 533-5331

Vermont

Jerry Hannah, Director
Division of Community Mental
Health Programs
Department of Mental Health
State Office Building
Montpelier, Vermont 05602
(802) 244-5181

Virginia

Leo E. Kirven, Jr., M.D. Commissioner
Department of Mental Health
and Mental Retardation
Office of the Secretary
of Human Resources
P.O. Box 1797
Richmond, Virginia 23214
(804) 786-3921

Washington

Muriel King Taylor, M.D., Director
Bureau of Mental Health
Community Services Division
Department of Social and Health Services
Mail Stop 422
Olympia, Washington 98504
(206) 753-5414

West Virginia

Randy Myers, Acting Director
Division of Behavioral Health Services
Department of Health
1800 Washington Street, East
Charleston, West Virginia 25305
(304) 348-2411

Wisconsin

Severa Austin, Director
Bureau of Alternate Care
Division of Community Services
1 West Wilson Street, Room 570
Madison, Wisconsin 53792
(608) 266-2701

District of Columbia

Elijah B. Rogers, City Administrator
Room 507
District Building
Washington, D.C. 20004
(202) 727-6053

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International Affairs

HUD NEWS

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

HUD-No. 79-195
Tom Vinciguerra (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Wednesday
June 20, 1979

WORKSHOP SET ON US/MEXICO URBAN POLICY EXCHANGE

With the support of Mexican President Lopez Portillo, a steering committee charged with implementing a United States-Mexico agreement to share information on housing and urban development will hold the first workshop July 30 to August 4 at the Department of Housing and Urban Development Central Headquarters, Washington, D.C.

The work session of American and Mexican Federal officials follows a meeting HUD Secretary Patricia Roberts Harris had with President Portillo June 7 in Mexico after the first Joint Steering Committee meeting that paved the way for action on the Agreement for Cooperation in the field of Housing and Urban Development.

The agreement, signed by Secretary of State Cyrus Vance and then Foreign Minister Santiago Roel Garcia during President Carter's visit to Mexico in February, names HUD and the Mexican Ministry of Human Settlements and Public Works (SAHOP) as executive agencies to carry out the work plan established by the steering committee.

At the June 7 meeting with Secretary Harris, President Lopez Portillo pledged his support to the steering committee and said his interest in urban issues is rooted in an extensive background in urban affairs in and out of public office.

"Much of our urban growth has been unplanned in spontaneous response to social and economic forces. Our challenge now is to undo that which was created without foresight," President Lopez Portillo said.

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In opening remarks to the Joint Steering Committee session June 5, Secretary Harris told SAHOP Secretary Pedro Ramirez Vazquez and the committee, "I believe no two countries stand to gain more from an open flow of information and exchange of ideas on our urban problems than the United States and Mexico."

The Secretary said "For a national urban policy announced in Washington is sure to have an effect in Juarez, just as a new urban development program announced in Mexico City will have an impact in El Paso."

Information will be exchanged in the following seven fields of interest: national urban policies, plans and programs; programs of HUD and SAHOP as they impact border communities; national housing policies; urban environmental impact assessment and planning; the relationship of Federal and local governments in planning including citizen participation; metropolitan area planning; and urban-disaster planning and preparedness.

Members of the Joint Steering Committee are: Lawrence Simons, HUD Assistant Secretary for Housing, Co-chairman; Richard Brown, Director of the Office of Environmental Quality, Alternate Co-chairman; and Tila Maria de Hancock, Assistant to the Secretary for International Affairs, Executive Secretary. On the Mexican side, Dr. Gregorio Valner Onjas, Undersecretary for Human Settlements, is Co-chairman with Roberto Eibenschutz Hartman, Director General of Population Centers, as alternate. Luis Sanchez de Carmona, Director General of Urban Ecology, is Executive Secretary.

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HUD NEWS

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

HUD-No. 79-199
Tom Vinciguerra (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Friday
June 22, 1979

CONFERENCE SET ON MINORITY EMPLOYMENT

The Department of Housing and Urban Development and the International City Management Association (ICMA) will sponsor a conference Thursday and Friday, June 28-29 at the Mayflower Hotel in Washington, D.C. to identify public policy options for increasing representation of minorities and women in administrative and professional positions in Federal, state and local government.

The conference will redefine affirmative action and equal employment opportunity in the public sector in the face of the Supreme Court's Bakke and Kaiser decisions, and Proposition 13 and other tax limitation moves.

The two-day session is the culmination of a three-part grant program designed by HUD's Government Capacity Sharing division to assess affirmative action and equal opportunity in the public sector and to share information on options for upward mobility strategies.

Two HUD officials will address the conference, Donna E. Shalala, Assistant Secretary for Policy Development and Research, and Sterling Tucker, Assistant Secretary for Fair Housing and Equal Opportunity.

Others on the program will be Elijah B. Rogers, City Administrator, Washington, D.C.; Carl Stokes, WNBC-TV, New York; Sue Simons, WRC-TV, Washington, D.C., and executive directors of several public interest groups.

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The conference will bring together representatives from public interest groups, professional associations, schools of public administration, groups representing minorities and women and professional and civil rights organizations.

A professional and educational association of urban administrators, the ICMA, through its Minority Executive Placement Program (MEPP), has helped more than 500 Blacks, Hispanics and women fill key positions in the urban management profession.

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HUD NEWS

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

HUD -No. 79-221
Gloria Harris (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Friday
July 6, 1979

MAJOR FORUM SET
ON URBAN HOMESTEADING

Declining neighborhoods have been successfully revitalized in 39 competitively selected cities under an urban homesteading demonstration project of the Department of Housing and Urban Development.

Because of the successful response to that demonstration project, HUD is now offering a nationwide urban homesteading program making available HUD-owned properties and encouraging the use of locally-owned properties.

In an effort to broaden an understanding of what urban homesteading is and to explain how it works, HUD is sponsoring a two-day Urban Homesteading Forum in Washington, D.C. It will be held on Thursday and Friday, July 12 and 13, from 8:30 a.m. to 5:00 p.m., at the Shoreham Americana Hotel, 2500 Calvert Street, N.W.

Geno Baroni, HUD Assistant Secretary for Neighborhoods, Voluntary Associations and Consumer Protection said, "Urban homesteading is the twentieth century version of a strategy used to settle the American frontier. To attract settlers to wilderness areas, the Government gave away land to anyone who would improve and live on it. Just as it was necessary to offer incentives for these pioneers, some cities are now using a similar approach to improve and resettle declining urban neighborhoods."

The concept of urban homesteading involves transferring publicly-owned, vacant property to individuals or families in exchange for commitments to repair, occupy and maintain the property.

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"The potential benefits," said HUD Assistant Secretary for Community Planning and Development Robert C. Embry, Jr., "are great: homesteaders become homeowners; housing is improved; neighborhoods are restored; and urban communities are revitalized."

Although HUD's Urban Homesteading Program focuses on one-to four-unit residential properties, further local experiments have shown that the concept can be applied to multifamily residential properties and commercial properties (shopsteading) as well. During the coming year, HUD will be experimenting with technical assistance to five cities for developing multifamily homesteading programs.

The two-day forum will use panel discussions and a series of workshops in both sessions to give an overview of the urban homesteading program.

Participants in the forum include HUD national, regional and area office officials, state and local officials from across the country, consumer organizations, private citizens and current homesteaders.

The Friday session focusing on multifamily homesteading, will include remarks on "Self-help as an International Principal for Urban Revitalization," by John F. C. Turner, co-director of Associates Housing and Advisory Services, London, England.

For further information contact: Sherry Shields or Portia James (202) 755-6996.

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HUD NEWS

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

*Equal opportunity
Housing*

HUD-No. 79-226
Virginia Welch (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Tuesday
July 10, 1979

COMMUNITY LEVEL HELP SOUGHT FOR FAIR HOUSING

Labeling the pending Fair Housing Amendments Act of 1979 "the most significant piece of Civil Rights legislation since the Civil Rights Act of 1968," Secretary of Housing and Urban Development Patricia Roberts Harris today told the National Urban League's Fair Housing Forum participants that efforts to secure passage of the legislation must continue.

Secretary Harris reminded the group meeting at the Hyatt-Regency Hotel in Washington, D.C. that "eleven years ago it took the determination, energy, and sacrifice of all of us to get that bill through the Congress. We will need that same kind of commitment to secure passage of the Fair Housing Amendments Act of 1979. The President recognized the importance of dedicated leadership at the community level in achieving the passage of this Act in comments he made during the observance of the 25th anniversary of the Brown vs Board of Education decision.

"He said that passage of this law would not be easy, 'But it is a very significant challenge to us, and your help -- this group in this room -- if inspired and motivated and organized, could get enough votes to pass it out of Committee and to pass it easily in the Congress.' We must accept the President's challenge and get the lethargy or the appearance of lethargy out of our public actions."

Although acknowledging that the Federal Fair Housing Law, Title VIII of the Civil Rights Act of 1968, enunciated the principal of choice in housing, the Secretary characterized it, "as a law without teeth. It defined and prohibited discriminatory housing practices but failed to include the necessary enforcement tools to get the job done."

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Describing a few of the important features of the proposed amendment, she said it is vital because: "It will provide HUD with a complementary set of enforcement mechanisms, including the power to award temporary relief, issue cease and desist orders, and assess penalties.

"It would allow the Secretary to refer complaints to the Department of Justice on behalf of individual victims of discrimination.

"Victims of discrimination would have a wider range of choice in seeking remedies.

"It would prohibit redlining by insurance companies, lenders and the secondary mortgage market."

The Secretary contrasted this with the process under the existing law. A victim of housing discrimination today can seek relief in Federal Court, provided the person has the time and the money. Or the person can turn to HUD, which has the authority to receive complaints and investigate them, but only through a process of "conference, conciliation and persuasion."

"If we investigate and find proof of discrimination," the Secretary said, "the respondent need not accept our suggestion for remedy. Unfortunately, if this occurs, the case is usually dropped because HUD has no judicial or administrative authority to offer the aggrieved party anything else. I have said to Congress and reiterate today that something is missing when a law mandates HUD to investigate and establish the existence of violations and then limits the Secretary to asking the discovered lawbreaker whether he wants to discuss the matter."

The role of conciliation could become powerful, she commented, if potential lawbreakers knew that if conciliation fails to take place, there are real enforcement powers available.

"If the Fair Housing Amendments Act of 1979 is enacted," Secretary Harris said, "HUD would have the power to pursue cases through an administrative hearing process. As President Carter said, 'We need to amend the Fair Housing Act to remove the burden and expense of enforcement of the law from the shoulders of the poor victims of housing discrimination.' "

The Secretary commended the Urban League's history of involvement with the problems of housing discrimination, saying "the Urban League, with its 115 affiliate leagues in as many cities, knows that the conditions of racial exclusivity that they sought to deal with in 1967 still exist in 1979, and that voluntary efforts alone are like trying to empty Lake Michigan with a thimble.

"Your presence here today says to me that we are on the way to securing enactment of this Bill. I know now that while we at HUD wage the battle on one front we are supported on other fronts -- in each of the communities and organizations you represent. We must have this united effort if we are to succeed."

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FILE COPY

HUD NEWS

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

UDAG

HUD-No. 79-229
Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Thursday
July 12, 1979

\$509 MILLION ATTRACTED BY HUD ACTION GRANTS TO 25 CITIES

More than \$84.5 million in Urban Development Action Grants is being targeted to 25 metropolitan areas to create new jobs, revitalize neighborhoods, and build their tax bases, Secretary of Housing and Urban Development Patricia Roberts Harris announced today.

The Action Grants, an important element of President Carter's National Urban Policy, will stimulate 29 joint public/private development projects, and are supported by \$509 million in private financial commitments.

When all the projects are completed--most in two to three years-- HUD's investment of \$84,578,359 will have created 8,845 new permanent jobs, saved 11,829 others, and provided employment for 7,219 construction workers.

The awards announced today are preliminary application approvals.

The Urban Development Action Grant program, signed into law by President Carter in October 1977, is authorized through fiscal year 1980 at \$400 million a year. The President has requested an increase of \$275 million for FY 1980. The program currently awards 25 percent of its funds to cities under 50,000 population, and 75 percent to larger cities and urban counties.

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HUD-No. 79-229

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The program is designed for cities considered "distressed" when compared to national criteria for per capita income, age of housing stock, percent of people living in poverty, population gain or loss, employment growth and unemployment. Action Grant applications are received and announcements are made every three months to allow cities to respond quickly to unique opportunities for development.

Decisions will be made by the end of July for small cities now in competition for Action Grants, with announcement of awards in early August.

July 31 is the closing date for receipt of applications from metropolitan cities seeking awards in the fourth quarter of 1979. (Attached is an alphabetical list of projects selected in this round).

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Alabama

Birmingham, Alabama, has received preliminary application approval for an Action Grant of \$500,000 to enable the city to acquire the 9 acre site of the old Avondale Mill, a blighted area 1.5 miles east of the City's central business district. The Avondale Commercial Park Partnership will purchase the property from the City at a reduced price to build a light industrial and commercial park. The City also will provide \$15,000 in HUD Block Grant funds to relocate two families. Action Grant: \$500,000. Private financial commitment: \$3,879,000. New permanent jobs created: 300. Construction jobs: 135.

California

Riverside, California, has received preliminary application approval for an Action Grant of \$374,871 to acquire and improve 7.5 acres of vacant land in the Airport Redevelopment Area. The City will sell the land to the Hartz Mountain Corporation at a reduced cost as incentive to locate their new 60,000 square foot west coast distribution center in Riverside. Action Grant: \$374,871. Private financial commitment: \$2,060,000. New permanent jobs created: 60. Construction jobs: 50.

