



newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410



January 3, 1972

JAN 11 1972

Vol. 3 No. 1

Current Trends

LIBRARY
WASHINGTON, D.C. 20410

Interest rates continue to decline... but some warnings have been sounded that the trend could soon be arrested... or even reversed. Some recent happenings:

In mid-December... 98 local housing agencies... sold project notes covering 106 projects... totaling \$310 million at an average interest rate of 2.688 percent... the lowest rate in eight months. Maturities ranged up to one year... with the average maturity of nine months. The interest rate on notes sold in mid-November was 2.7388.

FNMA mortgage yields continued to decline. At its latest sale of four-month commitments... FNMA accepted \$70.2 million of offers at an average yield of 7.627 percent. At the previous auction... the interest rate was 7.667 percent. Yields have declined in each of the last nine auctions.

Bruce K. MacLaury... President of the Federal Reserve Bank of Minneapolis... speaking to a savings bank group... said: "If the economy begins to regain momentum, as we all hope, then there will come a time when increased demands for credit will not be able to be satisfied at the prevailing interest rates... and there will be a tendency for interest rates to rise."



Housing Allowance Experiment Planned

HUD's Office of Research and Technology is designing an experiment to test the use of housing allowances as a means of subsidizing housing for poor families. The system is aimed at permitting families... who could not otherwise afford it... to acquire adequate housing through the expenditure of a reasonable proportion of their income. The goal of the *Housing Allowance Experimental Program* is to provide reliable information to help policy makers decide whether such an approach is feasible... and to define the most effective means of implementing such a program if it is feasible. The experiment is designed to help HUD answer market, consumer, and administrative issues.

It is planned that the experiment will be conducted in several locations... which have not yet been selected. It is anticipated that the locations will be chosen in the near future.



24,520 Litterbugs

Almost 25,000 Americans were arrested for littering in 1970... a survey by the International Association of Chiefs of Police shows. Of this number... 18,705 were convicted and paid fines of \$243,830.

In many communities... a convicted litterer is likely to draw a "clean-up" penalty rather than a fine... or in addition to a fine. He may be sentenced to spend some time... usually up to three days... cleaning up litter along the street where he was arrested... or he may be told to clean up a beach or a stretch of highway. This kind of "punishment to fit the crime" is gaining favor as an effective alternative to a monetary fine, the survey reveals.

Copies of the report... *A National Survey of Litter Law Enforcement*... can be obtained from the IACP, 11 Firstfield Road, Gaithersburg, Maryland 20760. Price 50 cents.

HUD Survey Shows Improved Mortgage Market

There has been continued improvement in secondary market prices for home mortgages insured by FHA according to a December 1 survey.

The national average secondary market price for immediate delivery of FHA-insured 7 percent new-home mortgages with 30-year terms and minimum downpayments was \$94.9 per \$100 of outstanding loan amount. This price was one full point above the average a month earlier and represents a gain of 2.7 points in the past four months. The equivalent gross yield to investors on December 1 had dropped from the 7.75 percent of November 1 to 7.62 percent.

Another indication of improved market conditions was a decrease in the national interest rate for conventional new-home mortgages of 5 basis points for the second consecutive month. As of December 1 the national rate was 7.75 percent. Throughout the country rates had declined except in the Southeast and Southwest where transactions remained at the November 1 level.



Recent Court Decision

Patricia Male, et al. v. Crossroads Associates, David Bogdanoff and Muriel Bogdanoff, individually, and as partners doing business under the name of Crossroads Associates, City of Peekskill, et al. U.S.D.C., S.D., N.Y., C.A. 70-3509.

This suit by four female recipients of public assistance from the Department of Social Services of Westchester County, New York, alleges that solely because they are welfare recipients they were unable to rent an apartment in a building which is owned and managed by Crossroads Associates and located in an urban renewal project area in Peekskill, New York. In a recent opinion and order, the District Court held that Crossroads Associates, and the individual partners, the Bogdanoffs, had violated plaintiffs' rights under the equal protection clause of the Fourteenth Amendment by not renting them apartments solely because they were welfare recipients and granted summary judgment in their favor. The District Court based its holding on the existence and probable availability to the plaintiffs of rent supplement payments which could satisfactorily bolster their assistance payments.

The action of these defendants in refusing to rent to the plaintiffs was found to be "State action" because of the inherently public nature of urban renewal, the use of Federal, State, and local funds to defray the costs of undertaking the project, and the Federal and State regulation of private developers to insure that they act in conformity with the objectives of the urban renewal plan.



First Lady and Mrs. Romney Visit "Operation Housewarming"

Mrs. Richard Nixon and Mrs. George Romney, wife of the HUD Secretary, visited Operation Housewarming... a rehabilitation project being conducted by the National Capital Housing Authority in Washington. After inspecting a number of the rehabilitated units... part of the NCHA's pilot program using neighborhood resident volunteers as part of the rehab process... both ladies praised the effort as innovative and meaningful. Designed by NCHA Executive Director James G. Banks... the program is intended as a stopgap to the increasing number of vandalized vacant units. The volunteers gather on Saturdays to paint units that NCHA staff and contractors have renovated during the previous week. After the painting is completed... the new residents are moved in the same afternoon... thereby forestalling vandalism. The program thus far has resulted in the rehabilitation and occupancy of about 30 units.

Metropolitan Area Census Figures Released

Detailed figures for the 1970 Census by metropolitan areas have been released by the Census Bureau. Some of the highlights are given below. Additional figures will be reported in future issues.

- Nearly 84 percent of the population growth and 76 percent of the housing growth in the United States during the 1960's occurred in metropolitan areas.

- During the 1960-70 decade... the population living in metropolitan areas increased 17 percent, from 120.2 million to 140.2 million, while the population living outside increased 6.5 percent from 59.2 million to 63.0 million.

- In both areas... housing increased more rapidly than population. Metropolitan housing rose 20 percent, from 38.6 million units in 1960 to 46.5 million units in 1970, while nonmetropolitan housing rose 12 percent, from 19.7 million units to 22.1 million units.

- By far the largest metropolitan growth took place in the suburbs. During the 1960's the population living in metropolitan areas outside central cities grew to 63.8 million, an increase of 3.2 million or 5 percent. In central cities the population grew to 76.3 million, an increase of 16.8 million or 28 percent.

- The number of housing units in the suburbs rose to 23.9 million, an increase of 5.7 million or 31 percent. In contrast... central city housing rose to 22.6 million units, an increase of 2.2 million or 11 percent.

- For the U.S. as a whole... the residential population grew from 179.3 million in 1960 to 203.2 million in 1970, a 13.3 percent increase. At the same time the number of housing units grew from 58.3 million to 68.6 million, or 17.7 percent.



Minority Residents Get On-The-Job Training

An experimental on-the-job training program will teach vocational skills to 150 minority residents of the Baltimore area... and provide entrepreneurial potential to minority contractors. The program combines the resources of three Federal agencies and the Community College of Baltimore.

The idea for the project was conceived by HUD... and a \$300,000 contract... financed by the Department of Labor and the Department of Health, Education, and Welfare has been entered into with the College. Under the contract... the Community College will provide continuity of training in the construction trades in federally-financed and subsidized housing projects. Forty percent of the trainees will be Vietnam-era veterans.

The project has a number of objectives. While its basic purpose is to provide training in construction-type occupations and entrepreneurial opportunities in Baltimore City on federally assisted construction... it will also further one of the mandates of HUD's Project Rehab, namely, involving inner city residents in rehabilitating housing in their own areas.



Largest HUD-Assisted Waterfront Park

A luncheon at the home of Mrs. Henry D. Sharpe in Providence, Rhode Island, marked the commencement of the development of Indian Point Park, the largest HUD-assisted waterfront park project in the Nation. The 87-year-old Mrs. Sharpe had been commended in a letter from President Nixon for her personal sponsorship of the 16-acre waterfront beautification project, for which all land has now been acquired. Relization of this part represents remarkable coordination of effort by Mrs. Sharpe. Many local groups are assisting, including agreement by local contractors to donate land-fill, and garden clubs to help with the landscaping. The project will cost over \$1 million... half of which is being met by HUD Open Space funds.

Notes From Here And There

Following a Spanish-language radio appeal by Portland Area Equal Opportunity Director Carlos Rivera... some 55 Chicanos with construction backgrounds have expressed their interest in returning to the construction industry as skilled workers and contractors. The Mexican workers had left the industry for farm labor because of discrimination and exclusion by trade unions.

The last of five scheduled fair housing training conferences was held in Newark, New Jersey. Previous conferences were held in Ohio, California, Colorado, and Massachusetts.

As of November 26... 669 calls had been received on the equal housing opportunity hotline since its installation in June. Of that number... 122 were valid Title VIII complaints.

The Fourth District Federal Home Loan Bank Board has been moved from Greensboro, North Carolina, to Atlanta. The move was made to conform to President Nixon's reorganization plan which streamlined Federal services by establishing 10 regional centers for field activity. Atlanta is the center for the Southeast... and all other major agencies involved in housing and finance have their regional headquarters in Atlanta. The Fourth District covers Georgia, Alabama, South Carolina, North Carolina, Virginia, Maryland, and Washington, D.C.

The Federal Home Loan Mortgage Corporation has announced the operating details of its new secondary mortgage market for conventional loans... which could pump as much as \$1 billion into the housing market during 1972.

Three new loan purchase programs have been added to the Corporation's existing market for FHA/VA and conventional mortgage participation interests. The new conventional programs will provide for the purchase of both single-family and multifamily conventional loans over-the-counter... as well as forward commitments for multifamily loans.

The *Federal Register* for December 9, 1971, carries proposed nondiscrimination regulations of 21 Federal agencies... including HUD... under Title VI of the Civil Rights Act of 1964. Interested persons may submit written comments to the Department of Justice (because the Attorney General is coordinating the issuances) not later than January 10, 1972.

The 79th Annual Convention of the U.S. Savings and Loan League elected John P. Farry of Albert Lea, Minnesota, president for 1972. Richard G. Gilbert of Canton, Ohio, was named vice president.



New HUD Publications

The following are for sale by the Superintendent of Documents, Washington, D.C. 20402:

Noise Assessment Guidelines. Describes technical procedures to assess the exposure of a housing site to present and future noise conditions. Price 70 cents.

1970 HUD Statistical Yearbook. Comprehensive and detailed data on program and financial operations of the Department for calendar 1970. Price \$2.50.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
Washington, D.C. 20402

January 3, 1972
HUD-318-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.



HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



January 10, 1972

Vol. 3 No. 2

New Secondary Market To Start

On February 14...FNMA will begin the operation of its secondary market in conventional home mortgages.

FNMA's action...along with the announcement of the operating details of the secondary market operations of the Federal Home Loan Mortgage Corporation (an arm of the FHLBB) to begin in January...will make possible the tapping of two new important sources of mortgage funds. Previously...the two agencies operated secondary markets only for FHA and VA mortgages.

It is estimated that some \$1.5 billion would be pumped into housing through the new programs in 1972. Until now...lack of standard procedures and documents for conventional loans discouraged secondary market dealings in conventional mortgages. With the adoption of new procedures and standardized forms for these dealings...the door appears to be open for wide national participation in conventionals. The procedures and accompanying forms were worked out by FHLMC and FNMA after many conferences with consumer groups, lenders, title companies, and attorneys.



Poverty Growing in Suburbs

The Census Bureau has reported that the Nation's poor totaled 25.5 million in 1970...an increase of 1.2 million over 1969. This is the first year-to-year increase since 1959.

Metropolitan areas accounted for approximately 90 percent of the 1.2 million increase. The poverty population of the central cities grew by about 400,000 to a total of 8.2 million. The increase in the suburbs however, exceeded 650,000...reaching a total of 5.2 million. Thus, about 30 percent of the Nation's poor now live in the central cities and approximately 21 percent reside in the metropolitan areas surrounding them.

Other findings:

- The poverty population now totals 12.6 percent of the population, compared with 12.2 percent in 1969 and 22.4 percent in 1959;

- While poverty increased 5.1 percent between 1969 and 1970, the number of poor people since 1959 has decreased 35 percent; and

- Of the 25.5 million in poverty, 30 percent are Negro, about 9 percent are persons of Spanish-speaking backgrounds, and about 60 percent are other whites.



FYI

Second Annual Government Housing Programs Workshop...sponsored by the National Association of Building Manufacturers...New Orleans, February 28 and 29. In-depth seminars in various Federal housing programs. Details: NABM, 1619 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-234-1374).

DuPont Aids Rehabilitation Effort

A privately financed \$1 million program of rehabilitation of 400 homes in Wilmington, Delaware, and adjacent New Castle County over the next four years has been announced by the Greater Wilmington Housing Corporation and officials of the DuPont Company. The 400 homes are in addition to rehabilitation planned under existing programs.

The program will be carried out by the Greater Wilmington Housing Corporation (GWHC)... a nonprofit, private agency engaged in building new homes and housing rehabilitation for moderate-income families... and will provide subsidies averaging up to \$4,000 per house for the 400 homes to be rehabilitated. Persons who qualify for HUD-FHA assistance will be able to purchase these homes for \$200 down and mortgage payments of \$75-\$90 a month.

The new program... proposed by Mayor Harry G. Haskell, Jr.,... and similar to a cooperative GWHC-Model Cities project now under construction... will be a joint effort of local government, business, and charitable foundations. It involves the use of private contributions... to subsidize the cost of rehabilitating houses so they can be sold in a price range for moderate-income families.



HUD Contract issued for Planning Around Airports

A \$48,567 research contract has been awarded to a California firm for a manual containing guidelines to help localities plan community growth in the vicinity of airports. The manual... will assess strategies for communities to avoid future aircraft noise as well as contain information for alleviating existing problems.

The manual will discuss the costs, benefits, and limitations of alternative methods of noise alleviation such as land use, zoning, and noise insulation. Applicable to all types of airports, it will be used to develop procedures for dealing with a variety of local airport noise situations. It will contain relevant information on Federal and State programs to assist in achieving compatible airport-community development.

The manual is expected to be completed by July 1972. Further information may be obtained from R. Dale Beland, Wilsey & Ham, 1631 Huntington Drive, South Pasadena, California 91030.



National Commission on Fire Prevention Briefed

A number of HUD staff members briefed the Director of the National Commission on Fire Prevention and Control and his staff on HUD's on-going fire research projects and the development of Operation BREAKTHROUGH Guide Criteria, covering life safety performance criteria, and Operation BREAKTHROUGH industrialized housing systems for single and multi-family dwellings.

The Fire Prevention and Control Agency is a Presidential Commission established to undertake a two-year study and investigation to determine practicable and effective measures for reducing the destructive efforts of fire in life and property throughout the country. The Commission will submit a report to President Nixon and to the Congress on its findings and recommendations. The Commission is compiling information on Federal Government programs to determine the current status of the Government's efforts in the fire area. It plans to probe many areas of the fire problems... primarily to determine the weakness in the overall system of fire prevention and control so that it can suggest improvements. It is reviewing numerous regulations and codes dealing with life safety and fire prevention and their relationship to public housing and the private sector and how these regulations and codes vary from State to State; fire areas associated with one and two family dwellings; the nursing home fire area; and the fire problem as it relates to the low-income areas.

More On The Census

Additional metropolitan area population and housing data have been made available for the Census Bureau. The following figures are excerpted from *General Demographic Trends for Metropolitan Areas, 1960-1970*... for sale by the Superintendent of Documents, Washington, D.C. 20402. Price \$1.25.

- With greater relative increase in housing, household size decreased. The drop in average household size was greatest in nonmetropolitan areas. Suburban areas continued to have higher average household size (3.5 in 1960 and 3.3 in 1970) than central cities (3.1 in 1960 and 2.9 in 1970). One-person households increased by 57 percent in the Nation, while households with five or more persons increased only 7 percent.

- During 1969-70, the white population of the United States increased by 18.8 million, the Negro population by 3.8 million, and other minority races by 1.3 million. About 80 percent of the white growth was concentrated in metropolitan areas. The Negro population of nonmetropolitan areas declined by more than a quarter of a million.

- The moderate growth of the central cities was due almost entirely to Negro population increases; while Negroes increased by 3.2 million and the population of other minority races by more than one-half million, the white population of central cities declined over the decade by 600,000.

- About three-fifths of the increase of the Negro population in central cities was the result of an excess of births over deaths; the remainder the result of net in-migration. In the suburban areas a little over half of the Negro population growth was due to natural increase and a little under half to net in-migration.

- Between 1960 and 1970 the net out-migration of Negroes from the South totaled about 1.4 million. At the start of the decade about 60 percent of all Negroes in the country lived in the South, but by 1970 the proportion had declined to 53 percent. During the same period, there was a net movement of about 2.0 million whites to the region, leading to the South's first overall population gain through in-migration in many decades.

- In the North, which historically has had the Nation's largest central city and suburban populations, total metropolitan growth over the past decade was below the national average. Metropolitan populations of the South and West grew more than twice as fast as those of the Northeastern and North Central States, and in actual numbers their increases were considerably higher. Between 1960 and 1970 there was a gain in population of 7.6 million (11 percent) in the metropolitan areas of the Northeastern and North Central States combined, compared to a gain of 6.3 million (22 percent) in the South and 6 million (28 percent) in the West.

- In all regions except the Northeast, housing growth was concentrated in metropolitan areas. The greatest increases in metropolitan areas were in the West (30 percent) and the South (29 percent). Housing in metropolitan areas of the North Central States increased 16 percent. In the Northeastern States, metropolitan areas gained only 12 percent, compared with 14 percent in the nonmetropolitan areas.



Significant Decision

Housing Authority of the City of New Haven, et al. v. Donald T. Dorsey, et al. Superior Court, New Haven County, Connecticut. The Court held that under State law a tenant may not serve as a commissioner of the Authority. The suit was instituted as a result of an opinion by the State's Attorney General which held that a tenant was barred from serving as a commissioner of the LHA because a State statute specifically provides that a commissioner may not have an interest, direct or indirect, in any property of the Authority. As a result of the Attorney General's opinion, the State's Department of Community Affairs has withheld local funds owing to the Authority on the theory that the LHA's Board is improperly constituted.

New Publications

A monthly *Newsletter*... published by the Homeowners' Association of Philadelphia... reports on significant local happenings in the housing field. Available free (self-addressed envelope) from the Homeowners' Association of Philadelphia, 5101 Rising Sun Avenue. Philadelphia, Pa. 19120.

Apartments... a revised bibliography listing almost 2,000 books and periodicals covering all phases of apartment construction, management, financing, and zoning. Available from the National Housing Center Library, 1625 L Street, N.W., Washington, D.C. 20036. Price \$5.

Environment and the Community; An Annotated Bibliography... compiled by the HUD Library and Information Division... focuses on current problems of environmental deterioration as they affect communities... and makes recommendations for plans and action.

Among the topics covered in the bibliography are Architecture and Urban Design, Ecology, Environmental Quality, Housing, Land Use, Noise Pollution, Population Pressures, Recreation, Technology, Transportation and Highways, and Working Conditions.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Price \$.65.

The Near Side of Federalism. A report on the Ford Foundation's activities to strengthen State and Federal government. Available free from the Foundation, Office of Reports, 320 East 43rd Street, New York 10017.

As a public service... the San Francisco Real Estate Board... the local affiliate of NAREB... has issued a publication that explains in concise terms the provisions of tenancy laws... and the rights, obligations, and common courtesies of owners and renters. The booklet was prepared by the Board with the cooperation of the Mayor's Office, the San Francisco Housing Authority, the Institute of Real Estate Management, and the Better Business Bureau. *Guidelines for Improved Owner-Renter Relations* is available free from the San Francisco Real Estate Board, 199 Grove Street, San Francisco 94102.



Growth of Sparsely Settled States Seen

A new pattern of growth with industries settling in the sparsely settled States where water is available was predicted by Bill N. Brown, President of the National Association of Real Estate Boards. He said that cities will spring up around these industrial complexes in such States as Nevada, Nebraska, Utah, Arizona, and others.



Summer College Program

A final summary of the Summer College Program shows 68 graduate and 68 undergraduate students were hired throughout the Regions. Of the 136... 53 were minority members. In Washington... 42 Summer College students were hired; 22 of these were minority.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

January 10, 1972
HUD-318-1-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

☆ U.S. GOVERNMENT, PRINTING OFFICE: 1971-482-930/27

HUD

news

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280

Quarterly



January 17, 1972

Vol. 3 No. 3

Roundup and Forecast

Following the late December drop in prime rate to 5¼ percent by a number of leading banks... two of the largest New York banks began the year with decreases in the rate to 5 percent. More and more banks are using the "floating rate" concept which permits maximum flexibility in meeting money supply fluctuations.

The usual New Year predictions are emanating from a number of sources. Those related to housing activity for 1972 are generally optimistic... with some commentators looking for an even better year than record-breaking 1971.

- The *Annual Economic Forecast of the National Association of Real Estate Boards* said: "During the next 12 months... more young families will become homeowners than any year in the past. If the present pace continues... some 2.1 million housing units will enter the inventory in 1972. The number of families buying existing homes will break all records. Interest in vacation homes will be greater than any year in the past."

- The Chamber of Commerce of the U.S. expects 1972 to "be a year of historic accomplishments."

- Money market forecasts are also bullish. "Money will not be a limiting factor in the 1972 housing market," according to Dr. Saul B. Klamman, Vice President and Chief Economist of the National Association of Mutual Savings Banks. "If production of new housing falls short of the 1971 record," he said, "it will be because market demand could not sustain two back-to-back 2-million unit years."

- Preston Martin, Chairman of the Federal Home Loan Bank Board, said that commitment volumes for future mortgages indicated good availability of funds for 1972.

- Dr. Harry S. Schwartz, Vice President and Economist for the Federal National Mortgage Association, predicted that interest rates would rise only moderately in 1972. "The decline in interest rates has probably almost run its course. While interest rates may decline only a bit more before business activity registers a stronger expansion, they will not rise as strongly in 1972 as in some other periods of business upswing. The conditions surrounding the credit markets are entering a new phase which will moderate upward pressure on interest rates. Generally, the money and capital markets should be in reasonably good balance in 1972 with very little scrambling for funds."

On January 4... Secretary Romney held a news conference... in which he recounted some of the accomplishments of 1971 and looked ahead to 1972. Some of the highlights of the Secretary's statement:

- 1971 was a record year for housing production. We attained an all-time high as total production... including mobile homes... exceeded 2½ million units. HUD helped by the pace we set in assisted housing and by support of the mortgage market.

- Organizationally... we made substantial progress in realigning and decentralizing the Department. We have created a field organization that can respond to local needs more quickly and effectively.

- Our Operation BREAKTHROUGH is stimulating a revolution in housing construction, marketing, land use, and management. Stimulated by BREAKTHROUGH... more and more companies are entering the field of industrialized housing.

ROUNDUP & FORECAST

- In the field of housing management we have concentrated on seeking improved techniques of management and developing improved tenant-management relationships. We propose the establishment of a prototype housing management training center to train some of the 40,000 professional managers who will be needed by 1980 to augment the present force of 20,000.

- Efforts to strengthen the thrust toward equal opportunity in housing were accelerated by the President's historic statement of last June 11. In the wake of that statement... we have sent to the *Federal Register* for publication this week the project selection criteria and affirmative marketing guidelines that give us formal means for fostering our equal opportunity goals and policies.

- All HUD programs intended to assist in community development were placed under a single Assistant Secretary in 1971.

- A two-year demonstration program of planned variations has modified the Model Cities program so as to give 20 cities much greater flexibility in the use of Model Cities funds.

- We have actively promoted the growth of areawide planning and coordination. Our estimate is that, by the end of this fiscal year, areawide planning agencies assisted by HUD will include more than half of the Nation's 3,100 counties and three-fourths of our population.

- A New Community Development Corporation was created in 1971.

- In 1971 our Federal Insurance Administration designed and put into operation a completely new program: crime insurance. The National Flood Insurance Program was extended to cover 900 communities in 47 States and Puerto Rico.

The New Year of 1972 has brought us to a turning point in our efforts to help meet the Nation's housing needs. We have set new records in housing production. We have helped great numbers of American families to secure decent housing or achieve homeownership.

On the negative side, millions of central city families will face threatening social, economic, and racial strains and tensions. The accelerating decay of core cities, with loss of human and economic resources and continuing rural migration, has not been reversed. Fragmented local governments, weakened State governments, and too numerous and complex separately-financed federal programs are not equal to the challenge. Furthermore, the rotting of central cities is beginning to rot the surrounding suburbs.

Housing programs alone cannot solve the housing problem in the central cities. The housing problem in the central cities cannot be solved totally without solving the social problems of crime, drug addiction, inadequate education, health, and other public services—as well as the economic problems of soaring taxes and disproportionate inner city unemployment, a considerable part of which results from the flight of industry and business to the suburbs.

It is time to act. It is time to at least determine whether the action to be taken can be based on joint Federal, State, metropolitan-wide, public, and private effort, or whether it must for the immediate future be limited to federal and central city action.

To help make this determination, I will convene meetings in the immediate future in Boston, Detroit, Philadelphia, St. Louis, and Wilmington, to which we will invite representatives of the Federal Departments whose programs fund social, economic, and physical urban programs, the Governors and Mayors of central cities and suburbs, county and area-wide officials, and representative private leadership.

The purpose of these meetings will be to determine the extent to which available resources and leadership can be applied more effectively in preventing spreading abandonment in the central cities. HUD will be prepared to devote some additional resources in those cities where promising possibilities develop.

It is time to determine whether State, suburban, and private leadership are willing to recognize that if the central cities continue to rot it will gradually spread throughout the area. Perhaps it is time these leaders were more aware of the future possibility of a relationship between the funding of Federal programs and the degree of effective metropolitan area planning and development they carry out.

In the meantime, to the extent necessary, we will sacrifice production of assisted housing in 1972, if necessary, in order to insure good quality in what is produced. Having achieved unprecedented production volume in 1971, in 1972 we will emphasize, as well, quality in production of housing, quality in processing of our housing programs, and quality in the living environments where HUD housing programs operate.



Unique CDA Office Building

A new Model Cities Community Development Agency office in Edinburg, Texas, is an interesting example of local-Federal cooperation. The 3,000 square foot portable building was built for the CDA by the local Community Action Agency as a construction training project financed by OEO. It employed 65 trainees... and the total cost of the building was under \$25,000... for materials furnished by CDA. The CAP Agency furnished all labor and supervision of construction under the training program. Among those who participated in the construction of the building are students whose families are migrant farm workers. They attended building trades classes and helped in construction during class time.

When it was found that no building meeting the Agency's needs was available... a fiscal comparison was made of renting space in a conventionally built new building versus purchasing materials for construction of a building. It was apparent that it would cost less to purchase the materials and to furnish them to the local CAP, who through the Concentrated Employment Program (CEP) would build the temporary portable building. And cost was not the only consideration. An opportunity was provided for a coordinated effort involving private enterprise, the Model Cities Agency, and the Concentrated Employment Program to put to practical use the talents of local trainees... as well as providing the City of Edinburg with a building without the outlay of any city funds.

The cost to the CDA will be amortized in less than three years from rental costs for comparable space (figured at \$.30 per square foot per month). The office building... with ample parking area... is located across from the Edinburg City Hall. The land is privately owned. Annual land rental is \$300. The owners have agreed to a lease for the duration of the Model Cities Program. After that, the building will be owned by the City of Edinburg and will be moved to city-owned property... to be used for regular city business.



"Sound" Inspections for Baltimore

A mild form of mechanization has been introduced in Baltimore's buildings inspection process which might cut inspection time by as much as two-thirds. It involves the use of a simple tape recorder. The city's Department of Housing and Community Development reports an inspector can often complete what was a six-day inspection job in as little as two days. The recorder is particularly useful in extensive inspections of nursing homes, private hospitals, schools, and other complex buildings. Not only is the inspector's time saved, but the hospital or school officials' work is speeded as well. In the past the inspections have been accomplished with clipboard and pencil, and the writing involved has been tedious not just for the inspector and the official accompanying him, but also for the clerk who later was obliged to translate sometimes barely legible notes into accurate English.

State Tax Collections Increased In Fiscal 1971

State governments collected \$51.5 billion in taxes during the 1971 fiscal year, a \$3.5 billion (7.3 percent) increase over 1970, according to the Census Bureau.

General sales and gross receipts taxes continued as the top-ranking source of tax revenue for the States as a whole... and showed a larger increase over the previous year than any other major tax source. The total for general sales and gross receipts tax collections amounted to \$15.5 billion, up \$1.3 billion over 1970. Other major sources of tax revenue and their 1971 totals follow:

<i>Individual income taxes</i>	<i>\$10.1 billion</i>
<i>Selective sales and gross receipts:</i>	
<i>Motor fuels</i>	<i>\$ 6.6 billion</i>
<i>Tobacco products</i>	<i>\$ 2.5 billion</i>
<i>Alcoholic beverages</i>	<i>\$ 1.5 billion</i>
<i>Insurance</i>	<i>\$ 1.3 billion</i>
<i>Corporation net income taxes</i>	<i>\$ 3.4 billion</i>
<i>Property taxes</i>	<i>\$ 1.1 billion</i>
<i>Death and gift taxes</i>	<i>\$ 1.1 billion</i>
<i>Severance taxes</i>	<i>\$ 733 million</i>

In 1971... nearly one-half of all State tax revenue was collected in seven States... with New York recording the highest total (\$6.2 billion). The other six leaders: California, \$5.7 billion; Illinois, \$3.1 billion; Pennsylvania, \$3.1 billion; Michigan, \$2.5 billion; Texas, \$2.1 billion; and Ohio, \$1.8 billion.

The largest proportionate increase in 1971 collections occurred in New Hampshire where the total was 25 percent greater than in the previous fiscal year.

Copies of the report, *State Tax Collections in 1971*, GF71, No. 1, may be obtained for 50 cents each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 or from Commerce field offices in major cities of the United States.



FYI

Secondary Mortgage Conference... *U.S. Savings and Loan League*... Hollywood, Florida, January 30 to February 2. Details: USSLL, 111 E. Wacker Drive, Chicago 60610.

National Housing Conference... 41st Annual Convention... Washington, March 5 and 6. Details and registration: NHC, 1250 Connecticut Avenue, N.W., Washington, D.C. 20036.

Consulting Engineers Council... Public Affairs Conference (*jointly with the American Institute of Architects*)... Washington, March 13-15. Information: Bruce Vogelsinger, CEC, 1155 15th Street, N.W., Washington, D.C. 20005.

Associated General Contractors... 53rd Annual Convention... Houston, March 5-7. Details: AGC, 1957 E Street, N.W., Washington, D.C. 20006.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. Government Printing Office: Washington, D.C. 20402

January 17, 1972
HUD-318-2-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 555-9280



January 24, 1972

Mrs. Sarah

Rm. 81 JAN 27 1972

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

Vol. 3 No. 4

Lead-Based Paint Banned

The use of lead-based paint has been banned in HUD-assisted residential projects... effective January 1, 1972.

LIBRARY
WASHINGTON, D.C. 20410

The ban covers all new construction, rehabilitation, and maintenance of HUD-assisted, owned, and insured housing properties. Also included are all exposed interior and exterior surfaces readily accessible to children—such as railings, stairs, porches, doors, and windows.

The announcement was made in conjunction with the U.S. Department of Health, Education, and Welfare as part of the Federal enforcement of the Lead-Based Paint Poisoning Prevention Act (Public Law 91-695).

Local housing authorities, local public agencies, and local public bodies are responsible for the implementation of the prohibition with respect to any structures which they develop, own, or lease with HUD assistance.



Project Notes Sold

Project notes of 73 local housing authorities... totaling \$406 million... were sold last week at an average interest rate of 2.459 percent. The interest rate in December was 2.703 percent.

Proceeds of the note sale will be used to reimburse the Federal Government for funds advanced to local authorities and to refund maturing notes for low-rent housing projects.



U.S. Starts 1972 With Over 208 Million

The Census Bureau estimates that the Nation's population at midnight January 1, 1972, was 208,557,735. The net gain in population during 1971... 2,040,059... was the result of 3,591,000 births; 1,927,000 deaths; and 376,000 added by net immigration. In 1970... population increased 2,239,000... and in 1969, the increase was 2.1 million.

The final population figures for the 1970 Census have now been published. A 250-page report... *Number of Inhabitants, U.S. Summary, 1970 Census of Population*... is available from the Superintendent of Documents, Washington, D.C. 20402. Price \$2.00.



Mandatory Apprentice-Trainee Ratios

After two years of studying the feasibility of a plan to assure greater utilization of trainees and apprentices on Federal and federally assisted construction projects... the Labor Department has issued new regulations to become effective January 31. A mandatory ratio of apprentices and trainees to journeymen... is required in each craft. Each contractor and subcontractor is obliged to make a "diligent effort" to achieve the ratios.

The regulations will apply to all federally involved projects... and every advertisement for bids for contracts over \$10,000 will contain a clause stating the requirement. Enforcement will be carried out under 29 CFR Part 5a of the Bacon-Davis Act.

FNMA Conventional Mortgage Meetings

FNMA is holding meetings in cities across the country in January and February to explain details of its new secondary market in conventional home mortgages. . . which begins operations on February 14. No preregistration is required and there is no fee. All meetings begin at 9 a.m. local time.

FNMA's new program is expected to have long-range, indirect benefits for the home buying public, particularly through the development of standard mortgage documents which pave the way for mortgage resale on the "secondary" market and thereby hopefully stimulate mortgage investment. The program also will make it possible for more families to obtain conventionally financed home loans with low down payments because FNMA will accept private mortgage insurance on 10-percent-downpayment loans.

The meeting places and dates, according to region, are: NORTHEASTERN—January 31, Statler Hilton Hotel, Washington, D.C.; February 3, Holiday Inn, Philadelphia; February 10, New York Hilton, New York.

SOUTHEASTERN—January 25, Statler Hilton Airport Inn, Nashville; January 27, Holiday Inn No. 4, Charlotte; February 1, Parliament House, Birmingham; February 3, Sheraton Four Ambassadors, Miami.

SOUTHWESTERN—February 2, Muehlebach Hotel, Kansas City, Missouri; February 3, Downtown Hilton, Denver; February 7, Hotel Sonesta, Houston; February 8, Fontainebleau Hotel, New Orleans; February 10, Sheraton Hotel, Dallas.

MIDWESTERN—January 25, New Tower Hotel Courts, Omaha; January 28, North Star Inn, Minneapolis; February 4, Neil House, Columbus, Ohio; February 8, Indianapolis Hilton, Indianapolis.

WESTERN—January 25, Jack Tar Hotel, San Francisco; January 27, Sea Tac Motor Inn, Seattle; February 1, Occidental Life Center Auditorium, Los Angeles.



Home Counseling Service Expanded

Counseling service is being expanded in 15 HUD areas to include the Section 235 low-income homeownership program. For the past three years. . . homeownership counseling has been available only to applicants for Section 237 mortgage insurance. A fee system has been authorized to offset the administrative costs of voluntary agencies located within the jurisdiction of these 15 areas that counsel families buying homes under federally assisted programs. The expanded program will be initiated in the jurisdictions of the following HUD field offices: Boston, Buffalo, Denver, Detroit, Greensboro, Jacksonville, Little Rock, Louisville, Milwaukee, Newark, Philadelphia, Pittsburgh, Richmond, St. Louis, and San Antonio.

HUD's homeownership counseling program is a consumer-oriented program designed to both promote and protect the interests of the homebuyer.

A new HUD Circular details the policy and guidelines for agencies conducting counseling and requires them to provide a wider range of services. The Circular stipulates payment of a fee that will be negotiated but cannot exceed \$100 for each counseled applicant obtaining HUD-FHA mortgage insurance. The fee is to be withheld from the sales proceeds at time of settlement. . . it is not to be paid by the homebuyer.



FYI

Construction Affairs Committee of the U.S. Chamber of Commerce. . . annual meeting. . . Washington, February 8. Details from the Chamber, 1615 H Street, N.W., Washington, D.C. 20006.

First Meeting of Partnership Council Held

The initial meeting of 12 charter members of the National Housing Partnerships Associates Advisory Council was held in Washington this month. The Council members represent mortgage bankers, commercial banks, savings and loan associations, service corporations, and housing consultants in various parts of the country. The individuals... serving a two-year term... were selected from the network of over 500 NHP Associates who are available in nearly every community to assist local builders and developers in the construction of housing for lower income families.

The Council... which met with officers and staff of the Corporation for Housing Partnerships... will meet a minimum of three times a year to provide suggestions, information, and guidance to the Corporation on matters concerning the development, construction, and management of low-and moderate-income housing.