Georgia

Atlanta, Georgia, has received preliminary application approval for a \$295,000 Action Grant to assist Bankhead Enterprises, Inc., expand its manufacturing capabilities. Bankhead is an Atlanta-based firm which fabricates auto hauling trailers and oil rigs, and also repairs railroads. The Action Grant will help purchase a 16.3 acre site with 42,000 square feet of manufacturing space, 100,000 square feet of paved exterior, and a 2,000 linear foot railroad spur. Bankhead will rehabilitate the facility, purchase new equipment and expand manufacturing operations. Action Grant: \$295,000. Private financial commitment: \$1,150,000. New permanent jobs created: 150.

Columbus, Georgia, has received preliminary application approval for an Action Grant of \$1.9 million to assist in the development of a 261 room Hilton Convention hotel by Hotel Columbus, Ltd. The hotel will complement the Iron Works, a historic building renovated for a convention center by the city. The Action Grant will be used as a loan to the developers. The city will contract the 400 car garage required for the development. Action Grant: \$1,900,000. Private financial commitment: \$9,500,000. New permanent jobs created: 250. Construction jobs: 359.

Illinois

Chicago, Illinois, has received preliminary application approval for an Action Grant of \$10 million to be used for industrial rehabilitation. Action Grant funds will assist the Wisconsin Steel Company install pollution control equipment as a part of an extensive program to rehabilitate and modernize the steel factory. These improvements will permit the plant, which supplies special steel alloy products to the farm equipment industry, to return to full productive capacity and comply with environmental requirements. The financing for the project is coming in large part through guarantees being provided by the Economic Development Administration of the U.S. Department of Commerce under its steel loan guaranty program. The program for modernization retains a great number of jobs in the southside of Chicago, approximately one-half of which are held by minorities, which would otherwise be lost. Action Grant: \$10,000,000. Private Sector Investment: \$76,334,000. New permanent jobs: 150. Jobs retained: 3,300. Construction jobs: 400.

Indiana

Evansville, Indiana, has received preliminary application approval for a \$2.3 million Action Grant to assist in the redevelopment of vacant urban renewal land in the City's core. Action Grant funds will support the first phase of development of the Riverview Commerce Centre in the form of a loan to the private sector for the construction of parking facilities to serve a new 180,000 square foot office building. The City contemplates that later phases of the development, which overlooks the Ohio River, will include additional office, hotel, and housing development. This will generate significant new employment opportunities and expand the local tax base. This first phase represents an important step in completing the rejuvenation of the central core of the City. Action Grant: \$2,300,000. Private Sector Investment: \$14,451,786. New permanent jobs: 238. Construction jobs: 160

Iowa

Waterloo, Iowa, has received preliminary application approval for a \$4.63 million Action Grant to be used primarily as a capital improvement loan to the Rath Packing Company. The money will be used to modernize meat processing equipment and to consolidate multi-story canning and packing operations on one floor. The HUD award will help prevent the closing of Rath Packing, which is Waterloo's second largest employer and the major purchaser of hogs from local farmers. Action Grant: \$4,630,000. Private financial commitment: \$11,600,000. Existing jobs retained: 1,700. Construction jobs: 44.

Kentucky

Louisville, Kentucky, has received preliminary application approval for an Action Grant of \$8,000,000 to assist in the development of a multi-use office retail complex by Oxford Properties, Inc. The project will include 2 new 400,000 square foot office towers, renovation of the 6 story, 170,000 square foot Kaufman-Straus Building, 150,000 square feet of new retail space, a new 100,000 square foot Bacon's Department Store, and 1100 parking spaces. The Action Grant will be used for land acquisition, relocation and the construction of Bacon's department store. Action Grant: \$8,000,000. Private financial commitment: \$76,200,000. New permanent jobs created: 1812. Existing jobs retained: 2009 Construction jobs: 500.

Maryland

Baltimore, Maryland, has received preliminary application approval for an Action Grant of \$2,800,000 to use as a second mortgage to the Oxford Development Corporation for the construction of a mixed use high-rise near Baltimore's Inner Harbor. The project will include 276 apartment units, 20 condominiums, 60,000 square feet of commercial/retail space, a health club, a Twin Cinema and a 700 space parking garage. The entire Action Grant will be paid back to the City at the same interest rate as the first mortgage. This payback will amount to \$8.9 million over 40 years. All of these funds will be used solely for assisting low and moderate income residents of the area through a housing rehabilitation program. Action Grant: \$2,800,000. Private financial commitment: \$42,458,209. New permanent jobs created: 329. Construction jobs: 250.

Massachusetts

Malden, Massachusetts, has received preliminary application approval for an Action Grant of \$377,925 to assist in the development of a Mals Market, a 43,000 square foot supermarket and the renovation/expansion of a vacant commercial building. The Action Grant will be used for extraordinary footing and foundation costs resulting from the poor soil conditions at the supermarket site and for facade work in the commercial building. Action Grant: \$377,925. Private financial commitment: \$2,138,000. New permanent jobs created: 115. Existing jobs retained: 50. Construction jobs: 63.

Worcester, Massachusetts, has received preliminary application approval for an Action Grant of \$4,700,000 to assist in the development of a new, 250 room, Marriott Hotel on a downtown site in the East Central Urban Renewal Project. HUD funds will be used for street, traffic, and other public improvements and to provide a \$1.5 million second mortgage loan to the hotel developer. Action Grant: \$4,700,000. Private financial commitment: \$16,652,000. New permanent jobs created: 250. Construction jobs: 150.

Michigan

Battle Creek, Michigan, has received preliminary application approval for an Action Grant of \$5.5 million to be structured as a second mortgage on a 220 room hotel and 50,000 square feet of retail space. In addition, a 60,000 square foot arena/civic center will be constructed with a grant from the W.K. Kellogg Foundation; the W.K. Kellogg Auditorium will be renovated; a bank will reconstruct 5,000 square feet of space in its downtown building as a restaurant and two upper floors into luxury apartments, and two major retail stores will reinvest funds in their downtown locations. Action Grant: \$5,500,000. Private financial commitment: \$24,265,000. New permanent jobs created: 704. Construction jobs: 283.

Detroit, Michigan, has received preliminary application approval of a \$14.1 million Action Grant to assist in the development of a new river front housing complex, one of the anchors of its plan for the revitalization of the core area of the City. Action Grant funds will be used as a loan to the private sector for the construction of parking facilities to support the approximately 900 new housing units to be constructed, as well as the new convenience retail facility. Grant funds will also be used for special site work required by the location on the river front. The Riverfront West development, of which this is the first phase, will ultimately contain additional housing, parking, and hotel development which will provide an anchor at the southeast corner of the downtown core area to complement the Renaissance Center and other developments planned for the downtown. It is proposed that a new downtown "people-mover" system will link the Riverfront West with other areas of the downtown core. Action Grant: \$14,190,000. Private Sector Investment: \$51,146,666. New permanent jobs: 115. Construction jobs: 500.

Flint, Michigan, has received preliminary application approval for an Action Grant of \$750,000 to construct a neighborhood shopping center, and to rehabilitate substandard single-family houses in the central city. Action Grant funds will be used as a second mortgage for the private developer. The developer's repayment on this mortgage will be used by a neighborhood association for housing rehabilitation projects. Action Grant: \$750,000. Private financial commitment: \$2,883,881. New permanent jobs created: 112. Construction jobs: 53.

Minnesota

Minneapolis, Minnesota, has received preliminary application approval for \$1.8 million Action Grant to assist in the expansion of a local industry and to support the revitalization of an older, core city neighborhood, Elliot Park. The Bureau of Engraving, Inc., presently operates a facility adjacent to Elliot Park which employs 750 persons, the majority of whom are City residents. The firm, because of the need to expand this operation, was primarily considering suburban locations due to the lower cost of land and the fact that its investments within the City would preclude its use of industrial revenue bond financing. Action Grant funds will be used to assist the firm to acquire a site within the City suitable for its new facility as well as future expansion, and the special provisions of the 1978 Revenue Act relating to industrial revenue bond financing and Action Grant projects will permit this form of financing to be used by the firm. Repayments by the firm of Action Grant funds as well as proceeds generated from a special tax increment district (which will capture the property tax revenues generated by the firm's new facility) will be recycled into a program for the rehabilitation of housing in the Elliot Park Neighborhood. The location of the facility will retain the 750 jobs presently available within the City and provide for 350 new jobs as well. In addition, the firm will operate a job training center to train City residents for employment in the printing industry, which will be supported by a commitment by the City of CETA funding. Special emphasis will be placed on the recruitment of residents of Elliot Park for employment and training opportunities to support the neighborhood revitalization effort. Action Grant: \$1,851,484. Private Sector Commitment: \$11,271,811. New permanent jobs: 350. Jobs retained: 750. Construction jobs: 138.

Saint Paul, Minnesota, has received preliminary application approval for an Action Grant of \$1,314,000 to substantially rehabilitate the East Seventh Street Neighborhood. Saint Paul has been working closely with the 3 M Company, which has agreed to invest \$8,000,000 in an office expansion in the East Seventh Street neighborhood. This is 3 M's largest commitment to reinvestment in the City of Saint Paul in nearly 25 years. Action Grant: \$1,314,000. Private financial commitment: \$8,000,000. New permanent jobs created: 250. Existing jobs retained: 3,550. Construction jobs: 50.

New Jersey

Newark, New Jersey, has received preliminary application approval for two Action Grants:

- The first, \$2,235,000, will be used to continue and expand the present Action-Grant-funded Neighborhood Improvement program. The program will provide a 20-25% rebate on the cost of improving homes in distressed neighborhoods, and will also provide similar rebates for the rehabilitation of small businesses. Action Grant: \$2,235,000. Private financial commitment: \$10,000,000. Construction jobs: 600.

- The second Action Grant, \$450,000 will be used to a 14,800 square foot neighborhood shopping center at 12th and Market streets. The center, to be developed and owned by minority concerns, will include a 30,000 square foot supermarket and 14,800 square feet of satellite stores. The Action Grant will be administered by the Newark Economic Development Corporation. Action Grant: \$450,000. Private financial commitment: \$1,713,092. New permanent jobs created: 60. Construction jobs: 53.

Pennsylvania

Washington County, Pennsylvania, has received preliminary application approval for an Action Grant of \$1,053,900 to provide mortgage assistance to middle and lower income buyers of 100 homes. The homes will be build on scattered sites in the cities of California, Canonsburg, Donora, Independence, Monogahela and Washington City. The mortgage assistance program will be carried out over the next two building seasons by the Redevelopment Authority of Washington County, which will provide the land sites. The project is anticipated to add almost \$4,000,000 to the tax base of these distressed communities. Action Grant: \$1,053,100. Private financial commitment: \$3,458,000. Construction jobs: 100.

South Carolina

Charleston, South Carolina, has received preliminary application approval for an Action Grant of \$1,890,820 to provide street and other public improvements, including land acquisition, on a site in the historic district adjacent to the proposed new convention center. Private development will include the construction of the "Meeting Street Office Building", which will be the largest new commercial building in downtown Charleston, and the rehabilitation of two small historic buildings on an adjoining street. Action Grant: \$1,890,820. Private financial commitment: \$4,727,052. New permanent jobs created: 259. Construction jobs: 126.

New York

New York, New York, has received preliminary application approval for three Action Grants to help distressed areas of Brooklyn and the South Bronx:

-The first, for \$1,260,000, will be used to rehabilitate a vacant building in a distressed Brooklyn neighborhood. The building and an adjoining site will be used for a supermarket and eight small stores. Action Grant: \$1,260,000. Private financial commitment: \$6,521,053. New permanent jobs created: 273. Construction jobs: 100.

-The second Action Grant, \$2,520,000, will be used to build a full service truck-stop and motel complex in the Hunt's Point section of the South Bronx. The Action Grant will be used as a short-term loan to the developer, Hunt's Point Plaza, Inc., which has commitments of \$10 million from a consortium of three city banks for the permanent financing, and \$4.3 million in equity to be syndicated among some 13 parties. Action Grant: \$2,520,000. Private financial commitment: \$19,490,923. New permanent jobs created: 554. Construction jobs: 371.

-The third Action Grant, \$1,575,000, will assist Loehman's clothing firm to relocate its national distribution center in the South Bronx. Loehman's will construct a center to ship clothing to their stores across the United States. Action Grant: \$1,575,000. Private financial commitment: \$4,954,652. New permanent jobs created: 185. Existing jobs retained: 271. Construction jobs: 144.

Ohio

Akron, Ohio, has received preliminary application approval for an Action Grant of \$1,000,000 to assist in the development of The Quaker Square Hotel. Quaker Square Properties will rehabilitate the former Quaker Oats Company grain silos into a modern 260 room hotel facility. Action Grant Funds will be lent to the developer to assist in the financing of the hotel. Action Grant: \$1,000,000. Private financial commitment: \$5,460,000. New permanent jobs created: 168. Construction jobs: 100.

Texas

Ft. Worth, Texas, has received preliminary application approval for two Action Grant projects to revitalize the downtown:

- An Action Grant of \$3 million for public improvements to 9 blocks of Main Street from the Tarrant County Convention Center to the County Courthouse. The Action Grant funds will be used for new curbs and gutters, sidewalks, street lighting, storm sewers, landscaping, utility adjustments, and to repave portions of the street with brick. The Bass Brothers Development Company has in turn committed to build a 500 room Albert Pick Hotel on Main Street between First and Second Streets. Action Grant: \$3 million. Private financial commitment: \$34.3 million. New permanent jobs created: 469. Construction jobs: 875.

- The second Action Grant, of \$6 million, is for the purchase of parts of two city blocks at 9th and Main Streets. The City will construct a city-owned, 350-space underground parking garage there, landscape the surface level to provide a pedestrian plaza, and make associated street adjustments. The site to be purchased by the city lies between the County Convention Center and the site of the historic 1920-era Texas Hotel. The Woodbine Development Company will renovate the old hotel for use as a 500-room Hyatt Regency. Some 414 new permanent jobs, over and above current employment in the hotel, will be created. Action Grant: \$6,002,000. Private financial commitment: \$28,047,000. New permanent jobs: 414. Construction jobs: 700.

Galveston, Texas, has received preliminary application approval for an Action Grant of \$ 1,300,000 to renovate the city-owned Moody Civic Center and construct a 300 space parking garage adjacent to the civic center. The private commitment will involve the renovation of the historic 225 room Galvez Marriott Hotel and the leasing of one floor in the new garage by the hotel owners. Action Grant: \$1,300,000. Private financial commitment: \$6,098,501. New permanent jobs created: 220. Existing jobs retained: 32. Construction jobs: 215.

Port Arthur, Texas, has received preliminary application approval for an Action Grant of \$2,387,354 to provide street and other public improvements and a \$1 million second mortgage loan to assist the development of a regional shopping mall. The mall will contain approximately 400,000 square feet of retail space and will be located next to the Park Central New Town in Town. Action Grant: \$2,387,354. Private financial commitment: \$15,926,387. New permanent jobs created: 525. Construction jobs: 425.

Wisconsin

Oshkosh, Wisconsin, has received preliminary application approval for an Action Grant of \$420,811 to provide street and water and sewer improvement in conjunction with the development of an amusement park. The park will have as a focal point, a 1907 Carousel which has been nominated for The National Register of Historic Places. It contains 56 hand carved, basswood, jumping horses. No two horses are alike. The park will contain a variety of rides and family entertainment facilities. Action Grant: \$420,811. Private financial commitment: \$3,068,000. New permanent jobs created: 173. Construction jobs: 65.



HUD NEWS

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

HUD-No. 79-236
Andy Gasparich (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE
Tuesday
July 17, 1979

HUD STUDY SEES NEED FOR COORDINATED FOREIGN INVESTMENT

A greater coordination of incentive programs to encourage foreign investment in America's distressed areas is needed, according to a study released today by the U.S. Department of Housing and Urban Development.

The study--The Impact of Foreign Direct Investment on U.S. Cities and Regions--was conducted for HUD by the Analytic Sciences Corporation of Arlington, Virginia, under the direction of Assistant Secretary for Community Planning and Development Robert Embry and Deputy Assistant Secretary for Urban Policy Marshall Kaplan.

Noting that foreign investment in the United States has grown dramatically during the past decade, increasing by nearly 300 percent between 1969 and 1977, Secretary Patricia Roberts Harris said, "This source of capital holds the potential for major impacts on the health of both the national economy and that of individual communities. It is particularly important to those localities that show such symptoms of distress as loss of jobs and declining tax bases."

Among the study's findings is that while much foreign investment in manufacturing is in states or cities with lagging economies, a significant amount of this investment is for acquisitions of healthy companies. Thus, less new employment is created by foreign investment in distressed areas than elsewhere. Only the ownership of plants is changing. Most newly constructed foreign-owned plants are being located in the Southeast and Farwest, growing areas of this nation.

The study recommends that steps be taken to enhance the bargaining power of distressed areas to increase their attractiveness to foreign investors. Among the recommendations are the creation of a national broker service to bring together places seeking new investors with foreign corporations; and greater coordination of existing grant programs, such as HUD's Urban Development Action Grant Program, with efforts to attract foreign investment.

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Observing that significant foreign investment is a reality which must be faced, Secretary Harris said that in assessing the recommendations contained in the Report, careful consideration must be given to ensuring that domestic investors and businesses are not disadvantaged by measures taken to channel foreign investment into distressed areas.

"It is likely," said Secretary Harris, "that foreign investment in the United States will continue to grow, just as American investment overseas has grown during the past 20 years. We must explore all possibilities for putting more jobs and capital into our distressed areas and at the same time we need to assure consistency between foreign investment and the goals of President Carter's urban policy.

"The study is viewed as only a beginning toward helping both our Department and the Administration as a whole determine the effect and impact of foreign investment on cities. In the future we hope to work closely with the Departments of Commerce and Treasury in developing additional information on foreign investment. HUD, which bears the lead responsibility for helping to end urban distress and implementing urban policy initiatives, will continue to carry out its responsibilities in these areas of concern."

Single copies of the study are available by writing to:

Marshall Kaplan
Deputy Assistant Secretary
Room 7206
Department of Housing and Urban Development
Washington, DC 20410

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HUD NEWS

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

312 Rehab

HUD-No. 79-238
Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Wednesday
July 18, 1979

**BONUS LOAN FUNDS
MADE AVAILABLE BY HUD**

A bonus allocation of \$5.9 million in single family Section 312 rehabilitation loan funds is being provided to 39 cities and two counties to accelerate their neighborhood revitalization programs, Patricia Roberts Harris, Secretary of Housing and Urban Development, announced today.

The special funds, for long term, low interest loans to homeowners of 1 to 4 family dwellings in designated Housing Neighborhood Strategy Areas (NSA's), are in addition to Section 312 funds allocated earlier for other local programs.

"This special project, in addition to improving housing conditions for low and moderate income homeowners, also demonstrates the improved coordination of Housing and Planning and Development programs," Secretary Harris said.

Neighborhood Strategy Areas are targeted for concentrated housing assistance and receive special consideration under some HUD programs, including the Section 8 program.

The Section 312 program is a direct Federal loan made available to property owners through a local government agency. Residential rehabilitation loans may not exceed \$27,000 per dwelling unit.

The funds announced today are being made available from loan repayments and recaptured funds, and will supplement existing rehabilitation efforts in the NSA's.

Attached is a list of the cities targeted for bonus rehab funds.

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(To Accompany HUD-No. 79-238)

PROPOSED SECTION 312 FUNDS FOR
HOUSING NEIGHBORHOOD STRATEGY AREAS

Boston Area Office

Boston	\$100,000
Chelsea	90,000
Chicopee	50,000
Framingham	50,000
Lowell	30,000
Lynn	50,000
Revere	250,000
Somerville	100,000
Springfield	75,000
Taunton	50,000
Waltham	25,000
Worcester	75,000

Hartford Area Office

New Haven	250,000
Stamford	110,000

Manchester Service Office

Burlington	200,000
Lewiston	130,000
Portland	40,000
Winooski	97,000

Newark Area Office

Hoboken	65,000
Jersey City	300,000
Trenton	100,000

Philadelphia Area Office

Allentown	100,000
Easton	200,000
Harrisburg	100,000
Luzerne County	100,000
Philadelphia	200,000
Williamsport	200,000
Wilmington, Dela.	200,000
York	75,000

Richmond Area Office

Norfolk	250,000
Portsmouth	190,000
Richmond	200,000

Columbia Area Office

Charleston	\$172,000
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Greensboro Area Office

Raleigh	100,000
Winston-Salem	200,000

Columbus Area Office

Akron	200,000
Toledo	200,000

Kansas City Area Office

Kansas City, Missouri	200,000
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Omaha Area Office

Omaha, Nebraska	300,000
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Seattle Area Office

Seattle	247,000
King County	300,000

NATIONAL TOTAL

\$5,971,000



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WASHINGTON D.C. 20410

HUD-No. 79-241
Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Friday
July 20, 1979

TWENTY-SIX COMMUNITIES GET URBAN RENEWAL SETTLEMENT FUNDS

More than ~~\$69~~ million will go to 26 communities to help them complete or close out old programs, mostly urban renewal projects from the late 1960's and early '70s, the Department of Housing and Urban Development announced today.

The awards are made from HUD's Financial Settlement Fund, authorized at \$100 million per year through 1980, which is used to give supplemental assistance to local governments for completing or settling categorical projects, such as urban renewal, water and sewer, and neighborhood development programs.

"In awarding funds we gave priority to protecting the Federal interest by selecting applicants who lacked sufficient resources to repay loans guaranteed by the Federal Government" said Robert C. Embry, Jr., Assistant Secretary for Community Planning and Development.

"The lack of local resources was caused primarily by lower-than-expected proceeds from the sale of the redevelopment sites, or no sale at all. This was a major problem in the old urban renewal program," Mr. Embry said.

"Unlike our present Block Grant and especially the Action Grant Programs, demolition and clearance often took place under urban renewal without firm private sector financial commitment or comprehensive urban environmental design."

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He also said that inflation and unexpected events contributed to the inability of some communities to complete funded projects. For example, he cited a typical community that planned to repair a sewer system but instead discovered that it required replacement. This raised the cost of the sewer system, and resulted in higher costs from the digging and repaving of streets.

Applications were received from 37 localities and requests totalled \$141,000,000.

Localities receiving awards this year will be required to be financially settled through this action, with all loans repaid and a closeout agreement executed to bring any remaining activities under the local community development program.

Awards announced today:

Atlanta, Ga.	\$12,000,000
Baltimore, Md.	10,034,734
College Park, Md.	1,942,635
Colona, Ill.	70,000
Conshohocken, Pa. (Borough of)	1,032,610
Danbury, Conn.	404,007
Elkhart, Ind.	29,217
Florence, Ala.	1,297,243
Forty-Fort, Pa. (Borough of)	1,051,798
Fulton, N.Y.	133,977
Glen Cove, N.Y.	190,161
Hudson, N.Y.	299,100
Huntington, W. Va.	6,011,272
Jersey Shore, Pa.	423,522
Lebanon, Pa.	4,351,478
Middletown, Conn.	6,208,000
Nanticoke, Pa.	601,148
North Adams, Mass.	380,000
Oklahoma City, Ok.	14,727,575
Oneonta, N.Y.	886,384
Plymouth, Pa. (Borough of)	1,886,765
Renovo, Pa.	44,700
Richmond, Calif.	2,500,000
St. Albans, W. Va.	200,500
Vineland, N.J.	1,221,480
Wayne, N.J.	6,788,951
	<u>\$69,780,959</u>

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HUD NEWS

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WASHINGTON D.C. 20410

HUD No. 79-242
Andy Gasparich (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Friday
July 20, 1979

HOUSING DISCRIMINATION STILL A MAJOR FACTOR IN AMERICA

Significant levels of racial discrimination--both direct and indirect--still exist in America's housing market, according to a study released today by the U.S. Department of Housing and Urban Development.

The study--Measuring Racial Discrimination in American Housing Markets: The Housing Market Practices Survey--provides definitive evidence that blacks are systematically treated less favorably with regard to housing availability, are treated less courteously and are asked for more information than whites.

Noting that it has been over eleven years since the Civil Rights Act assured all Americans of an opportunity for decent housing and an end to discrimination, Secretary Patricia Roberts Harris said, "The evidence from this study clearly demonstrates that this law, and others related to it, have failed to achieve the goal of equal opportunity in housing. The disadvantaged in our society are still waiting for a place at the table of opportunity."

Assistant Secretary Donna E. Shalala, whose Office of Policy Development and Research conducted the study, said: "Based on the number of people who moved in 1977 as determined by the Annual Housing Survey, and the rates of discrimination from the study, we can estimate that black families encountered approximately two and a half million instances of discrimination that year."

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Homeseekers probably visit more than one agent; studies cited in the report indicated that prospective renters may visit six agents, while prospective buyers may visit four agents. Based on these norms, the study shows that blacks seeking a rental unit have an 85 percent chance of encountering at least one instance of discrimination. In looking for a house to purchase, the chance of experiencing racial discrimination is 48 percent.

Calling the estimates conservative, Dr. Shalala explained that the study did not include houses for rent or sale by owners, apartments for rent in duplexes or triplexes, or houses advertised by builders or developers. She further noted that because the study focused only on the initial visit to a rental or sales office, it does not reveal any discriminatory practices in matters such as financing, insurance, or agreement on terms.

Nor do the reported estimates of discrimination in the sales market include racial steering, that is, the discriminatory practice of showing blacks houses solely or primarily in predominantly black neighborhoods while showing whites houses in all-white neighborhoods.

An additional conservative bias is due to the way in which the measured discrimination is interpreted and reported. For example, cases in which both the black and the white received favorable treatment of any kind were included in the "No Difference" category, even though many times the balance of treatment appeared to favor the white. Moreover, the estimated discrimination is reported in net rather than gross terms. That is, cases in which the black was treated favorably were subtracted from cases in which the black was treated unfavorably, the difference being an estimate of net discrimination against blacks. However, favorable treatment to blacks may be a manifestation of racial steering, among other things, which itself is a form of discrimination.

The two year, \$1 million effort was conducted by HUD in conjunction with the National Committee Against Discrimination in Housing.

The study is based on the treatment awarded to 600 trained auditors--300 blacks and 300 whites--when they answered housing advertisements in the local newspapers of 40 metropolitan areas. Teams of white and black persons who were virtually identical in all respects except race answered the same advertisements. They then carefully recorded their experiences on standard forms.

The areas chosen were Standard Metropolitan Statistical Areas (SMSA's) ranging from Boston in the East to Los Angeles in the West, and from Fort Lauderdale in the South to Milwaukee in the North. Overall, 3,264 audits were conducted. Roughly 60 to 80 audits were done in each of 35 metropolitan areas and approximately 200 audits were conducted in each of the five locations chosen as "in-depth" sites.

Dr. Shalala cautions readers of the report that the site by site results should not be used by themselves because of the small sample size in each metropolitan area. Because of the small sample sizes in the individual areas, estimates may vary considerably from the true levels of discrimination in those areas. The study was designed specifically to measure national and regional discrimination--not specific levels of discrimination in each metropolitan area.

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HUD NEWS

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Res. + Technology

HUD-No. 79-247
Dan Day (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Monday
July 30, 1979

PROGRAM BOOSTS PARTICIPATION OF MINORITIES IN URBAN ANALYSIS

A program to increase the participation of minorities in applied research in the fields of urban development, finance and impact analysis was announced today by the Department of Housing and Urban Development, the Ford and Carnegie Foundations and the National Institute of Education.

Secretary Patricia Roberts Harris said the program, to be established by the National Urban Coalition (NUC) and conducted with the cooperation of Atlanta University, will cost an estimated \$1 million, with the Ford and Carnegie Foundations contributing \$150,000 each, and the National Institute of Education (NIE) \$50,000. The NIE grant will go to Atlanta University.