The National Corporation for Housing Partnerships is a private corporation created by the Congress and financed by industry, financial institutions, and labor organizations, to perform a public service in stimulating the construction of low-and moderate-income housing. Since beginning operations in June, 1970... the Partnership has given final or preliminary approval to 14,500 units of assisted housing... consisting of 78 projects in 27 States.

Charter members of the NHP Associates Advisory Council are: Raymond F. Bostic, President, Ohio Financial Service Corporation, Columbus; Richard Crissman, Director of Project Mortgages, Ralph C. Sutro Co., Los Angeles; George E. Curb, Senior Vice President, American Mortgage Co., Houston; Richard H. Grant, Vice President, Washington Heights Savings and Loan Association, New York; Fred B. Morrison, President, The Lomas and Nettleton Company, New Haven; Donald J. Reape, Consultant, Upper Darby, Pennsylvania; Horace J. Rodgers, Attorney, Detroit; Shelby G. Spears, Vice President, Stockton, Whatley, Davin & Co., Jacksonville; Ernest B. Tharpe, President, Tharpe and Brooks, Inc., Atlanta; Henry F. Trione, Senior Vice President, Wells Fargo Bank, Sonoma, California; Dempsey J. Travis, President, Sivart Mortgage Corporation, Chicago; Robert H. Wilson, President, Percy Wilson Mortgage Corporation, Chicago.



Odorless Trash System Installed At Jersey City BREAKTHROUGH Site

An automatic pneumatic trash collection system that eliminates odors, dust, noise, and overflowing trash cans is being installed at the Operation BREAKTHROUGH site in Jersey City.

First of its kind to be used in a basically residential complex in the U.S.... the system will service about 500 dwelling units, a 40,000 square foot commercial building, pre-school, elementary school, and indoor swimming pool.

Jersey City is one of nine prototype sites around the country where innovative housing and site planning is in the process of development under HUD's BREAKTHROUGH program to stimulate volume production.

The disposal system... developed in Sweden... has been in use at a country hospital in that country since 1961, and has also been applied to residential use there since 1967.

At the start of its operations... it is similar to current methods, in that the refuse is put down a nearby disposal chute located on each floor of the building. There the resemblance ends. At the bottom of the chute the refuse lands on a horizontal plate which separates the chute from an underground pneumatic tube connected to a central collection point.

Aside from the absence of odors and spillage, the system dispenses with the noise created by refuse collection trucks. The projected everyday operating cost is low compared to existing removal systems.

Seventh New Community Approved

HUD has approved a \$12 million guarantee for the development of Riverton... a 2,560-acre new community near Rochester, New York... the seventh such guarantee issued by HUD under the New Community Development Act of 1970. The new town will be built over a 16-year period and eventually will house some 25,600 people. Between 30 and 40 percent of the 8,010 homes and apartment units will be for low-and moderate-income families... including the elderly.

Riverton is to be developed on farm land adjacent to the Genesee River. The New York State Thruway will bisect the tract along the area's northern perimeter.

Basic land uses will be: housing, 1,046 acres; neighborhood center, 170 acres; educational facilities, 85 acres; open space, 424 acres; land reserve, 210 acres; and a 400-acre industrial area. Four 15-acre sites for four elementary schools will be donated by the developers to the Rush-Henrietta School District. There also will be either a junior or senior high school in the community.

Recruitment of industry as a job and tax base for the new community will be a key element of development planning to attract new residents and to avoid creating a financial burden for local governmental units.

The developers plan to provide an 18-hole golf course, 12 outdoor and indoor swimming pools, three lakes for recreation use and storm drainage overflow, a marina and a riverside park open to residents and nonresidents. Fourteen miles of walkways will link homes, schools, shopping centers and industrial parks. All walkways will tunnel under or bridge major roads.

To prevent soil erosion and beautify the site... the developers will leave existing trees, wetlands, and ridgelines intact, and will undertake extensive planting of windbreaks and shelter belts. Check dams will be constructed to curb silting of streambeds, and the golf course will be built on flood plain land.

A number of innovations planned or to be studied by the developers are: prepaid health care and medical insurance for all new community residents, now being explored with the University of Rochester; a two-way cable communication system to each home and use of the existing Erie-Lackawanna rail line as a rapid transit link to downtown Rochester... 10 miles away... and to the Rochester Institute of Technology.

The six new communities previously assisted are: Jonathan, Minnesota; St. Charles Communities, Maryland; Park Forest South, Illinois; Flower Mound, Texas; Cedar-Riverside, Minnesota, and Maumelle, Arkansas.



AIP Gives Awards

The American Institute of Planners... holding its annual meeting in San Francisco... gave a Merit Award to the Philadelphia Regional Chapter of AIP for its educational program... and an Honor Award to the State of Texas for its statewide Goals for Texas program. About 2,300 attended the session... where the professional society of the Nation's planners gave its top accolade... the Distinguished Service Award... to Edmund N. Bacon, one of the pioneers in the planning profession... who served for 25 years as Executive Director of the Philadelphia Planning Commission.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

January 24, 1972
HUD-318-3-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

☆ U.S. GOVERNMENT, PRINTING OFFICE: 1971-482-930/2

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



January 31, 1972

Vol. 3 No. 5

WASH. CURRENT TRENDS 20410

Final housing start figures for 1971 are in. They show that December starts... at an annually adjusted seasonal rate... were 2.517 million... 9 percent above the November rate... and another alltime record. Public and private starts for the year were 2,080,500 units... and as previously reported... the highest number in history. All indicators point to 1972 as another year of record housing production.

Sales of new one-family houses continue to set records... 716,000 units in November.

Yields on short-term Treasury and corporate securities have plummeted in recent weeks. Several large commercial banks have cut interest rates on savings deposits from 4½ to 4 percent. Conventional mortgage loans are available in many cities at 7 percent.

Savings flows were strong in December... with S&Ls reporting that they remained exceedingly strong the first week in January... the critical period following the posting of year-end dividends.

HUD's January survey of mortgage market conditions indicated higher secondary market prices for FHA-insured home mortgages. This was the fifth consecutive monthly report showing improved market conditions.

With this latest gain... the national secondary market price for immediate delivery of FHA-insured 7 percent new-home mortgages with 30-year terms and minimum down-payments averaged \$95.2 per \$100 of outstanding loan amount. This was an increase from a month earlier of three-tenths of a point and from August 1 of three full points. The equivalent gross yield to investors as of January 1 was down to 7.59 percent, compared to 7.62 and 7.97 percent on December 1 and August 1, respectively.

The national average of interest rates to be paid by borrowers on conventional first mortgages showed a five basis-point drop for both new- and existing-home transactions. The average rate for new homes was 7.70 percent and for existing homes... 7.75 percent. Almost without exception... there were decreases ranging from five to 10 basis points throughout all sections of the country.

Record sales of \$3.5 billion in GNMA mortgage-backed securities were forecast for 1972 by GNMA President Woodward Kingman in an address to the Washington Society of Investment Analysts. The HUD official also predicted a further decline in long-term interest rates... an adequate supply of mortgage money... and a continuing strong demand for housing in the coming year.

"I believe," Mr. Kingman said, "that long-term rates will continue to decline for a few months, will then turn upward more slowly than has been generally forecast heretofore, and by year's end will be at a level no higher than they are now."

"Furthermore, mortgage money which might ordinarily be in short supply in a time of business recovery should be in adequate supply for the rest of 1972 because of a number of new sources of funds which are now available."

Alice-in-Wonderland Renewal

The following is excerpted from a recent Associated Press report about the HUD-assisted Society Hill Urban Renewal Project: ~

PHILADELPHIA—(AP)—Fifteen years ago, Society Hill, located in the historically rich area adjoining Independence Mall was a deteriorating, low-income, blighted neighborhood.

Now it is one of Philadelphia's prestige neighborhoods: an Alice-in-wonderland community of exquisitely restored colonial homes, tree-lined cobblestone streets, brick sidewalks and Franklin lamps.

With an estimated 90 percent of the project complete, renewal has exceeded expectations of planners. They point to:

- In 1960, the population was 3,378. Currently it is 4,702, an increase of 39 percent.
- Housing units increased 65 per cent, from 1,622 in 1960 to 2,678.
- To clear ground for redevelopment, \$10.1 million in property was removed from the tax rolls. But as of last year \$23.9 million in assessments were added, a net increase of almost \$14 million.
- It already is producing \$620,000 a year more in real estate taxes than it did before renewal. When completed the total is expected to reach \$1 million.
- Town houses that sold for \$32,000 four years ago now go for \$65,000. More than 300 have been restored at a cost of more than \$25 million.



Grant To Wipe Out Slum... Create Park Site

A \$343,472 HUD Legacy of Parks grant to Akron, Ohio will help transform a blighted section into a neighborhood park and recreation area.

Total cost of the project... including acquisition and demolition of 47 substandard houses, and relocation of the tenants, is \$686,944. HUD will defray the estimated \$127,800 cost of relocating the present tenants, and will give the city a matching grant of \$215,672 for the purchase and preparation of the site.

The recreation and park area... to be known as East Crosier Park... of approximately two city blocks is located in South Central Akron in a Neighborhood Development program area adjacent to a Model Cities area. When completed, East Crosier Park is expected to serve nearly 13,000 persons.



Private Mortgage Insurers Listed

Mortgage insurance written by eight private mortgage companies... will be accepted by FNMA when it begins operation of its secondary market in conventional mortgages on February 14. The conventional operation... authorized by the Emergency Home Finance Act of 1970... permits FNMA to buy mortgages representing more than 75 percent of the value of a property if the mortgages are insured. The firms are: Investors Mortgage Company, Boston; Mortgage Guaranty Insurance Corporation, Milwaukee; Excel Mortgage Insurance Corporation, Bettendorf, Iowa; First Mortgage Insurance Company, Greensboro; Liberty Mortgage Insurance Corporation, Springfield, Illinois; American Mortgage Insurance Company, Raleigh; Continental Mortgage Insurance, Inc., Madison; and Security Mortgage Insurance Company, Baton Rouge.

FYI

Gypsum Drywall Contractors International Association... 15th Annual Convention and Exhibit, Las Vegas, March 6 to 9. Further details: GDCl, 2010 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Producer's Council... Construction Market Seminar, Chicago, March 15-17. Registration: Producer's Council, 1717 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-667-8727).

The Mortgage Banking Institute... Fourth National Banking Conference, New York City, March 27. Registration: New York University, School of Continuing Education, The Mortgage Banking Institute, 1 Fifth Avenue, New York, N.Y. 10003.

Nonprofit Housing Center... 1972 Regional Training Seminars on Housing Development and Management: Denver, March 6-8; New York City, April 10-12; San Francisco, May 8-10; Chicago, June 5-7. Further details from the Nonprofit Housing Center Conference Director, 1717 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-265-2224).

American Society for Public Administration... 1972 Conference on Public Administration, March 21-25, New York City. Registration: ASPA, 1225 Connecticut Avenue, N.W., Washington, D.C. 20036.

National League of Cities/U.S. Conference of Mayors... Annual Congressional City Conference, Washington, March 5 to 7. Details: National League of Cities, 1612 K Street, N.W., Washington, D.C. 20006.



Urban Design Competition Announced

HUD has announced the Fifth Biennial Awards for Design Excellence... for work undertaken under a financial assistance program of the Department or its predecessor... HHFA... and finished or substantially finished since January 1, 1967. Entries may be for buildings, structures, open space, and other completed development... assisted directly or indirectly through HUD. All entries must be postmarked by midnight, March 31, 1972. For full details and entry forms... address Design Awards Program, HUD, Washington, D.C. 20410. (202-755-6993).



Limitation on Rents

Section 9 of PL-92-213... was signed by the President on December 22, 1971. It amends the United States Housing Act to provide that notwithstanding any other provision of Federal law or regulations thereunder, a public welfare agency shall not reduce welfare assistance payments of families living in low-rent public housing as a result of any reduction in rent resulting from the 25 percent statutory limitation on rents. The effect of this provision of law is to make the 25 percent limitation on rents in low-rent public housing applicable to all families, regardless of their source of income.



Suburbs and Cities are 'One World'

Speaking at the 61st annual convention of the National Retail Merchants Association... Jack I. Straus, chairman of Macy's... the world's largest department store... said that suburbs are not necessarily better for stores than downtown city areas. Outlining his views... Mr. Straus went on to say that suburbs suffer the same problems as center cities. "Taxes have increased... crime, including shoplifting, is a major problem. Skilled labor, drawn from a relatively small local pool, has become harder to find and harder to keep. Even the air isn't so sweet any more. While the cities have problems, they have impressive strength as markets." Mr. Straus suggested that it's time to stop talking about cities and suburbs as being two worlds. "They are one world, sharing an increasingly common set of problems."

Notes From Here and There

Robert K. Ellis, of the HUD Regional Office in Denver, has been appointed to a United Nations team charged with setting up a complete housing system for the Kingdom of Jordan. Mr. Ellis... who has already left for his new headquarters in Amman... has had more than 20 years of experience in housing loans and mortgages and related activities.

On January 11, 82 local agencies sold 85 issues of urban renewal project notes totaling \$309 million at an average interest rate of 2.245 percent... down from last month's 2.688 percent. This is the lowest interest rate since the 2.219 percent at the February 1965 sale.

The Connecticut State Mortgage Authority has issued its first permanent mortgage... for \$2.3 million... on a 150-unit FHA 236 low- and moderate-income apartment complex in Windham. The mortgage is insured by HUD-FHA.



New Publications

NOTE: None of these publications may be obtained from HUD. Please order from source indicated.

Social Responsibilities of Business Corporations. Published by the Committee for Economic Development... outlines the social, rather than economic, responsibilities of business enterprises. Available from CED, 477 Madison Avenue, New York 10022. Price \$1.50.

How Do You Like Living in a Planned Community? A summary of a study conducted by the Institute for Social Research at the University of Michigan. The study covers 1,253 residents in 10 communities... and records the residents' views of the pluses and minuses of life in a planned environment. The summary appears in the January issue of *Urban Land*... the official magazine of the Urban Land Institute. Single copies of *Urban Land* may be obtained from ULI, 1200 18th Street, N.W., Washington, D.C. 20036. Price \$3.00.

The Planning Agency and the Black Community. A report of a workshop sponsored by the American Society of Planning Officials and the National Institute of Mental Health... concludes "the black experience with planning has been predominantly a bad one." *Women in Planning*... a report on their status in public planning agencies... concludes that planning agencies have been and are now discriminating against women planners. Both reports... at \$6.00 each... for sale by the Planners Book Service, ASPO, 1313 East 60th Street, Chicago, 60637.

The 1971 Yearbook of Agriculture: A Good Life For More People. This 416-page book describes efforts to make smaller cities and towns more livable. Obtainable from the Superintendent of Documents, Washington, D.C. 20402. Price \$3.50.

Annual Report... National Trust for Historic Preservation. Covers the activities of the 27,000-member organization devoted to preserving and restoring historic structures. Single copies available from the Trust, 740 Jackson Place, N.W., Washington, D.C. 20006.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

January 31, 1972
HUD-318-4-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

☆ U.S. GOVERNMENT, PRINTING OFFICE: 1971-482-930/3



newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



February 7, 1972

FEB 7 1972

Vol. 3 No. 6

NAHB Meets

The annual convention of the 59,000-member National Association of Home Builders was held in Houston, January 23 to 27. President Nixon... who was scheduled to address the meeting... had to cancel his appearance due to official business... and Vice President Agnew represented him. Secretary Romney, Assistant Secretaries Gullledge and Simmons, and Woodward Kingman, President of GNMA, were the HUD participants.

Secretary Romney told the convention:

"The quality of housing built under Government subsidized programs during 1972 will determine whether the Nation's home builders will have another record year. Housing starts this year could range from a 2.1 million to a 2.3 million level... and the willingness and ability of builders to meet government-enforced quality control standards will determine whether HUD approves as many as 550,000 or as few as 350,000 units.

"This Administration feels deeply that quality housing is something every consumer... in all income levels... has the right to expect, whether he or she is a buyer or a tenant. I want to make it as clear as possible... that we are pledged to bring about fulfillment through quality, rather than quantity, of the Congressional intent of 'a decent home and a suitable living environment for every American.' In addition... the exorbitant cost of housing must be brought under control... and HUD will expand its current consumer protection program into a widespread campaign of consumer education.

"This campaign will in no way be limited to consumers who are buying or renting under Federal programs. Its impact will be felt by every builder... large and small... as well as by all those in the business of marketing housing.

"Underlying this entire effort of consumer education will be our overriding determination to see ever-increasing quality delivered for every dollar spent by the Federal Government in the housing efforts of this Nation."

The Secretary told the builders that he will be convening meetings soon in several cities "to make government and private leadership, at all levels, aware of their options. The meetings will try... in a timely manner... to alert these leaders to the Federal programs which are available to solving the problems of transportation, pollution, education, drugs, crime, and housing on a metropolitan or 'real city' basis—the options which are at hand for their use.

"In fact, I have chosen to call these meetings in Boston, Detroit, Philadelphia, St. Louis, and Wilmington TOP meetings," said Mr. Romney. "T-O-P standing for The Option Process. That is the process whereby government and private leaders at the State and local level will decide the option of invoking the various Federal programs available to solving 'real city' problems on a 'real city' basis."

He said neither HUD nor the other Federal departments will present ready-made plans to these meetings but will indicate what could be accomplished by working together.

1973 Budget Goes to Congress

The Federal budget for Fiscal Year 1973 has been submitted to Congress. The HUD portion of the budget requests appropriations of \$4.660 billion... compared to \$3.833 billion in FY 1972 and \$3.408 billion in 1971. Actual outlays for 1973 are estimated at \$4.214 billion... up from \$3.462 billion for the current year.

Approximately half the proposed appropriations for the 1973 Fiscal Year... \$2.3 billion... is earmarked for community development programs. This includes the various categorical grant programs previously handled separately. Legislation is pending in Congress to create an Urban Development Revenue Sharing Program... and the HUD budget is so designed that it can operate under the revenue sharing program... if it is enacted... or to continue under existing procedures... if Congress does not enact the revenue sharing plan.

The budget also contemplates a testing of the new Housing Allowances Program in many thousands of units... to determine the effectiveness of the program. Secretary Romney... in summarizing the budget... explained this testing as most desirable... in order to avoid introducing a new program without adequate knowledge of its problems and efficiency.

Highlights:

- For the first time, payments under public housing annual contributions contracts will exceed \$1 billion.
- FHA mortgage insurance in force during the year will pass \$100 billion.
- At the end of Fiscal 1973... there will be 2,250,000 housing units under subsidy... four times the number in 1969.
- Assisted housing starts during the fiscal period is estimated at 564,000... compared to 500,800 in the current period, and 392,398 in FY 1971.

A summary of the major elements of the appropriations requests:

	<u>Actual FY 1971</u>	<u>Estimate FY 1972</u>	<u>Estimate FY 1973</u>
	(Dollars in Thousands)		
Payments for Assisted Housing	851,600	1,373,800	1,878,000
Urban Renewal Programs	1,200,000	1,250,000	1,000,000
Model Cities Programs	575,000	150,000	515,000
Urban Community Development Revenue Sharing (Proposed Legislation)	...	...	490,000
Special Risk Insurance Fund	...	...	195,000
Special Assistance Functions	...	...	119,369
Open Space Land Programs	75,000	100,000	100,000
Comprehensive Planning Grants	50,000	100,000	100,000
Research and Technology	45,000	45,000	60,000
Grants for Neighborhood Facilities	40,000	40,000	40,000
Fair Housing and Equal Opportunity	8,000	8,250	9,100
Grants for Basic Water and Sewer Facilities	350,000	500,000	...
Rehabilitation Loans	35,000	90,000	...
All Other Programs	178,084	175,965	153,805
Total Appropriations	3,407,684	3,833,015	4,660,274

Mortgage Terms Liberalized

The Federal Home Loan Bank Board has announced regulatory changes permitting Federal savings and loan associations to increase loans on apartment projects... from 75 percent to 80 percent of the loan-to-value ratio. The regulations also extend the maturity permitted on such loans from 25 to 30 years. In February 1971 the Board had extended the maturity from 20 to 25 years.



Employee Exchange Underway

HUD is actively encouraging the widespread use of the provisions of the Intergovernmental Personnel Act of 1970... which provides for the interchange of employees between the Federal Government, all levels of local government, and institutions of higher learning. The Act allows the temporary exchange and assignment... either way... between HUD and State, city, county, and other local government... as well as insitutions of learning. By promoting the mobility of employees... it is hoped that the skills, knowledge, and understanding of the participants will be increased and improved.

The occupations and skills involved need not be only those directly associated with housing and urban matters. Among other skills needed by all levels of government are accountants, economists, management specialists, statisticians, financial analysts... and many others.

All assignments have a maximum two-year limit... and each participant will retain all the rights and benefits in the level of government to which he or she belongs.

Interested parties may get in touch with HUD's Office of Personnel ... (202)755-5513.



Indian Housing Directors to Attend Workshops

The Housing Management Staff of the Denver Regional Office of HUD will meet with all the North and South Dakota Indian Tribal Local Housing Authority Directors... in Aberdeen February 7-10. A second workshop will be held in Billings for the Directors from Colorado, Wyoming, Utah, and Montana.

The meetings are being held at Secretary Romney's direction... in response to a resolution passed by the Indian Housing Management Conference... held in Washington last summer. The workshops will focus on all phases of low-income housing management... with particular emphasis on financial management, community and tenant services, maintenance, and administrative management. Consultation sessions with staff members will be scheduled.

A similar meeting in Region VI... a seminar in Oklahoma City... was held, bringing together about 75 people from Indian Housing Authorities, Indian Government Councils, the Bureau of Indian Affairs, Tribal representatives, HUD staff members, and the general public. The Governor of the Chickasaw Nation discussed the mutual help housing program and the attitude of his tribesmen toward it.



FYI

American Society of Planning Officials. . . 38th Annual National Planning Conference, Detroit, April 15-20. Registration: ASPO, 1313 East 60th Street, Chicago, 60637. (312-324-3400).

Second International Symposium on Lower-Cost Housing Problems Related to Urban Renewal and Development. . . St. Louis, April 24-26. Sponsored by the University of Missouri-Rolla; National Science Foundation; American Society of Civil Engineers; HUD; Mobile Homes Manufacturers Association; National Association of Building Manufactures; and the National Society of Professional Engineers. Further information from: Dr. Oktay Ural, Symposium Co-Chairman, Department of Civil Engineering, Rolla, Missouri 65401. (314-341-4461).

Notes From Here and There

A contract was signed this month with Jobs for Progress, Inc., a Spanish-speaking organization, to produce a registry of Spanish-speaking entrepreneurs in the housing field. There will be 29 cities included. The contract is in the amount of \$151,000.

The State of Delaware has amended its fair housing law to prohibit sex discrimination in the sale or rental of housing.

The Commonwealth of Massachusetts now has a statute prohibiting discrimination in the leasing or renting of property because the person desiring accommodations has a child or children.

The homes of 35 families were destroyed by fire in Claremont, New Hampshire. One woman... scheduled to move into a newly completed 100-unit public housing development for the elderly... lost her life in the fire. The following day... Thomas McCarthy, Executive Director of the Claremont Housing Authority... placed spot announcements on local radio stations offering to any elderly fire victims top priority for units in the elderly housing project. If they met the income limits, they stood a good chance of being assigned apartments in the development, which was only half-occupied at the time. Mr. McCarthy's action was expected to aid materially in resolving the housing problems created by the disastrous fire.



NCHP Announces Organization Change

Carter L. Burgess, Chairman and Chief Executive Officer of the National Corporation for Housing Partnerships, has submitted his resignation as Chief Executive Officer effective February 29, 1972.

Mr. Burgess will remain for the present as Chairman of the Board of NCHP, and will undertake special missions in carrying out NCHP's housing efforts. The Executive Committee has unanimously recommended to NCHP's Board of Directors that George DeFranceaux be elected Mr. Burgess' successor as Chief Executive Officer of NCHP at its Board meeting on February 22. Mr. DeFranceaux will continue to serve as President.

NCHP is a unique effort of government and private industry with a single purpose: to help meet the Nation's need for low- and moderate-income housing. Over \$42 million of risk investment was raised nationally from 270 leading corporations, utilities, financial institutions, and labor organizations to provide funds for NCHP to stimulate the construction of this type of housing in local communities.

In the past year... NCHP has earmarked \$17 million of its funds as advances or equity investments to assist the development and construction of approximately 14,500 housing units, comprising 78 projects in 27 States. When joined with the equity investment of other partners, along with FHA-insured mortgage financing, NCHP participation enables over \$300 million of housing construction to go forward.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

February 7, 1972
HUD-318-5-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

☆ U.S. GOVERNMENT, PRINTING OFFICE: 1971-482-930/3

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



February 14, 1972

Vol. 3 No. 7

Current Trends

For the first time since June 1971... federally insured savings and loans had a month-to-month gain in mortgage activity in December. Mortgages "closed" during the month totaled \$3.48 billion... up 9 percent from November... and 45 percent higher than December 1970.

Some home builders indicated a bearish feeling at the recent meeting of the National Association of Home Builders in Houston. The *Wall Street Journal* reported that interviews with "a broad sampling" of builders at the session... indicated that many felt that the current high rate of housing starts is about as high as the rate will go... and that a leveling-off in activity is probable later this year.

Another report from the NAHB convention: Fred J. Harless... President of Lafayette, Inc., a member of the Association... told the meeting that "prefabricated homes are the greatest thing to come down the pike since we brought the toilet indoors." The mobile home industry is producing 40 percent of all single-family homes in the country... and in Mr. Harless' opinion... the conventional home builder can reduce "board-and-nail" house costs and get a bigger slice of the market if he takes advantage of the cost and time-saving techniques Operation BREAKTHROUGH has developed.

The extent of the availability of loan money and the consequent drop in interest rates is shown in the table below... prepared by the National League of Insured Savings Associations:

	12/16/71 %	12/17/70 %	Percentage Drop
Prime Commercial Loans	5.25	7.00	25
Loans - Stock Collateral	5.25	7.00	25
Fed Discount Rate	4.50	5.50	18
Fed Funds Rate (weekly average)	4.20	5.07	17
91-Day Treasury Bills	3.95	4.65	15
91-Day Bankers' Acceptance	4.50	4.72	5
181-Day Treasury Bills	4.16	4.70	11
365-Day Treasury Bill	4.44	4.72	6
5-Year Treasury Note	5.58	5.89	5
7-Year Treasury Note	6.03	6.09	1
20-Year Government Bond Index	6.00	6.13	2
Moody's AAA Corporate Bond Index	7.24	7.55	4

New Appointment

Arthur S. Newburg has been appointed Director of Operation BREAKTHROUGH. Mr. Newburg, 44, former Deputy Director, succeeds Alfred A. Perry, who has been detailed to the President's Advisory Council on Management Improvement.

Born in Philadelphia... Mr. Newburg was graduated with a Bachelor of Arts Degree, Magna Cum Laude, from Harvard University in 1952, and received the degree of Master of Business Administration in 1954 from Harvard Business School.

For 11 years... Mr. Newburg was president and owner of his own design and general contracting firm in McLean, Va. Previously... he was Vice President and General Manager of Contemporary Homes of Philadelphia, a subsidiary of Techbuilt, Inc. Also... for two years he was employed in various capacities in the home office of Techbuilt in Cambridge. Mr. Newburg came to HUD in October of 1969 as Director of Building Systems and Operations and was made Deputy Director of Operation BREAKTHROUGH in July 1970.

HUD Offices Sponsor Institute on Nonprofit Sponsorship

An institute to develop greater understanding of nonprofit sponsorship sponsored by the New York Regional and Area Offices, in cooperation with the Department of Family and Consumer Studies of Herbert H. Lehman College of the City University of New York. . . was held the first week in February. About 150 persons attended.

Principal focus of the two-day meeting was on housing. . . but the program also included a seminar on sponsorship of nursing homes, group practice facilities, and nonprofit hospitals. . . as well as the opportunities for business in nonprofit housing sponsorship. "Faculty" for the institute included representatives of HUD offices in New York, Washington, Camden, and Puerto Rico, other Federal agencies, banks, and voluntary agencies.



Renewal Construction Value Rises

The value of construction completed or under way in the 2,160 Urban Renewal and Neighborhood Development Program areas throughout the country reached \$12.3 billion at the end of FY 1971. This is \$7.5 billion more than the total Federal disbursement of \$4.8 billion for renewal and NDP projects from the inception of the programs. . . and \$2.9 billion more than the total Federal grant funds approved for renewal and NDP projects (\$9.4 billion) through this date. Private construction accounts for \$8.4 billion of the \$12.3 billion total. . . and public construction (streets, utilities, public buildings, and related facilities) for the other \$3.9 billion. Not included in the construction figures is \$1.082 billion received for the sale of 32,918 acres of renewal land (58,433 acres had been acquired). Another indicator of the increasing construction impact of renewal is that construction valued at \$4.4 billion is scheduled for 7,680 acres of renewal land for which ownership titles have been transferred to developers for early construction. This will bring the total value of construction to \$16.7 billion.



Chicago Newspapers Refuse Discriminatory Advertising

Three Chicago daily newspapers. . . the *Sun-Times*, *Tribune*, and *Daily News* are currently carrying ads in their classified advertising sections calling attention to Federal and State laws prohibiting discrimination in the sale and rental of housing. The papers say they will not publish discriminatory advertisements. The Chicago Assistant Regional Administrator for Equal Opportunity has asked newspaper publishers to include HUD's Regional Office telephone number so that readers can register complaints of housing discrimination.



Minority Source Lists

Procurement regulations now require Federal contractors to develop and maintain source lists of minority suppliers and subcontractors. The following directories are available:

Firms Approved for 8(a) Contract Assistance. . . a new listing published by the Small Business Administration. Contains names, addresses, and major product or service of 900 firms, arranged by State, and coded to indicate racial characteristics of ownership. All firms have submitted approved business plan to SBA. Complete records on file at SBA Regional Offices. Available without charge from Office of Business Development, Small Business Administration, 1441 L Street, N.W., Washington, D.C., 20146 (202)382-5845.

1972 National Minority Business Directory, a comprehensive list of minority firms engaged in interstate commerce. . . by type of business or service. . . cross-indexed by State. 1972 edition lists over 1,600 firms. Available at \$6.50 per copy from National Minority Business Campaign, 1115 Plymouth Avenue, North Minneapolis, Minnesota 55411 (612)522-3323.

California Legislators Visit HUD

A contingent of California legislators and State officials visited HUD on February 1-2, to get a general overview of Federal housing programs, financial assistance programs, and related community development activities.

A fellow Californian, Floyd H. Hyde... the former Mayor of Fresno... and now HUD Assistant Secretary for Community Development... was host.

Members of the California Assembly Committee on Urban Development and Housing, along with members of the State Senate Select Committee on Housing and Urban Affairs, and other housing and urban affairs officials also attended. Visits were made by the legislators to the new communities of Columbia, Maryland, and Reston, Virginia.

HUD officials from Community Development, Operation BREAKTHROUGH, Housing Management, New Communities, and GNMA... as well as representatives from FNMA and FHLBB spoke at the two-day meeting.



HUD to Conduct Housing Seminar

Secretary Romney announced that Assistant Secretary Harold B. Finger and other members of the staff of HUD's Office of Research and Technology will participate in the Spring seminar on industrialized housing at the New School for Social Research in New York City... which began this week and will run through March. The program is the first of its kind.

The seminar will examine government and private efforts to stimulate progressive change in the vital factors governing industrialized housing. These include building codes, zoning, labor practices, community planning, social, racial and economic mixing, financing, transportation, utilities, and environmental controls... as well as innovative designs, materials, and techniques.

Participating in the course with Mr. Finger will be Deputy Assistant Secretary Theodore R. Britton Jr.; Arthur S. Newburg, Director of Operation BREAKTHROUGH; John H. Betz, Director of Market Aggregation; and Milton R. Edelin, Director of Site and Land Development. Also scheduled as a guest lecturer is Richard L. Bullick, Executive Vice-President of the National Association of Building Manufacturers. All will focus on the theme: Industrialized Housing: Its Impact on Urban Development.



Notes From Here and There

The Director of the Des Moines, HUD Insuring Office is working with State officials and the Iowa Legislature in order to provide relief in the tax assessment of subsidized housing projects in Iowa. He has met with the State Revenue Officer and Comptroller to outline the adverse effects of high tax assessments on current projects and how they threaten production of future projects. As a result of the meeting... the State Comptroller and his staff are working with the Director in an attempt to achieve legislative changes in tax assessment on subsidized housing.



New Publications

Section 236 Program Guide for Sponsors, Lenders, and Builders of Rental and Cooperative Housing for Lower Income Families. (HPMC-FHA G 442.17). The Guide is designed for use by participants in the 236 Program... with chapters devoted to the Objectives; Provisions of the Act; Requirements for Eligibility; and Processing Requirements. Single copies may be obtained from any FHA Insuring Office. Now in preparation are similar guides to other HUD Programs: *Section 235, Home Ownership for Lower Income Families; Section 232, Nursing Homes and Intermediate Care Facilities; and Section 106(b), Nonprofit Sponsor Loan Assistance Program.*

New FNMA Advisory Members

Oakley Hunter... President and Chairman of the Board of the Federal National Mortgage Association... has announced the appointment of 12 new members to the FNMA Advisory Committee.

The purpose of the committee is to bring to the attention of FNMA management from outside sources a wide range of viewpoints regarding FNMA. The membership represents a broad cross-section of the housing and home finance industry and the general public.

Chairman of the committee is Albert M. Cole, Washington counsel of a Los Angeles law firm and former Administrator (1953-59) of the Housing and Home Finance Agency... predecessor agency to HUD.

Newly-appointed committeemen are: Eli Broad, Board Chairman, Kaufman and Broad Inc., Los Angeles; Emanuel M. Brotman, Board Chairman, J.I. Kislak Mortgage Company, Newark; Willis E. Carson, President, National Association of Real Estate Brokers, Inc., and President, Carson Realty Company, Los Angeles; Lewis Cenker, partner in the law firm of Smith, Cohen, Ringel, Kohler, Martin and Lowe, Atlanta; Joseph Keenan, International Secretary, International Brotherhood of Electrical Workers, Washington, D.C.; Henry Kingman, President, Farmers and Merchants Saving Bank, Minneapolis; Albert Rains, former chairman, House of Representatives Housing Subcommittee, and Board Chairman, First City National Bank, Gadsden, Alabama; Albert N. Rohnstedt, Board Chairman, Lomas and Nettleton Company, New Haven; Clarke C. Stayman, Senior Vice President, First National Bank of Chicago; Robert Swinarton, Senior Vice President, Dean Witter & Company, New York; Lewis Winnick, Deputy Vice President, Ford Foundation, New York; and the Rev. Nicholas Hood, Plymouth United Church of Christ, Detroit; President Pro Tem, Detroit City Council, and President, Nonprofit Housing Center, Inc. in Washington, D.C. Mr Hood has been active in the development of housing for senior citizens.

In addition to the committee chairman, Mr. Cole... the following are continuing members: C.A. Duncan, Jr., Board Chairman and President, Farm and Home Savings Association, Nevada, Missouri; Bruce Hayden, Vice President, Mortgage and Real Estate, Connecticut General Insurance Company, Hartford; Philip C. Jackson, Jr., Vice President, Jackson Company, Birmingham... and President, Mortgage Bankers Association of America; Richard B. Morris, President, B.W. Morris & Son, Inc., a real estate development firm, Buffalo; Raymond T. O'Keefe, Executive Vice President, Chase Manhattan Bank, New York; John E. Pflieger, Director of Building Products, Time Inc., New York; Vincent J. Quinn, Executive Vice President, The Brooklyn Savings Bank, Brooklyn; Edwin H. Seim, Executive Vice President, Westinghouse Electric Corporation, Pittsburgh; William E. Simon, General Partner, Salomon Brothers, investment bankers, New York; John A. Stastny, former President of the National Association of Home Builders... and President, John A. Stastny and Company, Berwyn, Illinois.



FYI

National League of Insured Savings Associations... Legislative Conference, Washington, February 26-29. Details from the League, 1200-17th Street, N.W., Washington, D.C. 20036 (202-659-1955).