"The National Urban Coalition has been in the forefront of policy analysis in the area of housing and labor problems," Secretary Harris said. "Its position as an advocate for cities is well known and its location in the Nation's Capital makes it the ideal organization to provide a training ground for urban policy analysts."

"The inclusion of Atlanta University, a black institution, will assist in the training of more minority 'urbanists' and result in a greater number joining the mainstream of policy analysis. Additionally, the willingness of the Ford and Carnegie Foundations and NIE to join with the Department in this effort is a significant step in furthering private and public partnership, the central theme of President Carter's Urban Policy."

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The activities of the consortium will include policy research, training opportunities for minority policy analysts, seminars and workshops, and publication and dissemination of urban policy analysis. Attention also will be paid to the exchange of information, upgrading of skills and the provision of internships and assistantships for graduate students.

Dr. Charles Betsey, formerly with the Congressional Budget Office in Washington, will act as overall project director.

Donna Shalala, HUD Assistant Secretary for Policy Development and Research, said the specific projects to be researched by the consortium will depend on the identification of research needs by the NUC and Atlanta University.

Shalala said the consortium will provide new approaches to policy analysis not duplicated by other research or policy organizations. "The structure itself," she added, "is unique in that it combines an urban advocacy group with a historically black university." She noted that the NUC has the desired capacity to place the policy implications of the analysis before a national audience of businessmen and Government policy makers, as well as urban researchers"

For more information, contact:

David L. Puryear
Office of Policy Development and Research
Department of Housing and Urban Development
Room 8208
Washington, D.C. 20410
Phone (202) 755-6164

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HUD NEWS

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

HUD-No. 79-251
Andy Gasparich (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Tuesday
July 31, 1979

HOUSING DISCRIMINATION HITS CHICANOS HARDEST

If you are a dark-skinned Chicano, trying to rent an apartment in the Dallas, Texas area your chances of encountering discrimination are very high, according to a report released today by the U.S. Department of Housing and Urban Development.

The report, based on audits of rental market practices in the Dallas metropolitan area, is an experimental extension of the nationwide Housing Market Practices Survey released by HUD last week. That survey revealed a substantial level of discrimination against blacks in both rental and sales markets. However, the study was limited to the housing market experiences of blacks.

An extension of that study was undertaken by HUD's Office of Policy Development and Research for the expressed purpose of examining the nature and extent of housing discrimination against Hispanics.

Limited only to the Dallas area, the study focused on three issues:

1. What types of discriminatory treatment are Chicanos likely to encounter in the rental housing market?
2. Does the extent of discriminatory treatment against Chicanos depend on their skin color?
3. How does the incidence of the discrimination against Hispanics compare to discrimination of blacks in the same rental market?

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To make that determination, teams of auditors--white and light- and dark-skinned Chicanos--answered the same newspaper advertisements for apartment rentals in the fall of 1978. A total of 148 audits were conducted. For each audit, a Chicano and a white visited the same apartment complex. Approximately half with light-skinned Chicanos. All the Chicano auditors had noticeable accents which clearly identified them as Hispanics.

There were five specific areas which were examined for discriminatory behavior: availability of apartments, terms and conditions of apartment rental, the manner in which rental agents conveyed information to apartment seekers, the manner in which rental agents behaved toward apartment seekers, and the type of information rental agents demanded from apartment seekers.

The audit results indicate that, both dark-skinned and light-skinned Chicano auditors encountered discriminatory treatment in all five categories more often than white auditors. Further, dark-skinned Chicanos were discriminated against more frequently than light-skinned Chicanos. The difference is especially evident for treatment on availability, where the measured incidence of discrimination was 42.5 percent for dark-skinned Chicanos and 16.0 percent for light-skinned Chicanos.

The results mean that a dark-skinned Chicano has a 96 percent chance of experiencing at least one instance of discrimination in the typical housing search that involves six rental agents. Light-skinned Chicanos will experience a 65 percent chance of encountering discrimination in a similar search.

In order to determine how the incidence of discrimination against Hispanics compares to that against blacks, the audit results for Chicanos were compared to the audit results for blacks in the same rental area as taken from the nationwide Housing Market Practices Survey which was conducted during the summer of 1977.

A comparison of the audit results suggests that discrimination against light-skinned Chicanos and blacks is similar, but that discrimination against dark-skinned Chicanos may be more common and more blatant than the discrimination against either blacks or light-skinned Chicanos. Thus, it appears that dark-skinned Chicanos, as a group, may be victims of a "double dose" of discrimination.



HUD NEWS

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WASHINGTON D.C. 20410

HUD-No. 79-253

Jack Flynn (202) 755-5277 or
Warren Dunn (202) 755-6980

FOR RELEASE:

Tuesday

August 7, 1979

\$22.4 MILLION IN ACTION GRANTS ATTRACTS \$131 MILLION TO 24 SMALL CITIES

Urban Development Action Grants totaling \$22.4 million have been targeted to 24 small, distressed cities, attracting more than \$131 million in private investment to create jobs, housing and stronger tax bases, Patricia Roberts Harris, Secretary of Housing and Urban Development announced today.

The funds will go to 24 public/private development projects and save 528 existing jobs. When the projects begin construction, 2398 construction jobs will be created, and upon completion in two or three years, 4581 new permanent positions will be created--most for lower income persons.

"In August, 1978, we selected the first small cities under the Action Grant program," Secretary Harris said, "and we were optimistic that the program would help communities and people become more self sufficient.

"It is gratifying for me to say on this first anniversary that Action Grants have proved to be both popular and successful," she added.

"To date, small cities have used the program to attract over \$1.26 billion in private financial commitment--more than \$7.35 for every \$1 of Action Grant--and the 216 projects selected will create or save more than 54,000 small town jobs," he said.

The Action Grants offered to cities today constitute a preliminary application approval, the first step in a process which leads to a legally binding commitment between the city and the private sector, and a signed contract between the city and HUD.

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"The massive infusion of private funds in large and small cities with older housing, higher poverty and unemployment and weak economic indicators is another indication that the New Partnerships President Carter has encouraged between Federal, state and local Government and the private sector are working," said Robert C. Embry, Jr., Assistant Secretary for Community Planning and Development.

"Clearly, the Action Grant program has made a difference."

Action Grant selections are based on the merits of the proposal submitted by the city, but only cities and counties that meet special criteria for economic and physical distress, and have good overall records for equal housing and employment opportunities, may apply.

The awards announced today were for small cities competing in the fiscal year 1979 third quarter. The program receives applications and makes awards every three months on a staggered basis for large and small cities, to allow urban areas to respond quickly to opportunities for development.

Decisions will be made by the end of September for large cities now in competition for Action Grants, with announcement expected in early October.

August 30 is the closing day for receipt of Action Grant applications from small cities seeking awards in the fourth quarter of 1979.

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ALABAMA

Eufaula, Alabama, has received preliminary application for an Action Grant of \$397,000 to provide basic utilities, site improvements and a rail spur for an industrial development park land parcel. This will make available approximately 100 acres of land which the city will use to pursue further industrial development. The Action Grant funded site will be occupied by an industry that will provide a substantial number of low/moderate income jobs. Action Grant: \$397,000. Private financial commitment: \$3,500,000. New permanent jobs created: 300. Construction jobs: 173.

CALIFORNIA

Monrovia, California, has received preliminary application approval for an Action Grant of \$400,000 to assist the Redevelopment Authority in the acquisition of land for industrial redevelopment. The developer will purchase the land at fair market value and will construct a 45,600 square foot concrete tilt up building. The building will be leased to a local labor intensive industry which is being forced to relocate. Eighty percent of the industry's work force is minority. Action Grant: \$400,000. Private financial commitment: \$1,516,054. New permanent jobs created: 34. Existing jobs retained: 68. Construction jobs: 50.

COLORADO

Hooper, Colorado, has received preliminary application approval for an Action Grant of \$682,026 to assist in the establishment of a county-owned mushroom plant. The Action Grant funds will provide water, sewer, roads, parking and other site improvements, and buses to transport workers to the site. Primary financing for the construction of the plant will come from revenue bonds authorized by Alamosa County. A private firm, Alamosa Mushroom Farms, Inc., will lease and operate the plant. Action Grant: \$682,026. Private financial commitment: \$6,189,000. New permanent jobs created: 220. Construction jobs: 30.

FLORIDA

Key West, Florida, has received preliminary application approval for an Action Grant of \$1.1 million to aid the Pier House Partnership renovate and expand the Pier House Hotel. Action Grant funds will be used as a second mortgage loan for the hotel and also to provide public improvements in the area. Action Grant: \$1,100,000. Private financial commitment: \$4,866,919. New permanent jobs created: 75. Existing jobs retained: 215. Construction jobs: 100.

While preliminary approval has been given to this grant, Secretary-Designate Moon Landrieu has requested that a contract awarding this grant not be signed until a potential conflict of interest issue is resolved. Mr. Landrieu has pointed out that he owns a limited partnership interest in this project and wishes to make certain that no real or apparent conflict of interest exists before the project proceeds.

The application for this grant was made on May 26, 1978, preliminary approval was recommended by Assistant Secretary Embry on July 24, 1979 and the decision for preliminary approval was made by Secretary Harris on July 26, 1979. At the time the decision was made, neither Secretary Harris nor Assistant Secretary Embry was aware of Mr. Landrieu's limited partnership interest in the project nor had Mr. Landrieu been named the Secretary-designate of HUD.

INDIANA

Mitchell, Indiana, has received preliminary application approval for an Action Grant of \$980,000 for an industrial expansion project. The HUD funds will be used to construct a 125,000 gallon elevated water tank for a 37 acre industrial park in the city of Mitchell. Additionally, the city will make a \$330,000 loan to the Regal-Beloit Corporation for the construction of a 65,000 square foot plant and office facility to be located in the Mitchell Industrial Park. Action Grant \$4,902,054. Private financial commitment: \$4,902,054. New permanent jobs created: 50. Existing jobs retained: 161. Construction jobs: 20.

IOWA

Oelwein, Iowa, has received preliminary application approval for an Action Grant of \$128,182 to extend water, sanitary, and storm sewer lines and pave one block of an industrial road in the Oelwein Industrial Park. This will provide an improved site competitive with similar sites in non-distressed cities. The city will issue \$650,000 of industrial revenue bonds which will be purchased by two local banks. The money will be used for permanent financing by Oelwein Industrial Development Corporation which will construct a 30,900 square foot facility to be leased to Superior Plastics, Inc., a manufacturer of decorative plastic shutters. Action Grant: \$128,182. Private financial commitment: \$650,000. New permanent jobs created: 75. Construction jobs: 40.

MAINE

Biddeford, Maine, has received preliminary application approval for an Action Grant of \$750,000 to assist in the revitalization of Main Street by encouraging 15 businesses to expand or renovate their facilities. The Action Grant, in conjunction with money committed by the city and State, will be used to construct a parking grage, off-street parking, sidewalk improvements and provide an interest subsidy to many of the owners who are renovating their facilities. Action Grant: \$750,000. Private financial commitment: \$2,187,800. Other public commitment: \$2,187,800. New permanent jobs created: 51. Existing jobs retained: 53. Construction jobs: 191.

Pittsfield, Maine, has received preliminary application approval for an Action Grant of \$645,038 to assemble land for an office building and parking and make street improvements as part of a Central Business District renovation. The project also will include 27 new housing units, 20 for the elderly and seven for families. Action Grant: \$645,038. Private financial commitment: \$2,395,980. New permanent jobs created: 50. Existing jobs retained: 31. Construction jobs: 90.

MARYLAND

Chestertown, Maryland, has received preliminary application approval for an Action Grant of \$403,986 to provide off-site and on-site facilities (such as roads, storm drains, and water and sewer lines) so that an industrial park can be developed within Chestertown's city limits. The city also will provide funds for some of the labor involved in this project. Action Grant: \$403,986. Private financial commitment: \$1,698,730. New permanent jobs created: 56. Construction jobs: 60.

MICHIGAN

Port Huron, Michigan, has received preliminary application approval for an Action Grant of \$4 million to expand the city's industrial park and make improvements in the surrounding neighborhood. The city will acquire and prepare a site in its industrial park in order for the Cross Company to locate a new facility in the city. Other improvements in the industrial park also will permit Black River Industries, a minority-owned firm, to locate an expanded facility in the industrial area. In addition to the new employment opportunities generated for neighborhood residents by these firms, streets, sidewalks, and improvements to two community centers (which are high priority for neighborhood residents) will also be provided as part of the program which is designed to revitalize the surrounding neighborhood. Action Grant: \$4,080,000. Private financial commitment: \$20,900,000. New permanent jobs created: 700. Construction jobs: 117.

NEW JERSEY

Plainfield, New Jersey, has received preliminary application approval for an Action Grant of \$525,000 to develop a 44,231 square foot neighborhood shopping center on a 2.9 acre site. The center will contain a 30,931 square foot A&P Store, 13,300 square feet of satellite stores, and parking for 180 cars. The New Jersey Economic Development Authority will issue bonds to finance the project. The HUD Action Grant will be a second mortgage loan, repayable to the city over a 30 year period for use in other economic development activities. Action Grant: \$525,000. Private financial commitment: \$2,546,568. New permanent jobs created: 100. Construction jobs: 75.

NEW YORK

Johnson City, New York, has received preliminary application approval for an Action Grant of \$569,131 to provide street resurfacing, turn lanes and traffic signals to control traffic congestion. Two developers will construct commercial facilities, a 2,000 square foot carwash and a 72,000 square foot shopping center along the revitalized roadway. Action Grant: \$569,131. Private financial commitment: \$2,655,000. New permanent jobs created: 165. Construction jobs: 58.

NORTH CAROLINA

Spruce Pine, North Carolina, has received preliminary application approval for an Action Grant of \$600,000 to assist in financing a \$12.0 million facility to be constructed by Henredon Furniture Industries, Inc., for the manufacture of wood furniture. The Action Grant will be used to finance equipment and will be repaid to the city. Action Grant: \$600,000. Private financial commitment: \$11,980,000. New permanent jobs created: 350. Construction jobs: 225.