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

February 14, 1972
HUD-318-6-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971-482-931/32

~~DIR~~
HUD

new department of housing
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280
FEB 21 1972



February 21, 1972

Vol. 3 No. 8

President Proposes Rural Development Program

LIBRARY
WASHINGTON, D.C. 20410

The President has sent Congress a message on rural development. In the message ... the President listed a number of new approaches to the problems of rural areas that would:

- Reverse the flow of power to the Federal Government and the return of more power to the States and localities.
- Fight the rigidities of narrowly focused categorical grants.
- Facilitate more adequate advance planning.
- Reorganize the Federal Government so that it can more effectively support planning and execution at the State and local level.
- Provide adequate resources and credit in ways which attract greater private resources for development.
- Develop rural America in ways which protect agriculture and the environment.

In connection with the Government reorganization... the President spoke of the fragmentation of Federal efforts among various Departments and said:

"The principal reason for this fragmentation has been the failure of the Government to recognize the inter-relationship among rural, suburban, and urban problems and the need to strengthen the essential social and economic partnership between rural America and our great metropolitan centers."

He then repeated his earlier request for the creation of a new Department of Community Development... which would centralize in one place the assistance programs the Federal Government administers for both urban and rural areas.



FHLBB to Enforce Non-Discrimination Act

The Federal Home Loan Bank Board has announced proposed regulatory changes which would assure compliance by savings and loans with Section 805 of the Civil Rights Act of 1968... dealing with discrimination in housing lending... on the basis of race, color, religion, or national origin.

The new regulations would require savings and loans to keep records of loan applications that would be used for later review by management and by FHLBB examiners to assure compliance with the regulations.

The changes would prohibit advertising implying a policy of racial discrimination and require an Equal Housing lender logo and legend, where practical, in advertising for loans. An Equal Housing lender poster would be maintained in each office of every savings and loan with information for prospective borrowers on procedures for registering a complaint.

HUD To Finance Unique Laboratory

HUD has revised its contract with American Standard, Inc., to cover the construction of an 11-story laboratory on the campus of the Stevens Institute of Technology in Hoboken, N.J., to conduct comprehensive studies in plumbing systems as a means of improving their general design.

The contract extension to the New Brunswick firm was for \$165,781... raising the total contract to \$499,581 for the 18-month study. The contract includes the cost of the tower.

Particular attention will be given to venting for plumbing installations in high-rise apartment buildings. The building will be the only one of its kind in the U.S. and one of three such structures in the world devoted to similar research. A smaller five-story testing tower is presently operated by the U.S. Bureau of Standards... but it does not have the high-rise capacity of the new laboratory.

Data on a variety of plumbing systems will be collected and made available to communities throughout the Nation for their consideration and possible use.



Peoples' Performance Key to Nation's Future

Speaking at the 133rd Annual Meeting of the Memphis Area Chamber of Commerce on February 8... Secretary Romney called on the American people to face "a basic challenge to the economic vigor and well-being of our Nation."

"The performance of our people is the key to the future wealth of this Nation. And the key to greater productivity is not just improved technology and better tools but higher average human performance and the key to higher human performance is reward for contribution.

"If we want continued growth in our standard of living, if we want more money for schools, for health care, for pollution control and environment protection, for travel and recreation, if we want to raise the floor of minimum standard of living for the aged, the ill, and the disadvantaged, there is only one way we can do this—we have to increase the productivity of the American economy—we have to meet world competition in the market place," the Secretary declared.

The basic issue we face, Mr. Romney said, is whether we turn toward yesterday or tomorrow—"Are we going to hold onto the status quo—the past—or are we going to be committed to risk and innovation?"

The Secretary called on the business leaders to help find "a new partnership between government and business in which the tested principles that have spurred human creativity and achievement will be successfully applied to the problem of our troubled present and challenging future."



Court Decision

Geneva Towers Tenants Organization, et al. v Federated Mortgage Investors, George Romney, et al. U.S. District Court, Northern District of California, C.A. No. C-70 104 SAW

The Court held that due process does not require that FHA afford tenants of a Section 221(d)(3) project a formal hearing on the owner's application for an approval of an increase in maximum permissible rentals. At the same time... the Court held that: 1) tenants must be given a reasonable opportunity to rebut the assertion that rental increases are necessary; and 2) due process requires notice to tenants of the lessor's application... along with a reasonable opportunity for tenants to make written objections. Furthermore... if an increase is granted... tenants shall receive a concise statement of FHA's reasons for approving the increase.

New Project Selection Criteria Become Effective

On February 7... HUD's Project Site Selection Criteria... the standards which establish priority of funding for federally assisted housing programs... became effective.

The criteria... published in the *Federal Register* on January 7, 1972... will be used by HUD to evaluate requests for funds under Sections 235(i) (homeownership interest subsidy) and 236 (rental interest subsidy) of the National Housing Act, rent supplement projects, and public housing under the U.S. Housing Act of 1937.

Secretary George Romney, referring to the new regulations, said, "It is our purpose to pursue the Administration policy of not contributing to minority concentration of housing, and to obey the orders of Federal Courts which have ruled on these questions."

Eight criteria are set up:

- Whether the application fills the greatest unmet need for housing;
- Whether the application increases locational housing choices for minorities;
- Whether the locations meet the needs of low(er) income families;
- Relationship to orderly growth and development;
- Whether proper environmental considerations are being given;
- Ability of applicant to perform;
- Project potential for creating minority employment; and
- Provision for sound housing management.

Priority of funding will be made on the basis of a rating system for the criteria. However... any proposal which receives a poor rating on any of the eight criteria... will not be funded at all.



New Planning Assistance Regulations

On February 4... proposed regulations covering Comprehensive Planning Assistance grant applications were published in the *Federal Register*. (37F.R. 2665). The new provisions generally relate to: (a) encouraging State, local, and areawide officials to improve executive planning, decision-making, and management capability and to establish and improve their staffs and techniques; (b) encouraging community planning and management as a continuous process; and (c) assisting State and local governments and areawide agencies to solve problems, realize opportunities and formulate and implement policies related to community development and growth for urban and rural areas.

All interested persons are invited to submit written comments or suggestions with respect to the regulations, which may be later revised in the light of comments received. Three copies of such comments should be filed with the Rules Docket Clerk, Office of the General Counsel, HUD, Washington, D.C. 20410... not later than March 6, 1972.



GM To Make Motor Homes

General Motors... the world's largest industrial firm... has announced it will begin making motor homes in 1973. Currently... these units are made only by small firms. GM presently is one of a number of firms that makes the chassis portion of these homes... which are sold to the motor home manufacturers. No other auto maker has indicated any interest in entering the field.

The motor home is a self-contained and self-propelled unit and differs from the mobile home... which is usually attached to a motive source while being moved... and then detached when its destination is reached. It is estimated that in 1971... some 50,000 motor home units were produced and sold... in contrast to almost a half million mobile units.

Notes From Here and There

The Mobile Home Manufacturers Association expects a new production record in 1972. Donald L. Greenawalt... Association Chairman... has predicted that production will increase 18 percent from 1971's 485,000 units... to 573,000.

HUD has awarded a \$133,247 research contract to the International City Management Association of Washington... to develop a computerized program which would pinpoint the best possible locations to build local fire stations.

The computer would be fed such data as the incidence of fires in the area, street maps, the relative cost of equipment and manpower requirements, and alternative locations for a fire headquarters.

It would then be expected to come up with a location that would enable firemen to respond to calls more quickly and effectively... supplying adequate coverage at the lowest possible cost to the taxpayer.

The new system... based on quantifiable data... would replace a method of station locations which relies largely on arbitrary standards and often inadequate information.

Pittsburgh's Housing Court... established in 1967... had a busy 1971. It handled 2,026 prosecutions filed against property owners who violated city or county housing laws during the year... up 209 over 1970. Since it was established... the court has handled 6,231 cases... held 8,409 hearings... completed 4,205 trials... settled 1,393 cases after trials... and abated all housing violations in 3,489 cases.

The impact of housing development on the operating costs and revenues of local government will be studied by the New Jersey County and Municipal Government Study Commission under a \$70,000 HUD grant. The costs of services will be studied... as well as the revenue that would be collected under a range of alternative taxing systems.

The study will define categories of housing, and undertake sociological analyses of housing residents... and develop formulas to deal with service costs... examine the impact of municipal revenues under New Jersey's existing fiscal system... and assess alternate fiscal strategies in overcoming resistance to various types of housing in a number of committees.

The study is considered especially significant because of recent New Jersey court decisions regarding school financing and exclusionary zoning. Since research in this area is limited... the methodology and much of the cost figures are expected to be applicable to other States.

The Commission will report in a year to the New Jersey Governor's Task Force on Housing. Presentations also will be made to the New Jersey Legislature, the State Tax Policy Committee, and New Jersey State agencies.

The Housing Authority of Monroe, Louisiana, has entered into a contract with Rowan & Sons... a black builder... for the construction of approximately 100 units of turnkey low-rent housing. The contract... for over \$2 million... is the largest ever entered into by a black contractor in Louisiana... and possibly in the whole of Region VI.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. GOVERNMENT PRINTING OFFICE: 1971-482-931/33

February 21, 1972
HUD-318-7-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



February 28, 1972

Vol. 3 No. 9

Current Trends

During the first three weeks in January... HUD-FHA Insuring Offices reported 14,459 starts of insured units. This compares to 10,254 starts for the same three-week period in 1971.

The interest rate on short-term urban renewal notes has inched up. Notes totaling \$309 million... representing 92 local issuing agencies... were sold on February 8 at an interest rate of 2.4942... up from the January 11 rate of 2.245 percent.



AIA Awards Collaborative Medal

The 1972 Collaborative Achievement in Architecture Medal of the American Institute of Architects has been awarded to the five architects, landscape architect, artists, and engineers... who collaborated to create the remarkably unified new campus for the Rochester Institute of Technology. The medal... which is given to the project which best exemplifies the results of outstanding collaboration between practitioners of the building arts... has been given only twice before. The previous awards were in 1964... to New York's Seagram Building... and in 1966 to Ghirardelli Square in San Francisco.

In 1961... RIT decided to transfer its entire campus... in one phase... from downtown Rochester to a 1,300-acre site on the city's outskirts. This brought about the design collaboration... which has only a few precedents in recent years.

Under the aegis of Mark Ellingson, president of RIT, and landscape architect Daniel Urban Kiley... recipient of AIA's 1971 Allied Professions Medal... five architectural firms... Anderson, Beckwith and Haible; Edward Larrabee Barnes; Kevin Roche, John Dinkeloo and Associates; Hugh Stubbins and Associates; and Harry Weese and Associates... jointly developed the campus from master planning through design. While each architectural firm was individually responsible for particular buildings, all were commonly responsible for the integrity of the campus as a whole.

FYI

Society of Industrial Realtors... course in industrial real estate. Chicago, April 9 to 15. Enrollment information from SIR, 1300 Connecticut Avenue, N.W., Washington, D.C. 20036. (202-244-6133).

American Institute of Architects/Consulting Engineers Council... Public Affairs Conference, Washington, March 13-14. Details: Public Relations Department, AIA, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-265-3113).

Mortgage Banking Institute... *Fourth National Mortgage Banking Conference*, New York University's School of Continuing Education, New York City, March 27. Enrollment: Mortgage Banking Institute, N.Y.U., 1 Fifth Avenue, Suite 2K, New York City 10003. (212-598-2101).

National Conference of States on Building Codes and Standards... Fifth Annual Conference... Boise, April 17-21. Details: Secretariat, Codes and Standards Section, Building Research Division, National Bureau of Standards, Washington, D.C. 20234.

More Census Data

Additional Census figures have been released. . . covering the period 1960 to 1970:

- The number of housing units in the Nation grew from 58.3 million to 68.6 million. . . an increase of almost 18 percent.

With greater relative increase in housing. . . household size decreased. The drop in average household size was greatest in nonmetropolitan areas. Suburban areas continued to have higher average household size (3.5 in 1960 and 3.3 in 1970) than central cities (3.1 in 1960 and 2.9 in 1970). One-person households increased by 57 percent in the Nation. . . while households with five or more persons increased only 7 percent.

- The white population of the United States increased by 18.8 million, the Negro population by 3.8 million, and other minority races by 1.3 million. About 80 percent of the white growth was concentrated in metropolitan areas. The Negro population of nonmetropolitan areas declined by more than a quarter of a million.

- The moderate growth of the central cities was due almost entirely to Negro population increases; while Negroes increased by 3.2 million and the population of other minority races by more than one-half million. . . the white population of central cities declined over the decade by 600,000.

- About three-fifths of the increase of the Negro population in central cities was the result of an excess of births over deaths; the remainder the result of net in-migration. In the suburban areas a little over half of the Negro population growth was due to natural increase and a little under half to net in-migration.

- The net out-migration of Negroes from the South totaled about 1.4 million. At the start of the decade about 60 percent of all Negroes in the country lived in the South. . . but by 1970 the proportion had declined to 53 percent. During the same period. . . there was a net movement of about 2.0 million whites to the region, leading to the South's first overall population gain through in-migration in many decades.

- In the North. . . which historically has had the Nation's largest central city and suburban populations, total metropolitan growth over the past decade was below the national average. Metropolitan populations of the South and West grew more than twice as fast as those of the Northeastern and North Central States, and in actual numbers their increases were considerably higher. Between 1960 and 1970 there was a gain in population of 7.6 million (11 percent) in the metropolitan areas of the Northeastern and north Central States combined, compared to a gain of 6.3 million (22 percent) in the South and 6 million (28 percent) in the West.

- In all regions except the Northeast. . . housing growth was concentrated in metropolitan areas. The greatest increases in metropolitan areas were in the West (30 percent) and the South (29 percent). Housing in metropolitan areas of the North Central States increased 16 percent. In the Northeastern States. . . metropolitan areas gained only 12 percent, compared with 14 percent in the nonmetropolitan areas.



Steel Company to Market Housing

The Republic Steel Corporation of Cleveland will market a new housing system beginning this summer. . . on a limited commercial basis. The number of units and the areas have not yet been determined.

The Republic housing system was developed under HUD's Operation BREAKTHROUGH. The company built four prototype single-family detached homes at the BREAKTHROUGH site in Kalamazoo. . . which were sold within a few days after going on the market. The Republic homes are moderately priced. . . and made of factory-fabricated steel panels. . . that lend themselves to mass production and easy on-site assembly.

Toward A Better America

Two national organizations have recently announced efforts to help improve America.

Keep America Beautiful. . . the public service organization whose name proclaims its objective. . . is seeking graphic evidence of how well public-spirited citizens have gotten the group's messages. KAB is conducting a 1972 Anti-Litter Photography Contest. . . and invites entrants to submit pictures that demonstrate effective environmental improvement efforts.

Entries must be submitted by May 1. Entry forms are available from KAB, 99 Park Avenue, N.Y. 10016.

Five State real estate associations. . . and 24 Boards of Realtors have been honored in the Third Annual *Make America Better Contest of the National Association of Real Estate Boards*. Winners were awarded plaques by NAREB's President. . . Fred C. Tucker, Jr., of Indianapolis.

The *Make America Better Program* is a public service project of NAREB. . . designed to encourage its State and local boards to undertake activities to help solve the major problems of the Nation's cities and towns. The Grand Award winner was. . . the Ohio Association of Real Estate Boards. . . for its comprehensive program. . . which includes a statewide crime prevention program in which 51 of its members boards participated . . . support of the SLANT program (Students' League Against Narcotics Temptation) . . . development of a pilot on-the-job training program in real estate for returning veterans . . . and promotion of a new State real estate licensing law. The plan for assisting returning veterans has been adopted by the Veterans Administration for use nationwide.

Other State Board winners were:

New York Association of Real Estate Boards; Texas Association of Realtors; Florida Association of Realtors; and Missouri Real Estate Association.

First place winners among local boards were:

For Achievement in Community Relations: Greater Baltimore Board of Realtors; *Achievement in Ecology*: Marin County (California) Board of Realtors; for *People Involvement Programs*: Dallas (Texas) Board of Realtors.



Model Codes Groups Form Committee

The three model codes organizations. . . the Building Officials & Code Administrators International. . . the Southern Building Codes Congress. . . and the International Conference of Building Officials. . . have formed an ad hoc *Committee on Industrialized Housing Legislation*. This is an effort to achieve a cooperative solution to the problems of conflicting industrialized housing standards. The National Conference of States on Building Codes and Standards and the National Association of Building Manufacturers each have a representative on the committee. . . acting as consultants.

The committee will develop standards, rules, and regulations which will establish . . . pursuant to legislation. . . a uniform system of filing for approval of manufactured buildings and components. It will also work with the National Conference of States on Building Codes and Standards on the promulgation of model legislation pertaining to industrialized buildings and components.

Establishment of the committee is the second major project undertaken cooperatively by the model codes organizations. Last fall. . . BOCA International, ICBO, and SBCC. . . in conjunction with the American Insurance Association, published a *One- and Two-Family Dwelling Code*. It was the first such document issued jointly by the nationally recognized model codes groups.

Detroit Involves Its Citizens

For several years it has become increasingly apparent that citizens living in a neighborhood should have a greater role in determining what should be done by governmental agencies in any program affecting the neighborhood, the homes, or the lives of the residents. Many of HUD's programs require that local agencies provide for citizen participation in planning and administering any activities that are undertaken with HUD assistance.

One example of significant progress in achieving "grass roots" involvement by citizens is the Detroit Housing Commission. Created in 1933... four years before the Federal low-rent program was instituted... the Commission is responsible for the city housing and urban renewal activities. Until recently... the Commission consisted of five members... appointed by the Mayor.

Today... the Commission is a nine-member body. Five members are still appointed by the Mayor... the other four are elected as representatives of the community. Two members each represent the Board of Tenant Affairs (the people in public housing) and the Coordinating Council on Community Development (the people who live in redevelopment areas).

The Tenant Affairs Board represents 30,000 residents of 9,000 public housing units in the city. The Coordinating Council speaks for 16 Citizens' District Councils... which were created by State law in 1968 to represent the various community interests in urban renewal projects. By law... each District Council has 24 members that sit on the Coordinating Council... thus giving each Council member an extremely broad-based constituency.



Denver Project Praised

Speaking at a "topping out" ceremony of the Sakura Square housing project in Denver... HUD Assistant Secretary Floyd H. Hyde called it "a significant example of solving community problems through relating all the physical, social, economic, and environmental factors in a single package."

Sakura Square... also called Cherry Blossom Square... is a 20-story apartment building, centered in a Japanese cultural community, and is part of Denver's 27-block Skyline Urban Renewal Project. The apartment house is planned around a Buddhist temple to be remodelled with privately-raised funds.

Mr. Hyde said "Sakura Square reflects the desires of the people of the community and has totally involved them. It is especially meaningful since it preserves the best of the past and melds it with the best of the new."



New Publication

The Near Side of Federalism. Published by the Ford Foundation... with text by Jeanne R. Lowe. Covers such subjects as Improving State and Local Government... The Reapportionment Revolution... Strengthening the Legislatures... Constitutional Reform... New Leadership from the States, and others. Free from the Foundation, Office of Reports, 320 East 43rd Street, New York 10017.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

February 28, 1972
HUD-318-8-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romo, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



March 6, 1972

Vol. 3 No. 10

Current Trends

For the third consecutive month... housing starts made a new alltime record. In January... private housing starts rose to a seasonally adjusted rate of 2.549 million units... up 5 percent from the previous month's record of 2.433 million.

In January... nonassisted housing starts were nearly double those of January 1971... 15,715 compared to 8,800 last year. Subsidized housing starts had a smaller increase from a year ago... 20,096 compared to 16,287.

The Farmers Home Administration... the rural counterpart of HUD-FHA... has adopted HUD-FHA's Minimum Property Standards for construction under its programs.

The Georgia State Senate has defeated a bill which would permit wider mobile homes on State highways. The vote... was 45 to 9 against increasing the permissible width from 12 to 14 feet.

Project notes totaling \$640.4 million... representing 98 local housing authorities... were sold in February at an average interest rate of 2.381 percent. The interest rate in the January sale was 2.459 percent. The average maturity of the notes was eight months. Proceeds of the sale are used to reimburse the Federal Government for funds advanced to local authorities and to refund maturing notes for low-rent housing projects.



HUD Orders Reforms In 235 and 236 Programs

The simultaneous release of nationwide internal audit reports... and the announcement of additional new regulations governing the operation of Section 235 and 236 interest subsidy programs... have been made. Secretary Romney... who ordered the audits a year ago... has announced additional reforms to protect home buyers and renters using these programs. The audit reports reveal flagrant abuses in the 3-year old subsidy programs... and the new administrative procedures are aimed to eliminate windfalls of dishonest contractors, real estate operators, and speculators who have preyed on the programs designed to provide homeownership or rental properties at reasonable cost to low- and moderate-income families.

In announcing the reports' findings and the new regulations, the Secretary said: "While our review showed that most home buyers received good value from the program, in many cases, particularly involving used houses in the inner city, there was too high a percentage of significant defects. Our continuing effort in this and other housing programs is geared to improving the quality of housing. Our primary interest is not in the number of housing units, but in the quality of housing."



New Publications

For sale by the Superintendent of Documents, Washington, D.C. 20402. These are not available from HUD.

Economic Report of the President, 1972. The President's Report to the Congress on the state of the economy. Price \$1.50.

Journal 1972... the January issue of the *Journal of the Federal Home Loan Bank Board*... reports on the record-breaking housing year of 1971 and looks ahead to 1972. Single copy 30 cents. Available on an annual subscription \$3.50.

Maximum Settlement Costs Proposed by HUD and VA

In an effort to lower the cost of purchasing single-family homes... HUD and the Veterans Administration have announced they will issue maximum allowable costs for items included in settlement fees on HUD-insured and VA-guaranteed houses.

A joint announcement to Congress by Secretary Romney and VA Administrator Donald E. Johnson revealed that HUD-FHA and VA will not provide mortgage insurance or guarantees for a single-family house when charges exceed any one of the maximums set for settlement cost items.

Testifying before the Housing Subcommittee of the House Banking and Currency Committee, Mr. Romney explained that such maximums will be established for each identifiable housing market area, printed in the *Federal Register* for comment, and then issued to each field office of HUD and the VA. The maximum figures will be reviewed regularly to be sure that they are realistic.

The maximum allowable limits will cover all settlement cost items paid by both the buyer and the seller... except loan discount payments (mortgage points)... and costs fixed by State and local statutes.

Other significant recommendations growing out of the massive 18-month national survey of settlement costs are:

- HUD and VA will require the use of a single uniform settlement statement for all HUD and VA insured or guaranteed transactions (except loans on mobile homes). Sworn affidavits and certifications will be obtained to assure that no party to the transaction has received or paid a fee not explicitly authorized by HUD or VA.
- HUD and VA will require that buyers and sellers receive detailed estimates of probable individual settlement costs which are applicable to the transaction.
- HUD's Office of Audit will undertake a study to provide additional needed data for establishing appropriate limits on lenders' origination fees and validating data concerning such fees.
- HUD and VA will require that initial deposits in the mortgagee's escrow account should be collected so that when the tax bill is paid, only 1/12 of the estimated annual tax bill remains in the account. Both agencies intend to keep all escrow deposits at a minimum.
- HUD and VA will continue to prohibit mortgagees from charging the buyer a fee for the preparation of Truth-in-Lending statements and recommend that the Congress enact legislation prohibiting all fees for the preparation of disclosure statements.

The joint report proposed that a federally sponsored, computerized land parcel recording system be authorized and funded in selected jurisdictions throughout the country, with a view toward developing a uniform nationwide system. This would simplify procedures and result in reduced costs.

Secretary Romney and Administrator Johnson pointed out that while the Federal Government is taking steps to reduce and standardize settlement costs, "the responsibility for improving and modernizing the local conveyancing system rests with the States."

"Excessive settlement costs are symptomatic of a much more serious problem," they stated. "The Federal proposals treat only the symptoms. Effective State actions recommended are designed to attack the underlying causes of inefficiencies in the system."



FYI

National Association of Building Manufacturers... Annual Meeting. Washington, April 23-26. Details: NABM, 1619 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-234-1374).

Romney Asks Congress to Decide Future of Central City Housing

Secretary Romney has asked Congress to decide whether or not to continue efforts to improve housing of the Nation's low income central city dwellers through use of Government housing subsidy and mortgage insurance programs.

Testifying before the Housing Subcommittee of the House Banking and Currency Committee... the Secretary said the "future of our country depends upon our success in finding more effective solutions to our problems of poverty, race, housing and the cities."

Disclosing that the rate of mortgage defaults and foreclosures in the central cities may continue to increase under the Congressional mandate to use subsidized housing programs to house low- and moderate-income families... the Secretary explained that "the housing problem in our central cities results from all the social, economic, and physical problems now afflicting our urban areas... housing programs will not solve the housing problems of the inner city."

"Does Congress want to change the 1968 signals?", he asked. "Are we to prohibit the use of our programs in the core of urban areas because they are not considered 'reasonably viable'? Are properties in such areas no longer to be qualified as 'acceptable risks'?"

"Are we to use our programs in such areas only when there is an express commitment from the city to provide appropriate amenities and community development programs to add a suitable living environment to the Department's efforts to provide a decent home for inner city residents?"

"In the conventional real estate market, when an owner walks away from his property and the mortgage lender writes off his investment as not worth a salvaging effort... there is no longer any effective ownership of that property. It is subject to rapid deterioration from the elements and even more extensive damage from vandalism. It may remain standing for years, contributing to further neighborhood decline and abandonment.

"Under our insured housing programs, there is no loss of effective ownership because the Department, either through assignment or foreclosure, takes over the property and sees to its repair, maintenance, and sale to new owners... When we find that this is not economically feasible, it becomes necessary to demolish the property," he said.



Bank Board Approves Conversion

The Federal Home Loan Bank Board has approved the conversion of the Citizens Federal Savings and Loan Association of San Francisco to a State chartered stock association. This was the first such approval by the Board since 1963. Stock representing the net worth of the Association will be issued without charge to savers.

The conversion was approved subject to a number of conditions. Among these were a restriction on dividends on stock, a restriction on stock option plans, and procedures concerning purchases of stock by officers and directors during conversion.

The major feature of the conversion plan is that savings account holders... as of March 20, 1970... will receive without cost... stock representing the pro rata share of their ownership. The S&L also will issue additional shares of stock which eligible savers and borrowers will have a priority right to purchase... and any of the 250,000 shares not purchased by the eligible members, will be offered in an underwritten public sale.

Citizens has assets of more than \$560,000,000 and there were more than 85,000 account holders as of March 20, 1970 who will participate in the stock distribution. In announcing its decision... the HLBB stated that this should not be construed as an opening of the door to any other conversions. This case is for test purposes... and the results will be studied as a guide to future actions.

Spanish-Speaking Coordinator Named

George J. Roybal has been appointed to the newly-created position of HUD Coordinator for the Spanish-Speaking in the Office of the Assistant Secretary for Equal Opportunity.

Mr. Roybal, 36, will be responsible for seeing that HUD programs and activities promote equal opportunity for Spanish-speaking and Spanish-surnamed Americans.

Prior to this assignment, Mr. Roybal was Director of the Job Development Division in the HUD Office of Equal Opportunity. . . and before that Deputy Assistant Administrator for Equal Opportunity in the Ft. Worth Regional Office.

Mr. Roybal will be responsible for giving technical advice and assistance to HUD's top staff and working with other Federal agencies and private organizations and institutions concerned with improving opportunities for the Spanish-speaking. . . and will help develop special projects. . . working with national private associations and local public agencies in the field of housing and urban development to insure the fullest participation of the Spanish-speaking in all employment, training, and entrepreneurial opportunities created through HUD expenditures.



Cooperative Housing Program Announced

HUD and the State of Illinois have begun a new public housing pilot program to provide better housing for low-income families in Illinois. *The Illinois Pilot Program for Low Income Families* was developed by the Illinois Department of Local Government Affairs' Office of Housing and Buildings and HUD. Through this program. . . 400 modular housing units supplied by four nationally recognized firms. . . will be erected in Grundy, Schuyler, Cass, Union, Fayette, St. Clair, and Crawford counties. Cost will be between \$6-7 million in Federal funds.

As part of Gov. Richard B. Ogilvie's plan to use more State personnel in handling construction activities in Illinois. . . the Office of Housing and Building. . . which has been training employees over the last three years. . . will coordinate the work instead of hiring private consultants. When these modular housing units are constructed. . . State personnel will assist local housing authorities in setting up management systems. Construction will be started this spring.



Notes From Here and There

A more-than-\$5 million hospital expansion in Aberdeen, North Dakota, is believed to be the first to be financed under a joint HUD-HEW arrangement. . . involving an FHA Section 242 insured mortgage (\$3.1 million). . . a Hill-Burton grant (\$1 million). . . and an HEW-guaranteed second mortgage of \$1.25 million).

Stocks of the *Equal Housing Lender Poster*. . . required to be displayed by mortgage lenders. . . have been sent to HUD Regional, Area, and Insuring Offices. They may be obtained from these Offices without charge.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

March 6, 1972
HUD-318-9-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romne Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

☆ U.S. GOVERNMENT PRINTING OFFICE: 1971-482-931

HUD newsletter

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



March 13, 1972

Vol. 3 No. 11

Current Trends

LIBRARY

WASHINGTON, D.C. 20410

Final figures for January are in:

- Construction contracts for the month were \$6.23 billion... up from \$4.37 billion in 1971... according to the F.W. Dodge monthly report. This broke all records for January. The previous record... \$5.2 billion... was in 1969.

- Federally insured savings and loans had net new savings receipts in January... exclusive of interest credited... of \$3.1 billion... more than 2-1/2 times the December rate... and 26 percent more than January 1971. This was the largest amount of new savings for any single month in history. The previous high was in March 1971... when a \$2.6 billion increase was registered.

- Mutual Savings Banks had their best January ever... posting a \$710 million net deposit intake. This bettered the previous January's record total of \$637 million by more than 11%. At the end of the month... deposits in mutuals totaled \$82.3 billion, an increase of \$9.8 billion over the past year.

- The median sales price for new single-family homes was \$25,700... according to the Census Bureau.

With housing starts continuing at record levels... analysts are optimistic about housing and mortgage activity in the months ahead. Overall vacancy rates remain low... home sales continue to set records... and builders report their plans are to increase production in the peak building season about to begin... according to a HUD Area and Insuring Office survey in February.



'701' Reports Available

HUD's publication... *Housing and Planning References*... has been expanded to include recent planning reports prepared under the Section 701 Comprehensive Planning Grant Program.

Beginning with the November-December 1971 issue... the bi-monthly index of publications in housing and urban development will list current planning reports geographically by States and cities, as a supplement to the regular publication index.

Copies of the "701" planning reports are available for review in the HUD Library, Room 8141 of the HUD Building in Washington, as well as in libraries at the Department's 10 Regional offices, and in HUD depository libraries. Most of the newly-listed planning reports also can be ordered at a nominal fee from the National Technical Information Service, 5285 Port Royal Road, Springfield, Va. 22151.

Housing and Planning References, an extensive reference resource for city planners, architects, municipal officials, builders, and developers, is prepared and issued by HUD's Library and Information Division. In addition to this expanded coverage, the index includes approximately 1,000 regularly listed entries for housing, community development, and related fields. Sold by the Superintendent of Documents, Washington, D.C. 20402. The subscription price is \$4 per year for six issues, or single copies for 70 cents. Foreign mailings are \$5 per year.

Equal Housing Marketing Regulations Become Effective

Affirmative Fair Housing Marketing Regulations have become effective. The regulations are designed to end the dual marketing system that exists in this country... a system under which housing in the same price range is marketed differently to the minority home buyer or renter... than to white home seekers.

The new HUD regulations require applicants for housing projects, subdivisions, developments, and mobile home parks of five or more units... to take affirmative steps to attract buyers and/or renters from all groups within the area. Most housing receiving HUD assistance or HUD-FHA insurance must now be marketed using an official Equal Housing Opportunity logotype, slogan, or statement so that everyone will know the housing is available without discrimination... and the entire real estate industry must display a *Fair Housing Poster* required by Federal regulation... in their place of business.

The poster states that the Fair Housing Law (Title VIII of the Civil Rights Act of 1968) makes it illegal to discriminate against any person because of race, color, religion, or national origin in the sale or rental of housing or residential lots, in advertising the sale or rental of housing, in financing housing, and in the provision of real estate brokerage services. Blockbusting also is illegal.

Sanctions resulting from deliberate violation of these regulations may lead to denial of further participation in HUD programs, debarment, suspension, and ineligibility of contractors and grantees and/or referral to the Department of Justice for action.



Eighth New Town Conditionally Approved

An \$18 million Federal guarantee for the development of San Antonio Ranch... a new town 20 miles northwest of San Antonio, Texas... has been conditionally approved. Construction on the 9,318-acre site will not be permitted until anti-pollution measures are studied and implemented. Also... construction will not be allowed over a vital underground water source on the land. A series of planned steps by the developer... taken in conjunction with the City of San Antonio, the Texas Water Control Board, and the Federal Government... will be taken to guard against the pollution of the ground water supply... the major water source of the area.

More than 28,000 housing units are contemplated on the site... with one-fourth of the housing designed for low-income families.



HUD Authorizes Sales Bonuses

HUD has authorized the payment of "bonuses" to real estate brokers who sell hard-to-sell single-family properties taken over on defaults. An incentive bonus of \$150 would be allowed... over and above the usual commission... if the property is sold within 60 days. In the case of properties which have remained in the inventory for several months... a larger bonus... up to \$300 is provided. The incentive plan has been approved by the Price Commission.



Federal Regional Councils

The President has issued an Executive Order which formalizes the Federal Regional Councils in each of the 10 Regions where HUD and other Federal agencies handling social programs have established uniform regional boundaries. Formerly these Councils operated on an informal basis. The Councils include the Departments of HUD, HEW, Labor, Transportation... along with the Environmental Protection Administration, the Law Enforcement Assistance Administration, and the Office of Economic Opportunity in Boston, New York, Philadelphia, Atlanta, Chicago, Fort Worth-Dallas, Kansas City, Denver, San Francisco, and Seattle. Two HUD Regional Administrators... S. William Green of Region II (New York)... and Theodore R. Robb, Region III (Philadelphia)... have been designated by the President as Chairman of their respective Councils.

Career Employee Named Coordinator of Women's Program

Mrs. Mary Pinkard has been named Coordinator of the Women's Program of HUD. Mrs. Pinkard's career in Federal service spans over 20 years of service in HUD and its predecessor agency, the Housing and Home Finance Agency... in intergroup relations and in social planning and services for families displaced by Federal urban improvement programs.

Her appointment comes two years after the establishment of an 18-member committee of HUD women to plan the scope and direction for implementing the Federal Women's Program within HUD. Mrs. Pinkard headed the committee.



Spanish Team in U.S. To Study HUD Programs

A five-man team of urban specialists from Spain is now in the United States, to study HUD programs.

The visit is the first under a Memorandum of Understanding signed last October by Secretary Romney and Vicente Mortes Alfonso... Minister of Housing for Spain... which calls for a maximum exchange of experience on the urban environment.

One of the main purposes of the team's visit is to seek assistance in the establishment of a Center for Urban Studies in Madrid. Other subjects to be discussed include the training of Spanish personnel in the United States, technical assistance in Spain by American experts, the creation of new towns, and basic equipment for the development of a data processing bank.



Significant Decision

Lindsey, et al. v Normet et al. 40 U.S.L.W. 4184, U.S. Supreme Court. Decision rendered February 23, 1972.

Tenants refused to pay rent on an apartment because the building had been cited for housing code violations. They were threatened with eviction under the provisions of Oregon's Forcible Entry and Wrongful Detainer Statute. The Statute permits a landlord to bring a tenant to trial within six days of the filing of an eviction suit and prevents the tenant from raising, as a defense to the eviction suite, the landlord's failure to maintain the premises. The tenants claimed this to be in violation of the due process and equal protection clauses of the Fourteenth Amendment.

The Supreme Court, partially affirming the District Court's dismissal of the action, ruled that due process did not require the simultaneous litigation of all legal disputes between landlord and tenant and found that these procedures served the rational State interest of promptly and peacefully resolving disputes over possession of real property. While recognizing the importance of decent housing, the Court stated that, "[T]he Constitution does not provide judicial remedies for every social and economic ill." The Court also ruled, however, that the requirement for an appeal bond of double the amount of rent served no rational purpose and denied plaintiffs' right to equal protection of the laws.