OHIO

Ashtabula, Ohio, has received preliminary application approval for an Action Grant of \$277,850 to provide street and parking improvements in support of the rehabilitation of five vacant buildings for retail and office use. The five buildings comprise an integral but blighted block in the city's central business district. The development will be carried out by the Ashtabula Arrowhead Mini Mall partnership, a joint venture between Normandy Development Company and the Greater Ashtabula Service Corporation, a subsidiary of Federal Savings and Loan Association of Ashtabula. Action Grant \$277,850. Private financial commitment: \$1,200,000. New permanent jobs created: 90. Construction jobs: 33.

OKLAHOMA

Hartshorne, Oklahoma, has received preliminary application approval for a \$700,000 Action Grant to assist in financing construction and purchase of machinery for an 80,000 square foot addition to a machine shop owned by Oklahoma Aerotronics, Inc. Hartshorne Industries, Inc., a local development corporation will construct the new facility and lease the plant back to Oklahoma Aerotronics. The expansion will add significantly to job creation in Pittsburg and Latimer Counties. In addition to the Action Grant, the project will be financed by a 90% EDA guarantee loan; a State of Oklahoma Industrial Finance Authority loan, and substantial investment by Oklahoma Aerotronics, Inc. Action Grant: \$700,000. Private financial commitment: \$2,925,818. New Permanent jobs created: 290. Construction jobs: 40.

Stilwell, Oklahoma, has received preliminary application approval for an Action Grant of \$3.8 million for water, sewer and gas system improvements to facilitate the establishment of a turkey and broiler hatchery, feed mill and processing plant by Hudson Foods, Inc. Direct private investment by Hudson Foods in the turkey and broiler facilities will exceed \$14 million. Additionally, it is anticipated that approximately 380 individually-owned farm, turkey, and broiler-growing operations will be created. Action Grant: \$3,888,000. Private financial Commitment: \$14,100,000. New permanent jobs created: 950. Construction jobs: 23.

PENNSYLVANIA

Wilkinsburg, Pennsylvania, has received preliminary application approval for an Action Grant of \$1,788,000 to use for site preparation of 30 acres to be developed by Amove Companies, Inc. Development will include a twin tower; 100,000 square foot office building; a 100-unit mid-rise condominium; 144 townhouses and 224 garden apartments. More than \$400,000 of the Action Grant will be paid back by the developers for future community and economic activities in the Borough. The total anticipated private investment for the site exceeds \$26 million. Action Grant: \$1,788,000. Private financial commitment: \$11,840,000. New Permanent jobs created: 100. Construction jobs: 100.

SOUTH DAKOTA

Yankton, South Dakota, has received preliminary application approval for an Action Grant of \$1,357,341 for improvements to the city water system. This will make possible construction of a new 144-bed wing to the Sacred Heart Hospital. The new wing will replace a wing added in 1966, which will be converted for use as a doctor's clinic and housing for the elderly. The South Dakota Department of Health had previously declined to issue a license for the new hospital wing unless an improved water supply was developed to assure adequate fire protection. The Action Grant will fund a one million gallon treated water storage tank and associated water lines. Action Grant: \$1,357,341. Private financial commitment: \$21,406,000. New permanent jobs created: 76. Construction jobs: 430.

TENNESSEE

Lexington, Tennessee, has received preliminary application approval for an Action Grant of \$995,000 to acquire a 50-acre site, and provide sitework and utilities. Gilson Brothers Co. will construct a 180,000 square foot manufacturing facility for the manufacture of lawn and garden equipment. Gilson will invest \$3,891,000 in buildings and equipment. Action Grant: \$995,000. Private financial commitment: \$3,981,000. New permanent jobs created: 325. Construction jobs: 85.

TEXAS

Elsa, Texas, has received preliminary application approval for an Action Grant of \$288,000 to assist in the development of 50 single-family homes and seven duplex apartment buildings. Action Grant funds will be used to provide street, water and sewer improvements, and will help offset the cost of the sites to make the houses affordable to low and moderate income families. Action Grant: \$288,000. Private financial commitment: \$1,060,848. Construction jobs: 173.

Frisco, Texas, has received preliminary application approval for an Action Grant of \$499,000 to provide water and sewer lines, roads and other off-site improvements. This will allow for the development of an apartment complex and the development and expansion of two industries. Action Grant: \$499,000. Private financial commitment: \$2,045,000. New permanent jobs created: 36. Construction jobs: 65.

TEXAS, Continued

Lamesa, Texas, has received preliminary application approval for an Action Grant of \$623,100 to construct new water lines, paving and drainage improvements to both a rehabilitated cotton oil mill within an existing industrial park, and to a new 87,200 square foot shopping center. Water lines and street improvements provided to the cotton oil mill will also be extended into the adjoining low and moderate income Mexican-American neighborhood, to help upgrade blighting conditions. Also part of this Action Grant proposal is the rehabilitation and expansion of a day care center to be utilized by workers employed by the shopping center businesses and by a garment manufacturer in Lamesa, and operated by a local non-profit community action agency. Action Grant: \$623,100. Private financial commitment: \$4,207,200. New permanent jobs created: 163. Construction jobs: 191.

VERMONT

Wincooski, Vermont, has received preliminary application approval for an Action Grant of \$721,000 to be used as a second mortgage in the purchase and renovation of an old abandoned mill. The developer will create approximately 50,000 square feet of commercial and 50,000 square feet of office space. Action Grant: \$721,000. Private financial commitment: \$2,581,600. New permanent jobs created: 275. Construction jobs: 100.

WISCONSIN

Augusta, Wisconsin, has received preliminary application approval for an Action Grant of \$60,600 to provide interest subsidies to finance a commercial rehabilitation program. The community is located near a large recreational area and will use an 1890's theme to enhance the community's commercial facilities. This improvement program will make the community more attractive to users of the nearby year-round recreation area, expanding the local sales revenues and employment base. The program represents a cooperative effort between local financial institutions and local merchants. Action Grant: \$60,600. Private financial commitment: \$350,000. New permanent jobs created: 16. Construction jobs: 29.



Tenants

HUD NEWS

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

HUD-No. 79-256
Virginia Welch (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Thursday
August 9, 1979

HUD RELEASES TASK FORCE REPORT

Publication of an advisory group's recommendations on participation of tenants in the management of public housing was announced today by the Department of Housing and Urban Development (HUD).

The Final Report of the Task Force on Tenant Participation in the Management of Low-Income Housing contains recommendations on measures needed to improve public housing. It includes a recommendation for a HUD regulation establishing minimum standards for tenant participation in housing management.

The advisory group, the Task Force on Tenant Participation, was appointed by Secretary Patricia Roberts Harris to develop recommendations for HUD policy on the subject of tenant participation in public housing management. Task force members included representatives of tenant organizations, public housing agency personnel, and HUD staff.

The recommendations in the report are under consideration, and neither the principal report nor the minority reports represent the official policy or views of the Department.

Single copies of the report are available upon request to:

Department of Housing and Urban Development
Office of Public Housing, Room 6249
451-7th Street, S.W.
Washington, D.C. 20410

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*Ken Howell
55840*

Rehab



HUD NEWS

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

HUD-No. 79-257
Tom Bacon (202) 755-5284 or
Warren Dunn (202) 755-6980

FOR RELEASE:
Wednesday
August 8, 1979

HOMEOWNERS OFFERED SECOND CHANCE BY HUD

An estimated 87,000 low and moderate income families who are now or were FHA-insured homeowners could benefit from two separate actions announced today by the Department of Housing and Urban Development.

HUD Assistant Secretary for Housing Lawrence B. Simons said the Department will: (1) re-evaluate the rejected claims of certain homeowners for repair, or reimbursement of repairs made on structural defects they claim existed when they bought their FHA-insured homes; and (2) will reconsider the requests of certain former homeowners who lost their FHA-insured homes through foreclosure. A potential 65,000 families fall into the first category, and an estimated 22,000 in the second.

"These moves," said Simons, "will provide appropriate recourse to eligible individuals who feel they were improperly denied relief under the Department's Single Family Assignment Program or under the Section 518 (b) and (d) repair claims programs."

In the Section 518 category, a third party review of rejected repair claims will be made by the American Institute of Architects Research Corporation (AIA/RC) under a \$1.2 million contract.

Sections 518 (b) and (d), which expired in August 1977, permitted HUD to repair or pay for repairs of structural and other major defects that appeared in existing homes purchased between August 1, 1968 and August 3, 1976, insured by FHA and located in older declining urban areas. Although over \$22.5 million in claims were paid for such things as seriously defective plumbing, heating and electrical systems and wornout roofs, thousands of other claims were rejected.

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The third party review by AIA/RC will focus on claims submitted before the statute expired. No new claims will be considered, Simons said.

The second action announced today deals with HUD's Single Family Assignment Program, which is designed to protect FHA-insured homeowners threatened by foreclosure due to circumstances beyond their control, such as job loss or a death or illness in the family. Under the program, HUD pays off the lenders and takes over the mortgage and either waives or reduces the mortgage payments for a period of time until the homeowners can get back on their feet.

Subject to court approval, HUD has agreed to reconsider assignment requests made by homeowners whose mortgages were returned to lenders for foreclosure between May 17, 1976 and January 31, 1979. This applies whether the mortgage has already been foreclosed or is now in foreclosure, Simons said.

Once the court approves this agreement, HUD will ask mortgage lenders to delay the beginning or completion of foreclosures and evictions while the Department processes requests for reconsideration. "At the same time," Simons stressed, "we are taking action to avoid further financial loss to lenders as the result of the additional delay."

If, on re-examination, a mortgage is accepted by HUD, but the homeowner has already lost his or her home, an effort will be made to provide a house. This could mean returning the original home, if HUD now owns it, under terms and conditions similar to those at the time of foreclosure; or it could mean providing a comparable HUD-owned property.

Simons pointed out that eligible individuals in both categories will not have to initiate any action on their own. The Department will be sending out letters to all the individuals involved informing them of the new opportunities to have their assignment requests or repair claims reviewed. However, in both cases, the individuals will have 30 days after receipt of the notice to notify HUD of their desire for a review.

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HUD NEWS

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

Public Housing

HUD-No. 79-262
Andy Gasparich (202) 755-5284
Warren Dunn (202) 755-6980

FOR RELEASE
Tuesday
August 7, 1979

HUD SELECTS THREE CERTIFYING ORGANIZATIONS

In its continuing effort to assure that public housing projects will have well qualified managers, the Department of Housing and Urban Development today announced the accreditation of three Approved Certifying Organizations.

Effective January 1, 1981, all persons employed by local public housing agencies as Housing Managers or Assistant Housing Managers for projects containing 75 or more dwelling units must have certification from a HUD-Approved Certifying Organization.

The three organizations that have received accreditation from HUD are:

Institute of Real Estate Management
430 North Michigan Avenue
Chicago, Illinois 60611

National Association of Housing and
Redevelopment Officials
2600 Virginia Avenue, N.W.
Washington, D.C. 20037

National Center for Housing Management
1133 Fifteenth Street, N.W.
Washington, D.C. 20005

The HUD-Approved Certifying Organization, are national housing organizations whose past performance in the field of housing management clearly demonstrates that they have the experience and capacity to deal with low-income housing management processes.

Persons wishing further information about certification requirements, procedures and fees should write directly to the organizations. Such inquiries should not be addressed to HUD. Requirements, procedures and fees vary among the three organizations, thus inquiries should be made of all three in order to make an intelligent comparison.



HUD NEWS

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

HUD-No. 79-284
Tom Vinciguerra (202) 755-5284

FOR RELEASE:
Wednesday
September 5, 1979

FORECLOSURE STEPS AUTHORIZED FOR SOUL CITY

The New Community Development Corporation, the office of the Department of Housing and Urban Development charged with policy responsibility for the new communities program, has authorized steps to be taken to foreclose on Soul City, the HUD-assisted new community in North Carolina.

No ~~foreclosure~~ date has been set.

The New Community Development Corporation's action taken Thursday, August 30, comes in the wake of a Federal court ruling August 27 denying the petition of Soul City developer, Floyd McKissick, for a preliminary injunction to stop HUD from acquiring the financially-troubled new community.

"It has been made clear that we hope for a negotiated settlement of the problems involving Soul City," commented Bryant L. Young, Acting General Manager of the Corporation. "We wish to minimize as far as possible the adverse impact on all of the interests in the Soul City area."



HUD NEWS

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

HUD-No. 79-284
Tom Vinciguerra (202) 755-5284

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ACW

HUD NEWS

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

HUD-No. 79-285
Jack Flynn (202) 755-5284

FOR RELEASE:
Thursday
September 6, 1979

HUD-DOT AGREEMENT GIVES GREATER ATTENTION TO URBAN MIX

The three inseparable elements of the urban mix--housing, community development and transportation--will receive more unified attention under an Interagency Agreement signed by the Department of Transportation and Department of Housing and Urban Development.

"Strengthening and expanding the cooperation between HUD and DOT will help all urban areas," said Robert C. Embry, Jr., Assistant Secretary for HUD's Community Planning and Development Division, "by improving our ability to coordinate local efforts, assess potential impact, and discourage inconsistent investments in a metropolitan area."

The agreement, an outgrowth of President Carter's National Urban Policy, was further sparked by requests for assistance from mayors dealing with projects containing both complementary and conflicting HUD/DOT elements.

The Interagency Agreement will establish mutual review and comment procedures for actions, rules and regulations, and program guidelines with actual or potential effect on either agency's efforts and on cities. In addition, closer field office cooperation will be established and joint training sessions for field staffs will be held to share data, build inter-agency program awareness, and streamline processes for joint development projects.

-more-

HUD and DOT will further underscore state and local coordination of development projects by emphasizing linkage between housing, community development, and transportation projects, and developing a joint technical assistance program to help state and local government combine the resources of the two Cabinet agencies.

The agreement will apply, within statutory limitations, to the following programs:

Community Development Block Grants (HUD)

Urban Development Action Grants (HUD)

Federal Housing Assistance (HUD)

Comprehensive Planning Assistance (HUD)

Federal Highway Aid (DOT)

Federal Mass Transit Assistance (DOT)

Airport Assistance (DOT)

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HUD NEWS

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

HUD-No. 79-312
Tom Bacon (202) 755-5284

FOR RELEASE AFTER 3 p.m.
Tuesday
September 25, 1979

FHA MORTGAGE RATES INCREASED

Secretary Moon Landrieu of the Department of Housing and Urban Development announced today the maximum allowable interest rate for HUD-FHA insured single-family mortgage loans is being increased to 10-1/2 percent.

The new single-family rate was determined after consultation with Max Cleland, Administrator of the Veterans Administration, who simultaneously announced a similar change in the maximum rate for VA home mortgage loans. The new rate is effective Wednesday, September 26, 1979.

The previous rate on single-family mortgage loans was 10 percent, established April 23 of this year.

Secretary Landrieu said the increase is necessary in order to bring FHA rates in line with other competitive rates in both the mortgage and financial markets. Consistent with the Administration policy to prevent a sharp curtailment in housing, the change is expected to ensure continued, adequate availability of FHA financing for moderate-income homebuyers and sellers, who are the major beneficiaries of FHA-insured mortgage financing.

The change was dictated, Landrieu said, by the very high level of discounts prevalent for FHA-insured mortgages. "This condition", he said, "created hardships for many families in their efforts to achieve homeownership or to sell their homes, particularly among low- and moderate-income families who need the more favorable terms available in FHA and VA financing to either buy or sell."

The allowable rate on multi-family mortgage loans remains at 9-1/2 percent. The Department is closely monitoring multi-family mortgage rates, and will make changes when conditions warrant.

QUESTIONS AND ANSWERS ON INTEREST RATE INCREASE

- Q. How will the increase in the FHA interest ceiling affect the buyer of a house?
- A. On a \$40,000 mortgage over 30 years, there would be an increase of \$14.80 in the monthly payment.
- Q. When was the last time the FHA interest rate was changed?
- A. For single-family mortgages the rate was increased from 9-1/2 percent to 10 percent on April 23, 1979.

HUD/FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	November 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 - December 2, 1956
5%	December 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - September 22, 1959
5-3/4%	September 23, 1959 - February 1, 1961
5-1/2%	February 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - February 6, 1966
5-1/2%	February 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - October 2, 1966
6%	October 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - January 23, 1969
7-1/2%	January 24, 1969 - January 4, 1970
8-1/2%	January 5, 1970 - December 1, 1970
8%	December 2, 1970 - January 12, 1971
7-1/2%	January 13, 1971 - February 17, 1971
**7%	February 18, 1971 - June 30, 1973
**7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - January 21, 1974
8-1/4%	January 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 - November 24, 1974
9%	November 25, 1974 - January 20, 1975
8-1/2%	January 21, 1975 - March 2, 1975
8%	March 3, 1975 - April 27, 1975
8-1/2%	April 28, 1975 - September 1, 1975
9%	September 2, 1975 - January 4, 1976
8-3/4% (Single Family)	January 5, 1976 - March 29, 1976
9% (Multifamily)	January 5, 1976 - June 28, 1978
8-1/2% (Single Family)	March 30, 1976 - October 17, 1976
8% (Single Family)	October 18, 1976 - May 30, 1977
8-1/2% (Single Family)	May 31, 1977 - February 27, 1978
8-3/4% (Single Family)	February 28, 1978 - May 22, 1978
9% (Single Family)	May 23, 1978 - June 28, 1978
9-1/2% (Single Family)	June 29, 1978 - April 22, 1979
9-1/2% (Multifamily)	June 29, 1978 -
10% (Single Family)	April 23, 1979 - September 25, 1979
10-1/2% (Single Family)	September 26, 1979 -

* 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

HUD-No. 79-317
Dan Day (202) 755-5284

FOR RELEASE:
Tuesday
September 25, 1979

COURT ORDERS MISSOURI DEVELOPER TO OFFER REFUNDS TO LOT BUYERS

A U.S. District Court has issued a consent decree ordering a Missouri developer to offer refunds to purchasers who bought lots from him in violation of the Interstate Land Sales Full Disclosure Act administered by the Department of Housing and Urban Development.

In issuing the decree to David Slagle, of Kansas City and Versailles, Mo., the U.S. District Court for the Western District of Missouri also ordered Slagle to put \$80,000 in escrow for the purpose of making the refunds.

According to Patricia Worthy, Interstate Land Sales Administrator, Slagle had sold lots in his subdivision, Osage Highlands, located near the Lake of the Ozarks area in southern Missouri, in violation of both Federal and State laws.

The Missouri Department of Natural Resources requires developers to provide a sewage disposal system which will not pollute the ground water. But Slagle failed to take the necessary measures, thereby endangering the purity of the lake water.

However, as a result of action by the Office of Interstate Land Sales Registration (OILSR), Slagle brought the subdivision into compliance with the Missouri law.

Worthy noted that Slagle has since complied with the OILSR Act by selling under an exemption which requires, among other things, a personal on-site inspection by the buyer before purchase.

Under the court decree, Slagle is required to complete the refunds by December 1 of this year.



Sec. 202

HUD NEWS

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

HUD-No. 79-320
Jackie Conn (202) 755-5284

FOR RELEASE AFTER 3 PM
Thursday
September 27, 1979

**CHRONICALLY MENTALLY ILL
RECEIVE ADDITIONAL HUD AID**

People with chronic mental illness in 25 states and the District of Columbia will have additional opportunities to live more normal lives as the result of action taken today by the Federal Government.

The U.S. Department of Housing and Urban Development announced that 75 community-based organizations will share more than \$25 million in direct loans to produce over 700 new or rehabilitated housing units for chronically mentally ill persons.

The non-profit sponsors will develop either group homes to serve up to 12 persons or small apartment complexes to house as many as 20 persons.

This housing will be coupled with the support services needed by mentally ill persons if they are to leave institutions and live in the community. Support services such as training in socialization, money management, housekeeping, cooking, shopping, or using public transportation will be financed through programs of the U.S. Department of Health, Education, and Welfare (HEW). HEW contributes a waiver system to the program which allows states to use Medicaid and other Social Security Act program funds for the support services.

The funding of these housing units and social services continues the Demonstration Program for Deinstitutionalization of the Chronically Mentally Ill announced last year at the White House. The program, initiated by HUD in cooperation with HEW, targets Federal funds to States.

more

The States in this funding round were selected last June on the basis of their needs and their ability to make the financial commitments necessary to supply community-based housing and social services.

In addition to making direct loans for construction or substantial rehabilitation authorized under the Section 202 program, HUD is reserving up to \$5 million in Section 8 rental housing assistance funds so that residents in the new housing will not have to pay more than 25 percent of their income for rent.

Through the combined efforts of HUD and HEW, this national demonstration program will generate, in two years of operation, housing and support services for close to 2500 people with chronic mental illness in 33 states and the District of Columbia.

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1979 Section 202 Demonstration Program for
the Deinstitutionalization of the Chronically
Mentally Ill

State	Projects	Units	Section 202 Loan Authority
Alabama	(1)	8	\$ 280,000
Arkansas	(4)	22	770,000
California	(6)	50	1,750,000
D.C.	(5)	46	1,610,000
Georgia	(3)	25	875,000
Hawaii	(1)	11	385,000
Illinois	(6)	46	1,610,000
Louisiana	(2)	23	805,000
Maine	(3)	25	875,000
Massachusetts	(3)	20	700,000
Missouri	(3)	30	1,050,000
Nevada	(4)	16	560,000
New Hampshire	(4)	35	1,225,000
New Jersey	(5)	44	1,540,000
New York	(5)	49	1,715,000
North Carolina	(3)	23	805,000
Ohio	(3)	27	945,000
Pennsylvania	(5)	24	840,000
Tennessee	(4)	28	980,000
Texas	(3)	21	735,000
Utah	(4)	12	420,000
Vermont	(3)	20	700,000
Virginia	(4)	28	980,000
Washington	(4)	29	1,015,000
West Virginia	(2)	20	700,000
Wisconsin	<u>(4)</u>	<u>35</u>	<u>1,225,000</u>
TOTAL	94	717	\$25,095,000

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Alabama

Borrower Name and Address	Units	Loan Amount*
Industrial Missions Housing Authority 1704-1/2 Euclid Avenue Jasper, AL 35501	8 =	\$280,000 =
TOTALS	8	\$280,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Arkansas

Borrower Name and Address	Units	Loan Amount*
Human Services Center of West Central Arkansas P. O. Box 1398 Russellville, AR 71901	12	\$420,000
Small Group Work Therapy, Inc. 1402 Central Towers Hot Springs, AR 71901	10	350,000
	==	=====
Totals	22	\$770,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: California

Borrower Name and Address	Units	Loan Amount*
San Fernando Valley Community Mental Health Center, Inc. 6740 Kester Street Van Nuys, CA 91405	10	\$ 350,000
Bonita House, Inc. 1410 Bonita Avenue Berkeley, CA 94709	10	350,000
West Oakland Health, Inc. 700 Adeline Street Oakland, CA 94607	10	350,000
Rubicon Programs, Inc. 166-24th Street Richmond, CA 94804	10	350,000
Kings View P. O. Box 512 Reedley, CA 93654	10	350,000
	<u>50</u>	<u>\$1,750,000</u>
TOTALS	50	\$1,750,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

District of Columbia

Borrower Name and Address	Units	Loan Amount*
Green Door 1623-16th Street, NW Washington, D.C. 20009	12	\$ 420,000
Woodley Housing Corp. 2711 Connecticut Ave., NW Washington, D.C. 20008	12	420,000
Anchor Housing Corp. 804 Rhode Island Avenue, NE Washington, D.C. 20018	12	420,000
Catholic Charities Housing Corporation 2800 Otis Street, NE Washington, D.C. 20018	10	350,000
	<hr/>	<hr/>
TOTALS	46	\$1,610,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Georgia

Borrower Name and Address	Units	Loan Amount*
Hope Housing Development Corporation 201 State Street Waycross, GA 31501	9	\$315,000
Chatham Assn. for Retarded Citizens, Inc. P. O. Box 13625 Savannah, GA 31406	16	560,000
	==	=====
TOTALS	25	\$875,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Hawaii

Borrower Name and Address	Units	Loan Amount*
Mental Health Assn. of Hawaii 200 N. Vineyard Boulevard Room 507 Honolulu, HI 96817	11	\$385,000
	<hr/>	<hr/>
TOTALS	11	\$385,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Illinois

Borrower Name and Address	Units	Loan Amount*
Vermillion County Mental Health Center, Inc. 605 N. Logan Danville, IL 61832	8	\$ 280,000
The Thresholds 2700 N. Lakeview Chicago, IL 60614	8	280,000
The Comprehensive Mental Health Center of St. Clair County 3911 State Street East St. Louis, IL 62205	9	315,000
Adams County MMR Association 4409 Main Street Box 3246 Quincy, IL 62301	10	350,000
Human Service Center of Peoria Area, Inc. 600 Fayette Street Peoria, IL 61603	11	385,000
	==	=====
TOTALS	46	\$1,610,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Louisiana

Borrower Name and Address	Units	Loan Amount*
Baton Rouge Residential Centers, Inc. Baton Rouge, LA	11	\$385,000
Macon Economic Opportunity, Inc. P. O. Drawer 370 Oak Grove, LA 71263	12	420,000
	==	=====
Totals	23	\$805,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Maine

Borrower Name and Address	Units	Loan Amount*
The Counseling Center 43 Illinois Avenue Bangor, ME 04401	8	\$280,000
Aroostock Mental Health Services, Inc. P. O. Box 492 Fort Fairfield, ME 04742	10	350,000
Motivational Services, Inc. 99 Western Avenue Augusta, ME 04330	7	245,000
	==	=====
TOTALS	25	\$875,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Massachusetts

Borrower Name and Address	Units	Loan Amount*
Coastal Community Counseling Center 77 Parkingway Quincy, MA 02169	12	\$420,000
The Bridge of Westborough, Inc. 10 Grove Street Westborough, MA 01581	8	280,000
	<hr/>	<hr/>
TOTALS	20	\$700,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Missouri

Borrower Name and Address	Units	Loan Amount*
Places for People 4120 Lindell Blvd. St. Louis, MO 63108	20	\$ 700,000
Kansas City Metropolitan Lutheran Ministry 4240 Genessee Kansas City, MO 64111	10	350,000
	<u>30</u>	<u>\$1,050,000</u>
TOTALS	30	\$1,050,000

* Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Nevada

Borrower Name and Address	Units	Loan Amount*
Economic Opportunity Board of Clark County 2228 Comstock Drive Las Vegas, NV 89106	12	\$420,000
Nevada Catholic Welfare Bureau Inc., North 275 East 4th Street P. O. Box 5415 Reno, NV 89513	4	140,000
	<u> </u>	<u> </u>
TOTALS	16	\$560,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: New Hampshire

Borrower Name and Address	Units	Loan Amount*
Amoskeag Residences, Inc. 401 Cypress Street Manchester, NH 03103	7	\$ 245,000
Cheshire Housing Opportunities, Inc. 331 Main Street Keene, NH 03431	7	245,000
West Central New Hampshire Housing Corp. 8 Maynard Street Hanover, NH 03755	10	350,000
Northern New Hampshire Mental Health Housing, Inc. Box 100-Washington Street Conway, NH 03818	11	385,000
	==	=====
TOTALS	35	\$1,225,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: New Jersey