HUD Reports Aimed At Developing Nations

Reports on the possible uses of industrialized housing technology in helping developing nations solve their critical housing problems and on cooperative housing techniques have been released. The studies were prepared under HUD contracts... funded by the Agency for International Development... discuss and illustrate the positive as well as the negative aspects of exporting housing technology. The reports suggest criteria for assessing the value of using existing industrialized systems abroad... and also focus on the design of new systems created specifically for the export market. Prepared through the Organization for Social and Technical Innovations in Cambridge, Mass., by Ian Donald Turner, of the MIT-Harvard Joint Center for Urban Studies, and John F.C. Turner of the Massachusetts Institute of Technology... *Industrialized Housing and Cooperative Housing* can be purchased for \$3.00 each from the National Technical Information Service, Springfield, Va. 22151.

New Publication

Urban Problems and Corporate Responsibility... containing the proceedings of the National Association of Manufacturers' Fall 1971 Urban Affairs Committee Meeting... is available. Free from NAM, 277 Park Avenue, New York 10017. (212-826-2100).



New HUD Film

The Process Works... one of four recent HUD-assisted films featuring black production talent... has been released. A uniquely animated film... concerning effective citizen participation in community planning... produced by a young black filmmaker... Jamus Grant of Chicago. The 15-minute, 16-mm. color film emphasizes the need for citizens to have a voice in shaping plans for development of their communities. It makes use of an innovative technique of animation featuring clay figures, mixed with actual films of planning sessions and committee meetings.

The film reveals in committee scenes and citizen interviews in several Chicago neighborhoods the effectiveness of various methods for involving community groups and their concerns throughout the urban planning process... and is available for free loan from Modern Talking Picture Services, 1212 Avenue of the Americas, New York, N.Y. 10036.



FYI

American Society of Planning Officials... 1972 National Planning Conference, Detroit, April 15 to 20. Registration: ASPO, 1313 East 60th Street, Chicago 60637.



Notes From Here and There

The Downtown-Lower Manhattan Association... which David Rockefeller heads... is exploring the market demand for middle- and upper-income housing built on platforms along the East River shore front... adjacent to the Wall Street area.

Identical bills filed in both houses of the Virginia Legislature provide for the establishment of a State Housing Authority... that would provide public financing of homes for low- and moderate-income families. The bills call for the creation of a corporation which would be empowered to issue tax-exempt bonds. Also... the proposed agency would be authorized to set up a uniform statewide building code to supersede local codes.

Governor Francis W. Sargent has signed into law a bill giving the Massachusetts Board of Registration of Real Estate Brokers and Salesmen power to suspend or revoke the license of any broker or salesman who solicits listings on the grounds that a neighborhood is changing. HUD Regional Counsel Frederick L. Brown... in cooperation with the staff of Assistant Regional Administrator for Equal Opportunity Joseph S. Vera... are helping the State Board prepare regulations designed to prevent discriminatory or blockbusting tactics by licensed real estate brokers or salesmen.

Governor Reubin Askew of Florida has proposed State tax aid to local governments who have suffered tax revenue losses because of a recent property tax ceiling placed on assessments. The Governor's proposal would put cigarette and auto mileage tax funds in trust for local governments... which would receive a percentage of their tax loss for a period of three years. After that... the money would be distributed in the usual population-tax-ability formula.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

March 13, 1972
HUD-318-10-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romne Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-2840



March 20, 1972

Vol. 3 No. 12

NOTE TO SUBSCRIBERS

All correspondence related to subscriptions, changes of address, etc. should be sent to the Superintendent of Documents, Washington, D.C. 20402. (Reference HNL). Such correspondence should not be sent to HUD, as this only delays receipt by the proper office.

Senate Approves Housing Bill

By an unusually one-sided vote... 80-1... the Senate has approved the Housing Act of 1972.

A companion bill... containing most of the major provisions in the Senate version... is now pending in the House. Among the important provisions of the legislation is an authorization for block grants for cities... totaling almost \$6 billion for a two-year period. Also included are more liberal subsidies for low- and moderate-income housing... the consolidation of 30 housing programs into eight... an authorization of an \$800 million subsidy (administered by DOT) for local buslines and subways... the setting of new minimum downpayments for FHA-insured housing... and the creation of a new HUD Assistant Secretary for Housing for the Elderly. An additional provision calls for penalties for kickbacks in connection with real estate transactions involving HUD-FHA and VA mortgages.



More Lower-Cost Housing Produced

For the first time since the inception of the Federal Urban Renewal Program... the number of new low- and moderate-priced housing units that have been completed in renewal and Neighborhood Development Program areas exceeds the number of middle- and upper-priced units. At the end of the last fiscal year... of the total 200,687 units built up to that date... 101,461 (50.6 percent) were low- and moderate-income units. Five years earlier... only 39 percent of the housing units were in the lower-income range. The current trend is even more toward lower-cost housing. Of all housing now underway in renewal and development areas... 68.8 percent falls into the lower-cost category. Housing units completed, underway, and planned in these areas at the end of the fiscal year came to 324,615.



FNMA Adopts No "Kick-Back" Role

FNMA has announced it has started requiring lenders from whom it purchases conventional and government-backed mortgages to certify that no kick-backs or other illegal fees were collected by persons involved in closing real estate transactions. Mortgage sellers will also be required to certify that a clear and fully itemized statement of closing costs was furnished to the parties involved before the closing of the transaction.

FNMA's announcement followed Secretary Romney's statement that HUD will issue closing-cost requirements later this year. FNMA's action will apply not only to FHA-insured and VA-guaranteed mortgages FNMA purchases in the secondary market... but also to conventional mortgages which have no government support. FNMA entered the secondary market in conventional home loans on February 14, 1972.

FNMA will require that a certification that no kick-backs or other illegal fees were collected by attorneys and others closing real estate transactions has been made a part of the corporation's permanent contract with its mortgage sellers. They must also give assurance that State and Federal laws have been complied with. The requirement is effective immediately.

Flood Insurance Extended

The National Flood Insurance Program has been expanded to include almost all types of properties. The expanded program... which became effective March 1, 1972... now insures all apartment buildings, business structures, agricultural, religious, and nonprofit buildings... as well as those owned by State or local government agencies. Previously... Federal flood insurance was available only on 1 to 4 family structures and small businesses. This federally subsidized flood insurance can be purchased from any licensed property insurance agent in the 49 States presently eligible for the sale of insurance.

The decision to expand the availability of flood insurance came after hundreds of requests from property owners... previously unable to obtain coverage... asked that federally subsidized insurance be made available to them. Under the expanded program, subsidized premium rates... which average about 10% of what the cost would be on an actuarial basis... will continue to be available to existing structures. Insurance for new construction and in additional amounts for existing structures are available in those communities where an engineering and hydrological study has been completed and rates established which reflect the actuarial exposure of the risk.

The recent tragic floods in West Virginia provide a good example of the need for flood insurance coupled with meaningful land use and control measures to guard against flooding and loss of life and property. Almost 300 Federal flood insurance policies were in force in the areas of West Virginia hit by the floods... and some losses have already been reimbursed.



Test of Settlement Costs Set

The Washington, D.C., area has been selected by HUD as a test area to set procedures for establishing reasonable maximum allowable charges for settlement costs. The maximum costs will be set on an item-by-item basis... and will be established for each housing market area in the Nation.



S&L Advisory Council to Meet

The first meeting of the Federal Savings and Loan Advisory Council who will serve during calendar 1972 will be held March 29-31, in Washington.

The Council is an independent group of advisors created by statute and empowered by Congress to consult with the Federal Home Loan Bank Board in its administration of the Federal Home Loan Bank System, the Federal Savings and Loan Insurance Corporation, and the Federal Savings and Loan System. The Council is comprised of members appointed by the Federal Home Loan Bank Board to provide broad national representation of the housing and homefinancing industries and active savings and loan association managers elected by the respective boards of directors of the Federal Home Loan Banks to represent each of the 12 Bank Districts.

The appointed members of the Council for 1972 are:

C.E. Bentley, Abilene; Lewis S. Eaton, Fresno; D.J. Fair, Denver; James Rice, Hamilton, Ohio; George C. Martin, Louisville.

Members of the Council elected by each of the Federal Home Loan Banks are:

Boston: Malcolm W. Russell, Waltham, Massachusetts; New York: Robert J. Grogan, Dover, Delaware; Pittsburgh: John M. O'Brien, Shamokin, Pennsylvania; Atlanta: Sam W. Bordon, Board Chairman, Baltimore; Cincinnati: Clarence P. Bryan, Cleveland; Indianapolis: Ernest H. Collins, Green Castle, Indiana; Chicago: Judson J. Rikers, Fond du Lac, Wisconsin; Des Moines: John M. Grove, Fargo; Little Rock: John C. Fuchs, Jr., New Orleans; Topeka: William D. Johnson, Denver; San Francisco: Robert T. Souter, President, Lynwood, California; Seattle: David D. Hill, Honolulu.

A-E Bill Introduced

Senators' McClellan (D-Ark.) and Percy (R-Ill.) have co-sponsored a bill, S. 3156... to require the Federal Government to negotiate contracts for architectural and engineering services "on the basis of demonstrated competence and qualification for the type of professional services required and at fair and reasonable prices."

Robert F. Hastings, FAIA, Chairman of the Committee on Federal Procurement of A-E Services... representing the American Institute of Architects, American Institute of Consulting Engineers, American Society of Civil Engineers, Consulting Engineers Council, National Society of Professional Engineers, and the Engineering Division of the American Road Builders Association... stated that it is of primary importance for the government to competitively select, on the basis of qualification and ability, the best architect or engineer for the job at fair compensation rather than the one who is willing to quote the cheapest price.

A similar Architect-Engineer procurement bill was passed by the House in the 91st Congress and was favorably reported by the Senate Government Operations Committee. However, the 91st Congress adjourned before the Senate could act on the measure.

Hastings said the A-E societies he represents were going "all out" in support of the McClellan-Percy Bill.



Romney Names Administrator for Interstate Land Sales

George K. Bernstein... Administrator of HUD's Federal Insurance Administration... also became the Administrator of Interstate Land Sales on March 1. Responsibility for carrying out the Federal law requiring registration of subdivisions that are advertised or sold across State lines was previously assigned to the Office of the HUD Assistant Secretary for Housing Production and Mortgage Credit.

Coincident with the transfer of the administration of the Act... additional safeguards to protect the interest of individuals who buy land subject to the Act became effective. Among the changes... the "intrastate or almost entirely intrastate" exemption as such has been eliminated for subdivisions of less than 300 lots... because many developers who assumed they were eligible for the "intrastate" exemption in the original regulations were in fact selling interstate. The new HUD regulation clarified the requirements for this exemption. Accordingly... title companies, finance companies, and related industries will be able to place greater confidence in the commercial paper sold or pledged incidental to such transactions and in the title conveyed by developers engaged in this type of operation.



GNMA Receives Bids of \$405 million in Auction

A total of \$405 million in bids were submitted in the last auction of mortgages of HUD's GNMA.

Bids were accepted for the entire volume of \$232 million of 6-3/4 percent mortgages offered. Accepted bids ranged from 93 to 95.76... resulting in an average acceptance price of 93.66... for a yield of 7.617 percent.



FYI

The National League of Insured Savings Association... Management Conference, White Sulphur Springs, West Virginia, April 23-27. Details from the League, 1200 Seventeenth Street, N.W., Washington, D.C. 20036 (202-659-1955).

National Conference of States on Building Codes and Standards... Fifth Annual Meeting... Boise, April 17-21. Details: NCSBCS Secretariat, BRD, National Bureau of Standards, Washington, D.C. 20234.

Notes From Here and There

More than 250,000 homes have been financed under the Section 235(i) Home Ownership Assistance program since it was inaugurated in 1968.

Efforts to consolidate city-county governments are underway in two North Carolina areas. In the Durham City-County area a charter commission is working. . . while preliminary discussions are being held in Wilmington-Hanover County. The Kentucky House of Representatives has passed and sent to the Senate. . . a bill that would permit all of the State's counties. . . except Jefferson (Louisville). . . to enter into city-county mergers.

Mississippi has created a State Housing and Community Development Department. It will engage in developing new low-income housing projects in both rural and urban areas. Also. . . Kentucky's Legislature is considering a bill to establish a State Housing Corporation . . . which would have the power to issue revenue bonds to help finance low-cost housing.

Land in urban renewal areas is being disposed of three-and-a-half times as fast as it is being acquired. During the past four years. . . 3,971 acres were sold for redevelopment . . . while 1,085 acres were acquired by renewal agencies.

Minority employment in HUD. . . in the year between November 1970 and November 1971 increased by 16.3 percent. . . while overall employment in the Department went up 10.3 percent. . . bringing the minority percentage up to 22.7 from the 21.4 a year earlier. Spanish-surnamed employees increased from 225 to 289. . . and Indians from 41 to 61. A significant increase in grade levels of minority employees also occurred during the period . . . and a decrease was noted in the lowest-paid group. Those in the Grade 1 to 6 category went down from 40.3 to 40.1 percent. . . while increases were taking place in Grades 7 to 11 from 45.5 percent to 48.9. . . Grades 12-15 from 8.5 to 9.9 percent. . . and from 7.8 to 11.9 percent in the 16-18 range.

Bestsellers of the week. . . based on demand for publications at the HUD Information Center. . . were *Report on Mortgage Settlement Costs* and HUD's *Noise Assessment Guidelines*.



Job Clearinghouse Set Up

The construction industry and the Federal Government are cooperating in establishing a "Veterans Construction Job Clearinghouse" in Washington. The objective is to provide jobs for 19,000 veterans who will leave the military service this year. . . and who have been trained as bricklayers, carpenters, heavy equipment operators, and other construction trades in the service. The Pentagon will provide the Clearinghouse with lists of qualified about-to-be-discharged men. To be operated jointly by the National Association of Home Builders and the Associated General Contractors. . . the Clearinghouse will be located at 1627 K Street, N.W., Washington, D.C. 20006.



New Publication

Governing Metropolitan Areas. . . a critical review of councils of government and the Federal role. . . by Melvin B. Mogulof, 127 pages, paper. For sale by the Urban Institute, 2100 M Street, N.W., Washington, D.C. 20037. Price \$2.25.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF COMMUNITY AFFAIRS
Washington, D.C. 20402

March 20, 1972
HUD-318-11-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romo, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



March 27, 1972

Vol. 3 No. 13

Current Trends

Project notes totaling \$323.2 million representing 96 local issuing agencies were sold at an average interest rate of 2.4899 percent... down from the average interest rate in the February sale of 2.4942 percent.

The Office of Management and Budget has designated a new Standard Metropolitan Statistical Area... and redesignated an existing SMSA. Brevard County, Florida, has been designated the Melbourne-Titusville-Cocoa Area. The Portland-South Portland, Maine SMSA is now known as Portland.

Mortgage yields declined for the 15th consecutive time at a FNMA auction... where \$50.6 million in four-month commitments on government-backed (FHA-VA) home mortgages were sold.

The average yield of the auction... 7.555, converts to an average price of 95.92 for a 7 percent mortgage. The range of accepted bids in the auction was from 7.616 (95.48) to 7.499 (96.32).



1972 Mortgage Market Forecast Is Good

Developments in the credit markets should permit a reasonably good mortgage market in 1972... in the opinion of Dr. Harry S. Schwartz, Vice President and Economist for FNMA. Speaking before the 7th Annual Financial Conference of The Conference Board... Dr. Schwartz said he believes interest rates will be rising this year but not drastically.

There are developments in the economic scene "sufficient to give us pause for thought as we look at home financing for 1972," he said. "However, each of the clouds which are on the horizon require rather extreme developments in order to produce an unfavorable impact on housing finance. On balance, the credit markets should not show severe strain. There may be an occasional gust of wind which will be unfavorable, but the probability of full-scale storms at this juncture seems rather low. Developments in the credit markets should permit a reasonably good mortgage market in 1972 though mortgage rates may rise as interest rates on market issues pick up later in the year."



HUD Authorizes Communications Study

HUD has announced a study to explore how communications techniques can be used to improve the economy and quality of small town life in a rural setting.

Fairfield University of Fairfield, Conn., will conduct the regional development study in a 10-town area in Northeast Connecticut served by the Windham Regional Planning Agency. The Agency will collaborate with University and State officials in the study. The Contract is for \$361,000.

The project will be directed by Dr. Peter C. Goldmark, Research Professor of Communications at Fairfield... and internationally known communications pioneer. The study will evaluate the impact of telecommunications on future land use patterns, including experiments with two-way radio and video communications links.

Woman Named To Key Position

Mrs. Ellen A. Kranidas has been appointed Director of Management and Organization... the first woman to become Director of a principal organizational element at HUD Headquarters.

Prior to her appointment... Mrs. Kranidas was a Special Assistant to Eugene A. Gullledge, HUD Assistant Secretary for Housing Production and Mortgage Credit... and from August 1964 to April 1971, Mrs. Kranidas was a Program Analyst and then Deputy Director of the Program Division, Office of the HUD Assistant Commissioner for Programs. She joined the Federal service in November 1963 as a Management Intern.



NAREB Favors New Department

Frederick R. Hunter of Fort Wayne, Indiana... chairman of the Realtors' Washington Committee... testified before a House Government Operations Subcommittee, reiterating NAREB's policy in support of a new cabinet level Department of Community Development. Under H.R. 6962... programs currently administered by a multitude of separate Federal agencies... including nearly all of the functions of HUD, would be brought together in the new Department.

Among the functions which would be transferred to the new Department of Community Development would be rural non-farm housing and rural development programs of the Farmers Home Administration and the highway and mass transit program of the Department of Transportation.



FDA Restricts Lead-Based Paint

The Food and Drug Administration has ordered a sharp limitation on the use of lead-based paint in interiors... not later than December 31, 1973. "To minimize the health hazard to future generations"... the permissible lead content of paint... now 1 percent... has been reduced to one-half of 1 percent by the end of 1972... and 6/100 of 1 percent by the end of 1973.

The overall HUD attack on the problem of lead poisoning from paint... was covered in a statement by Assistant HUD Secretary Finger... reported on page 3 of this issue.



Fed Advocates Variable Rates, Removal of FHA/VA Loan Ceiling

At the request of the Joint Economic Committee of Congress, the Federal Reserve Board has released a set of recommendations to help assure an adequate flow of funds for housing. Among other items... the Fed endorsed variable rates for mortgage loans. It said that periodic adjustments to reflect changes in the money markets would help stabilize housing finance. It also recommended the removal of interest rate limits on loans insured by HUD-FHA and guaranteed by the Veterans Administration. In addition... the Fed called for removal of State usury ceilings. These changes would remove artificial restraints which distort mortgage credit in times of monetary stringency, the agency said.



New Appointment

Elmer E. Smith, Director of the HUD Area Office in St. Louis, has been named Administrator of the Department's Regional Office in Kansas City, Mo., which supervises all HUD programs in Missouri, Kansas, Iowa, and Nebraska.

Prior to his appointment as Director of the St. Louis Area Office in August 1970, Mr. Smith had served for seven years as Director of the Department of Revenue for the St. Louis County Government. In that capacity... he was responsible for the administration of all property tax and business licensing in St. Louis County.

Lead Poisoning Problem Can Be Solved

50,000 to 100,000 city children can be spared lead-based paint poisoning by joint efforts of industry, labor, volunteer community groups, and all levels of government ... Harold B. Finger, HUD Assistant Secretary for Research and Technology told the Subcommittee on Health of the Senate Committee on Labor and Health. He said:

- Of the Nation's 17.1 million urban children, six years old or younger, 2.5 million live in older, substandard homes where a lead hazard may exist and estimates are that from 400,000 to 600,000 urban children may have excessive blood lead levels.
- Between 50,000 and 100,000 of these children may have so much lead in their bodies that they require treatment.
- Relatively few newer houses have significant lead levels and technological developments in paint production offer real promise for elimination of this hazard in new paint.

Mr. Finger said that the National Bureau of Standards... working under a contract with HUD... has been examining techniques and equipment which can be used to detect lead levels and is evaluating available detection instruments.

He told the subcommittee that the cost of hazard elimination is high and the cost ranges from 50 cents to \$1.50 per square foot. Mr. Finger went on to say, "Another reason that the cost for hazard removal is an important concern is that this additional cost imposed on an owner of a building that may have marginal economic value, might cause the owner to abandon it.

"Both Chicago and Philadelphia report that abandonment has resulted when orders were issued to remove the lead-based paint hazard. In Philadelphia, about 10 percent of the units were abandoned as a result of compliance orders."

"If we are to make any headway in the elimination of lead-based paint poisoning and if we are to protect future generations of children from this disease," he said, "it is important that we not add to the supply of hazardous dwelling units.

Mr. Finger advised the Subcommittee that the proposed Urban Community Development Special Revenue Sharing... now before Congress... could help communities in combatting the lead-based paint problem. Federal assistance could be used at local discretion to help eliminate the problem through code enforcement and other means.

"I believe we are making good progress in our research and demonstration program," Mr. Finger said. "Our operating program... most notably Model Cities... have encouraged action programs by local communities to attack this serious problem of lead poisoning in children. Much more remains to be done, however, by all levels of government, industry, labor, volunteer groups, and community groups to eliminate this problem."



Documents Available on New Communities

Project documents outlining long-range development plans and other details of new communities receiving Federal guarantee assistance from HUD are now available.

General Manager Samuel C. Jackson of the Community Development Corporation said that copies of project agreements and trust indentures for the new communities of Jonathan and Cedar-Riverside, Minn.; St. Charles Communities, Md.; Flower Mound, Texas; and Park Forest South, Ill.; can now be purchased for \$3.00 each from NTIS, 5285 Port Royal Road, Springfield, Va. 22151.

Established by Title VIII of the Urban Growth and New Community Development Act of 1970... the Community Development Corporation was created within HUD to carry out a program of grants, loans and loan guarantees to aid the development of well-planned, diversified new communities.

Notes From Here and There

The HUD/DOT pilot program for placement of former aerospace and defense industry engineers and scientists in local government has achieved a 55 percent placement rate through the end of February 1972. Two-hundred and four participants have regained full time employment, 140 in local government and 64 in private industry. Many of the men reemployed in industry claimed that their exposure to urban affairs through the project's orientation program was a primary reason for their being hired.

The rising value of tax bases in federally assisted renewal areas is set forth in a report distributed this week. The report shows a 261 percent increase in the pre-renewal assessed valuations of property in 708 conventional urban renewal and Neighborhood Development Program project areas in which all available land has been committed to redevelopers by June 30, 1971. The total valuation in the 708 areas on that date was \$1.6 billion; the pre-renewal valuation was \$464 million.

A *Directory of Neighborhood Facilities* projects just released lists the 552 projects constructed, under construction, or in planning on December 31, 1971. Total Federal grant approvals are put at \$177.3 million and total Federal disbursements at \$72.1 million.

The first families to move into homes built on a BREAKTHROUGH site occurred on March 15... in Kalamazoo. Secretary Romney, Governor Milliken, and a number of other dignitaries attended the ceremony.

★

FYI

Producer's Council... Construction Products/Architectural Sales Representative Seminar, Rensselaer Polytechnic Institute, Troy, New York, April 18-21. A unique customer/market oriented advanced training course for "the building product consultant." Details from: CP/SRI Registrar, 1717 Massachusetts Avenue, N.W. Washington, D.C. 20036.

National Association of Home Builders... Production Management Seminar, San Diego, April 5-7. Registration: Department of Seminars and Workshops, NAHB, 1625 L Street, N.W. Washington, D.C. 20036 (202-737-7435).

★

New Publication

The Methods and Materials of Demography... a two-volume, 959-page work intended to serve both as a text for courses on demographic methods and as a reference for professionals who work with population data has been published by the Census Bureau.

The book attempts to give a comprehensive exposition of the methods used by technicians in dealing with demographic data. The derivation of the demographic measures described is typically illustrated by step-by-step examples using actual statistics. The material is presented in such a form, however, that knowledge of advanced mathematics is not essential to its understanding.

Copies are available for \$7.00 from the Superintendent of Documents, Washington, D.C. 20402.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

March 27, 1972
HUD-318-12-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



April 3, 1972

Vol. 3 No. 14

Current Trends

Housing starts in February again broke all previous records... with a seasonally adjusted annual rate of 2.678 million units, 8 percent above the revised January rate of 2.471 million. The February rate is more than one-third higher than the 20-year record that had prevailed until the current housing start boom got underway. The rise in February was entirely in multifamily units... as single-family starts declined 7 percent.

Sales of new one-family homes also set a new record in January... with a seasonally adjusted rate of 713,000 units... the highest of any month since the series was begun in 1963. The March survey of HUD Area and Insuring Offices indicates that builders' future plans remain high... rising from the seasonally adjusted January rate of 2.105 million units to 2.112 million in February.

Long-term bond yields have remained steady in recent weeks. Following a record January... savings and loans had an even better February. Savings inflows rose \$2.9 billion during the month... about 20 percent higher than February 1971. Inflows in mutual savings banks and commercial banks were higher than normal for the month.



New Regulations Issued

HUD has issued two new consumer protection regulations... one forbidding "kick-backs" and the other curbing speculator profits.

The first... forbids "kickbacks" by mortgage representatives to those who bring mortgage loan requests to them. The regulations prohibit the payment of a fee... directly or indirectly... by a mortgagee in connection with a transaction involving a mortgage insured by FHA to any person, if such person received payment from anyone else for services related to the transaction. The regulations cover attorneys, escrow agents, title companies, consultants, mortgage brokers, sellers, builders, and real estate agents. "Inevitably the cost of mortgage placement fees are borne by the purchasers of houses," Secretary Romney stated. "Thus, home buying costs are increased."

Exceptions to the new regulations will be granted in such instances where a person can perform legitimate non-conflicting services for both the mortgagee and another party to the transaction. A list describing these non-conflicting services is being prepared. In addition... specific situations not covered by the published list will be reviewed on a case-by-case basis.

In the event a mortgagee should violate these regulations, the Department may withdraw approval of the offending mortgagee to hold and service mortgages insured under the National Housing Act.

The new regulations will go into effect May 1, 1972, allowing time to prepare the list of exempted transactions and for mortgagees to instruct closing agents.

The second set of regulations... issued to all HUD Field Offices... curb excessive profits by speculators on the sale of existing properties. In announcing the regulations... the Secretary said: "This means that speculation is over... and the fast buck artist is out of business."

(Continued)

The new regulations... effective immediately... are designed to achieve the objective of the modified cost approach, designed to control excessive speculator profits. Under the new rules... all home mortgage applications for existing properties must contain the name and address of the property's present owner, the date the property was acquired, the purchase price, and the established cost of any improvements. It is also required that any options or contracts to sell the property, and the amount involved, be revealed.

Either of two methods will be used for determining the value of the property for mortgage loan purposes. Both apply where the property was purchased less than two years before the mortgage insurance is applied for and the owner is not the last permanent occupant of the property; or the last permanent owner has optioned the property to a purchaser who intends to resell it as soon as possible.

If a speculator has become involved in the transaction... the case will be reprocessed in accordance with the new regulations.

The firm commitment for mortgage insurance must contain the following statement:

"The mortgagee, the seller, the purchaser, the broker and/or other parties involved in the transaction shall certify that the terms of the contract for purchase dated _____ are true and that there are no other parties or side arrangements in connection with this transaction."

A circular setting for the new regulations in greater detail will be issued shortly.



Housing Scarcity is World-Wide

A survey in a dozen countries by correspondents of the *New York Times* shows that the housing problems that plague American cities are just as prevalent elsewhere. The survey covered Canada, Japan, Hong Kong, Australia, a number of major West European countries, the Soviet Union, and several developing African countries.

The situation in Japan is very serious... with 20 percent of all housing in the country classified as substandard. In overcrowded Tokyo... 36 percent of the city's housing is considered substandard. Hong Kong "appears to have reached a dead-end in meeting its housing crisis." In Italy... there are 1,000 applicants for every low-cost government-built apartment. In France... in spite of a record number of new units built in recent years, 403,000 new units are budgeted by the government for 1972.

In each country... new developments and cost-cutting in prefabrication and factory-produced units are cited as possible means of easing the critical conditions in the near future.



HUD Selects Group To Advise On Housing Allowance

A consortium headed by Stanford Research Institute has been selected to assist HUD's Office of Research and Technology in designing and carrying out a "demand experiment" in connection with HUD's Housing Assistance Research Program.

In this phase of the program... families unable to afford decent housing will receive a direct monetary allowance. The experiment... to be run in several metropolitan areas... will measure the effects of these allowances on the participating households and will test several approaches to a housing allowance.

In addition to the Stanford Research Institute, the consortium includes the National Opinion Research Center, and the National Urban League. It was selected through a competitive process based upon a request for proposals.

The consortium will enter into contract negotiations covering assistance to HUD for experiment design, conduct of the experiment, data collection, and evaluation of results.

TOP Meetings Begin

The first meeting of TOP (The Option Process) was held in Wilmington, Delaware, on March 30. . . and the second will be in St. Louis on April 6. The meetings in the three other cities. . . which Secretary Romney announced several weeks ago. . . will be held in Detroit, Boston, and Philadelphia during the next month.

The purpose of these meetings is to determine whether these metropolitan areas want to employ available resources and leadership in developing metropolitan solutions to metropolitan problems. . . or whether they want to continue to seek solutions on the basis of the present balkanized local government structure. "The meetings will not be confined to discussing just housing questions," the Secretary said. "We hope to address a considerably broader range of concerns. We would like to explore with the Governors, local officials, and private leadership ways in which we can employ Federal assistance more effectively to help them.

Mr. Romney also said, "The Federal Departments and Agencies taking part in the meetings will not bring with them any preconceived panacea. . . and we certainly are not seeking to impose solutions on anyone. We intend, rather, to discuss some available options. That is why I have chosen to call these TOP meetings. . . TOP standing for the Option Process."

Approximately 200 State and metropolitan government and private leaders from Wilmington and New Castle County attended the March 30th meeting. A similar number of public and private leaders from the St. Louis and East St. Louis, Illinois metropolitan area have been invited to the April 6th meeting.



Two Michigan Mortgage Companies Suspended

Suspensions from doing business with FHA for 30 days have been issued to two Michigan mortgage companies. . . William C. Whitbeck, HUD's Detroit Area Office Director, has announced. The companies are the Citizens Mortgage Corporation of Southfield, and Huron Valley Mortgage Corporation, Detroit. The suspensions were effective March 14.

Identical letters. . . sent from Washington to the two companies said: "Our discussions clearly indicated your awareness of the negligence on the part of your company in submitting applications (for mortgage insurance) to our Detroit Area Office. It is also apparent that you were violating our processing procedures regarding the handling of verifications of employment and deposit."

The suspension from doing business with the FHA affects all offices of both companies. Citizens Mortgage Corporation operates additional offices in Chicago, Cleveland, Columbus, Cincinnati, Dayton, and Grand Rapids.



New Publications

The following are for sale by the Superintendent of Documents, Washington, D.C. 20402. They are not available from HUD.

General Housing Characteristics, U.S. Summary (HC(1)-A1). . . 236 pp. Final report on the results of the 1970 Census of Housing. Includes number of housing units, condition, number of rooms, number of persons per room, etc. for the 50 States and the District of Columbia. . . by Census Regions and SMSA's. Price \$2.

Annual Report of the Department of Housing and Urban Development, 1970. . . covers the activities of HUD for calendar 1970. Price \$1.

The 1972 National Growth Policy Report. Price 45 cents.

HUD Aids Flood Victims

Late in February... a 30 foot wall of water ripped through the Buffalo Creek Valley in the coal mining country of West Virginia. It destroyed 14 communities, killed over 100 persons, left 150 persons listed as missing, and hundreds more homeless. The flood was caused by the collapse of a coal-waste dam under pressure from rain water. Many more of these faulty dams exist in West Virginia.

As soon as the disaster became known... HUD dispatched a four-man team from the Pittsburgh Area Office to Charleston. The team helicoptered daily to the flood site... and acted in a coordinating capacity to bring to bear the resources of the Federal, State, and municipal agencies in meeting the needs of those whose homes were destroyed or damaged. More than 400 applications for mobile homes were received. The HUD team helped select the staging areas for the placing of these mobile units... and 100 were set up immediately... in two of the six areas selected. Six units were set up in a shopping center in Man, the worst-hit community in the Valley... to serve as an application center and to show the homeless the type of housing they were to be provided.

The Buffalo Creek Valley must now dig out from under the waste and rebuild, and action must be taken to prevent further disasters of this type from occurring. HUD's Comprehensive Planning Assistance program will provide a \$30,000 grant to help the State make Buffalo Creek Valley an orderly, safe, place to live and prevent coal-waste dams from destroying other communities.



BREAKTHROUGH Phase III Housing Developments Named

Secretary Romney has designated 24 additional housing developments to utilize Operation BREAKTHROUGH housing systems. The 24 projects... containing 5,068 housing units... are in addition to the Phase II Operation BREAKTHROUGH activity being conducted on nine demonstration sites across the Nation. The developments are part of BREAKTHROUGH's Phase III volume production stage. They have all qualified under priority review procedures as "BREAKTHROUGH Phase III Housing Developments."

The Phase II BREAKTHROUGH demonstration housing on the nine original prototype sites has been subjected to the most rigid on-site and off-site tests to develop and assure quality control methods. HUD is insistent that Phase III developments associated with BREAKTHROUGH will result in the same high quality. Many valuable lessons have been learned during prototype development, and these lessons are being applied to Phase III developments.

The 24 Phase III projects which have been issued FHA feasibility letters are scattered through 14 States and Puerto Rico. According to Secretary Romney, an additional 20,000 units are now in various stages of processing. By June 30 these units are expected to have reached feasibility clearance making a total of nearly 25,000 Phase III units. "This will essentially conclude HUD's program of providing priority incentives for the BREAKTHROUGH housing systems now participating," Secretary Romney added.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
Washington, D.C. 20402

April 3, 1972
HUD-318-13-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

APR 12 1972

Vol. 3 No. 15

Current Trends
LIBRARY

WASHINGTON, D.C. 20410

While several larger banks have retained the 4-3/4 percent prime rate... there has been a general trend by banks across the country to raise their prime rate to 5 percent. What ultimate effect... if any... this will have on the mortgage market is not yet clear.

In February... savings and loans closed mortgage loans of \$3 billion... up 59 percent above February 1971. Forward lending commitments during the month totaled \$3.3 billion... one-third more than January 1972... and 60 percent above February 1971. Outstanding future commitments of the S&L's rose 15 percent in February... to a record \$8.7 billion... almost 70 percent more than a year earlier. Total mortgage loans outstanding at the end of February was \$173 billion... the highest in history.



Attorney Fees May Violate Sherman Act

HUD has advised the Justice Department that the manner in which attorneys' minimum fee schedules are applied in property settlements "may violate the Sherman Antitrust Act."

In a letter to Acting Assistant Attorney General Walker B. Comegys... the HUD General Counsel, David O. Maxwell, said, "I am bringing the matter to your attention for such action as you may deem appropriate."

Mr. Maxwell stated:

"The American Bar Association Standing Committee on Ethics and Professional Responsibility... in Formal Opinion No. 323, August 9, 1970... ruled that fee schedules such as these are only advisory.

"These schedules, however, may turn out to be obligatory.

"The opinion itself recognizes that some State and local bar associations suggest 'that fee schedules are or can be mandatory and that disciplinary action will be taken merely for failing to follow them...'

"D. Barlow Burke Jr., Assistant Professor of Law at American University, who led the preparation of the report for HUD and VA on real estate conveyancing in 13 large urban counties, concludes from his interviews in connection with the study that minimum attorneys' fee schedules for settlements are adhered to a substantial majority of the time."

The Maxwell letter pointed out that where title-related costs, such as attorneys' fees, are tied to the price of the house or mortgage, "the total of these costs for the average priced home tends to be significantly higher than in other areas."

HUD and the Veterans Administration recently completed a study of mortgage settlement costs for single-family houses and part of the study was conducted by American University. As a result of the study, HUD and VA announced they will issue maximum allowable costs for items included in settlement fees on HUD-insured and VA-guaranteed houses.

HUD Bars Contractor from Federal Jobs

HUD has barred from future Federal housing contracts a Philadelphia heating and ventilating contractor who broke a commitment to use 12 percent minority race steamfitters on the \$1,325,344 Point Breeze Houses.

In the historic action, the first of its kind by HUD and the second in the history of the U.S. Government, Randeb, Incorporated of the Philadelphia suburb of Newtown Square was cited for violations of the "Philadelphia Plan" which provides that firms holding contracts of at least \$10,000 on federally funded construction jobs of \$500,000 or more must submit specific goals for using minority employees in six construction trades—ironwork, sheetmetal, electrical, plumbing and pipefitting, steamfitting, and elevator construction work.

Randeb received a contract April 24, 1970, from the Philadelphia Housing Authority for the heating and ventilating work on the Point Breeze Houses public housing facility and submitted a goal of 12.5 percent (200 man hours per year) minority group employment in steamfitting positions.

Secretary Romney's order barring the company... stated Randeb had "failed to achieve its minority hiring goal and failed to demonstrate that it had engaged in good faith effort to achieve that goal, in violation of its contract and of the Executive Order and the Plan." The effect of the debarment action is that Randeb will be barred from receiving any other federally assisted construction projects.

The sanctions taken against Randeb will remain in effect until the company satisfies the Labor Department "that they have established and will carry out personnel and employment policies" in accordance with the Executive Order.



Virginia House Passes Housing and Building Code Bills

Virginia's Legislature has approved a bill... which, if signed by the Governor... will become the first statewide open housing law in the South. The measure is reportedly stronger than comparable Federal regulations and would outlaw racial discrimination in the sale, renting, or financing of virtually all housing in the State, and subject violators to criminal penalties of up to a year in jail.

The House approval of a bill creating a statewide building code followed an identical measure previously passed by the Senate. It establishes a review board to set up the code by 1973.



Household Size Declines

The Census Bureau says that households have shown a steady decline in size since the mid 1960's. The average size was 3.14 persons in March 1971... compared with an average of 3.33 persons during the decade 1955-64... and a slight decline from 3.17 persons in 1970. The decline in size of households is due to a falling birth rate and the increasing number of adults living alone. A household consists of all persons... related or unrelated... who share a housing unit—house, apartment or room.

Family size has also declined during the same period. In 1971... the average number of members per family was 3.60 compared with 3.62 in 1970 and 3.72 in 1966. Black families... generally... were larger than white families in 1971, continuing a trend that has persisted in recent years. The average size of black families was 4.26 members in 1971 compared with 3.52 members for white families. The average size of white husband-wife families is 3.60 compared to 4.31 members for black husband-wife families.

Copies of *Household and Families Characteristics: March 1971, P-20*, may be purchased from the Superintendent of Documents, Washington, D.C. 20402, for \$1.00 per copy.

Give A Damn

A Cure for Urban Leprosy is the caption of full-page advertisements that appeared in the *New York Times* and *The Wall Street Journal* in late March. The ad... placed by the New York Urban Coalition... cites an outstanding example of how the private sector has responded to the call made by both President Nixon and Secretary Romney to private citizens to become involved in the critical problems of our communities... and the significant progress that has been made in finding solutions to some of the "hopeless" urban problems.

The Coalition was formed in 1967... following the urban riots... by concerned businessmen, labor leaders, and community leaders... and has been engaged in education, in the building and rehabilitating of urban ghetto housing, and in the creation of new businesses and jobs for inner-city residents. Now it is expanding its scope of activity... and asking individuals and corporations to continue to give their support to the programs of the Coalition. To quote the ad, "This advertisement is running to keep you abreast and to ask you to continue to give a damn. We can't make it without you."

Among the new commitments of the Coalition will be one to help arrest the widespread abandonment of residential buildings in the city and to rehabilitate some that are already abandoned... along with rehabilitation of other structures which will be sold to the city for \$1 in 10 years. It will also act as a nonprofit improvement agency and take over a number of foreclosed housing units to be rented or sold to families at prices they can afford. The Coalition has purchased its own construction company... so that it can better control the costs of construction... and employing black, white, and Puerto Rican experts in construction, urban development, architecture, law, and property management. These people will be given first-hand experience... and will then be able to fan out throughout the country... and will in turn employ and train others in improving their skills.



Two Firms Ordered to Halt Lot Sales

HUD has suspended all sales of lots in two subdivisions... Charnita in Pennsylvania... and a Texas development known as Horseshoe Bay, located on Lake Lyndon B. Johnson. The suspensions were ordered by the Office of Interstate Land Sales Registration... and neither firm may resume sales until the suspension orders are lifted.

The Charnita suspension occurred after the Pennsylvania Department of Environmental Resources... on March 6 suspended the issuance of all sewage disposal permits in the two townships in which Charnita is located, except for certain restricted areas in which septic tanks may be used. Under Pennsylvania law... a building permit may not be issued for any property for which a sewage disposal permit has not been obtained. Under the Federal registration law... land developers must give purchasers a report making full disclosure... such as the kinds of community facilities to be provided.

Lifting of the suspension order will depend on the action taken by the State and whether Charnita... in its Property Report... accurately reflects the effect of such action on prospective purchasers.

The Horseshoe Bay suspension was ordered when the developer... the Lake Lyndon B. Johnson Improvement Corporation... changed its promised plan of operation to eliminate the transfer of control of an airport and stable to the property owners.

As a result of the change... the developer would retain these facilities instead of transferring them to the property owners' association. Under the HUD order... Corporation may not resume sales of land in Horseshoe Bay until and unless the suspension order is lifted... and an improved Property Report is available to all purchasers.

FYI

The Producer's Council... Second National Conference for the Building Team ... Houston, May 10-12. Registration: Producer's Council, 1717 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-667-8727).

The American Institute of Architects... 1972 Convention... Houston, May 7-10. Details from AIA, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-265-3113).

Urban Land Institute... Spring Meeting... Toronto, May 23-25. Details from Meeting Coordinator, ULI, 1200-18th Street, N.W., Washington, D.C. 20036. (202-338-6800).

Consulting Engineers Council... Annual Convention, San Francisco, May 24-25. Registration: CEC, 1155-15th Street, N.W., Washington, D.C. 20005. (202-296-1780).

American Water Works Association... Annual Conference, Chicago, June 4-8. Registration: AWWA, 2 Park Avenue, New York City, 10001.

American Society of Landscape Architects... Annual Meeting, Philadelphia, June 25-28. Registration: ASLA, 1750 Old Meadow Lane, McLean, Virginia 22101. (202-893-3140).

Nonprofit Housing Center... Spring Tour of housing, land use, and industrialized building systems... Japan, Hong Kong, and Bangkok, May 11-28. Details from the Center, 1717 Massachusetts Avenue, N.W., Washington, D.C. 20036. (202-628-1113).



Notes From Here and There

The Florida Legislature has passed... and the Governor has signed into law... a bill which protects mobile homeowners from unfair mobile home park owners. Under the new law... tenants can be evicted only for nonpayment of rent or violation of a law detrimental to safety and welfare. The tenant is protected from having to buy certain equipment from the park and from unreasonable restrictions and charges.

Governor Jimmy Carter of Georgia has received the bill which creates the Georgia Development Authority for Housing Finance. The bill enables the Authority to buy mortgages from lending institutions who agree to make an equal amount of money available for low- and moderate-income housing. (Appropriations of from \$50,000 to \$100,000 will be needed to make the Authority operational.)

April 11 is the fourth anniversary of the signing of the Federal Fair Housing Act. A number of commemorative programs are planned for the day.

The Maine State Housing Authority has completed negotiations for the sale of \$20 million in bonds to help finance low-income family housing. The Authority said the proceeds of the bond sale will "generate the largest single housing package in the State's history... and will stimulate the construction of 2,700 new housing units this year." The new housing will be built primarily in rural areas.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

April 10, 1972
HUD-318-14-PA

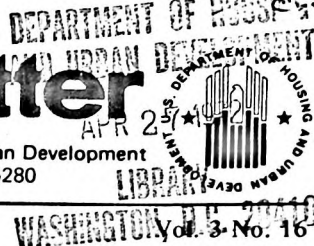
Published weekly by the U.S. Department of Housing and Urban Development... George Romanoff, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



April 17, 1972

Secretary Romney, Speaking to the Detroit Economic Club

"Our Department has made mistakes, but we have not made the mistake of abandonment. We do not abandon even a single house. We either rehabilitate and sell it, or we demolish it.

"We will not abandon the central city as so many have done. But we are convinced we must 'think anew and act anew.'

"Clearly there are now areas of the central city that from any objective standpoint are not 'reasonably viable' or 'acceptable risks.' Under the statute... these areas do not now qualify even for the special risk insurance housing programs. But because their environment is not solely of their own making... because even in these areas the bulk of the poor would improve their environment if they could... it is urgent to devise means and methods not yet in use to redeem them.

"I am prepared to use the flexible authority granted us by Congress last year to determine how to deal with abandonment, and to devise improved methods of housing subsidies to try new and more effective remedies in abandoned neighborhoods and those in varying stages of decline. My action will be contingent upon the continuing involvement of local, State, and private leadership and a commitment of their resources that gives reasonable promise of meaningful and lasting action and results. Detroit cannot be saved by Washington. It can only be saved by Detroiters and the State government with some assistance from Washington."



Current Trends

The Census Bureau has announced the price index for new one-family homes sold during 1971. Based on 1967 equalling 100... the national index for 1971 was 123. Regionally... the indices for 1971 were: Northeast 130... North Central 120... South 126... and the West 117. The indices measure the changes over time periods for houses sold in each region based on eight common characteristics: floor area... number of stories... number of bathrooms... air conditioning... type of parking facility... type of foundation... and three locational factors.

Stanley Waranch... the President of the National Association of Home Builders... testified before the House Government Operations Committee in favor of the proposed establishment of the Department of Community Development. Mr. Waranch asked, however, that the new agency be called the Department of Housing and Community Development. "We feel very strongly that housing should be given equal prominence with community development in both the title and statement of goals and responsibilities in the new Department." He also suggested that the Department be made responsible for the Federal rule in seeing that the States make proper provision for land resources.



First TOP Meeting Held

The first of the five scheduled TOP (The Option Process) meetings has taken place in Wilmington, Delaware. Subsequent meetings are being held in St. Louis, Boston, Detroit, and Philadelphia.

Art Competition Announced

HUD has announced a competition for works of art suitable for inclusion in HUD-assisted activities. Artists are invited and encouraged to enter all types of works of art suitable for public space which have the potential to complete overall design concepts and solve functional problems.

There are three categories of entry... classified according to the scale of environmental setting most appropriate for the mural, sculpture, fountain, or other work.

<u>Interior</u>	Works suitable for installation in interior public lobbies, corridors, etc., of multi-family housing, neighborhood facilities, health care facilities, water and sewage treatment plants, etc.
<u>Pedestrian</u>	Works suitable for exterior courts, plazas, promenades, recreational areas, etc., scaled for the pedestrians in those spaces.
<u>City</u>	Works suitable in scale and import for viewing from fast moving vehicles at gateways to cities, for defining major sections of metropolitan areas, etc.

All entries must be postmarked by midnight May 31, 1972. Application forms may be obtained from: National Community Art Competition, Department of HUD, Washington, D.C. 20410.



Riot Reinsurance Rates Reduced

A reduction in premium rates for companies reinsured under the Federal riot reinsurance program has been announced by HUD... for the period May 1, 1972 through April 30, 1973.

The new basic rate is 0.05 percent applied to an aggregate premium base consisting of the amount of each company's direct premiums earned in each State for each reinsured line of property insurance. This compares with a basic rate of 0.15 percent for the previous year. The reduction reflects a favorable loss ratio since the inception of the program.

The new Standard Reinsurance Contract is being mailed to each insurance company that is reinsured under the current contract with HUD. Other interested companies may obtain complete information by writing the Federal Insurance Administrator, HUD, Washington, D.C. 20410, or phoning (202) 755-6570.

Recycled Housing



New England developers have produced some unusual housing structures for the elderly... with HUD assistance. In Ansonia, Connecticut... the Riverview project has been dedicated. Formerly the Capitol Theater... it has been converted by Michael J. Papa Associates of Waterbury... into a 78-unit complex of 18 one-bedroom and 60 efficiency apartments for senior citizens... all to be leased by the Ansonia Housing Authority under HUD's Section 23 program. More than 4,000 persons attended the open-house dedication... and inspected the comprehensive Senior Citizens Recreation Center facilities and the complete security provisions that have been provided. This is the second theater transformed into elderly housing by the same firm. The first... completed a year ago... provided 40 leased housing units in Waterbury. Rehabilitating factory buildings into housing structures for the elderly is a specialty of Carabetta Enterprises of Meriden... which has completed one building in Meriden and is rehabbing another in Wallingford.

Other firms in Biddeford, Maine, and Haverhill, Mass., are negotiating to convert factory buildings into rental housing for the elderly or low-income families.

New Publications

Housing, 1970-1971... an anthology of current periodical literature... reexamines housing problems and programs as national priorities.

Edited by George Sternlieb and Lynne B. Sagalyn of the Center for Urban Policy Research at Rutgers University... the book includes 34 papers on trends in housing from business, economics, real estate, banking, industrial relations, law, sociology, and political science journals. More than 40 contributors, are presented.

Cloth \$14.95, paper \$8.95 from AMS Press, 56 East 13th Street, New York City 10003.

Homeownership in the United States. HUD International Brief No. 10... gives a short history of events leading up to private homeownership, the development of the mortgage industry, and the role played by the Federal Government in the process.

Tenant Involvement in Public Housing. HUD International Brief No. 11 tells of the reshaping of the social and physical environment of disadvantaged families and reports on *The Philadelphia Approach*.

Prepared by the HUD Office of International Affairs... the *Brief* program reports are designed to promote the exchange of housing and urban development information between the U.S. and foreign countries. Their purpose is to publish the highlights of subjects of current interest to domestic and foreign readers.

For sale at 15 cents each by the Superintendent of Documents, Washington, D.C. 20402.

The Federal National Mortgage Association... Its History and Purpose. A 16-page booklet describing what FNMA does in laymen's language. Free from FNMA's Office of Corporate Relations, 1133-15th Street, N.W., Washington, D.C. 20005.

Condominium and Cooperative Housing, 1960-1971... a bibliography of economic, financial, and legal factors. With the marked increase in condominium and cooperative housing construction in recent years... many inquiries have been received regarding how these systems work. The HUD Library... at the request of the Condominium and Cooperative Housing Branch of HUD... has prepared this publication. For sale by the Superintendent of Documents, Washington, D.C. 20402. Price 45 cents.



Smaller Families Expected

Americans will have smaller families... according to surveys taken by the Census Bureau in 1971 and in 1967.

The average of births expected by wives 18 to 39 years was 2.8 in the 1971 survey. A similar survey made four years earlier found that this age group expected... on the average... to have a total of 3.1 children.

For young wives—those 18 to 24 years—the 1967-71 decline in birth expectations was from an average of 2.9 to 2.4 births. Expectations declined also among wives 25 to 29 years (from 3.0 to 2.6 births) and among wives 30 to 34 years (from 3.3 to 3.0 births).

During the same period... there was an important increase in the percentage of young wives (18 to 24 years) expecting two or fewer births. The 1971 survey found this figure to be 64 percent compared to 44 percent in 1967.

Copies of the report *Birth Expectations Data: June 1971. Series P-20, No. 232*, are available for 10 cents from the Superintendent of Documents, Washington, D.C. 20402.

Notes From Here and There

Two more States have joined the growing number that have created State Housing Authorities. The Kentucky Legislature has passed a bill authorizing the Kentucky Housing Corporation... with power to issue \$200 million in revenue bonds to aid in the development of low-cost housing. The Corporation will also have the responsibility for providing technical and advisory services, promoting research into methods for lowering housing costs, encouraging community organizations to sponsor low-cost housing, and establishing minimum performance standards for building materials, methods, and design.

In Wisconsin... the Governor has asked the Legislature to create a State Housing Finance Agency... to stimulate the financing of 7,500 low-and moderate-income housing units. A \$150 million issue of 40-year revenue bonds would finance the effort. The Agency would provide monthly subsidies to those who could not afford mortgage payments without assistance.

From the initiation of Section 235 to December 31, 1971... 11,577 families... 4 percent of the families approved for housing under the program... reported welfare assistance as their primary source of income. This is a much smaller percentage than indicated in earlier reports... and is dropping. In the final quarter of 1971... only 2.5 percent of the families were welfare recipients.

A semiannual survey of housing permits showed Atlanta to be the most active housing market in the Nation. The rate of permits issued was 33 per 1,000 population. Phoenix was second... and Denver was next. Chicago was first in total number issued with 61,455 permits. Miami-Ft. Lauderdale was second with 54,374, and Atlanta was third with 45,818.



FYI

National Association of Manufacturers... Spring Meeting... April 27-28, Atlanta. Information from NAM, 277 Park Avenue, New York 10017 (212-8262100).

National League of Insured Savings Association... Executives Washington Seminar... Washington, May 21-26. Registration: NLISA, 1200 - 17th Street, N.W., Washington, D.C. 20036 (202-659-1955).



State Officials Meet With HUD

Cabinet officials from nine States have met with HUD officials to seek improved methods of utilizing State resources to foster community development activities. Floyd H. Hyde... HUD Assistant Secretary for Community Development... sponsored the meeting and led the discussion.

"It is essential," Mr. Hyde said, "that States have the capacity to deal meaningfully with resources in the area of community development, that is, to be able to aid local governments so that they can deal more effectively with their own problems."

Representatives from Connecticut, Delaware, Florida, Massachusetts, New Jersey, Ohio, Pennsylvania, Texas, and Wisconsin attended.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

April 17, 1972
HUD-318-15-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



C.2

April 24, 1972

Vol. 3 No. 17

Current Trends

Project notes totaling \$510 million... representing 103 local housing authorities ... were sold on April 4 at an average interest rate of 2.828 percent... up from the 2.670 percent rate last month. The average maturity of the notes was 6.8 months.

Private pension funds... which are a prime potential source of mortgage funds... had book value assets at the end of 1971 of \$106.4 billion. An SEC survey indicated the market value of the holdings were about \$125 billion on that date. The increase in value during 1971 was \$9.4 billion... on purchases of \$8.9 billion. This substantial profit on 1971 transactions is in contrast to 1970... when the funds experienced losses on their stock transactions.



Tenth New Town Approved

A new community designed around family needs today became the 10th federally assisted new town to be approved. A \$22 million Federal guarantee was made for Gananda... 12 miles east of downtown Rochester, N.Y. At full development in 30 years... Gananda will accommodate more than 82,500 people on an 8,705-acre site. The Federal guarantee will insure development of 5,842 acres over a 20-year period, providing housing, jobs, and recreation for some 50,000 people. Developer of Gananda is New Wayne Communities... organized by Rochester business and community leaders.

Gananda reverses the traditional planning approach by basing its physical development on the results of social studies and surveys completed in the early phases of its inception.

Focal points will be family centers offering resident services well beyond those available in typical suburban neighborhoods, and multi-use community centers housing educational, cultural, health, government, and religious facilities. The 12 family centers will provide child-development activities for pre-schoolers and elementary students, and the community centers will offer residents legal advice, consumer protection information, senior citizen activities, rental service, and community meeting rooms.

Gananda is the second HUD-assisted new community in the Rochester area. Riverton... the first... will be developed on a 2,560-acre site 10 miles south of Rochester's central business district. HUD is cooperating with the Genesee-Finger Lakes Regional Planning Board and State and local agencies to develop a planning program to assure the harmonious development of land related to the new communities in Gananda and Riverton and other developments in the Rochester area.



Average Housing Costs

A special analysis of housing construction costs (exclusive of land costs) in renewal areas throughout the country shows that the average cost of building a private unit is \$685 more than the average cost of a public unit. In 2,160 conventional Urban Renewal and Neighborhood Development Program areas... 172,457 private units had been completed by June 30, 1971, at a total construction cost of \$2,669 billion... \$15,478 a unit. A total of 28,230 public units had been completed in these areas at a construction cost of \$412 million... \$14,793 a unit. The small difference in the average costs of the private and public units is actually narrower, in terms of construction costs for the units themselves, since the \$15,478 average private construction figure includes amenities (such as swimming pools) installed at the redevelopers' expense.

New Appointment

Mercer L. Jackson, Jr., has been appointed to the newly-created position of Assistant to the Secretary for the elderly and handicapped. Prior to this appointment... Mr. Jackson served the Department as Senior Assistant for Congressional Relations... a position he assumed in August 1969... after lengthy service in the U.S. Navy. Mr. Jackson, a native of Wichita Falls, Texas, is a graduate of the Naval War College and the University of Hawaii.

Mr. Jackson's appointment coincided with President Nixon's message to Congress... outlining his proposals to assist the elderly. In regard to housing... the President said... among other things... he expected that HUD will achieve a record number of subsidized and insured housing and nursing home units this year... and cited some of the steps that HUD had taken to help insure a greater variety of building types. He also indicated he had instructed HUD to develop elderly housing management training programs... in cooperation with the Administration on Aging.



Local Tax Revenues Jump in Renewal Areas

A HUD study just completed shows that the revenue produced by an average taxable acre in renewal areas throughout the country is 395 percent above the revenue produced by the same acreage before renewal was undertaken. At the end of fiscal 1971... in 2,160 Urban Renewal and Neighborhood Development Projects... there were 62,374 acres marked for acquisition and treatment before renewal started... producing tax receipts to local governments of \$188.5 million... an average of \$3,021 per acre. On June 30, 1971... 20,867 taxable acres had been committed for redevelopment... and these were producing annual tax receipts of \$312 million... \$14,945 per acre. This record was achieved even though about a fourth of the land in the project areas had been removed from the tax rolls for public uses... such as streets... public buildings, etc. The 62,374 acres involved... equivalent to 97 square miles... is more than the combined area of Boston and San Francisco.



FYI

1972 Industrialized Building Conference... West Virginia University, Morgantown... May 23-26. Details from Dr. W.J. Wilhelm, Conference Director, UWVa. Department of Civil Engineering, Morgantown, West Virginia 26506.

National Conference on Social Welfare... 99th Annual Forum... Anaheim, May 14-19. Further information: NCSW, 22 West Gay Street, Columbus, Ohio 43215.

Chamber of Commerce of the U.S.... 60th Annual Meeting... Washington, April 30 to May 2. Registration: 1615 H Street, N.W., Washington, D.C. 20006. (202-659-6000).

American Bankers Association... Mortgage Conference... St. Louis, May 4. Secretary Romney will deliver the keynote address. Details: ABA, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036. (202-467-4000).



Realtor Week Scheduled

"Call Your Realtor... He Sells America First... Everyday" is the *Realtor Week* theme for the 1972 observance... May 21-27. Local Real Estate Boards throughout the Nation will participate.

New Affirmative Job Opportunity Program Announced

Secretary Romney has announced a new Department-wide program for affirmative action in employment opportunity. The program... affecting 15,900 HUD employees in 87 offices nationwide... is aimed at insuring blacks, Spanish Americans, American Indians, Orientals, and women full and equal opportunities to be represented in the HUD work force.

The Secretary noted that the program establishes "specific criteria for the measuring of progress toward the total elimination of discrimination in all aspects of the Department's relations with its employees."

Under the newly announced program... Directors of the Department's 87 field offices and all Assistant Secretaries must seek to include representation of all minorities and women in the work force of the Department at all echelons and in all types of jobs.



HUD Initiates Utilities Study

A research program which could lead to new methods of servicing urban areas has been initiated by HUD in cooperation with the U.S. Atomic Energy Commission and the National Aeronautics and Space Administration.

The study, titled *Modular-Sized Integrated Utility System (MIUS)*, will investigate and demonstrate the feasibility of servicing communities of limited size with a complete range of utilities generated by a single processing plant.

In most current urban development... separate systems are employed for supplying electrical and thermal energy to buildings. Water supply, liquid waste, and solid waste handling are generally treated as separate services. This conventional, fragmented, approach is inefficient economically and environmentally, and limits the options for urban development and renewal.

The new combined package approach would include electricity, heat, air conditioning, waste water and solid waste treatment, and water supply. These services would be available to clusters of dwelling units ranging from 100 to several thousand.

Installation of MIUS would eliminate the need for extended transmission and distribution systems. The interval between planning, installing, and actual production would be cut from eight to two years.

In the initial planning and design phase of the program, the AEC and NASA will evaluate the individual technologies which can be integrated into MIUS. AEC has received a \$600,000 contract from HUD for the initial analytical phase of the program. The work will be conducted at the Oak Ridge (Tenn.) National Laboratory.

Other agencies involved in this interagency activity are the Environmental Protection Agency, the National Bureau of Standards, and the National Science Foundation.



Bank Creates Post of Director of Urban Housing

The New York Bank for Savings, the Nation's fourth largest savings bank, which has been a leader in packaging and financing subsidized housing in depressed areas of New York City, has created the office of Director of Urban Housing, and selected Miss Frances Levenson to fill the post. Miss Levenson served for several years as a Deputy Commissioner of the City's Department of Development.

She has taken over planning for nine projects which the bank has under consideration including a proposal for utilizing the air rights over a 1,200-seat public school for 800 dwelling units at an estimated cost of \$26 million.

The Bowery Savings Bank has an equivalent post... Director of Urban Affairs, which is filled by a black man.

The National League of Insured Savings Associations has entered into a contract with the U.S. Bureau of Indian Affairs. . . to study the feasibility of organizing savings associations owned and operated by American Indians. The study is part of the League's effort to correct the longtime difficulty of Indians finding adequate financing of homes. The League will also give advice and technical assistance to tribal governments or any other Indian group wishing help in forming an association.

HUD has released the figures showing housing starts for recent years. The report shows Total Starts. . . Conventional Starts. . . Subsidized Starts. . . and VA-FHA Unsubsidized Starts. The most dramatic year was 1971. . . with a total of 2.084 million. Of these. . . 1.295 million were conventional. . . 445,100 subsidized. . . and 343,500 unsubsidized VA-FHA units. A 1972 estimate by the National Association of Home Builders anticipates a larger number of units in each category: Total, 2.100 million. . . Conventional, 1.265 million. . . Subsidized, 485,000. . . and FHA-VA, 350,000.



Agencies Selected to Test Housing Upgrading

Several months ago HUD invited local housing authorities to submit proposals for the undertaking of test studies to improve the management and operation of public housing. More than 70 agencies. . . from all over the country responded. . . and 14 have been selected to conduct major experimental programs aimed toward bringing about more efficient tenant services at lower cost through innovative approaches to public housing management.

In announcing the agencies selected, Secretary Romney said: "Hopefully. . . the end products of these three-year experiments will be improved management, reduced tension and frustration on the part of the tenants, lower operating costs, and greater acceptance of the concept of public housing on the part of the general community."

Results of the experiments will be made available to local housing authorities everywhere through an information clearing house working through HUD's field offices so that techniques proven to be successful can be adopted while the program is underway.

The authorities selected are in Atlanta, Metropolitan Dade County (Miami), Detroit, Greensboro, N.C., Hartford, Milwaukee, Washington, D.C., New Haven, Puerto Rico, Richmond, Va., Sacramento, Wilmington, Del., Worcester, Mass., and Hawaii.



New Publications

The Urban Affairs Newsletter. . . a clearing house for urban problems and programs for the disadvantaged. Published quarterly by the American Association of State Colleges and Universities, 1 Dupont Circle, N.W., Washington, D.C. 20036. Subscription \$12 per year.

Wise Home Buying. . . a booklet describing how to go about purchasing a house . . . often the largest investment a family will ever make. Chapters include: Shopping for a House. . . Inspecting Your Selection. . . Financing and Purchasing. . . and a Glossary of Words associated with home purchases. Available free. . . Box N, HUD, Washington, D.C. 20410.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20410

April 24, 1972
HUD-318-16-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5240



LIBRARY Vol. 3 No. 18
WASHINGTON, D.C. 20410

May 1, 1972

Current Trends

Mobile home shipments in February reached the highest level in history... 39,720 units... up 38 percent from the 28,729 recorded in February 1971. The final shipment figure for the year 1971 was 496,570... according to the Mobile Home Manufacturers Association. The Association is anticipating a rise in 1972 of 18 percent... for an annual total of 585,950.

Urban Renewal project notes totaling \$427 million... representing 112 issuing agencies... were sold in April... at an average interest rate of 3.0734 percent. This compares to the average interest rate for the \$323.2 million of project notes sold in March of 2.4899 percent. The average maturity of the notes was 10.1 months.

The Census Bureau reports March housing starts showed a decline of 11 percent from February's record rate. The Bureau believes that possibly statistical factors may account for some of the 11 percent figure... and that earlier months' estimates may have been too high. It is possible that starts rates will show declines in future months... as compensating statistical adjustments are made.



Model Cities Funding Exceeds One Billion Dollars

Model Cities funding approvals... since the program began in 1967... totaled \$1.275 billion through February 29, 1972.

From the start of the present fiscal year (July 1, 1971) to the end of February 1972... \$246.3 million has been obligated by HUD... covering the 147 cities in various stages of their five-year Model Cities programs.

During the life of the program... 32 cities have received approval for first-year action funds... 82 cities for second-year funds... and 33 cities for third-year funds. All cities in the program have begun their first-year action programs. In the first eight months of fiscal 1972... 32 cities were approved for second-year grants totalling \$116.6 million... 23 cities for third-year grants totalling \$73.1 million... and 17 cities received supplementary grants totalling \$56.6 million for the Planned Variations program... a HUD demonstration program recently initiated among a selected group of Model Cities.

HUD officials said proposed programs of 27 cities for their next action years are currently being reviewed prior to funds being obligated for their projects. In this group are 12 cities seeking a total of \$32.4 million for second-year programs, and 15 cities seeking a total of \$109 million for third-year programs.



Federal Aid to States Approaches \$30 Billion

The Treasury Department has released figures on Federal aid to States for fiscal 1971. Total of this aid... for grants, services rendered, etc. was \$29.8 billion. California received the largest amount, \$3.5 billion... followed by New York's \$3.3 billion. Illinois, Michigan, Ohio, Pennsylvania, and Texas all received Federal funds in excess of \$1 billion for the year.

HUD grants and other assistance for major programs during the period were: Low-Rent Public Housing, \$558.4 million... Model Cities, \$320.3 million... Open Space Land, \$39.2 million... Urban Planning Assistance, \$49.5 million... and Urban Renewal, \$1 billion.

HUD to Expand Housing for Elderly

An all-time record in fiscal 1972 in financing specially-designed subsidized housing and nursing homes for the elderly. . . is predicted by HUD.

"We are doing several things," said Secretary Romney, "to attune our programs to the needs of our older Americans. At a time in their lives when earning years have ended. . . many lack the means to provide adequately for their housing and to function in the life of the community. What we are doing to reshape and refine our programs to better serve elderly needs will, we hope, assist them in continuing as responsible and responsive members of that community."

Under HUD's subsidized rental housing programs. . . 66,000 specially-designed subsidized units will be funded. In addition. . . accommodations for over 14,000 people will be provided this year under the nursing and intermediate care facility program. Finally, a substantial number of this year's nearly 600,000 HUD-assisted housing units will be utilized for the elderly.

HUD has issued new guidelines for the Section 236 housing for low-income elderly tenants. These guidelines cover site location, proximity to social and service facilities, and more flexible cost levels for development and operation. The Department has also set up new guidelines for congregate housing of elderly tenants in the public housing, Section 236, and Rent Supplement programs. For elderly and handicapped persons who need assistance in day-to-day living, but for whom a long-term care facility would be both premature and expensive, congregate housing will include central dining facilities. HUD will also extend the mortgage maturity for its FHA-insured nursing home program up to a maximum of 40 years.

Finally, guidelines have been issued for the new Section 106(a) program which will furnish technical information to nonprofit sponsors of low- and moderate-income housing, including specially designed housing for the elderly.



HUD Project Selection Systems Published

Details of revised, simplified, project selection systems for four major HUD programs . . . were published in the *Federal Register*, April 14. The new regulations which take effect May 15. . . cover Neighborhood Development, Neighborhood Facilities, Public Facility Loans, and Open Space Land.

Floyd H. Hyde, Assistant Secretary for Community Development, who is responsible for the programs, said "the new systems provide field office staffs with a fair, equitable, and expeditious system for approving applications for funds in these programs. To accomplish this goal a team approach will be used. . . with maximum reliance on information available to HUD Area Offices. . . with minimal additional data being submitted by the applicant. Staff judgments will be based on information in the application, or currently on file in the area office, local staff discussions, and site visits."



HUD Official Asks Mortgage Bankers to Help Fair Housing

Woodward Kingman. . . President of HUD's GNMA. . . has called on the mortgage banking industry to press for equal housing protection under Federal law. . . in a speech before the California Mortgage Bankers Association in Palm Springs. Recalling that the Civil Rights Act of 1968 is four years old this month. . . Mr. Kingman asked for increased efforts to achieve voluntary compliance with the statute.

"We are calling on you," Mr. Kingman said, "to assist us in marshalling support for equal opportunity in housing. . . and to encourage loan submissions on projects which lend themselves to multi-racial occupancy and that all employees. . . especially those involved in appraising. . . should be notified of the company's policy of placing loans in economically-healthy, multi-racial neighborhoods."

HUD Encourages Boy Scout Activities

Several hundred executives of Local Housing Authorities from four States and the District of Columbia attended a series of seminars designed to increase the participation by boys living in public housing projects in the Boy Scout movement. The meetings... in Philadelphia, covered authorities in Delaware and 37 eastern counties of Pennsylvania... in Washington, covering Maryland and the District of Columbia... in Richmond, for Virginia... and Pittsburgh for West Virginia and Western Pennsylvania. The meetings were sponsored by the HUD Region III Office in Philadelphia. Regional Administrator Theodore R. Robb... commenting on the Scout movement... said that only about 10 percent of the eligible boys in housing projects normally join Scout troupes. "Scouting in public housing gives boys a needed sense of purpose and direction. The services rendered by Boy Scouts permit LHA's to do a better job of developing and managing housing for low-income people. Also, we have seen that where concerted Boy Scout activity exists... there has been a corresponding decrease in vandalism and in maintenance costs."



Boston Project 'To Go It Alone'

A \$260 million redevelopment plan in downtown Boston... the Park Plaza Project... has been approved by the City Council as a non-Federal urban renewal project. Because the demand for Federal funding for such projects exceeds current authorization authority... the Boston Redevelopment Authority chose to undertake the project with local resources... rather than delay or abandon the 10-acre redevelopment.

The first phase of the project is planned to include a twin 40-story luxury apartment building... with 1,500 units; a 1,000-room hotel; a 500,000 square foot shopping arcade; a 31-story office building; 5,000 off-street parking spaces; and 150 units of elderly housing in the \$100-150 a month range.

While there are a number of hurdles yet to be overcome... the developers are confident that the project can go ahead... with financing provided from the proceeds of the sale of 40-year revenue bonds guaranteed by the city.

An interesting aspect of the project is the manner that the relocation of the 255 business firms and 37 residential tenants will be handled. Federal relocation standards were tightened and benefits liberalized after the project was advertised. The City Council has voted that the new Federal standards shall be used... even though this was not required... and the city will pay half of the increased cost of compliance with the more stringent rules... with the developer paying the other half.

A second phase... comprising another 25 acres adjoining the first phase is expected to go ahead by 1979 or 1980... and this will bring the total cost of the redevelopment to half a billion dollars.



New Publications

Manual of Lumber and Plywood Savings Techniques for Residential Light-Frame Foundation Construction.... an 88-page report on research conducted for HUD by the NAHB Research Foundation. Profusely illustrated with construction details of floors, walls, partitions, ceilings, and roofs. Price \$3.50. NAHB Research Foundation, Inc., P.O. Box 1627, Rockville, Md. 20850.

Insulation Manual-Homes and Apartments.... a 44-page summary of pertinent insulation facts. Price \$4.50 from the NAHB Research Foundation... at the above address.

Patterns of Minority Relations.... by Raymond W. Mack and Troy S. Duster... one of the series of Freedom Pamphlets issued by the Anti Defamation League of the B'nai Brith. Chapters cover Minorities and Social Power... The Anatomy of Prejudice... Discrimination and Its Products... and a Bibliography. Price 75 cents from the League, 315 Lexington Ave., New York City 10016.

Targets Set for Minority Involvement

Secretary Romney has outlined what is believed to be an effective and meaningful program for ensuring maximum use of minority group entrepreneurs in producing and managing HUD-FHA assisted housing.

Under the program... targets must be developed by each HUD Area and Insuring Office for involving these entrepreneurs in HUD's interest-subsidy homeownership and rental programs (Sections 235 and 236 respectively)... as well as in HUD's rent supplement programs.

The Secretary declared the policy will benefit not only minority contractors, but also subcontractors, property managers, architects, engineers, housing consultants, accountants, housing sponsors, lawyers, mortgage bankers, real estate appraisers, brokers, and all other businessmen and professionals in the housing field.

The Secretary said, "we have been working with minority group entrepreneurs since the early days of this Administration to develop an effective means of ensuring their increased participation in these extremely important HUD programs. I have committed this Department time and again to the goals of minority entrepreneurship."