Borrower Name and Address	Units	Loan Amount*
St. Joseph's Hospital and Medical Center 703 Main Street Patterson, NJ 07503	11	\$ 385,000
Daughters of Miriam Center for the Aged 155 Hazel Street Clifton, NJ 07015	7	245,000
Children's Psychiatric Center-Community Mental Health Center 7 Globe Court Red Bank, NJ 07701	5	175,000
West Bergen Community Mental Health Center 74 Oak Street Ridgewood, NJ 07450	10	350,000
Mental Health Assn. of Union County 615 North Broad Street Elizabeth, NJ 07208	11	385,000
	<hr/>	<hr/>
TOTALS	44	\$1,540,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: New York

Borrower Name and Address	Units	Loan Amount*
The Bridge, Inc. 325 West 85th Street New York, NY 10024	16	\$ 560,000
Transitional Services, Inc. 2075 Main Street Buffalo, NY 14208	7	245,000
Catholic Charities of Roman Catholic Diocese of Syracuse, New York 240 East Onondaga Street Syracuse, NY 13202	6	210,000
Richmond Fellowship of New York, Inc. 322 West 75th Street New York, NY 10023	13	455,000
Search for Change, Inc. 1004 Park Street Peekskill, NY 10566	7	245,000
TOTALS	49	\$1,715,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: North Carolina

Borrower Name and Address	Units	Loan Amount*
W.N.C. Housing, Inc. One Rotary Drive Asheville, NC 28803	6	\$210,000
North Carolina Assn. for the Emotionally Troubled, Inc. P. O. Box 2123 Chapel Hill, NC 27514	17	595,000
	==	=====
TOTALS	23	\$805,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Ohio

Borrower Name and Address	Units	Loan Amounts*
Community Guidance and Human Services, Inc. 3740 Euclid Avenue Cleveland, OH 44115	8	\$280,000
Curtis H. Taylor Multi-Service Center 3422 Kinsman Road Cleveland, OH 44120	11	385,000
Aftercare Resource Center 7315 Franklin Boulevard Cleveland, OH 44102	8	280,000
	==	=====
Totals	27	\$945,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Pennsylvania

Borrower Name and Address	Units	Loan Amount*
Meson, Inc. 600 N. Olive Street Media, PA 19063	10	\$350,000
Supportive Services, Inc. 1323 Ninth Avenue Beaver Falls, PA 15010	6	210,000
Allied Services for the Handicapped, Inc. 475 Morgan Highway Scranton, PA 18508	8	280,000
	<hr/>	<hr/>
TOTALS	24	\$840,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Tennessee

Borrower Name and Address	Units	Loan Amount*
Northeast Community Mental Health Housing, Inc. 5515 Shelby Oaks Drive Memphis, TN 38134	8	\$280,000
Hamilton County Mental Health Assn. Housing Authority 610 Lindsey Street Chattanooga, TN 37403	10	350,000
Beta Homes, Inc. P. O. Box 185 Knoxville, TN 37901	10	350,000
	==	=====
Totals	28	\$980,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Texas

Borrower Name and Address	Units	Loan Amount*
Wichita MHMR Service Corporation 713 Lamar Wichita Falls, TX 76301	11	\$385,000
Mexican American Unity Council 2300 W. Commerce San Antonio, TX 78207	10	350,000
	<hr/>	<hr/>
TOTALS	21	\$735,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Utah

Borrower Name and Address	Units	Loan Amount*
Problems Anonymous Action Group, Inc. 600 Exchange Road Ogden, UT 84401	12	\$420,000
	<hr/>	<hr/>
TOTALS	12	\$420,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Vermont

Borrower Name and Address	Units	Loan Amount*
Lamoille County Mental Health Services, Inc. Box 485, Washington Highway Morrisville, VT 05661	8	\$280,000
United Counseling Svcs. of Bennington County, Inc. 120 Hospital Drive Bennington, VT 05201	6	210,000
Franklin Grand Isle Mental Health Service, Inc. 8 Ferris Street St. Albans, VT 05478	6	210,000
	==	=====
Totals	20	\$700,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Virginia

Borrower Name and Address	Units	Loan Amount*
The Social Center, Inc. 2810 Dorr Avenue Fairfax, VA 22031	6	\$210,000
Atlantic Manor, Inc. 999 Atlantic Drive Virginia Beach, VA 23451	11	385,000
Arlington Community Residence, Inc. 3136 North 10th Street Arlington, VA 22201	6	210,000
Central Mental Journey, Inc. 1010 Miller Park Square P.O. Box 2146 Lynchburg, VA 24501	5	175,000
	<u> </u>	<u> </u>
TOTALS	28	\$980,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Washington

Borrower Name and Address	Units	Loan Amount*
Seattle Mental Health Institute 1600 E. Olive Street Seattle, WA 98122	6	\$ 210,000
Eastside Community Mental Health Center P. O. Box 6699 2253-140th Avenue, NE Bellevue, WA 98007	16	560,000
Mid-Columbia Mental Health Center 1175 Gribble Richland, WA 99352	7	245,000
	<hr/>	<hr/>
TOTALS	29	\$1,015,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: West Virginia

Borrower Name and Address	Units	Loan Amount*
Mental Health Center Inc., Region II P. O. Box 8069 Huntington, WV 25706	10	\$350,000
Seneca Mental Health/ Mental Retardation Council, Inc. 6100 Church Street Lewisburg, WV 24901	10	350,000
TOTALS	20	\$700,000

*Adequate Section 8 Contract Authority is also being set aside.

1979 Section 202 Demonstration Program
for Deinstitutionalization of the
Chronically Mentally Ill

State: Wisconsin

Borrower Name and Address	Units	Loan Amount*
Lutheran Social Service of Wisconsin and Upper Michigan, Inc. 200 W. Highland Blvd. Milwaukee, WI 53208	10	\$ 350,000
Goodwill Industries of Madison, Inc. 2422 Pennsylvania Avenue Madison, WI 53404	8	280,000
Rehabilitation Center of Sheboygan, Inc. P. O. Box 685 Sheboygan, WI 53041	10	350,000
Rehabilitation House, Inc. P. O. Box 765 Neenah, WI 54456	7	245,000
	<u> </u>	<u> </u>
TOTALS	35	\$1,225,000

*Adequate Section 8 Contract Authority is also being set aside.



HUD NEWS

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

HUD-No- 79-321
Tom Vinciguerra (202) 755-5284

FOR RELEASE:
Thursday
September 27, 1979

HUD ANNOUNCES FINALISTS IN URBAN INITIATIVES ANTI-CRIME PROGRAM

Secretary Moon Landrieu of the Department of Housing and Urban Development (HUD) today announced 39 finalists in an open competition among public housing agencies (PHAs) for funds to fight crime and reduce fear of crime in public housing projects.

The funds come from the Urban Initiatives Anti-Crime Program, which was announced by former HUD Secretary Patricia Roberts Harris on May 10 of this year. The effort is part of President Carter's National Urban Policy and also Congressionally mandated by the Public Housing Security Demonstration Act of 1978.

The innovative new program is the first comprehensive attempt by the Federal Government to link crime prevention and urban redevelopment to targeted areas of great need.

The total impact of the program is over \$40 million -- consisting of \$32 million in Federal funds and over \$8 million of leveraged local matches.

As lead agency, HUD is obligating \$20 million in FY '79 modernization physical development loan authority and \$2.25 million in Community Development Block Grant discretionary funding. The Department of Labor (DOL) is committing \$8.0 million in Youth Community Conservation Improvement Project funds to employ young project residents. The Law Enforcement Assistance Administration (LEAA) is committing \$340,000 from its Victim/Witness Program.

- more -

The program is designed not only to fight crime, but more broadly as an effort to simultaneously address many economic, social, physical and personal problems.

The 39 finalists were required to submit comprehensive proposals -- all of which included improved PHA management of public safety; physical redesign to improve security; tenant anti-crime organization and activity; tenant employment; youth, drug abuse and victim/witness services; increased and more sensitive law enforcement; and local as well as Federal public/private partnerships to co-target resources not only on housing projects but also on their surrounding neighborhoods.

Funds from still other Federal agencies may be added later. Discussions now are underway with the Alcohol, Drug Abuse and Mental Health Administration, other components of LEAA, the Interior Department through its Urban Park Program, ACTION, the Administration on Aging, the Administration on Children, Youth and Families, the Community Services Administration, the Economic Development Administration, and the U. S. Fire Administration.

The program is designed along Federal guidelines drawn from a systematic review of what has and has not worked in the past. But the emphasis remains on locally proposed solutions that are tailored to specific community needs.

Eighty-four larger PHAs (with 1250 or more Federal public housing units in management) entered the competition and 27 were designated as finalists. Eighty-six smaller PHAs entered, and 12 were designated as finalists.

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Public Housing

HUD NEWS

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

HUD-No. 79-322
Tom Vinciguerra (202) 755-5284

FOR RELEASE:
Thursday
September 27, 1979

PHAS AWARDED FINANCIAL HELP

Twenty nine financially-pressed Public Housing Agencies (PHAs) with good management performance in rent collections and occupancy rates will share an extra \$10 million to help them with their fiscal year 1979 operations, Secretary Mood Landrieu, of the Department of Housing and Urban Development announced today.

"I applaud these Public Housing Agencies for their management achievement. We are confident that this extra financial assistance will further enhance the management capability of these projects," the Secretary commented.

The PHAs were awarded the extra funds--called Discretionary Operating Subsidy Funding--based on their management performance compared with other PHAs in four categories of sizes: 10,000 units or more; 1,250 to 9,999 units; 500 to 1,249 units; and under 500 units.

Following are the PHAs, their size category and amount of award:

-more-

PHAs with 10,000 Units or Over in Management

New York City Housing Authority, NY	\$1,500,000
Chicago Housing Authority, IL	1,500,000
Philadelphia HOusing Authority, PA	1,466,187
Housing Authority of the City of Atlanta, GA	943,242
Housing Authority of New Orleans, LA	853,384
Housing Authority of the City of Newark, NJ	807,942
Department of Housing and Community Development, DC	718,856

PHAs with 1,250 - 9,999 Units in Management

Memphis Housing Authority, TN	\$ 434,823
El Paso Housing Authority, TX	364,570
Hawaii Housing Authority, HI	283,423
Public Housing Agency of the City of Saint Paul, MN	263,208
Housing Authority of the County Of King, WA	161,010
Housing Authority of Portland, OR	133,682
Atlantic City Housing Authority, NJ	105,926
Housing Authority of the City of Elizabeth, NJ	101,491
Lowell Housing Authority, MA	98,791

PHAs with 500 - 1,249 Units in Management

Springfield Housing Authority, MA	\$ 77,966
Town of Hempstead Housing Authority, NY	74,495
Malden Housing Authority, MA	55,470

PHAs with Under 500 Units in Management

Housing Authority of the City of Bellingham, WA	25,517
Breckenridge Housing Authority, MN	5,656
Meade County Housing and Redevelopment Commission, SD	5,143
Housing Authority of Kendallville, IN	5,143
Sisseton Housing and Revedelopment Commission, SD	4,178
Plymouth Housing Commission, MI	3,856

Summit Housing Authority, NJ	2,571
Murdo Housing Authority, SD	1,285
Canton Housing and Redevelopment Commission, SD	1,285
Alba Housing Authority, TX	900

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HUD NEWS

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

HUD-No. 79-323
Dan Day (202) 755-5284

FOR RELEASE:
Thursday
September 27, 1979

FOUR HOUSING AUTHORITIES GET FUNDS TO CONTINUE TENANT PROJECT

Secretary Moon Landrieu of the Department of Housing and Urban Development today announced the award of \$1.3 million to four public housing authorities (PHAs) for the continuation of efforts by tenant management corporations started under the National Tenant Management Demonstration (NTMD).

Funded jointly by HUD and the Ford Foundation, the Tenant Management Demonstration was designed to test the feasibility and effectiveness of work by tenants in upgrading the living conditions in low-income public housing.

The PHAs receiving the funding, the amounts and their respective tenant management organizations are:

Jersey City, N.J. Housing Authority, \$244,000,
A. Harry Moore Tenant Management Corp.

Rochester, N.Y. Housing Authority, \$203,600, Ashanti
Tenant Management Corp.

New Orleans Housing Authority, \$546,400, Calliope Tenant
Management Corp.

Louisville, Ky. Housing Authority, \$351,000, Iroquois
Homes Tenant Management Corp.

Secretary Landrieu said that HUD is providing the additional money in special operating subsidy funding to the four PHAs for a two-year extension of the demonstration program which officially ended last June. The extension will allow those tenant management corporations which have shown promise to stabilize and become self-sustaining.

He noted that the NTMD is being evaluated by the Manpower Demonstration Corporation of New York City, an independent organization, under a contract with HUD's Office of Policy Development and Research.

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HUD NEWS

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

HUD-No. 79-324
Virginia Welch (202) 755-5284

FOR RELEASE:
Friday
September 28, 1979

HUD ANNOUNCES SOLAR CONSTRUCTION GRANTS

Awards of grants totaling \$1,000,280 for construction of 84 residential solar heating and cooling projects were announced today by Secretary Moon Landrieu of the Department of Housing and Urban Development.

The funds awarded today are the second step in a competition conducted by HUD last Spring for two categories of applicants, neighborhood and community organizations and single family home builders. In the first phase 130 awards were made for solar system and energy conserving designs. In this phase, 84 of those receiving design awards have been selected for construction assistance.

Neighborhood and community groups received six grants for solar and energy conserving projects in existing, urban, multi-family buildings housing low and moderate income families. The amount of the six project awards varies by the type, size, and complexity of the project.

The other 78 grants to single family builders are for \$10,000 each for new energy conserving, passive solar homes. Passive solar applications use the design, placement, and materials of the building for energy collection.

Several additional projects receiving design awards in the first step of the competition are considered to be potential candidates for construction assistance grants. A detailed evaluation and review of these projects is underway, and additional construction awards are scheduled for announcement in November.

The funded projects provide maximum reduction in the need for nonrenewable energy at a minimum cost. Many of the projects also use some form of active solar energy system, most often to provide hot water.

HUD's Residential Solar Heating and Cooling Demonstration Program is a part of the National Solar Heating and Cooling of Buildings Program managed by the Department of Energy.