Under the new program each Director of HUD's 39 Area and 38 Insuring Offices will ascertain the level of participation for minority entrepreneurs last year and establish dollar targets for minority participation for the present fiscal year.



Notes From Here and There

The Census Bureau reports that 36.2 million Americans moved between March 1970 and March 1971... 17.9 percent of the entire population. This was a reduction from a year earlier... when 18.4 percent of the country's people changed residence... in the 1969 to 1970 period.

GNMA has received applications totaling \$7 billion in pass-through securities since the program began. Some \$4.2 billion have been sold.

Advance Mortgage Corporation of Detroit's current survey of U.S. Housing Markets... says: "The current housing boom is feeding... in part... on urban decay. Demand is soaring in many suburbs... so that even boom-level construction activity can't keep up, while in the central cities of those suburbs, housing is being abandoned. Urban areas are hollowing out at the core and building up at the peripheries."

The Associated General Contractors of America has completed a study of probable Federal expenditures for public works in the fiscal year beginning next July 1. AGC's Summary concludes that Federal outlays for public works will total \$13.7 billion... an increase of 5 percent over fiscal 1972... and 64 percent higher than the level of 10 years ago. For civil works programs... outlays will increase \$832 million over 1972. One major increase is \$222 million for water resources programs. Public works for defense projects are estimated to be \$1.6 billion for the year... \$176 million below the fiscal 1972 level.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. GOVERNMENT PRINTING OFFICE: 1972

May 1, 1972
HUD-318-17-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



May 8, 1972

MAY Vol. 13/No. 19

Current Trends

Housing and mortgage market indicators have shown mixed trends in recent weeks. Demand for sales housing remains strong... but there are reports of rising vacancy rates in rental housing. Savings inflows at thrift institutions remain relatively high... and while there are signs of tapering off... the inflows remain well above the long-term trend.

Sales of new single-family homes were at the highest rate recorded for a February since the series was started in 1963... at a seasonally-adjusted rate of 712,000 units. The median price jumped 7 percent from January... from \$24,700 to \$26,400. A good sign... the ratio of homes for sale to homes sold... which had risen abruptly at the end of 1971... declined in February for the second straight month. Existing home sales... according to NAREB were 22 percent higher than February 1971... and the median price was up 5.7 percent from a year earlier to \$25,570.

Consumer home buying plans are again on the rise... the Conference Board reports... and builder plans for new home starts showed no essential change in the past month. In the rental sector... however... there is evidence of rising vacancy rates as a result of overbuilding in some major cities.

Mortgage and other long-term interest rates encountered the heaviest upward pressure in March... since last summer. FNMA's auctions of both FHA-VA and conventional mortgages showed the first increase in yields in eight months... and this was accompanied by a larger volume of loans offered. Yields on long-term bonds also moved upward. In mid-April yields had risen from 7.56 percent to 7.74 percent in two weeks.

The F.W. Dodge Construction Activity Forecast for 1972... issued last October... has been revised upward. The firm has raised its estimate for the year by \$2 billion... to a total of \$85 billion... a 7 percent rise over the 1971 actual volume of \$79.6 billion. Much of the increase is expected to be in public works and other non-building construction. The company's chief economist... George A. Christie... said the outlook for housing is a gradually diminishing rate of starts throughout the year... with a value of \$36 billion... up 4 percent from last year... mostly due to higher costs... and a slight shift from multifamily to single-family units.



Oldest Tortilla Factory Moves

Back in 1925... Francisco Garcia started to bake tortillas in San Antonio... the first time anyone ever tried to make them commercially. At the time the handmade tortilla reigned supreme and the new-fangled machine-made product ran into considerable resistance. But he persisted... and today the Garcia plant... named the Sanitary Tortilla Manufacturing Company... makes more than 40,000 daily... employs 25 persons... and has nine machines operating eight hours a day... in a new location. After 43 years in the same place... the Rosa Verde Urban Renewal Project came along and displaced the operation. In his new location... Mr. Garcia owns both the land and building. The modern, air-conditioned structure was built to his own specifications... and in it 1,800 tortillas an hour can be produced. And the plant is located to attract the walk-in trade. Sunday mornings are the busiest... after Mass an average of 600 customers come in and stock up on the Mexican delicacy.

New HUD Grants and Contracts

HUD has announced the funding of the following:

- A grant of \$238,000 to the U.S. Conference of Mayors, Washington, D.C.... to undertake a one-year study to help develop policies for governing new communities developed privately with Federal aid. The study is specifically designed to help formulate policies and guidelines for the use of HUD, State, and local governments, new community developers, and resident associations. The guidelines will assure that the system developed for each community is democratic and responsive to the needs of residents, but at the same time efficient in utilizing community resources.

- A grant of \$198,000 to the American Society of Planning Officials, Chicago... aimed at increasing the professional capabilities of citizen groups in shaping plans for the development of their communities. The project will be conducted in HUD's six-State Chicago Region. During the two-year project, ASPO will identify common neighborhood planning and development needs, prepare information bulletins, operate an inquiry-answering service, and begin a national information clearing house for neighborhood and community groups.

- A contract for \$110,000 to Decision Sciences Corp. of Jenkintown, Pa., to prepare guide criteria for assessing the economic feasibility of total energy systems. In addition to electricity, a total energy system supplies all heating, air conditioning, and domestic hot water for a complex of buildings. Waste heat from the electrical generating equipment is used for heating as well as air conditioning, resulting in major savings in fuel and also reducing the incidence of pollution. The guide criteria will be designed to help both the public and private sectors of the economy in evaluating the applicability of total energy for residential development.

- A grant of \$80,000 to the Tri-County Council for Southern Maryland in Waldorf, Md... to study the impact of a proposed new Maryland community on the county, region, and State where it is located. St. Charles Communities in Charles County in southern Maryland was selected for the study because it is in a rural area on the fringe of urbanization. It is one of 10 proposed developments approved to date by HUD under the New Communities Act of 1968. Using existing data, the Council will examine the advantages and disadvantages of accommodating new urban growth through a new community rather than by scattered subdivisions... and special attention will be given to questions of public revenue and cash flow requirements. A prototype system will be developed for continuous monitoring and evaluating growth both within and outside the community. The county, region, and State will then be able to anticipate and adjust to public service programming and land use controls to assure a desirable growth process.

- Fairfax County, Virginia... one of the fast growing suburbs in the Washington, D.C., area... has been awarded an additional \$226,000... to record and plot its land development with the aid of a computerized information system. The county was originally awarded \$125,000 in November 1970 to test the project concept in the 15.9-square mile Springfield Planning District. The test proved successful. The additional award will enable the County to expand the system county-wide.

The project is called the Urban Development Information System (UDIS). It will develop computerized information files for use in the county's planning functions, in preparing and analyzing rezoning reports, and in building an information bank which will help county officials as well as private interests decide how to make best use of the land.

The county will be able to use UDIS to forecast new housing and population patterns annually up to five years for small areas of the county, averaging about a square mile. The forecasts will considerably aid detailed planning of public facilities.



FYI

World Symposium on Industrialized Building... May 25-26... Chicago. Details from Mark A. Jorgensen, Housing Research, Inc. High Crest Lake, Butler, N.J. 07405.

Trading in Mortgage Futures

The Federal Home Loan Mortgage Corporation... of the FHLBB... is working on a plan to set up a market in mortgage futures. It is hoped that the necessary development work can be completed before the end of 1973. While details are not yet available... the plan envisages some 50-100 banks, mortgage companies, S&Ls, and builders becoming the initial traders. It is believed that trading in futures will provide a hedge against wide fluctuations in mortgage interest rates... such as the 20 percent movement in the period of late 1970 to date... when the range was between 7½ and 9 percent. Many factors still need to be resolved: SEC and State approval... a grading system for mortgages... and other matters. The FHLMC believes that when in operation... the futures market could reach an annual volume of from \$40 to \$80 billion.



Swedish Housing Team in U. S.

A delegation representing the Swedish International Building Committee has arrived in Washington for a two-week visit as guests of HUD.

The 14-man group... led by Swedish Minister of the Interior Eric Holmqvist... is returning a visit made by a HUD team to Sweden last October under a bilateral exchange program.

The itinerary for the group includes briefings by top HUD officials and visits to HUD-assisted housing projects in Battle Creek, Mich; Chicago; San Francisco; and Baltimore and Rockville, Md. They will also tour Operation BREAKTHROUGH sites in Kalamazoo, Mich., and Sacramento, Calif.



Recording Available

A 2-hour tape cassette... condensed from a 2-day seminar on *New Developments in Low- and Moderate-Income Housing* sponsored by the Practising Law Institute. Covers 1971 housing legislation; taxes; various housing management aspects; and information on State and Federal housing programs. Accompanied by a 100-page handbook. For sale by Condylne, Inc., Box 1353, Stamford, Connecticut 06902. Price \$30. Discount for quantity orders.



Municipal Employment Rises

Municipal employment continues a steady upward climb. The Census Bureau reports that city governments employed 2,273,000 persons in October 1971... an increase of 38,000... or 2 percent in a year. The payroll for these employees was \$1.5 billion... up \$121 million from October 1970. In the five years since 1966... local government employment increased 15 percent... while payrolls jumped 66 percent. Average employee earnings rose 45 percent during the 5-year period.



New Publications

Guide for the Responsible Consumer... a 12-page booklet lists common frauds and deceptive practices... tips on how the consumer can protect himself or herself... existing protective legislation... agencies to which one can turn for redress... books which can further enlighten the consumer, and... a consumer code of ethics.

In the section on the consumer code of ethics... corporations and associations of manufacturers present the other side of the coin... the losses they suffer through customer fraud or negligence.

The guide is available for 35 cents from the American Association of University Women, 2401 Virginia Ave., N.W., Washington, D.C. 20037.

Blueprint for the Home Buyer... containing consumer guidelines on selecting a house, financing it, and closing the deal. Prepared by the American Land Title Association. Available free from the Association, Room 303, 1828 L St., N.W., Washington, D.C. 20036.

Test House Reduces Costs

A building system capable of reducing house material and labor costs by over \$1,500 for a typical one-story, three-bedroom detached house has been developed under a contract awarded by HUD to the National Association of Home Builders.

The "Optimum Value Engineered" (OVE) system was developed by the NAHB Research Foundation, Inc. . . using funds made available under an Operation BREAK-THROUGH contract.

A three-bedroom 952-square foot demonstration house built with the OVE system was opened in the Quince Orchard Valley subdivision of Gaithersburg, Md. . . a suburb of Washington, D.C.

Costs of the OVE prototype house were compared with a typical one-story rambler which is similar in plan, shape, and size. Labor and material costs for the OVE house showed a reduction of \$1,652 over the costs for the conventional house—\$1,146 in materials and \$506 in labor.

Harold B. Finger, HUD Assistant Secretary for Research and Technology, pointed out that the OVE system uses conventional materials and labor skills available throughout the country.

NAHB President Stanley Waranch observed that savings were obtained with simplification of design, cost-effective construction details, and the application of value engineering to obtain maximum structural and mechanical performance.

It was emphasized at the open house ceremony that most of the cost-saving techniques and subsystems employed in the demonstration house can be used with townhouses and garden apartments as well as with detached houses.

Structural components of the OVE system were tested in the NAHB Research Foundation's laboratory in Rockville, Md. Engineering calculations and test data will be made available for evaluation by communities.



Ford Foundation Grants

These grants have recently been made by the Ford Foundation in the fields of housing and urban affairs:

Housing Opportunities Council of Metropolitan Washington and Urban League of Cleveland, \$313,380 and \$102,265, respectively, for promotion of equal opportunity in housing. Both organizations assist minority families in obtaining housing through such activities as home-finder services, legal action against discrimination, and cooperative efforts involving real estate brokers, bankers, and agencies active in the housing market.

Massachusetts Institute of Technology, \$49,500 for an analysis by the MIT-Harvard Joint Center for Urban Studies of the Federal role in implementing Model Cities programs at the local level.

San Francisco Development Fund, \$306,042 for counseling of low-income families selected to participate in an experimental home-ownership program in the San Francisco Bay area. With monthly subsidies provided by HUD. . . the program will enable 500 families to acquire housing of their own choosing.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND
URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

HUD-318-18-PA
May 8, 1972

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget. November 21, 1969.



newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



May 15, 1972 *12 1972 issue London Rm. 8141*

Vol. 3 No. 20

Current T **LIBRARY**

WASHINGTON, D.C. 20410

FNMA has reduced the interest it pays on short-term discount notes. On 30-59 day notes... the rate has been cut to 3.1 percent from 3.2; 60-89 days... down from 3.45 percent to 3.25; 90-179 days... to 3.5 from 3.7; and 180-270 days... from 4.25 to 4.

Construction contracts awarded in March were 15 percent ahead of March 1971... the F.W. Dodge Division of McGraw-Hill reported. For the first quarter of the year... the rise was 20 percent. The monthly total for March 1972 was \$7.28 billion... compared to \$6.32 billion in 1971... and for the quarter... it was \$19.06 billion... as against \$15.93 billion in 1971. Residential construction showed the largest rise both monthly and quarterly... 34 percent for the month... and 45 percent for the quarter.



Mortgage Funds Remain Abundant, NAREB Study Shows

Despite a record volume of home construction and sales of existing properties... mortgage funds for conventional home financing are abundant, and lenders have been offering a broad range of terms from which a borrower may select. These were among the findings in the annual spring study of the mortgage market by the Department of Research of the National Association of Real Estate Boards. In many areas... FHA-insured Section 203 home loans are encountering stiff competition from low-equity conventional mortgages with private insurance. However... at mid-March... resources for these loans were readily accessible, whether the security was a new or an existing property.

Also, at mid-March... supplies of funds for conventional mortgages were reported as ample in 88 percent of the market areas if the home was new... compared to 72 percent last September, and 84 percent a year ago. A similar trend was noted for the availability of mortgage funds for an existing home in a good neighborhood. Funds were ample in 86 percent of the areas, compared to 68 percent in September 1971, and 82 percent a year ago.

The most frequently quoted interest rate for a conventional loan on a new home was 7.5 percent. This rate was common in 40 percent of the market areas surveyed while a lower rate, 7.00 or 7.25 percent, was quoted for 35 percent. Higher rates, generally 7.75 or 8 percent, were prevalent for the remainder.



New York Police Will Assist Crime Insurance Applicants

The New York Police Department has volunteered to provide advice and guidance on protective devices in order to help small businessmen to make their premises more resistant to crime and to meet the protective device requirements of the crime insurance program of HUD's Federal Insurance Administration. Any New York City businessman interested in coverage under the Federal program may seek an inspection of his premises by the city police in order to receive informal assistance on what devices may be needed to meet the Federal requirements.

While the police cannot be expected to certify that particular premises meet all Federal requirements... which the businessman must certify to at the time he applies for Federal insurance... the Crime Prevention Squad of the Police Department will help businessmen understand the purpose of these requirements and can show them why existing devices may be deficient. Such knowledge is essential to maintaining adequate protection.

New Appointments

Harry T. Morley, Jr., has been appointed HUD Assistant Secretary for Administration. Since August 1971... Mr. Morley had been serving as Deputy Assistant Secretary for Housing Production and Mortgage Credit... and prior to that as Regional Administrator of the Kansas City Regional Office of HUD. He is a native of St. Louis... received a Bachelor of Arts degree from the University of Missouri and a Master in Educational Psychology from the University of Denver. After serving in administrative posts in several educational institutions... he moved to local government in 1963... and was Director of Administration of St. Louis County when he joined HUD in 1970.

Replacing Mr. Morley... John L. Ganley of Summit, N.J., has been named Deputy Assistant Secretary for Housing Production and Mortgage Credit and Deputy Commissioner of FHA.



Communities Ignore Flood Insurance Hazards

HUD has notified certain communities participating in the National Flood Insurance Program that their eligibility for subsidized flood insurance will be suspended unless they take action to avoid future flood losses. 888 communities out of 918 participating in the flood insurance program in 1971 submitted local land use and control measures by the statutory deadline of December 31, 1971. 210 more communities were admitted to the program in 1972 through the adoption of similar ordinances. A total of 1,098 counties and municipalities in 49 States are not eligible for flood insurance. Citizens of the 30 communities which have failed to adopt the necessary ordinances will not only be deprived of flood insurance... which is generally available only through the federally sponsored program... but are not likely to receive adequate information on the location and extent of the flood hazards within those communities.

The Federal Insurance Administration has reviewed many of the land-use measures submitted by the December 31, 1971, deadline... and has found that a number of communities do not appear to have taken seriously their responsibility to limit or control future construction within their flood plains. A preliminary review of the ordinances submitted to HUD indicates that at least 100 communities have not demonstrated adequate compliance with Federal requirements. In most of these cases... the communities adopted ordinances that failed to deal adequately with future construction so as to reduce the danger of future flood losses, which HUD's regulations require. HUD is in the process of mailing letters to the communities whose ordinances have been found not to meet Federal requirements, giving them 90 days in which to adopt more adequate measures before their flood insurance is terminated.



HUD to Promote Summer Youth Jobs

HUD's Office of Community Development announced that it will again use all its programs and influence to secure jobs for disadvantaged youths this summer. Seven programs will provide substantial support in the effort to provide job opportunities. The programs are Water and Sewer Facilities Grants, Public Facility Loans, Neighborhood Facilities, Open Space Land, Model Cities, Urban Renewal, and Concentrated Code Enforcement. Jobs in these programs will include construction, landscaping, service, recreation, education, and administration.

Although the program is designed specifically to promote summer employment, much of which will be temporary or part-time... the job needs of young people extend beyond the summer, and each employing firm or agency is asked to review its continuing personnel situation to determine how young people can be added to permanent staffs in positions offering maximum prospects for learning skills and advancement.

To make the program more effective, applicants are directed to the Regional Youth Program Coordinator at any HUD Regional Office.

First Conviction Under Land Sales Act

The first conviction under the Interstate Land Sales Full Disclosure Act of 1968... has occurred. Edward L. Parker, of Miami, Fla., was sentenced to two years probation and fined \$5,000 by the U.S. District Court in Miami... after Mr. Parker pleaded guilty to selling lots in interstate commerce in violation of the Interstate Land Sales Full Disclosure Act.

He was indicted by a Federal grand jury in Greensboro, N.C., on August 26, 1971, for selling lots in two North Carolina subdivisions... Holiday Shores and Governor's Lake Estates... without submitting a required Statement of Record to HUD... and without furnishing purchasers with a federally approved Property Report in advance of signing a contract.

"This is the first conviction under the Full Disclosure Act," George K. Bernstein, Administrator of Interstate Land Sales for HUD said. "I hope the message gets through to those land developers selling subdivisions in interstate commerce who fail to file a Statement of Record and to give purchasers a report of all significant factors which affect the buyer's interest. The smart, slick businessman has been taking care of himself all along, now it's time to offer more protection to the consumer."



New Town Approved in Texas

The Woodlands... 30 miles north of downtown Houston... is the third New Town approved for Federal assistance guarantee in Texas. The 17,000-acre tract will have a population of 150,000 in 20 years... according to present projections. Seven villages and a town center will contain 49,000 homes... 30,000 of which will be multifamily units. A 1.5 million-foot regional shopping center will be included. The HUD guarantee for Woodlands... \$50 million... the maximum allowed under the 1970 Act... is the largest approved to date.



50 Go Off Welfare to Paid Jobs

The *Waterbury American* has reported that 50 persons in that Connecticut city have taken paid jobs... and have gone off welfare... as a result of the HUD-funded Model Neighborhood Ecological Development Program. The program is designed to be used all over the city to "keep the ecology of the city in much better condition than it ever has been." The workers will work on keeping the city clean and whatever other jobs they can fill in achieving the program's target. Last year a "litter patrol" was conducted by the Model Cities agency... which helped keep one neighborhood of the city free of debris and trash. Now the program will cover the entire city.



Notes From Here and There

In a statement endorsing the annual observance of "Home Improvement Time" during the month of May... Secretary Romney said: "HUD is pleased to join in this program sponsored by the National Association of Home Builders, the National Home Improvement Council, the National Lumber and Material Dealers Association, and the National Remodelers Association. In addition to building the many, many thousands of homes needed to shelter our people... we must also maintain our present supply of existing homes. Moreover... it is to the homeowners' own interests that they make the necessary repairs and alterations to keep their homes in good condition."

A new development in the international cooperative program of HUD came into being with top level briefings for the Washington foreign diplomatic community and members of the news media.

The briefings, which were conducted by HUD Assistant Secretary for Equal Opportunity, Samuel J. Simmons, focused on key HUD programs to promote fair housing and equal economic opportunity... with dignitaries from 140 embassies in the Washington, D.C., area participating... in the commemoration of the fourth anniversary of the passage of the U.S. Fair Housing Law.

More Census Notes

There are 25 Standard Metropolitan Statistical Areas (SMSAs) with one million or more people. An analysis of these shows that only seven of the central cities... that constitute the core of the SMSAs... have more population than the suburban areas around them.

In every major area but one (San Jose)... the percentage of population "outside the central city" increased in the 10-year intercensal period... in most instances very substantially. Of the largest areas... only the Los Angeles SMSA showed a minor movement... from 56 to 56.6 percent. In every other case the outward movement was of major proportions. Larger-than-average movement took place in a number of SMSAs... for example: New Orleans had a 50 percent increase in the "outside" ratio... Minneapolis-St. Paul moved from 42 to 56 percent... and the Atlanta area rose from 36.5 to 57.6 outside the central city.

SMSA	Population	1970 Percentage Outside Central City	1960
New York	16,206,841	45.6	38.1
Los Angeles	8,351,266	56.6	56.0
Chicago	6,714,578	44.9	34.6
Philadelphia	4,021,066	51.5	44.9
Detroit	3,970,584	61.9	52.8
San Francisco	2,987,850	61.7	53.7
Boston	2,652,575	75.8	71.1
Washington	2,481,489	67.5	57.8
Cleveland	1,959,880	61.7	50.9
St. Louis	1,882,944	67.0	55.0
Pittsburgh	1,846,042	71.8	66.5
Minneapolis-St. Paul	1,704,423	56.3	42.2
Houston	1,677,863	26.6	17.6
Baltimore	2,579,781	42.7	33.8
Dallas	1,338,684	36.9	27.1
Milwaukee	1,252,457	42.7	35.5
Seattle-Everett	1,238,107	52.8	21.2
Miami	1,219,661	72.5	65.8
San Diego	1,198,323	42.1	31.4
Atlanta	1,172,778	57.6	36.5
Cincinnati	1,110,514	59.3	49.4
Kansas City	1,101,787	54.5	48.4
Buffalo	1,086,594	57.4	49.5
Denver	1,047,311	50.9	38.5
San Jose	1,025,273	56.7	66.1

Among smaller cities... some examples of large "outside central city" percentages are Charleston, South Carolina... 70.7; Harrisburg, Pennsylvania... 71.7; Hartford... 66.0; Orlando... 67.6; Salt Lake City... 63.3... and Sacramento... 59.9.



Slides... Film... Tape

The National Center for Resource Recovery... the nonprofit corporation formed by industry and labor to seek positive solutions to ecological problems... has issued the three public service messages. All are available for free loan. *Things Worth Saving*... 16mm, color, 13½ minute film. *Alchemy Reborn*... 125 2x2" color slides... complete with script. *Waste Not*... a weekly radio series... consisting of three taped programs... each 4½ minutes. Available from: Director of Information, National Center for Resource Recovery, 1211 Connecticut Avenue, N.W., Washington, D.C. 20036. (202-223-6154).

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

May 15, 1972

HUD-318-19-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney... Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget... November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



May 22, 1972
May 23, 1972
Current Trends

Vol. 3 No. 21

Savings and loans are experiencing lower mortgage payment delinquencies. In the first quarter of 1972, delinquencies were lower than for any comparable period in four years.

Residential vacancies for the first quarter were the same as during the fourth quarter of 1971... according to the Census Bureau.

Urban renewal project notes in the amount of \$351 million... sold on behalf of 122 issuing agencies... carried an average interest rate of 2.6625 percent. A month earlier the interest rate was 3.0734 percent.

The rate of increase in savings inflows in savings and loans receded slightly in March from the unprecedented rates of recent months... but mortgage loan commitments rose sharply. At the end of the first quarter... total savings were the highest in history... \$185 billion. Mortgages outstanding... also at a record level... were \$180 billion.

With the acceptance of \$336 million in FHA and VA commitments... the May FNMA auction broke all records for a single auction since the program began four years ago. Total for 1972 to date is \$1.1 billion.

The Federal Home Loan Mortgage Corporation has established a new weekly sales program for its mortgage securities. The new sales program will provide mortgage investors with a continuous opportunity to buy and sell in FHLMC's 12 regional market areas... and is one more step toward carrying out the Corporation's objective of providing an effective secondary market for residential mortgages. According to Thomas R. Bomar... FHLMC's Executive Vice President... the weekly sales will allow the establishment of purchase prices based upon the sales rate... and should bring into better balance FHLMC's secondary market operations... and ultimately help reduce spreads existing between purchase and sale rates. This should benefit buyers and sellers of mortgages as well as homebuyers.

FHLMC has also issued an additional \$500 million in mortgage-backed bonds. GNMA... a corporation within HUD guarantees the securities' principal and interest with the full faith and credit of the U.S. The issue... dated May 25... consists of \$350 million in bonds maturing in 1977 and \$150 million maturing in 1997. This brings to over \$2.3 billion the volume of such bonds issued since the GNMA-administered program began in June 1970. FHLMC has been an issuer of \$1.315 billion of the securities.

Mortgages for buyers of homes in the age bracket of 40 years and over are far easier to obtain today than just a generation ago... according to John P. Farry, president of the United States Savings and Loan League. He said that many institutions are giving mortgages to borrowers who already are 65 or older, and that the borrowing situation for older people is becoming easier.



Volunteer Award Program Announced

The second Volunteer Award Program of the National Center for Voluntary Action has been announced. The 1972 Awards will honor distinguished volunteers for their services... The first place group and individual winners will receive the Lane Bryant prize of \$5,000 each. Deadline for nominations is midnight July 15. Nomination forms are available from the National Center, 1735 Eye Street, N.W., Washington, D.C. 20006.

Senior Citizens' Month

May is Senior Citizens' Month. HUD is taking a series of actions designed to improve the quality of housing for older Americans and to provide them with increased opportunity for participation in community betterment. These actions are responsive to the ACTION NOW goals set by President Nixon in designating the observance and to the recommendations of the White House Conference on Aging.

All HUD Field Offices have been notified that those persons 62 years of age or over with accumulated assets under \$25,000, shall be eligible to buy homes under the assisted homeownership program (Section 235). For persons 65 years of age or over... the limit shall be \$35,000. For persons 62 years of age or over who are handicapped and require a constant companion... the limit shall be \$50,000.

HUD is also encouraging the development of congregate housing so older Americans can retain their independence but be assured good nutrition and personal services when needed... recognizing that well-run congregate housing can forestall premature reliance on medical facilities and prevent unnecessary institutionalization.

And, for those who need medical care... HUD is expanding its nursing and intermediate care programs. During the current fiscal year there is expected an increase in HUD-assisted nursing home beds by more than 14,000, bringing the total to over 98,500. HUD recently extended to 40 years the mortgage period on structures in this program, which should result in lower costs to the patients.



HUD and University Join in Restoration

HUD has made a matching grant of \$1,080,250 to the University of Virginia at Charlottesville... the largest such grant ever... to aid in the restoration of the Rotunda... the keystone building of the University. Designed by Thomas Jefferson... the father of the University... the Rotunda is considered one of the finest examples of 19th century architecture in America.

In a ceremony at Monticello, Floyd H. Hyde, HUD Assistant Secretary for Community Development, and Dr. Edgar F. Shannon Jr., President of the University, signed the agreement which provides HUD's share of the restoration cost. The grant was made under HUD's Historic Preservation program. The Rotunda was declared a national historic landmark in 1966.

The project will cost \$2,176,500, of which \$1,017,903 will be provided by the Cary D. Langhorne Trust of Washington... created under the will of a University alumnus. Previously... \$55,000 had been voted by the General Assembly of Virginia for planning... and \$15,347 had been contributed privately.

Work is to begin soon on the extensive project, and will be completed by 1976.



S&L Head Predicts Interest Rise

A prediction that the cost of money will soon force interest rates upward highlighted remarks by Ross M. Blakely, President of the National League of Insured Savings Associations at the League's Management Conference. He said he expects interest rates to increase... and soon. "While this is distasteful to everyone," Blakely added, "I think the market place has dictated an increase. Demands for credit are picking up sharply—and of course standing as a huge shadow in the background is a massive record-breaking Federal budget deficit...."

"With deference to Treasury officials who keep saying otherwise, I am convinced that long-term interest rates cannot remain under downward pressure when the economy is faced with the size of budget deficits we are now confronted with. But... savings inflows should help meet the demand for credit without too great a rate hike."

New Urban Growth Study

A major study of urban growth on the South Shore of Massachusetts Bay, between Boston and Plymouth, will be conducted by Harvard University's Graduate School of Design. Supported by a two-year grant of \$522,700 from the National Science Foundation, the study will attempt to combine many influences in urbanization into a statement of planning processes. It will utilize computer simulation techniques and mathematical programming. In addition, the study will involve such disciplines as economics, engineering, ecology, landscape architecture, city and regional planning, and law and political decision-making.



BREAKTHROUGH Train Begins 700-Mile Trip

25 specially-equipped railroad cars loaded with 216 completely finished factory-produced housing modules left Valley Forge, Pennsylvania, on a 739-mile trip to the Indianapolis BREAKTHROUGH site... via the Reading and Penn Central Railroads. Two additional rail shipments are scheduled for later dates. Upon arrival at the site... the General Electric Company... which built the modules... will begin assembly of the units into eight apartments, 16 four-bedroom townhouses, and 32 three-bedroom townhouses.

Operation BREAKTHROUGH has supported several earlier and smaller rail movements of modular units to distances as great as 2,500 miles... and is continuing to test the validity of "all rail" shipments under a wide variety of conditions. The movement of modular units by truck is uneconomical for distances in excess of 400 miles. For example... the shipment of the General Electric units by truck would have exceeded the cost of the rail shipment by \$30,000.

Thus... the economics of plant investment have been based almost exclusively on the market that can be served by truck shipments... and the modular housing industry has been forced to follow the costly practice of plant decentralization in order to remain within a 200-400 mile range of prime market areas... or would have to either build a new plant in a distant market area... or leave the area untapped. Rail transportation... on the other hand... can double the economic shipping radius for modular units... and when the radius is doubled, the area and market that can be served are quadrupled.

Arthur S. Newburg, Director of Operation BREAKTHROUGH, commented: "With trucks serving the 'inner market' radius of 400 miles... and the railroads serving the 'outer market'... opportunities for expansion by modular housing producers are increased significantly. And expansion of markets is one of Operation BREAKTHROUGH's major goals."



Segregated Housing Effects Frightening

"The absence of the free and open housing market... with its resulting racial isolation... has many consequences which are increasingly frightening"... Samuel J. Simmons, HUD Assistant Secretary for Equal Opportunity... said at the Equal Housing Anniversary Dinner in Chicago... commemorating the passage of the Fair Housing Law in 1968. Deploing the effects of the dual housing system on urban areas across the country, Mr. Simmons said, "Chicago typifies the national pattern. The extent of racial segregation in Chicago today is astonishing in its virtual completeness. Even though blacks account for one-third of the city's population, there are no blacks at all in roughly one-fifth of all census tracts."

Underscoring his remarks... Mr. Simmons pointed to the decline of industrial plant employment and industrial and retail growth in several major central cities, which contrast with corresponding increases in the surrounding suburban communities having few minority families.

The private sector, he said, and other levels of government must join the Federal Government in efforts to dismantle the dual housing system and to "institutionalize" equal housing opportunity throughout the country.

HUD To Use Black College Resources

HUD has signed a contract with Texas Southern University of Houston, Texas, to find new ways to utilize the resources of black colleges in fostering community development activities.

Texas Southern... a predominantly black college with more than 6,000 students... is the first institution to receive a national contract as the result of recommendations to President Nixon by presidents of black colleges formulated at a HUD-sponsored conference in February 1971.

The \$135,000 contract covers a 13-month period starting April 1. In addition to these funds... an additional \$70,000 from HEW's Office of Education and the HUD Community Planning and Management Office... are being made available... bringing the level of TSU's involvement with the Model Cities program in Houston to more than \$1 million in Federal and local funds. TSU is situated in the Model Cities neighborhood impact area in Houston.



Discrimination by S&L's Barred

The Federal Home Loan Bank Board has announced the implementation of previously proposed regulations which prohibit discrimination in lending and employment by savings and loans which are members of the FHLB System.

The regulations prohibit the denying of a loan or other service... or from discriminating in fixing the loan amount or terms... with respect to any person because of race, color, religion, or national origin... as well as prohibiting savings and loans from refusing to consider a loan application or from discouraging applications from any person.

Lenders also will be prohibited from failing to hire, from firing... or otherwise discriminating... against an individual because of race, color, religion, sex, or national origin. Also set down are rules against discrimination in advertising and the requirement that lenders display Equal Housing Lender Posters in their lobbies.

The Board proposed the anti-discrimination regulations on January 14, 1972. The regulations became effective on May 1.



Housing Market Changes

A dramatic shift in the home buying habits of under-30 families has occurred. A survey by Walker & Lee Marketing Services of Anaheim, Calif... covering 100 new home projects developed by 50 builders... showed that moderate-income, first-time home buyers are buying smaller and lower-priced houses. The survey covers the two-year period... 1970 and 1971. In 1971... the average buyer was 1.4 years younger than the 1970 buyer... earned \$1,491 less than the buyer a year earlier... and bought a dwelling 159 square feet smaller and \$1,948 cheaper. The projects covered were in California and Arizona. Asked why they had bought homes... most answered: "We are tired of paying rent." The average price of the house bought in 1971 was \$30,479... and VA-guaranteed mortgages were used in 42 percent of the transactions. The average income of the purchasers was \$13,333... down from \$14,824 a year earlier.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
U.S. GOVERNMENT PRINTING OFFICE: 1970-20-318

May 22, 1972
HUD-318-20-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



May 29, 1972

1972

Vol. 3 No. 22

Current Trends

LIBRARY

The National Association of Home Builders' latest *Quarterly Metropolitan Housing Starts Forecast* revises upward its projection of 1972 housing-unit starts to 2.25 million. NAHB had earlier predicted 2.1 million. The higher figure is predicted even though a decline is expected in a number of metropolitan areas... from the record 1971 activity. The new figure is based on the continuing ample flow of mortgage money... an unusually high rate of building permit issuances... and evidence of very strong consumer demand for new housing. The all-time high for starts was in 1971... 2,084,000 units.

GNMA has announced... that beginning in June... private investors will be permitted to "buy" outstanding commitment contracts for the purchase of Sections 235(i), 221(d)(3) Rent Supplement, and 236 mortgages. Previously... only FNMA had been eligible to purchase these Tandem Plan securities. Under the plan... private capital replaces Government outlays in mortgage purchases.

Project notes of 117 local housing authorities... in the amount of \$521 million... were sold at an average interest rate of 2.703 percent... down from April's 2.828 percent. The notes have an average maturity of 6.6 months.

The May 1 HUD survey of mortgage market conditions showed a slight reversal of mortgage rates. After eight consecutive monthly gains... which varied from one-tenth of a point to one and three tenths points... the national average secondary market price for HUD-insured 7 percent new home mortgages declined two-fifths of a point during the month. On May 1... the price was \$95.9 per \$100 of outstanding loan amount. This represents an equivalent gross yield to investors of 7.5 percent... up from 7.45 percent on April 1.



HUD Acts on Lead Poisoning Hazards

Procedures have been prescribed by HUD for identifying and treating existing lead-based paint poisoning hazards in low-rent public housing and HUD-owned properties.

Priority is given to detection and treatment or removal of lead-based paint health hazards in older residential structures. Interior paints have not for the most part contained dangerous levels of lead for almost 20 years. Cracking, scaling, peeling and/or loose lead-based paints present a serious health hazard for children. Inspection and treatment procedures and responsibilities became effective immediately.

All dwelling units built in 1950 or before are to be inspected for existing lead-based paint health hazards. Any identified hazard in the form of cracking, scaling, peeling or loose lead-based paint, is to be eliminated.

In the case of public housing or HUD-owned units constructed since 1950, particular attention is to be directed to the possibility of such paint hazards during regular unit inspections.