A list of grant recipients, by location, is attached.

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CYCLE 5 AWARDSCATEGORY ONE (Urban Multi-Family Retrofit Projects)

<u>Grantee</u>	<u>City</u>	<u>State</u>
Housing Development Corporation & Information Center (Grant Amount \$35,000.00)	Kansas City	MO
Motion, Inc. (Grant Amount \$30,000.00)	Charlotte	NC
Better Neighborhoods, Inc. (Grant Amount \$35,000.00)	Schenectady	NY
Settlement Housing Fund/Park West Community (Grant Amount \$50,000.00)	New York	NY
The 11th Street Movement, Inc. (Grant Amount \$20,280.00)	New York	NY
Northeastern Vermont Development Association (Grant Amount \$50,000.00)	St. Johnsbury	VT

CATEGORY TWO (New Single-Family Projects) \$10,000 each

<u>Grantee</u>	<u>City</u>	<u>State</u>
Solarctic Construction Company	Anchorage	AK
Land Trust/Devcon Enterprises, Inc.	Anchorage	AK
The Southard Companies	Guntersville	AL
Simmons Builders, Inc.	Prattville	AL
Wm. Lester Pritchett & Son, Inc.	Tucson	AZ
Gary E. Wagley, General Contractor	Sedona	AZ
Mosedale Construction	Tahoe City	CA
Streng Bros. Homes, Inc.	Elk Grove	CA
Walker, Donat & Company/Norman Lien, Stonegate Development Company	Sacramento	CA
Jim F. Wadlow, General Contractor	Lockford	CA
Ken Litchfield/Solera Builders	Sonoma	CA
Hornbeek Construction Company	Davis	CA
Redwood City Associates/Baker	Menlo Park	CA
Concept Interior Designs, Inc., Construction Division	Davis	CA
Energy Techniques	Colorado Springs	CO
Holling and Associates, Inc.	Grand Junction	CO
Habitat Design & Construction Company	Walden	CO
Ashcroft Constructors, Inc.	Boulder	CO
West Sopris Creek Builders	Carbondale	CO
Wexford Corporation	Denver	CO
Building Co-Ordinators, Inc.	Shelton	CT
Suncatcher Construction	Shelton	CT
Walnut Town & Country	Mineral Bluff	GA
Charles Siler, Builder, Inc.	Marietta	GA
Larry Ratliff Construction	Pocatello	ID
George Rosenbarger, Builder	New Albany	IN
Miles-Richmond, Inc.	Liberty	IN
Barnard Brothers, Inc.	Indianapolis	IN
John M. Roberts	Wichita	KS
Country Club Heights Developers, Inc.	Dodge City	KS
George Koncinsky Builder	Alexandria	LA
Donald C. Oster & Associates, Inc.	Kenner	LA
Worthington Associates	West Dennis	MA
Urban Development and Investment Corp.	Somerville	MA
Trellis & Watkins	Columbia	MD
M.S. Milliner Construction, Inc.	Myersville	MD
Campbell Construction Company	Bangor	ME
Starbird Lumber Company	Farmington	ME
Heritage Builders, Inc.	Turner	ME
Holtzman & Silverman	Southfield	MI
Berg and Associates	Wayzata	MN

CATEGORY TWO - Cont'd

<u>Grantee</u>	<u>City</u>	<u>State</u>
G.T. Kinnikin Associates	House Springs	MO
Parkton Development Company	St. Louis	MO
N.O. Brown Development Company	St. Louis	MO
Mountain Home Builders	Gallatin Gateway	MT
Wood Builders, Inc.	Raleigh	NC
Bismarck-Mandan Home Builders Association	Bismarck	ND
Peterson Construction Company	Lincoln	NE
Walter W. Cheney, Inc.	Newmarket	NH
Evog Associates, Inc.	Hebron	NH
Diamond Crest, Inc.	Trenton	NJ
Stanley Associates, Design/Build Contractors	Santa Fe	NM
Enecon, Inc.	Santa Fe	NM
Robert Brown Butler	Katonah	NY
Bonnerville Construction Corporation	Monsey	NY
Louis S. Ionna, III & Associates, Inc.	Cincinnati	OH
Huth Westwood Builders, Inc.	Akron	OH
Solartherm Building Systems	Columbus	OH
H.R. Ransom, Inc.	Columbus	OH
Trans Western Investors, Inc. dba Modena Homes	Eugene	OR
Turtle Island	Coburg	OR
James L. Richey, Jr., Building Contractor	Roseburg	OR
Dick Sorum Construction	Renner	SD
Adanoroc Corporation	Nashville	TN
Admiral Construction Company	Concord	TN
R.N. Stanley Construction Company	Memphis	TN
Cliff Parrish, Homebuilder	Franklin	TN
Dwayne Rhea Construction, Inc.	College Station	TX
CTC Enterprises, Inc.	Woodlands	TX
Prowswood, Inc.	Salt Lake City	UT
Warren L. Smith, Inc.	Virginia Beach	VA
Bradco Construction Company, Inc.	Wytheville	VA
Hinman Homes, Inc.	Stephens City	VA
W. Allen Nicholls, Inc.	Front Royal	VA
Burnham Construction	Port Townsend	WA
Northland Country Homes, Inc.	Middleton	WI
Trustway Homes, Inc.	Milwaukee	WI
Edeen Construction	Cheyenne	WY



HUD NEWS

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

HUD-No. 79-325
Tom Bacon (202) 755-5284

FOR RELEASE AFTER 3 P.M.
Friday
September 28, 1979

HUD RAISES INTEREST RATE ON MULTIFAMILY MORTGAGES

Secretary Moon Landrieu of the Department of Housing and Urban Development today announced that the maximum allowable interest rate for HUD-FHA insured multifamily mortgage loans is being increased to 10 percent.

Effective Monday, October 1, 1979, the new rate will be the highest for multifamily mortgage insurance in the FHA's 45-year history. The previous rate on multifamily mortgage loans was 9 1/2 percent, established June 29, 1978.

This multifamily increase, coupled with the new 10 1/2 percent rate for single-family mortgage loans that became effective September 26, will bring both FHA rates into significantly better alignment with other competitive rates in both the mortgage and financial markets, Landrieu said.

The new multifamily rate, he said, supports the Administration's policy for adequate and continued FHA financing for production of apartment and other multifamily buildings. The multifamily rate increase is expected to help free needed private capital for such financing.

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HUD/FHA MAXIMUM ALLOWABLE INTEREST RATE

<u>Rate</u>	<u>Period</u>
* 5-5-1/2%	November 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 - December 2, 1956
5%	December 3, 1956 - August 4, 1957
5-1/4%	August 5, 1957 - September 22, 1959
5-3/4%	September 23, 1959 - February 1, 1961
5-1/2%	February 2, 1961 - May 28, 1961
5-1/4%	May 29, 1961 - February 6, 1966
5-1/2%	February 7, 1966 - April 10, 1966
5-3/4%	April 11, 1966 - October 2, 1966
6%	October 3, 1966 - May 6, 1968
6-3/4%	May 7, 1968 - January 23, 1969
7-1/2%	January 24, 1969 - January 4, 1970
8-1/2%	January 5, 1970 - December 1, 1970
8%	December 2, 1970 - January 12, 1971
7-1/2%	January 13, 1971 - February 17, 1971
**7%	February 18, 1971 - June 30, 1973
**7-3/4%	August 10, 1973 - August 24, 1973
8-1/2%	August 25, 1973 - January 21, 1974
8-1/4%	January 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 - November 24, 1974
9%	November 25, 1974 - January 20, 1975
8-1/2%	January 21, 1975 - March 2, 1975
8%	March 3, 1975 - April 27, 1975
8-1/2%	April 28, 1975 - September 1, 1975
9%	September 2, 1975 - January 4, 1976
8-3/4% (Single Family)	January 5, 1976 - March 29, 1976
9% (Multifamily)	January 5, 1976 - June 28, 1978
8-1/2% (Single Family)	March 30, 1976 - October 17, 1976
8% (Single Family)	October 18, 1976 - May 30, 1977
8-1/2% (Single Family)	May 31, 1977 - February 27, 1978
8-3/4% (Single Family)	February 28, 1978 - May 22, 1978
9% (Single Family)	May 23, 1978 - June 28, 1978
9-1/2% (Single Family)	June 29, 1978 - April 22, 1979
9-1/2% (Multifamily)	June 29, 1978 - September 30, 1979
10% (Single Family)	April 23, 1979 - September 25, 1979
10-1/2% (Single Family)	September 26, 1979 -
10% (Multifamily)	October 1, 1979

* 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

HUD-No. 79-326
Virginia Welch (202) 755-5284

FOR RELEASE:
Friday
September 28, 1979

The Department of Housing and Urban Development today released private mortgage insurance activity for the month of August.

Private mortgage insurance activity in August was well below the normal seasonal pattern. Although new applications received rose 2 percent above July's volume, the increase was well below normal July-August increases. Private mortgage insurers issued 55,908 new certificates of insurance in August, carrying a dollar volume of \$2.4 billion. Both the number of new certificates issued and amount of new insurance written were lower than volumes experienced in July. Insurance in force at the end of August was \$91.1 billion, nearly \$16.9 billion greater than one year earlier.

Private mortgage insurers also provided insurance on \$147.7 million in conventional mortgage pass through pools during August. For the first eight months of 1979, private mortgage insurers have covered \$818 million in such pools. As of the end of August, the outstanding balance of all privately insured conventional mortgage pools was \$1.9 billion.

Table 1

1-4 Family Home Private Mortgage Insurance Industry Activity
(Dollars in Millions)

Period Annually	New Applications Received		New Insurance Written		New Certificates Issued		Insurance In Force
<u>Annually</u>							
1975	404,475		\$10,024		322,204		\$39,985
1976	519,496		14,600		450,810		49,296
1977	730,907		21,595		617,398		63,030
1978	772,359		27,327		695,620		81,057
<u>Quarterly</u>	<u>NSA*</u>	<u>SA**</u>	<u>NSA*</u>	<u>SA**</u>	<u>NSA*</u>	<u>SA**</u>	
<u>1978</u>							
QI	165,070	198,736	\$5,166	\$6,650	136,972	178,988	\$66,216
QII	230,349	190,547	7,278	6,958	187,698	175,719	71,050
QIII	204,206	185,993	7,849	6,579	197,501	166,326	76,128
QIV	172,734	198,077	7,034	7,142	173,449	176,715	81,057
<u>1979</u>							
QI	134,162r	164,361r	5,323	6,885	124,274	162,721	84,244
QII	195,835	162,358	6,755	6,460	156,513	146,868	88,144
<u>1978</u>							
January	42,138	66,446	\$1,757	\$2,254	47,284	61,931	\$64,471
February	49,469	64,780	1,496	2,220	39,657	59,658	65,341
March	73,463	67,510	1,912	2,176	50,031	57,399	66,507
April	70,768	63,929	2,200	2,346	57,065	57,609	68,037
May	83,013	64,587	2,382	2,356	61,670	60,501	69,234
June	76,568	62,031	2,697	2,257	68,963	57,609	71,050
July	66,481	61,450	2,509	2,120	63,302	54,132	72,219
August	72,885	62,292	2,855	2,275	72,505	57,793	74,333
September	64,840	62,251	2,484	2,184	61,694	54,401	76,128
October	66,180	69,667	2,473	2,381	62,616	60,124	77,811
November	57,769	66,075	2,321	2,360	56,754	58,622	79,323
December	48,785	62,334	2,240	2,400	54,079	57,969	81,057
<u>1979</u>							
January	39,124	61,516	2,011	2,578	47,843	62,704	82,560
February	39,751	52,030	1,558	2,312	34,950	52,556	83,287
March	55,287r	50,815	1,754	1,995	41,481	47,461	84,244
April	63,356	57,232	2,001	2,120	46,734	47,158	85,397
May	69,400	54,008	2,358	2,335	54,809	53,787	86,745
June	63,079	51,118	2,396	2,005	54,970	45,923	88,144
July	57,977	53,583	2,515	2,124	57,184	48,917	89,858
August	59,148	50,554	2,435	1,942	55,908	44,548	91,087

Footnotes:

* Not Seasonally Adjusted

** Seasonally Adjusted

Includes the following companies: American, Commercial Credit, Commonwealth, Verex, Foremost, Home, Tiger-IMI, Liberty, MGIC, PAMICO, PMI Republic, Integon, Ticor, and United. Division of Housing Finance Analysis, U.S. Dept. of Housing and Urban Development.

TABLE 2

Privately Insured Pools of
Conventional Mortgage Loans
(Dollars in Millions)

<u>Annual</u>	<u>Dollar Volume of Mortgage Pools Issued</u>	<u>Outstanding Mortgage Balances</u>
1977	\$242.3	\$237.8
1978	\$996.0	\$1160.6
<u>Quarterly</u>		
<u>1977</u>		
QIII	150.5	150.5
QIV	91.8	237.8
<u>1978</u>		
QI	128.5	358.3
QII	358.7	703.3
QIII	139.2	822.3
QIV	369.6	1160.6
<u>1979</u>		
QI	167.5	1319.5r
QII	359.9r	1617.4r
<u>Monthly</u>		
<u>1978</u>		
Apr.	201.2	557.3
May	135.0	698.3
June	22.5	703.3
July	71.9	763.8
Aug.	34.7	796.7
Sept.	32.7	822.3
Oct.	57.2	871.9
Nov.	36.4	897.4
Dec.	275.0	1160.6
<u>1979</u>		
Jan.	60.0	1223.3r
Feb.	58.9	1272.9r
Mar.	48.6	1319.5r
Apr.	146.1r	1446.9r
May	160.2r	1576.7r
June	53.6	1617.4r
July	142.8	1699.3
August	147.7	1877.1

Mortgage Pool Insurance Activity includes only the following companies:
MGIC, PMI, TICOR, TIGER-IMI, United, Verex

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