HUD banned... as of January 1, 1972... the use of lead-based paint in all HUD-assisted residential units. The new policy instructions for low-rent public housing and HUD-owned property programs reiterate the prohibition and further require that all painting contract specifications include a provision prohibiting furnishing and application of lead-based paint materials.

Vacation Home Regulations Issued

The Federal Home Loan Bank Board has announced the proposal of new regulations which would permit Savings and Loans to make loans for vacation homes and for the equipping of residential property without the requirement of security. The regulations were originally proposed in April 1969, but no final action was taken because of the tight mortgage money supply condition in the mortgage market during that period.

"There has been a flood of savings deposits to S&Ls so far this year," Chairman Preston Martin of FHLBB said. "Commitments for future loans are at historic highs. This means substantial mortgage funds will be available in the months immediately ahead, both for mortgages and for a limited volume of lending activities. The regulations cover new lending authority that Congress granted to the S&L industry in 1968 but which was not implemented due to the mortgage market crunch." The regulations would permit loans for major home appliances and for built-in equipment.



Uniform Rent Security Law Proposed

"The problem of landlords demanding and receiving from tenants 'returnable' rental security deposits has been a long standing and odious practice," according to the *National Housing and Economic Development Law Project of the Earl Warren Legal Institute*. The Project's *Bulletin* reports that legislation regulating such security deposits has been enacted in California, Colorado, Delaware, Florida, Illinois, Maryland, Massachusetts, Minnesota, New Jersey, New York, and Pennsylvania. The State legislation varies widely. . . and the National Conference of Commissioners on Uniform State Laws has prepared a draft of a Uniform Landlord and Tenant Relationship Act. . . which it plans to ask all 50 States to adopt. A copy of the draft is available from the Project, 2313 Warring Street, Berkeley, Calif. 94704.



HLBB Authorizes New Activity

The Federal Home Loan Bank Board has approved a recent application. . . permitting a multiple savings and loan holding company to operate a mortgage banking activity as a directly owned subsidiary. . . subject to the condition that the approval of the activity is for an initial period of 2 years. . . with provision for year-to-year extensions.

This is the first time the Board has acted on the question of the operation of such an activity as a directly owned subsidiary of a multiple savings and loan holding company. The action was taken in connection with the approval of the acquisition of four Texas savings and loan associations by Gulf Republic Financial Corporation of Houston. The four associations have combined assets of \$153 million. They are: Panhandle Savings and Loan Association, Amarillo; Beaumont Savings and Loan Association, Beaumont; Home Savings Associations, Houston; and Temple Savings Association, Temple.



British Consultant Visits Here

John P. Macey, former Director of Housing for the Greater London Council, will spend three weeks in this country as a consultant on the various housing management programs at the invitation of HUD under a program of collaboration between the United States and Britain.

In addition to studying HUD's housing management policies and programs. . . Mr. Macey, who is one of the world's outstanding authorities in the field of housing management . . . will also examine the programs of the Center for Housing Management and the housing management research activities of the Urban Institute. During his stay. . . Mr. Macey will participate in a workshop of the National Association of Housing and Redevelopment Officials, make visits to Capital Housing Authority in Washington, and attend a round of briefings and conferences with officials of HUD and the Washington-based Urban Institute.

Keep America Beautiful Awards

Winners in 12 categories will be selected in the 1972 Awards Program of Keep America Beautiful, Inc. Any organization conducting an ongoing litter-prevention program as an integral part of an environmental improvement effort is eligible to enter the competition. There are categories for State, county, community, and regional programs, as well as for those conducted by government agencies, business, professional, service, and youth organizations.

Entry forms may be obtained from KAB, Inc., 99 Park Ave., New York, N.Y. 10016. Nominations must be submitted by August 15.



Court Rules on HUD Case

The U.S. Sixth Circuit Court of Appeals... on May 4... upheld the lower court decision in the case of the *Tennessean Newspapers, Inc. v. Federal Housing Administration*, U.S.C.A., 6th Circuit, No. 71-1676. The Circuit Court stated that the District Court was correct in ordering disclosure of the appraisal of the parcel of property in which the plaintiff is interested... but that the Court erred in not requiring the FHA to also disclose the identity of the appraiser.

The Court filed its decision before the Department of Justice acted on a recommendation to file a motion to dismiss the appeal as moot in view of HUD's policy determination, following the decision in the *Philadelphia Newspapers, Inc.* case, to release thereafter upon request the names of appraisers employed by HUD to appraise specific properties under the FHA mortgage insurance programs.



FYI

American Society of Landscape Architects... Annual Meeting... Philadelphia, June 25-28. Registration: ASLA, 1750 Old Meadow Road, McLean, Va. 22101.

Air Pollution Control Association... 65th Annual Meeting and Exhibition... Miami Beach, June 19-22. Details: APCA, 4400 Fifth Avenue, Pittsburgh, Pa. 15213.

22nd Annual International Design Conference... Aspen, Colo.... June 17-20. Registration: IDCA, Box 664, Aspen 81611.

National Association of Counties... Annual Meeting... Washington, June 25-28. Registration NAC, 1001 Connecticut Avenue, N.W., Washington, D.C. 20036.

National Governors Conference... Annual Meeting... Houston, June 4-7. Details: NGC, 1735 DeSales Street, N.W., Washington, D.C. 20036.

U.S. Conference of Mayors... 1972 Conference... New Orleans, June 17-21. Details: Conference of Mayors, 1612 K Street, N.W., Washington, D.C. 20006. (202-293-7300).



New Publications

Open Space for People... an illustrated anthology of papers presented at the 1970 Conference of the Commission on Town Planning of the Union Internationale des Architectes. Prepared under a HUD Urban Renewal Demonstration Grant by the American Institute of Architects, Mildred F. Schmertz, AIA, Editor. Single copies free from AIA, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036.

Mobile Homes: The Unrecognized Revolution in American Housing (Revised 1972 Edition) 252 pp., tables, figures, appendixes, bibliography by Margaret Drury, of the research staff of the Urban Institute, Washington, D.C. \$15.00 from Praeger Publishers, 111 Fourth Ave., N.Y.C. 10003.

Significant Rent Decisions

Gautreaux, et al v. Romney, U.S.D.C., E.D. Ill., No. 66-C-1460. In a 4 to 3 decision the Seventh Circuit denied plaintiffs' petition for rehearing en banc from the Circuit's opinion of March 2, 1972 reversing Judge Austin's order enjoining disbursement of Second Year Model Cities funds to the City of Chicago.

In the District Court, the Government filed its response to Judge Austin's order of December 23, 1972, requiring filing of a comprehensive plan for development of public housing, not limited to the City of Chicago. Plaintiffs filed a motion for extension of time for 90 days for filing of their comprehensive plan. In a letter to Judge Austin explaining the necessity for that extension, plaintiffs stated that redress of plaintiffs' constitutional deprivation of rights requires construction of 30,000 units which should be located in white neighborhoods throughout the metropolitan area, and that the work entailed in drawing up such a plan necessitates the additional time.

United States v. City of Black Jack, U.S.D.C., E.D. Mo., C.A. No. 71-C-372(1). The District Court denied defendant's motion to dismiss and other procedural motions in this action brought by the United States challenging the adoption by the City of an exclusionary zoning ordinance. The Government alleges that the purpose and effect of the City's actions, resulting in a zoning change which prevented the construction of a proposed Section 235 project, was to perpetuate racial segregation in contravention of rights secured by Title VIII of the Civil Rights Act of 1966 and by the Thirteenth and Fourteenth Amendments. The Court ruled that the City is subject to suit under Title VIII and is subject to injunctive relief in the event the Government proves its case on the merits.

Croskey Street Concerned Citizens, et al v. Romney, Philadelphia Housing Authority, et al. U.S.C.A. 3rd Cir., No. 71-2129. A three judge panel of the Court of Appeals for the Third Circuit has affirmed a lower court decision denying a preliminary injunction to a neighborhood citizen group which sought to prevent construction of a turnkey project for the elderly. Both the majority and concurring opinion stated that the District Court did not abuse its discretion, since plaintiff-appellants were unable to show that (1) they would be irreparably harmed by construction of the project; (2) the 2,000 elderly persons waiting for low-income housing could be housed without building this project; (3) HUD's approval of this project as part of a racially balanced program was patently against the public interest; and (4) there was any likelihood that they would prevail on a trial on the merits. Both opinions advert to the decision in *Shannon* and comment favorably upon HUD's contention that it had made an informed judgment upon this project and its impact upon racial concentration in the area.



State Mortgage Agency Marks Anniversary

The Connecticut State Mortgage Authority has completed two years of operation. The Authority was given \$4 million in State funds and sold \$26.2 million in bonds. To date it has committed \$19.8 million under its mortgage purchase program... covering 991 units. The majority of mortgages purchased are Sec. 235 or Sec. 236; however, the Authority has decided to purchase a limited number of FHA-insured 221(d)(2) and 203(b) and VA-guaranteed 501 mortgages provided the mortgagor's income is within the income limits established by the Authority. The reason for this action is the ever-increasing need for housing of moderate-income families whose incomes exceed the FHA 235 or 236 limits but are still within the moderate-income range. The FHA Sec. 221(d)(2) and 203(b) mortgages contain construction limits similar to Secs. 235 and 236. but do not carry the interest subsidy.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20402

May 29, 1972
HUD-318-21-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.



June 5, 1972

Vol. 3 No. 23

Current Trends

Seasonally adjusted private housing starts dropped again in April to an annual rate of 2,115,000 units... 10 percent below the revised March rate of 2,357,000 units. The April decline was evenly distributed between single family and multifamily starts. However... actual starts in April numbered 213,600 units, 5 percent above last April, and the highest level of starts ever recorded for a single month. From January through April... starts were 22 percent above last year.

Current housing and mortgage market indicators continue to show mixed trends. National average vacancy rates remain low, but new home sales, and the rate at which new apartment units are being absorbed by the market, have leveled off a bit. Savings flows remain strong but have slipped below the record levels of a year ago. Mortgage interest rates moved up slightly in the past month.

A total of 548,000 single family units and 816,000 multifamily units were under construction at the end of March... both more than one-third higher than a year earlier. With the inventory growing, the ratio of new homes for sale to homes sold stands at the comparatively high level of 5.1, compared to a ratio of 3.5 at the same time last year.

Savings inflows at both S&L's and mutual savings banks were lower during April than a year ago, though inflows at both groups remain well above the long term trend. Savings and loan associations had a net inflow of \$2 billion in April, down from last year's record for the month of \$2.2 billion. At mutual savings banks, total deposits increased \$.5 billion in April, down from \$.8 billion in April 1971. Commercial banks... which were the first to experience some slackening in savings inflows earlier in the year... in April saw deposits increase at a stronger than normal rate. Total time and savings deposits at commercial banks rose \$3.4 billion last month, compared with \$3.2 billion in March and \$1.3 billion in April 1971.

According to the May 13 issue of *Business Week*... half of all new single family home purchasers in 1971 bought mobile homes. The median cost of such a unit was \$7,130... compared to an average of more than \$25,000 for a conventional home. More than 500,000 mobile homes were shipped during the year... and 95 percent of all families with incomes under \$15,000 that bought homes... bought mobiles.



Multi-State Development Commissions

In February... Vice-President Agnew invited the National Governors Conference to form "wall-to-wall" whole-State regional growth and development commissions and convert the existing regional or metropolitan area commissions to cover whole States. The Vice-President also asked that the focus be shifted from depressed area problems to development of decision-making systems for growth, based on economic strengths. This shift will expedite rural development and revenue-sharing and the new emphasis on Governor-approval of Federal rural development projects. The Dakotas, Wyoming, and Montana are creating the first new commission covering the four States... in response to this invitation and other States will probably follow soon. The creation of Regional Growth Commissions will add a new dimension and a new set of factors to national growth policy.

Center for Housing Management Created

A National Center for Housing Management has been created to train and certify approximately 60,000 housing managers needed to operate the 5 million federally assisted rental housing units expected by 1980.

The Center... a private nonprofit organization... was created by an Executive Order of President Nixon. Secretary Romney has named the 15 incorporators... who will organize the Center to be located in the Washington, D.C. metropolitan area.

The Center will develop a course of study and training of housing managers and a system whereby this curriculum can be used by agencies and institutions throughout the country.

In announcing the Center, Secretary Romney said, "Good management will help assure a suitable living environment for the residents, preserve physical assets, protect the public and private investments in these units for many years.

"The 5 million government assisted rental housing units expected by 1980 will shelter some 20 million Americans, many of them elderly. The operation of 5 million units will require 60,000 professional housing managers, almost 112,000 maintenance and clerical personnel, and 93,000 craft service individuals.

"Housing production—a process covering about two years—is a professional effort... yet the management of housing—spanning 40 years—is only now being recognized as a profession.

"There are only about 2,500 people nationally who have been certified as housing managers under private association training programs and few of these professionally trained persons are involved in managing federally assisted housing.

"The Center will combine educational and training skills, organizational capacity, and practical management experience to build a well-based nationwide housing management industry that provides the recognition and compensation needed to attract the talent for the industry."

The Center is an outgrowth of a study by a task force of the National Corporation for Housing Partnerships. The group's conclusions and recommendations on the practices and needs in government assisted housing led to the Presidential decision to establish a Center.

Second BREAKTHROUGH Move-In



Tenants have moved into the first units of the Operation BREAKTHROUGH project in Memphis. They all are married medical students at the University of Tennessee. A nonprofit organization of the University bought the first units... a 48-apartment project designed by General Electric... for approximately \$800,000. Rents range from \$125.50 for a one-bedroom apartment to \$155 for a three-bedroom unit. This is the second BREAKTHROUGH project where residents have moved in. The first was in Kalamazoo in March.

Recent Decision



Southern Burlington County, NAACP v. Township of Mt. Laurel N.J. Superior Court, Burlington County.

The State Court struck down the Township's zoning ordinance on the ground that the policy embodied therein... prohibiting multiple dwellings... constituted economic discrimination against families with low- and moderate-incomes and was therefore unconstitutional. The Court ordered that the Township submit a plan within 90 days which would provide for the present and future housing needs of the poor.

Notes From Here and There

The first commitment for mortgage insurance for a proprietary hospital under Section 242 has been issued. A \$6.8 million mortgage was approved for the University General Hospital in Tamarac, Fla. . . which is in the Fort Lauderdale area. Ground breaking for the project has already taken place.

The placing of tenants on Local Housing Authority boards was authorized by Congress. . . and is encouraged by HUD. In 1970. . . 43 LHAs had one or more tenants on their boards. The latest report shows 90 such boards with tenant participation.

The first prime contract undertaken by a minority firm in Connecticut has been signed for a 20-unit public housing project in Stamford. Afro-American Builders, Inc., a consortium of nearly 50 black contractors. . . will construct the \$500,000 project.

The Cambridge, Mass., Redevelopment Authority is working on an unusual proposal. The plan contemplates a "new town-in-town" plan. . . which would include diverse housing, commercial, and community facilities built within the air rights above a proposed rapid transit station and parking lot. It would also use in combination. . . for the first time. . . the Urban Renewal and New Communities Programs of HUD.



The Federal Home Loan Bank Board has issued guidelines for savings and loan associations to follow in connection with the regulations governing non-discrimination in real estate lending. In addition to a poster which each office of an S&L must display. . . printed advertising must include a logo . . . and radio and television advertising the spoken announcement that the institution is "An Equal Opportunity Lender."

The first public housing program in Ogden, Utah—a senior citizens' project—has been dedicated. . . with participation by Governor Calvin L. Rampton; Mayor Bart Wolhuis; and L.C. Romney, Director, Utah HUD Insuring Office. The Ogden Housing Authority, established in 1970, is the first in the State.

On April 30. . . Assistant Secretary for Equal Opportunity Samuel Simmons wound up Fair Housing Month by participating in festivities in Denver, marking the completion of the \$2.5 million, 200-unit "236" project for the elderly. . . the Juana Nolasco Project. When begun it was the largest project ever attempted by a minority contractor in Region VIII. Mr. Simmons crowned Marcia Oeste, Spanish editor of *LaLuz*, a new national magazine. . . as Colorado's Fair Housing Queen.

Capital. . . the weekly newsletter of the American Bankers Association has reported a Federal Reserve Board decision holding that "Community welfare must be the 'primary thrust' of a bank holding company's real estate activity if it is to be permissible under the Fed's rule allowing them to participate in urban renewal.

The Fed told R.I.H.T. Corp., parent of the Rhode Island Hospital Trust NB of Providence, that a wholly-owned subsidiary could not take part in developing a \$3.4 million commercial structure in a downtown Pawtucket, R.I., urban renewal area.

The Fed pointed out that 'the mere fact that an investment relates in some manner to an urban renewal project is not sufficient to justify a conclusion that it is designed primarily to promote community welfare.'"

FHA has approved mortgage insurance of \$2.3 million for the 100-bed Section 232 Hillcrest Medical Center in Tulsa. The Center. . . which was opened in April. . . is equipped with the latest equipment and its staff trained in the most modern therapeutic techniques to help patients suffering from physical disabilities associated with strokes, amputations, spinal injuries, central nervous system ailments, and other debilitating afflictions.

The average value of an acre of farmland went up 5 percent during the year ended November 1, 1971, according to a recent report of *The Farm Index* of the Department of Agriculture.

New Mortgage Plan

One of the Nation's largest banks... the \$9 billion Bankers Trust Company of New York... has introduced a new home mortgage plan. Called "Mortgage in Advance" the plan provides for a potential homebuyer to establish credit before he buys a house. Under the procedure... the long wait usually associated with mortgage approvals after a prospective homeowner has bought a home is eliminated. It also lets the homeseeker know in advance what housing price range is financially feasible for him.

If the homeseeker's credit checks out... he will be able to borrow up to 75 percent of the appraised value of a house up to \$50,000... providing the house selected is priced at not more than two and one-half times the borrower's gross income. The credit check remains valid for six months without the need for updating.



HUD Steps up Drive Against Unscrupulous Land Developers

"Thousands of people every week are being misled or cheated when buying lots for recreational, retirement, or investment purposes," is the warning issued by HUD's Office of Interstate Land Sales... as part of a stepped-up campaign against unscrupulous land developers.

Interstate Land Sales Administrator George K. Bernstein called attention to the widespread use of fraudulent and deceitful sales tactics by many developers. "Interstate land sales promotions are often conducted in a high-pressure atmosphere that sweeps the unsophisticated buyer off his feet. Before he is aware that he has made a firm decision, he may have signed a sales contract, waived his rights to cancel that contract, and started to make payments. Later, if he is dissatisfied with his purchase, it may be too late to change his mind." Mr. Bernstein pointed out there are nine common promotional "gimmicks" that buyers should watch out for.



President's Message on Social Services

On May 18... the President transmitted to the Congress his proposals for an Allied Services Act of 1972. Under the Act... State and local officials would be given the authority to consolidate the planning and implementation of separate local-level social service programs into streamlined, comprehensive plans.



Tri-State Regional Planning Commission Funded

The New York Legislature has passed enabling legislation for the Tri-State Regional Planning Commission bringing it into conformance with the legislation in the other two States... Connecticut and New Jersey. This action now enables HUD to approve community planning funds for Tri-State of approximately \$920,000.



A New Community First

The developers of the New Community of Woodlands, Texas have decided to select the underwriters for the \$50 million issue of Title VII guaranteed debentures on a competitive basis. This will be the first time a sale of bonds for a New Community will be handled competitively... and this was made possible because of the large size of the offering.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

June 5, 1972
HUD-318-22-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280

WASHINGTON, D.C. 20410



June 12, 1972

Vol. 3 No. 24

Construction Volume Breaks Record

The largest single month's dollar volume of construction in history... \$8.1 billion ... occurred in April... according to the F.W. Dodge Division of McGraw-Hill. This was 6 percent higher than April 1971. The previous high month was June 1971. The greatest gains in volume were in the nonresidential categories... with commercial buildings and hospital and health facilities being the largest gainers.

Bank Board Increases Limits

The Federal Home Loan Bank Board has increased loan limits for 90- and 95-percent loans by Federal savings and loans on single-family dwellings. The Board's action raises the maximum that can be loaned on a 90-percent loan from the present \$36,000 to \$45,000. The limit on 95-percent loans is being raised from the present \$30,000 to \$36,000.

"Low downpayment loans on moderately high priced homes are most likely to appeal to home buyers with good current incomes and favorable income prospects, but with relatively small liquid asset holdings," FHLBB Chairman Preston Martin said. "The 90- and 95-percent loans have become an important tool for mortgage lenders in every major economic region of our Nation. They have been welcomed by young families, and we think the time has come to expand the use of these conventional, nonsubsidized loans."

Accelerated Processing Trial

FHA has begun a demonstration project for accelerated processing of mortgage insurance applications by selected mortgagees. The experiment is being undertaken in six Area and Insuring Offices... Greensboro, Denver, Cleveland, Houston, Sacramento, and Tampa. Initially... the demonstration will be confined to 203(b) existing cases and 203(b) firm commitments on new construction.

If successful... the procedure developed by the demonstration will be extended nationally... and may possibly be used in other programs as well as a means of conserving manpower and speeding up processing in field offices.

HUD Mobilizes Texas Flood Relief Team

The Fort Worth Regional Office has mobilized to assist the victims of the flood disaster on the Guadalupe and San Marcos Rivers in Central Texas. Early indications are that up to 400 units of temporary housing may be needed in New Braunfels, San Marcos, Seguin, and Luling. The Director of the San Antonio Area Office will head the disaster team... assisted by personnel from other offices in the Region... and staff members from the Atlanta, Philadelphia, and Kansas City Regions.

Paraprofessional Training Course

Over 70 tenants of the Atlanta Housing Authority have been hired as paraprofessional trainees in health education, family counseling, and child care personnel, under Title IV-A of the Social Security Act of 1968, pursuant to the HUD-HEW Agreement on Housing-Welfare Cooperation. These trainees are presently undergoing paraprofessional training along with work assignments. This program is to be expanded within the near future.

Nation Has Economic Capability to Rebuild All Metropolitan Areas

"The Nation has the economic capability of spending an estimated \$3,000 billion (\$3 trillion) needed to build all American metropolitan areas to a uniform standard of excellence in the next 30 years," HUD Secretary George Romney told a Detroit audience. "It is a task on a scale that no human society to date has tackled... and would include the total rebuilding of the older central cities."

However, the Secretary warned that "we will never do it right unless we can create the process for balanced, interdependent, Real City regionwide planning and execution. And we will never do it at all unless we can transform intergroup hostility and fear into cooperation and acceptance. We will never do it at all unless the hundreds of government jurisdictions are willing to develop methods of effective and continuing cooperation and joint development."

"We will never do it at all unless we can effectively and fully involve the private sector; business and industry and labor, the community groups, including minority and ethnic sectors, the public and private social and educational institutions and agencies, and the vast voluntary structures that mobilize men and women of goodwill and compassion."

Mr. Romney spoke to an audience of local, metropolitan, and State government officials and leaders of the private sector in the Detroit TOP (The Option Process) meeting designed to explore the options available to the metropolitan area for its improvement. The conference was conceived to present a simple choice... did the metropolitan area leaders want the Federal Government to work with them on a regionwide basis to tackle the problems of the area... or did they want to continue the present piecemeal approach of dealing individually with each of 245 local jurisdictions in the region.

"Today, I believe the choice is broader and more significant," the Secretary declared. "The choice is between continuing polarization between central city and suburb or a new regionwide Real City approach."

"The choice is between growing majority-minority economic and racial tension... and a united effort to build tomorrow's Real City into a human community of unmatched opportunity and achievement for all the people... regardless of race, color, or other distinction."



Bank Board Authorizes 'Flexible' Financing

The Federal Home Loan Bank Board has issued new regulations to permit Federal savings and loan associations to extend "flexible financing" on apartment and commercial properties.

The regulations authorize S&L's to lend to developers and owners of multifamily and commercial real estate on the basis of monthly payments for a 30-year loan term, but with an actual loan term of 10 to 30 years.

In announcing the new rules... Chairman Preston Martin of the Board said: "Partially amortized loans are a way of life in financing large developments. Savings and loans should be able to compete for this business. We think they must be given the same flexibility in serving the public that commercial banks and life insurance companies have."

For the first time a lender will be able to make a loan on the same loan-to-value ratio for apartment and commercial properties on a partially amortized loan as on a fully amortized loan. This is 80 percent for apartments and 75 percent for commercial real estate.

In a related action... the Board also authorized S&L's to make mortgage loans to homebuyers with a diminishing monthly payment. A person nearing retirement, for example, could make large payments at the outset of the loan and smaller payments when his income decreases at retirement, Martin indicated.

Operation BREAKTHROUGH Assists Minority Contractors

Operation BREAKTHROUGH has attempted to take a leadership role not only in building technology, but in carrying out the equal opportunity goals of HUD. Speaking to a Conference of the National Association of Minority Contractors in Chicago... Arthur S. Newburg, Director of HUD's Operation BREAKTHROUGH... noted that as much as 40 percent minority participation has been achieved in elements of the program. He emphasized that this success was due in large part to the positive direction and assistance given to the contractors associated with the BREAKTHROUGH program.

"Unlike most other programs, Operation BREAKTHROUGH issued its own guidelines for hiring, entrepreneurship opportunities, and fair housing," Mr. Newburg pointed out. "These guidelines went beyond the basic statutes and executive orders by suggesting positive means of carrying them out."

BREAKTHROUGH has given consistent direction to its contractors and has assisted them in following through on their equal opportunity responsibilities, according to Mr. Newburg. Bids for work were issued in a flexible manner to assure minority representation, and bonding problems were dealt with head-on at all nine BREAKTHROUGH sites.



Publications Available

Two new publications have been issued by the University of Michigan and are for sale by the Industrial Development Division, Institute of Science and Technology 2200 North Campus Boulevard, Ann Arbor, Mich. 48105. \$3 each.

Industrialized Housing by Karl G. Pearson. A monograph covering data from interviews with key people in industrialized housing... and observations drawn from visits to plants. Defines industrialized housing and discusses the growth and development of the industry... chapter on mobile homes... and an appendix which lists the operations of 66 modular housing producers. Paper.

Housing: New Trends and Concepts. Edited by Kenneth L. Bernhardt. 169 pages. Focuses on various aspects of industrialized housing.

Today's Housing Briefs... a bimonthly summary of publications on low- and moderate-income housing. Each issue contains approximately 1,500 citations and summaries derived from thousands of technical publications published by government, industry, and universities. A comprehensive bibliography is also included in each issue. Annual subscription, \$90 from *Today's Housing Briefs*, Box 6318, Northwest Station, 5632 Connecticut Avenue, N.W., Washington, D.C. 20015.

Annual Report of the Ford Foundation for 1971. Covers the fiscal period October 1, 1970 to September 30, 1971. Free from the Foundation, 320 East 43rd Street, New York, N.Y. 10017.

Questions and Answers on the National Flood Insurance Program. The 29 most commonly asked questions about the program are answered... and the State coordinating agencies are listed. Free from HUD Service Center, Room B-258, HUD, Washington, D.C. 20410.

The following publications are available from the Superintendent of Documents, Washington, D.C. 20402:

First Annual Report of the National Commission on Productivity... covering the activities of the Commission from its inception to February 29, 1972. Price 25 cents.

Solid Waste Management in Residential Complexes... a report on a research program sponsored by HUD... and performed through an interagency agreement with the Office of Solid Waste Management of the U.S. Environmental Protection Agency. The report identifies the basic solid waste system components and functions required in residential complexes... and illustrates methods of evaluating the different types of systems. Price \$3.00.

Notes From Here and There

The Internal Revenue Service has ruled that cooperatives, condominiums, and home owners associations formed to preserve the appearance of a housing development and to own and maintain common green areas, streets, and sidewalks for the use of all development residents, may be declared tax exempt under Section 501(c)(4) of the Internal Revenue Code.

A statewide housing survey in Texas showed that 10 percent of all Texas housing is in need of major repair or replacement. The 350,000 homes found deficient are occupied primarily by Negroes and Mexican-Americans.

An interesting development in Georgia... where the establishment of a State tuition grant program has had a strong impact on HUD's College Housing Program. A 61 percent rise in enrollment in private colleges in the State has created a demand for new housing facilities. This runs counter to the general trend nationwide... where enrollments have been declining in such insitutions.

Rules for the issuance of GNMA-guaranteed mortgage-backed securities based on pools of FHA-insured mobile home mortgages have been published.

In many cases... minority construction contractors find it impossible to bid on multimillion dollar housing projects. In an effort to make it easier for such contractors to bid on proposed projects... the Tulsa Housing Authority is splitting up its projects into smaller units in the \$500,000 to \$750,000 range. This will make it possible for a number of minority firms to undertake such projects.

Economic Stabilization Regulations covering among other things... rent-controlled housing under HUD programs... have been issued in *HUD Circular 3210.1*. Copies of the *Circular* are available from HUD Service Center, B-258, HUD Building, Washington, D.C. 20410.



Noise Level News

In implementing the regulations governing noise level determinations in connection with approval of sites for housing and community facilities... HUD has drafted instructions to field offices that any request for a variance from noise level standards must be referred to the Central Office for approval.

The National Bureau of Standards is working on a portable noise meter... a device for measuring the noise exposure at proposed housing sites. The aim is to develop an inexpensive self-operating instrument that will be used to determine whether the noise level at a potential site meets HUD's Noise Abatement and Control Standards. Presently... such accurate measurements require sophisticated, expensive instruments... operated by highly trained acoustical experts. The new instruments... which will be given full field evaluation... are being designed to be operated by HUD staff members... with only a minimum of technical training required.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

June 12, 1972
HUD-318-23-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Roman Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
JUN 15 1972
newsletter
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



June 19, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 25

Current Trends

The Chamber of Commerce of the U.S. has endorsed the President's plan for the reorganization of the Federal Government... especially the creation of the new Department of Community Development. Arch Booth, Executive Vice President said: "The National Chamber heartily endorses the whole idea of government reorganization, and specifically H.R. 6962. It would make for more effective Federal governmental action, less wheel spinning. It will help industry. Taxpayers and consumers of government services will gain as well."

Oakley Hunter was re-elected President and Chairman of the Board of FNMA at the annual meeting of stockholders in Washington. A new member of the Board is Sidney Kaye, Executive Vice President of Advance Mortgage Co. of Detroit, Mich. He succeeds Philip N. Brownstein, former HUD Assistant Secretary for Mortgage Credit... who did not stand for reelection.

FNMA announced interest rates for its 3-part, \$1 billion debenture offering on May 25. A \$500 million 4-year, 3-month issue... with a maturity date of Sept. 10, 1976... carries an interest rate of 5.85%. A 7-year, 3-month issue of \$300 million with a maturity on Sept. 10, 1979... has a rate of 6.40%. A 20-year issue of \$200 million with a maturity of June 10, 1992... carries a rate of 7.05%. All offerings have an issue date of June 12, 1972. First interest payments on the short and medium issues will be March 10, 1973, and Dec. 10, 1972, for the 20-year issue.

Proceeds will be used to redeem \$100 million of 4-3/8% and \$300 million of 8.70% debentures that will mature June 12, 1972, and to finance operations.

To date... GNMA has received 1,760 applications for the issuance of pass-through mortgage-backed securities... totaling \$7.3 billion. Of this amount... \$4.6 billion have been sold.

In the first nine months of Fiscal Year 1972... the dollar value of HUD rehabilitation loans was more than double the volume for all of fiscal 1971. So far in 1972... 5,789 applications... for a total of \$9.8 million have been approved... compared to 7,306... valued at \$4.7 million last year.

The United Brotherhood of Carpenters of Massachusetts have agreed to reduce residential construction pay. The union has agreed to accept 75 percent of the prevailing wage for work on single-family houses and garden-type apartments up to four stories. It is expected that carpenters in the other five New England States will follow the lead of the Massachusetts union... and that other trades will also accept the lower wage rate... which is in line with the Labor Department's procedures in distinguishing high-rise and residential construction in making wage determinations for federally assisted projects. The union also accepted modifications in ratio of apprentices to journeymen and in the formula for computing overtime pay.

Both the House and Senate versions of the Housing Act of 1972 provide for the creation of a National Institute of Building Standards. Final action by both houses... and a conference to iron out differences between the two bills are expected in the next few weeks.

Program to Test Ways to Stop Decline

Secretary Romney has announced an experimental program... financed by HUD's Office of Research and Technology... designed to test ways of preventing declining neighborhoods from experiencing further decline and housing abandonment.

New York City has been selected for the first of possibly several such experiments because of the severity of its abandonment problem. The city has an estimated 15,000 to 20,000 privately owned units being added to the total each year. (HUD-owned properties in New York total about 2,700 units, none of which are abandoned.)

HUD expects to award a grant-contract of \$300,000 with which New York City and HUD will complete a full neighborhood analysis and a final plan for the experimental program. Funds for the program will then be made available for carrying out the planned experiment. Under the grant-contract for the first phase of the program, the city will survey the Crown Heights Planning District in Brooklyn to determine the exact area in which the experiment will be conducted. During the planning state... the city will determine the characteristics and needs of the people in the selected neighborhood and the improvements necessary to maintain the social and physical characteristics of the neighborhood.

Neighborhood activity to improve the delivery of city services would be intensified under the HUD experimental program as a major factor in improving neighborhood confidence. Complementary and needed improvements in the housing stock would be brought about through the use of available housing programs, selected for their value in preventing further decay.



U.S. Growth Rate Drops

The rate of population growth in the U.S. in 1971 fell below 1 percent... for only the second time since 1940, according to the Census Bureau.

The report places the national growth rate in 1971 at 0.98 percent... compared with 1.09 percent in 1970. The rate also fell below 1 percent in 1968.

On January 1, 1972... the total population including Armed Forces overseas was estimated to be 208.1 million... an increase of 2 million over the decline in the birth rate. The crude birth rate (births per 1,000 population) dropped from 18.2 in 1970 to 17.2 in 1971, the lowest ever recorded. The general fertility rate (births per 1,000 women 15 to 44 years of age) in 1971 was 81.9... the lowest since 1940. The estimated net population gain of 2,011,000 in 1971 was the result of 3,562,000 births, 1,924,000 deaths, and a net civilian immigration of 382,000.

Copies of the report, *Estimates of the Population of the United States and Components of Change: 1940 to 1972*, Series P-25, No. 481, are available for 15 cents from the Superintendent of Documents, Washington, D.C. 20402.



The Neighborhood and the Community

The National Research Council's Division of Behavioral Sciences has begun a study for HUD that will explore... in depth... the changing characteristics of metropolitan areas and urban living... in an effort to understand "the significance of community in the metropolitan environment."

As the scale of metropolitan areas changes... many aspects of daily life change... such as access to urban services, patterns of employment, transportation, and communications. Notions of *neighborhood* and *community* may also require change. The study panel will try to spell out "policy options in the area of community development and housing which may be inferred" from the results obtained.

Illinois Equal Housing Conference

About 200 persons attended a statewide *Equal Housing Opportunities in Your Community Conference* in Peoria, Illinois. The conference was attended by representatives of fair housing boards, human relations commissions, LPA's, LHA's, mayors, CAP's, legal services offices, nonprofit housing groups, businesses concerned about the housing situation, and other groups involved in housing. The conference was a cooperative effort of HUD and the Illinois Commission on Human Relations. This is expected to be useful in a State like Illinois, which lacks a State fair housing law, by creating for HUD the chance to develop a direct relationship with the many community groups represented in the State.



First Indictment for Rent Violation

The first indictment of a landlord for rent ceiling violation has been handed down by a Federal grand jury in Los Angeles. A 10-count indictment charged that the landlord raised rents above the level permitted by the Price Commission... and also that he "made false statements to the Internal Revenue Service" the enforcing arm of the Commission's orders. The Government alleges the landlord forced tenants... under threat of eviction... to sign statements that they had requested additional services and were willing to pay a higher rental to receive these services. The indictment charged that the tenants had neither asked for... nor received... such services. If found guilty... the landlord can be jailed and fined.



Minority Businessmen Helped

Federal promises to increase economic opportunities for minority businessmen are producing results... and the potential for future minority involvement in the economy is even better... particularly in housing. Speaking before the Colorado Economic Development Association (CEDA) in Denver, HUD General Assistant Secretary Samuel C. Jackson reported that:

- Total Federal assistance to minority business enterprise increased \$263 million during 1971 to \$578 million;
- Government contract awards in 1971 to minority businessmen through the Small Business Administration more than tripled those of the preceeding year—from \$21.8 million in 1970 to \$66 million;
- A joint public-private sector minority bank deposit program placed more than \$100 million in minority banks; and
- Minority-owned business franchises increased from 743 in 1970 to 1,184 during '71.

HUD has played a strong role in providing minority business opportunities, Mr. Jackson said. He cited such initiatives as HUD's "set-aside" demonstration housing development in Los Angeles, new dollar goals under HUD's low-income homeownership, rental and rent supplement programs, bonding concessions for minority contractors, development of special workshops and registries for minority entrepreneurs, and HUD deposits exceeding \$15 million in minority banks.

Mr. Jackson challenged CEDA members to increase their involvement in the Nation's \$40 billion housing industry. "Our housing problems are great; we need your help, your commitment in coming to grips with these problems."



FYI

Vacation Housing Conference... The University of Michigan Industrial Development Division in cooperation with the University's Extension Service... Traverse City, July 31-August 1. Registration: U of M Conference Department, 412 Maynard Street, Ann Arbor 48104.

Procedures for Assuring Housing Availability Published

Final procedures for implementing the Memorandum of Understanding between HUD and the General Services Administration... relating to assuring availability of housing on a nondiscriminatory basis for low-and moderate-income employees in locating or relocating Federal facilities... were published in the *Federal Register* on June 7. The regulations were originally published December 11, 1971... and comments were received from 10 interested organizations. These comments have been considered in drafting the final regulations... which are effective on publication.



First Land Hearing Held

The first in the series of public hearings relative to interstate land sales transactions was held in Washington. The reaction of the public to the hearings was unexpectedly good... and the press also covered the proceedings in depth. Those attending the hearings identified a number of problem areas... which HUD has already begun to investigate... with an eye to rectifying any deficiencies uncovered.



Disclosure Regulations Amended

On June 6... amendments to 24 CFR, Part 15, related to the Production or Disclosure of Material Information... were published in the *Federal Register*... and became effective immediately. The amendments clarify the methods for making requests for identifiable records... and provide that the concurrence of the General Counsel in Washington shall have been obtained prior to the denial of information to the public in any field office of HUD.



New Publications

Environmental Planning and Geology... illustrates the application of engineering geologic data in dealing with community physical environmental hazards and problems. Issued by HUD in cooperation with the Department of Interior's Geological Survey.

The 200-page illustrated book is compiled from a symposium, "Engineering Geology in the Urban Environment," held by the Association of Engineering Geologists.

Both Departments contributed to the symposium, along with geologists, engineers, planners, developers, and public officials concerned with the physical environmental problems faced by communities throughout the country. Available for \$2.75 a copy from the Superintendent of Documents, Washington, D.C. 20402. (Order No. 2300-1195).

How Shall We Plan for Our Land?... shows how various recommendations for national land-use policies, critical areas (costal zones, mined lands, and power plant sites), and Federal lands differ and overlap. Includes a summary of basic public land laws... why public lands are important... and a short bibliography. Published by the League of Women Voters Education Fund, 1730 M Street, N.W., Washington, D.C. 20036. Price: 60 cents. Discount for quantity orders.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20410 (202) 475-6431

June 19, 1972
HUD-318-24-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate: \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget: November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
JUN 28 1972
Vol. 3 No. 26
LIBRARY
WASHINGTON, D.C. 20410

June 26, 1972

Current Trends

New housing authority bonds totaling \$200,145,000 representing 25 local housing authorities were sold early in June.

The average net interest cost for all the bonds sold was 4.9726 percent... compared with the average net interest cost of 4.9012 percent at the last previous sale held in March.

☆

Urban Renewal Can Rescue Communities

Urban renewal operations have kept hundreds of communities from becoming disaster areas... and criticism of some parts of the program by Secretary Romney have been interpreted as a condemnation of the whole program.

Addressing the Southeast Regional Council of the National Association of Housing and Redevelopment Officials in New Orleans... Floyd H. Hyde, HUD Assistant Secretary for Community Development... who directs the Urban Renewal Program for HUD... said the Secretary's remarks to a House subcommittee, were taken out of context, and referred only to problems arising in some inner city urban renewal operations.

"His (Romney's) exact words were: 'If you take a look at the national result in housing, it has been a great success in what has been done here in terms of meeting housing needs in the country. "But, on the other hand, if you deal with the problems in central cities, you have a different situation, and the same thing is true of urban renewal. It depends a good deal on the particular area you are talking about."

"While we must constantly strive for improvement which I am certain is attainable, you will be interested, I am sure, in some recent data which our computers have produced on the achievements of the urban renewal program: At the end of the last fiscal year, in 2,160 conventional urban renewal and neighborhood development project areas throughout the Nation, the program has produced, after complete or partial renewal operations: a 422 percent increase in assessed valuation of taxable acres, from an average value per acre of \$47,034 to \$245,362; a 395 percent increase in average tax revenues per taxable acre, from \$3,021 to \$14,945 an acre.

"Construction value was shown at \$12.3 billion completed or underway, with \$8.4 billion representing private investment, plus \$750 million more for renewal land; and \$2 of private investment for every \$1 of Federal disbursements; and, for the first time in the history of the program, more low and moderate income housing than high priced housing; and, not least, 200,687 completed housing units, with 43,185 more under construction. "Incidentally, one of the improved approaches would be through Revenue Sharing, which, as you know, is now moving its way through Congress.

"A city cannot think of urban renewal narrowly as a project here and a project there. It cannot isolate the cost of redeveloping a particular part of the city. Urban renewal is an intricate inter-relationship of physical, social, and economic facts, all brought to bear on the single objective of improving the total environment in a community. . . . And that community is the 'real urban community' which eliminates the artificial political boundaries and barriers, and looks at our metropolitan areas as they really are."

Jackson Reaffirms New Codes Requirements

The Nation's communities must keep up with advancing building technology; they must modernize and actively enforce their construction and related codes if they are to qualify for assistance from HUD. . . and more importantly. . . if the national needs for decent, safe, and affordable housing for all people are to be met.

This firm restatement of HUD's codes policy was expressed by HUD General Assistant Secretary Samuel C. Jackson during a special codes workshop held at Grafton, Ill., for agency codes specialists.

Codes and Code enforcement are an essential element of HUD's Workable Program for Community Improvement, a long-range planning requirement for communities requesting a variety of renewal-related Federal assistance. HUD requires that all codes of all localities seeking Workable Program approval permit the use of any nationally-recognized materials or construction technique, with limited exceptions. Modernized codes permitting the use of all such materials can lower housing and labor costs.

Reaffirming the Department's commitment to codes adoption and enforcement, Mr. Jackson told the group that HUD's primary focus under the codes policy, beyond requiring compliance, is to strengthen State and local management capabilities to use codes as a means of securing and maintaining decent standards and community development. Adopting and enforcing codes, he pointed out, can help communities maintain the livability of their neighborhoods and enhance their property tax base. HUD insistence on compliance, he said, should be viewed not as an imposition, but as a service to basic community and individual interests on a grass-roots level.

He pledged HUD's full support to States and localities undertaking codes modernization, emphasizing at HUD's codes policy can be successful "only through a full partnership between local and Federal governments."



Nonprofit Sponsors Use HUD "Seed Money" Loans

A landmark in Federal assistance to nonprofit sponsors of housing for low- and moderate-income families has been reached. HUD has approved the 200th application for so-called "seed money" funds. . . under Section 106(b) of the Housing and Urban Development Act of 1968. The Act provides for interest-free "seed money" loans to nonprofit sponsors of housing for low- and moderate-income families. Up to 80 percent of the costs eligible for inclusion in a mortgage may be covered by these loans. . . including legal and organizational expenses, architect and consultant fees, site options and preliminary site engineering fees, commitment and application fees for FHA, FNMA, and GNMA, and construction loan fees. The sponsor's 20 percent contribution must be evident at the time he receives his first disbursement under the statute.

The Section 106(b) loans are used to develop proposals for housing under Section 235 (sales) and 236 (rentals) of the 1968 Act. . . as well as Section 221 (sales and rentals) of the 1961 Act as amended, and rent supplement housing under the 1965 Act.

While a loan is ordinarily repaid at initial endorsement of the mortgage, under special circumstances, repayment may be waived in whole or in part.

Applications for loans under Section 106(b) are handled by HUD Area and Insuring Offices.



Rehab Grants Top \$100 Million

The cumulative total of Section 115 Rehabilitation grants passed the \$100 million mark during the third quarter of FY 1972. The grants covered 43,863 dwelling units. . . at an average of \$2,302 a unit.

New Census Reports

The Census Bureau has issued several reports on population, employment and payrolls, and farms. All are for sale by the Superintendent of Documents, Washington, D.C. 20402.

The entire spectrum of changes that have occurred in America's population this century is examined in *People of the United States in The Twentieth Century*.

The 1,084-page volume gives brief surveys of the developments from the first census in 1790 through 1890... and an analysis of the various components of change in the 20th century. The following is a selected list of chapter titles: *Increase, Expansion, Concentration; Urbanization; Economic Activity; Education and Income; The Family; Fertility; Mortality; Population Change; and The Dynamics of Metropolitan Populations* - Price \$5.75.

A report showing the economic structure of each county in the United States called *County Business Patterns*... issued annually and offering first quarter employment and taxable payroll data by detailed industry categories for the private sector of the economy. Includes all private, non-farm business firms reporting to the Social Security Administration under the Federal Insurance Contributions Act (F.I.C.A.).

About three-fourths of all employees in the United States are included. Not covered are local government, State and Federal employees, self-employed persons, farm workers, and those employed in domestic and certain transportation services.

Reports are published for each of the 50 States, the District of Columbia, Puerto Rico, Guam, the Virgin Islands of the U.S., and American Samoa and include a U.S. Summary.

The cost of single reports range from 40 cents to \$2 with the U.S. Summary priced at \$2.25, and the price of the entire set is \$49.30

Local government payrolls in the Nation's 72 largest metropolitan areas increased by nearly \$1 billion (about 55 percent) in a four-year span.

During this same span, local government employment within the 72 largest Standard Metropolitan Statistical Areas (SMSA's) increased from 3.5 million to 4.1 million... based on a survey made in October 1971. Local government payrolls in the 72 metropolitan areas grew from about \$1.9 billion in October 1967, to nearly \$2.9 billion last October. The October 1971 sum represents 62 percent of all local government payrolls.

The report... *Local Government Employment in Selected Metropolitan Areas and Large Counties: 1971, GE-71, No. 3*... is \$1.00.

Gross sales on U.S. farms, the average age of farm and ranch operators, and average farm or ranch size are covered in *1969 United States Census of Agriculture*... 25 cents.



State Housing Financing Pays

A study of the Michigan Housing Development Authority's activities revealed that the benefits from State-financed mortgage agencies produce tangible financial results... in addition to making housing more readily available to the State's people. The first \$200 million of State mortgage financing brought in tax revenues to the State of \$7 million... and between \$4 and \$6 million in local property tax revenues. Between 6,400 and 8,000 construction, wholesale, and professional service jobs were created. Michigan building contractors did almost \$200 million in construction volume... and special trade contractors did a \$170 million volume. Wholesalers and distributors of building materials and products enjoyed sales of about \$90 million... along with increased activity in land sales, and professional services. Impressed with the results... the Legislature has just increased the Authority's mortgage lending limit to \$800 million.

Voluntary Action and Housing Partnerships Elect

Edwin D. Etherington has been elected chairman of the board of the National Center for Voluntary Action, succeeding Henry Ford II.

Other leadership changes for the three-year-old organization include the election of Douglas K. Kinsey as president, replacing Etherington, and of Mrs. Lenore Romney as vice-chairman. NCVA is a private, nongovernmental organization which supports and mobilizes volunteers nationwide.

Mr. Ford, who will continue to serve on the executive committee, and Mrs. Romney, wife of the Secretary of HUD, have both been active in the National Center since its formation in 1970. Also serving as vice-chairmen of the National Center are Miss Dorothy Height, president, National Council of Negro Women, and Mrs. W. Clement Stone, chairman, Combined Insurance Company.

The National Corporation for Housing Partnerships Board of Directors has elected George M. Brady, Jr. as Executive Vice President and Chief Operating Officer of the Corporation. Mr. Brady will be nominated at the April Board of Directors meeting to be President of the Corporation and Chief Operating Officer.

Mr. Brady... until his NCHP appointment... was Chairman of Rouse-Wates, Inc., and Director of the Rouse Company of Columbia, Maryland... and will remain a Director of the Rouse Company. From 1950 to the present... he served in several executive positions with the Rouse Company. Mr. Brady has served as Chairman of the Urban Renewal Committee of the Mortgage Bankers Association of America; on the Board of Directors of Washington Board of Realtors; President of the Mortgage Bankers of Metropolitan Washington; and Vice Chairman of D.C. Commissioners Planning and Urban Renewal Advisory Council.



New Publications

Density: Five Perspectives, published by ULI-the Urban Land Institute. The 63-page, illustrated book is based upon results of the Institute's Third Annual Land Use Symposium, and incorporates data from the 1970 Census of Population. Five experts in demography, law, and land use attack the issues of density independently and directly from their professional bases. It also reveals for the first time the "Denitometer," a new device for measuring the density of living units per acre... which was originated by Byron R. Hanke, a member of HUD's Land and Environment staff. HUD Assistant Secretary Floyd H. Hyde discusses the Federal role in density issues. Contains maps, charts, tables, and a concise bibliography. For sale by ULI, 1200 - 18th Street, N.W., Washington, D.C. 20036. Price: \$4 for ULI members; \$6 for nonmembers.

Your Home Buyer's Guide... answers questions on contracts, title, financing, closing... and how to avoid pitfalls in purchasing a home. Prepared by the American Bar Association. Available free from ABA Public Service Activities, 1155 East 60th Street, Chicago 60637.

Interstate Land Sales... describes the operation of the Interstate Land Sales Disclosure Act of 1968... administered by HUD. Available free from the HUD Service Center, Room B-258, HUD Building, Washington, D.C. 20410.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20410

June 26, 1972
HUD-318-25-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscription changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget, November 21, 1969.

HUD FROM THE LETTER

OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



July 3, 1972

Vol. 3 No. 27

LIBRARY
WASHINGTON, D.C. 20410

May Housing Starts Hit Record High

Actual housing starts in May hit the highest level ever recorded for a single month. . . 225,900 units were begun, which is 11 percent above May of last year. Total starts for January through May reached 948,300 units. . . 19 percent above last year's level for the same period.

Private housing starts, seasonally adjusted, rose in May to an annual rate of 2,322,000 units. . . 11 percent above the revised April rate of 2,101,000 units. Permits issued for new units also rose in May to a seasonally adjusted annual rate of 1,991,000 units.

Most housing and mortgage market indicators improved a bit during the past month. Sales of new and existing homes inched higher. . . savings flows continue very strong. . . interest rates have again turned downward. . . a rising percentage of builders expects starts to decline somewhat during the balance of the year. . . many believe there has been some overbuilding, particularly of higher rent apartments.



Survey of Homebuilders

An April survey by the National Association of Home Builders of its larger members reveals some ambivalence regarding the outlook for housing starts. Builders surveyed reported that they plan to start 27 percent more homes during 1972 than they did last year. . . nearly half say they expect a decline in homes starts during the next 3 to 6 months. Other findings in the semiannual survey were: over half the respondents felt there was overbuilding of moderate and high rent apartments. . . though few saw any excessive building of low rent units. . . a rising percentage of builders plan to continue shifting sharply away from detached units and into townhouse and condominium construction.



Federal Insurance Administration Holds Crime Insurance Meetings

FIA has been holding meetings with the police departments of major cities to enlist the aid of policemen in informing residents and storekeepers in high crime areas that Federal crime insurance policies against burglary and robbery losses are available at affordable rates. As a result of a recent meeting in Chicago on June 9th. . . the Chicago Police Department will participate in an educational campaign which will include the use of brochures in Spanish as well as English.



GNMA Sells Securities Backed By Mobile Homes

The first sale of GNMA-Guaranteed Mortgage-Backed Securities backed by FHA-insured Title I mobile home loans has been made to the National Automobile Dealers and Associates Retirement Trust. The \$500,000 issue is the obligation of Kensington Mortgage and Finance Corp. . . a subsidiary of Wick Building Systems, Madison, Wisc. . . a mobile home manufacturer. The securities bear 6 percent interest. . . and were sold at a discount to yield 6.34 percent on the basis of their 12-year maturities.

Significant Decisions

The Supreme Court has refused to review a lower court decision in an antitrust case involving an electric company and a gas utility. The Georgia Gas Light Company of Columbus had brought an action against the Georgia Power Company. . . charging the electric company with violating Federal antitrust laws. . . because it offered special inducements to builders and home purchasers to use electricity for heating and air conditioning. The lower court had ruled that if the rate had been approved by the State regulatory commission. . . it was immune from Federal antitrust provisions. The Supreme Court declined to review this ruling.

Eleanor Neddo v. The Housing Authority of the City of Milwaukee, et al. U.S. District Court for the Eastern District of Wisconsin. CA No. 70-C-197. The District Court held that it was arbitrary and unreasonable for the local housing authority to reject the plaintiffs' application for occupancy solely because of unpaid rent from a prior tenancy. The Court held that the plaintiff is entitled to a hearing by the LHA on her liability for the arrearage in rent. The hearing may be informal, but it must include reasonable written notice of time and place of the hearing and a written decision indicating the evidence relied on in reaching the decision.

The Court noted that while Section 214 of the Housing and Urban Development Act of 1969 and HUD's Circular RHM 7565.1—*Notification to Applicants for Admission to Public Housing Projects*—were not applicable at the time plaintiff applied for admission . . . the procedures set forth in the Circular appear to be consonant with the Court's decision.

Housing Authority of the City of Milwaukee v. Hariett Mosby, Supreme Court of Wisconsin, No. 162, August Term, 1971. The Court held that the HUD Circular of February 22, 1971, establishing a grievance procedure for public housing tenants is to be given retroactive effect as to a tenant who had been ordered evicted but was still in possession of her dwelling unit.

Appellant had a hearing before the trial court on the application for an eviction order prior to the issuance of the HUD Circular, but contended she should be afforded a hearing by the Authority as required by the Circular. The case is important because it upholds the validity and mandatory nature of the grievance procedure circular which is being challenged in a class action in *Housing Authority of the City of Omaha, et al. v. U.S. Housing Authority, et al.*



New Films

Relocation and rehabilitation. . . two important aspects of urban renewal activity, are featured in two 27-minute color documentaries produced for the Chicago Department of Urban Renewal.

"*It Can Be Done*," portrays the successful rehabilitation of eight buildings and their subsequent occupancy by 123 neighborhood families. It begins with the acquisition of the deteriorated but once sound buildings. . . the film records the steps through relocation, rehabilitation, training in housekeeping and maintenance, and, finally, purchase by a nonprofit corporation formed by residents of the area; and the return of many of the original occupants of the eight buildings.

The relocation film, "*A Place to Live*," collected and filmed actual case histories from the agency's relocation files. It details the problems and individual needs of some of the people helped by staff members. . . and shows how real life situations are met in finding "a place to live."

Both films are available free for showing by community, civic, or public service organizations from the Department of Urban Renewal, 320 N. Clark Street, Chicago 60610. (312) 744-4454.

Three-fourths of U.S. Population on 1.5 Percent of Land

Nearly three-quarters of the U.S. population... the urban segment... was concentrated on one and one-half percent of the Nation's land area on Census Day, April 1, 1970. At that time, 73.5 percent of the population was living on 1.53 percent of the land.

In 1970, the urban population was 149.3 million of the total 203.2 million... a sharp increase over the 125.3 million urban residents in 1960.

The land area of the U.S. totals over 3.53 million square miles. Urban Americans lived on a total of 54,103 square miles in 1970, an area roughly the size of Florida. In 1960, the urban area totaled 40,238 square miles. The urban area increased by 34.5 percent during the 1960-1970 decade, while the number of urban dwellers grew by 19.2 percent.

Some U.S. Urban Densities

City	1970 living units per gross acre	1970 popu- lation	% pop. change 1960-70
Boston	6.8	641,071	-8.1
Cambridge, Mass.	8.2	100,361	-6.8
Chicago	7.4	3,366,957	-5.2
Jersey City, N.J.	8.5	260,545	-5.6
New York:			
Bronx	18.6	1,472,216	+3.3
Brooklyn	18.2	2,601,852	-1.0
Manhattan	32.4	1,524,541	-10.1
Queens	8.9	1,973,708	+9.1
Newark, N.J.	7.8	382,417	-5.6
Philadelphia	7.4	1,948,609	-2.7
San Francisco	7.8	715,674	-8.3

By comparison... Tokyo... reputed to be one of the most crowded cities on earth... has an average density of 21 per acre.



Communities Oppose Further Growth

A recent issue of the *Engineering News-Record* carried a report of recent actions taken by the voters in two of the country's fastest growing States:

"In California, two San Francisco Bay area communities, Livermore and Pleasanton, voted to prohibit issuance of residential building permits until problems of overcrowded schools, insufficient water supplies and inadequate sewage collection and treatment facilities are solved. The ordinance becomes effective this week.

"Pleasanton has a population of 22,000, up 423 percent from its 1960 population. Livermore's population rose 156 percent in the same period to 41,000 now.

"Voters in El Cerrito, in Contra Costa County, voted 5,026 to 1,849 against rezoning a 5-acre tract from one-family housing classification to a planned unit development category, which would have sharply raised the allowable density. Fairfax, in Marin County, voted to rezone a town property for commercial recreational use, thus blocking a developer's plans for housing. Pinole, also in Contra Costa County, rejected a proposal to rezone an area from light industrial to housing.

"And in southern California, residents of Yorba Linda, Orange, Tustin, and San Juan Capistrano, swept into office candidates who favored low density planning.

"Last month, in several Florida counties and localities, building and rezoning moratoriums of up to one year were approved. In Dade County, which encompasses Miami, voters approved an ordinance permitting building moratoriums in unincorporated areas.

"Last week, the Dade County Commission banned most new building on the eastern half of Key Biscayne."

Minority Fellowship Program Announced

A minority fellowship program in planning... funded by a Ford Foundation grant and administered by the American Society of Planning Officials... has been announced. The purpose of the program is to recruit more members of minority groups into the planning profession. Any American student, who is a member of a minority group (i.e. black, Puerto Rican, Mexican-American, and American-Indian) and who is admitted into a graduate planning program designed to lead to a master's degree at one of the schools granted ASPO-Ford funds, is eligible.

The schools participating are: New York University; University of Washington; University of Oklahoma; University of California at Los Angeles; Michigan State University; University of California at Berkeley; University of Pittsburgh; Kansas State University; Massachusetts Institute of Technology; Cornell University; and George Washington University.

A student should apply for a fellowship to the school where he or she wants to study. This usually means that the student must first be formally admitted into the master's degree program in planning at the school. At least the student must make formal application for admission before he can be considered for one of the fellowship awards. Like most fellowships for graduate study, the fellowships will cover tuition costs and a living stipend for a year. They are renewable for a second year if the student's work is satisfactory. (No school participating in the program at present has a master's degree program in planning longer than two years.)

Please direct inquiries to: ASPO-Ford Foundation Fellowship Program, 1313 East 60th St., Chicago, Ill. 60637.



HUD to Improve Management Programs

HUD is breaking with the conventional approach to housing management... and is moving to correct the imbalance between housing production and housing preservation in its programs... G. Richard Dunnells, HUD Deputy Assistant Secretary for Housing Management told the *New York Law Journal's* Subsidized Housing Conference in New York City.

"The anomaly of a national focus on a two to three year production process with a corresponding lack of focus on the 40-year process of preserving the housing speaks for itself," he said.

"The objective of HUD's housing management program is to protect the Federal investment in HUD-insured and subsidized housing and to assure... to the greatest extent practicable, that housing produced with Federal assistance remains viable from a social and physical, as well as from a financial, standpoint.

"Previous housing management programs have been a fragmented series of policies, procedures, and decisions basically designed to firefight or eliminate financial, social, or physical problems once they appeared in housing already produced. HUD has succeeded in breaking with the conventional view and approach to housing management in the current administration of the subsidized housing programs... and has gone to a housing management program both preventive and corrective, in all phases of the housing cycle. The role of management in the subsidized housing cycle is being redefined and given far greater emphasis. HUD has become more and more aggressive in its focus on the long-term, successful operation and management of these projects. This greater attention is possibly the best insurance we can buy for the success of our subsidized housing programs."

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

July 3, 1972
HUD-318-26-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



July 10, 1972

NOT TO BE TAKEN
FROM THE LIBRARY

Vol. 3 No. 28

HUD Provides Variety of Disaster Aids

Recent Flood Disasters In The West, Midwest, And East have brought all-out assistance from HUD. Both immediate housing aid and long-term assistance are being carried out in Rapid City, S.D.; the States of Washington, Virginia, Maryland, Pennsylvania; and the District of Columbia. Technical assistance and long-range planning funds are available.

A cut in flood insurance rates under HUD's National Flood Insurance program became effective July 10... hopefully the more attractive subsidized rates will encourage a wider purchase of flood insurance. It is estimated that there are about 27,000 policies of Federal flood insurance in those states hit by Hurricane Agnes last week.

The Government National Mortgage Association has announced that it will purchase at par FHA and VA mortgages on housing that is to be made available for flood families.



Contracts Awarded for New Management Techniques

HUD has awarded \$25 million in contracts to 13 local housing authorities to test new management techniques for public housing. The authorities selected were: Atlanta, Detroit, Miami, Washington, Greensboro, Hartford, New Haven, Richmond, Milwaukee, Wilmington, Worcester, Hawaii, and Puerto Rico.



HUD Helps Sponsor First Nonmetropolitan Area Growth Conference

The Nation's first nonmetropolitan area growth conference attracted wide interest in June. Sponsored by the State of Vermont and HUD, the event focused on New England rural growth problems and issues. HUD and Department of Agriculture took part... along with experts in key subjects who staffed five workshop panels.



Current Trends

The completion of the massive West End Urban Renewal Project in Boston... which has been stalled because of the difficulty in obtaining the volume of long-term financing necessary... will now be possible. GNMA will issue its largest Mortgage-Backed Security Guarantee to date... \$44 million... against a Section 220 FHA mortgage... to a local bank. Besides being the largest to date... it is also the first ever to be issued against a 220 mortgage. The construction of the housing will begin in the immediate future.

The popularity of mobile homes in Delaware has steadily increased... present estimates put the figure at ten percent of the total dwelling units in the State.



Huntsville Is First Fourth Year Model City

Huntsville, Ala., is the first of the Nation's 147 Model Cities to move into its fourth year action phase, with the award of a \$1,969,000 contract from HUD. The contract will enable the city to continue implementing its Model Cities program which is programmed for five years. The new contract includes funding for the continuation of 24 programs... and the initiation of four new programs.

Interstate Land Consumer Actions

Congress has designated HUD as the administering agent of the consumer protection provisions under the Interstate Land Act. Some examples of the type of consumer actions taken recently by HUD's Office of Interstate Land Sales Registration under the Act:

- OILSR officials met at the Norwegian Embassy with a Ministry Counselor and a Norwegian real estate salesman regarding sales made by the salesman in Norway of lots in the U.S. in Cavanagh Communities. . . a Palm Beach Heights, Florida, subdivision. There were several areas of complaint. . . including possible misrepresentations as to the location and value of the land and other fraudulent practices.

- OILSR ordered a Nebraska developer to disclose to purchasers that lot owners would be billed for assessments by a Sanitary and Improvement District which the developer had promised to pay. The developer agreed to become primarily liable for the assessment and to be billed directly. This relieved 6,000 potential lot purchasers of the necessity of paying these bills and proceeding against the developer on their agreement. . . thus saving these lot purchasers millions of dollars or the necessity of litigation with the developer.

- In another case. . . purchasers buying from a western developer are now being informed of the presence of a Federal penitentiary on a neighboring island.

- In still other instances. . . OILSR has required a developer to disclose that he is selling lots on proposed canals without obtaining the required permits for dredging and filling from State and Federal jurisdictions. . . and a developer has been required to disclose the presence of abandoned mines within the boundaries of their subdivisions. . . and to explain, in detail, the hazards and other adverse effects of these mines upon the purchasers.

- Also. . . U.S. purchasers of land in Mexico are being warned that the Mexican Constitution and Mexican law prohibit the direct ownership of lands and waters by foreigners within the area ranging 100 kilometers from any international border. . . and 50 kilometers from any sea coast. The foreigner cannot be a member in any Mexican association that acquires such ownership. Mexican law also provides that any leasehold exceeding 10 years is considered equivalent to ownership.



New GNMA Security Announced

A new mortgage-backed security to facilitate financing under the FHA Title I Mobile Home Loan Program has been announced by GNMA to become operative on April 25.

Under the proposed regulations. . . GNMA securities can be issued against a pool of FHA Title I mobile home loans in the minimum amount of \$500,000. With a minimum denomination of \$25,000 each, a maturity of 12 to 15 years, and a face interest rate of 6 percent, the securities can be sold at a discount to provide the yield required by investors.

Under the "modified pass-through" concept, payments of principal and interest will be passed through to the investor each month, whether or not collected from the borrower, under the guaranty of GNMA representing the full faith and credit of the U.S. Government.

"The program will offer two important advantages to the consumer," Woodward Kingman GNMA President emphasized. "First, it will assure the buyer a substantially lower downpayment and monthly payments from 15 percent to 20 percent less than would be possible in conventional financing through commercial banks or finance companies. Second, because all mobile homes financed under the program must meet FHA minimum property standards, the consumer will be assured better quality of construction than might be obtained through conventional financing."

The original GNMA mortgage-backed securities program was launched in February 1970. In the two years since the first issue. . . a total of \$3.9 billion of these "pass-through" securities have been sold.

Spanish Population Figures Released

The Census Bureau has released preliminary 1970 figures for the Nation's second largest minority... Spanish-speaking persons. The data are given in three categories... persons whose mother tongue was Spanish... persons of Spanish family name... and Puerto Ricans.

California, New York, and Texas account for two-thirds of the country's Spanish speaking population... which totals in excess of 11 million. New Jersey is fourth... with 436,000... followed by Arizona, Florida, New Mexico, Colorado, Illinois, Michigan, and Pennsylvania... all of which have 100,000 or more.

New Mexico... with a 40 percent Spanish speaking population... has the largest percentage of any State... Arizona is next (19 percent)... then Texas (18 percent)... California (15 percent)... and New York and Colorado... 13 each. The Southwest has 54 percent of the Spanish speaking Americans.

Puerto Rican counts are for three States only... New York, New Jersey, and Pennsylvania. Totals for the remaining States include persons of Spanish language... those who reported in the Census that Spanish was the language spoken in their childhood households. In addition... the totals for California, Texas, Arizona, New Mexico, and Colorado include counts of persons of Spanish family name but who did not qualify as persons of Spanish language.

California had the largest Spanish heritage population in the figures reported... 3,101,589 persons... either of Spanish language or of Spanish family name counted in the 1970 Census. This was 16 percent of the State's 1970 total population. In 1960... when the total was for the Spanish family name count only... the figure was 1,426,538.

The Texas total in 1970 was 2,059,671 persons of Spanish language or family name. In 1960... the Spanish family name total was 1,417,810. The 1970 Spanish count in Texas was 18 percent of the State's 11.2 million persons.

The preliminary totals for the three States for which Puerto Rican counts are available were: New York, 872,471 (5 percent of the population); New Jersey, 135,676 (2 percent); and Pennsylvania, 44,535 (less than 1 percent).

The largest number of Spanish-speaking residents in any metropolitan area is in Los Angeles... 1.3 million... representing 18 percent of the total population... compared to 11 percent blacks. Florida's almost half a million persons of Spanish heritage... are concentrated mainly in and around Miami... and are mostly Cubans who fled from Castro.



Special Consideration Urged for Low-Income Home Owner

A top official of HUD has called on the mortgage servicing industry to give special consideration to home-buying low and moderate income families who experience temporary financial problems.

Addressing the Mortgage Bankers Association of America's National Mortgage Servicing Clinic in Omaha, HUD Assistant Secretary for Housing Management Norman V. Watson, said that "homeownership is an American value conducive to social stability and good citizenship, and we must exert every effort to help make that value a reality, not an illusion for the low and moderate income family and a larger concept of mortgage servicing would provide assistance to the homebuyer whose mortgage is delinquent. One such responsibility is to "prevent avoidable foreclosures" and he recommended personal visits and discussions with a mortgagor so "you can supply the assistance needed."

Citing the special forbearance relief program HUD has provided to mortgagees for use by deserving mortgagors, Mr. Watson noted that "regrettably, we do not believe it has been employed often enough."

Funds Withheld Because of Zoning

Pennsylvania is withholding recreation grants to suburban communities whose zoning policies are deemed discriminatory. Acting under a legal opinion by Attorney General J. Shane Creamer, the State has begun notifying communities... including Tredyffrin Township in Chester County... of the ruling. The State Secretary of Community Affairs met with Upper St. Clair officials in suburban Pittsburgh to explain the opinion. The township is the second community whose State recreation grant is being withheld. The legal opinion concerns one of the most controversial social questions facing State governments: Namely... can they act against local zoning laws that... in effect... exclude low and moderate income housing? The ruling requires the State Department of Community Affairs to look carefully at the effect of exclusionary zoning practices on use of and access of a recreation area.

"Any restriction that has the effect of restricting the use of a State-funded facility by race or wealth, must receive the Department's closest scrutiny," the opinion said. "The existence of such restrictions will be a reason for denial of such funds...."



State Housing Finance Agencies

Since 1960... 18 States have enacted legislation to establish housing finance agencies (HFAs). In 1971 three States... Alaska, Minnesota, and South Carolina... authorized the creation of HFAs. The agencies are typically established to finance low- and moderate-income housing. They function primarily as mortgage-lenders to builders, and/or homebuyers and raise capital for this purpose through the issuance of tax-exempt revenue bonds.

Bills calling for the creation of similar agencies have been introduced in several States this year, including Ohio and California.

The January 1972 issue of the *Journal of Housing* contained an analysis of the various types of State Housing Agencies. Copies available from the *Journal*, NAHRO, 2600 Virginia Avenue, N.W., Washington, D.C. 20037. Price \$1.00.



Workshops for Local Elected Officials

Would workshops in community planning and development help the newly elected local official solve the broad range of typical community problems?

The answer is being sought with the help of a \$63,650 HUD grant to the National Urban Coalition... assisted by the Joint Center for Political Studies... both in Washington.

The experiment will begin with four regional seminars. Samuel J. Simmons, HUD Assistant Secretary for Equal Opportunity, said that "the project comes at a time when more and more local elective offices are being occupied by people from a wide range of professions who have not been prepared for their task by previous experience. We are also witnessing a surge in the number of disadvantaged and inexperienced minorities being elected to these offices."

Following the seminars a follow-up program of technical assistance and consultation will be instituted to assure local application of information covered during the four seminars.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20402

July 10, 1972
HUD-318-27-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



July 17, 1972

LIBRARY Vol. 3 No. 29
WASHINGTON, D.C. 20410

HUD Proposal to Limit Closing Costs

In a first step toward establishing maximum settlements costs on HUD/FHA insured home loans, proposed standards for seven metropolitan areas have been published in the Federal Register.

The areas are... Cleveland, Newark, N.J., San Francisco, Seattle, St. Louis, and Washington, D.C., and the Maryland and Virginia suburbs... which are considered as one area for the purposes of setting the new standards.



Secretary Romney Reviews Housing Figures

Reviewing housing figures with the National Association of Accountants at their 53rd Annual Conference, Secretary Romney said, "Today, almost two-thirds of our families are homeowners, and single-family houses still account for over two-thirds of the housing inventory. More housing was produced in 1971 than ever before in our history. I expect 1972 to add a new record. More housing for low- and moderate-income families has been funded and started in the past three years than in the previous 31 years. With that record, compiled in just three years, I wish to assure you that this Administration is not turning its back on our central cities—but it is determined to look at the figures—to pay attention to the audit—and make sound judgements."



Soul City Receives HUD Aid

Soul City, N.C. is the first rural new community to receive HUD aid—and it is also the first new town where the principal sponsor is a black-owned enterprise. A Federal pledge to guarantee up to \$14 million for the development of Soul City—a free standing new community proposed for a 5,180-acre site in rural Warren County, N.C.—was announced jointly by Secretary George Romney and Governor Robert W. Scott of North Carolina. Federal new-town aid to Soul City is contingent upon the ability of the developer to attract industry to the new community. Major emphasis during the first few years of development will be upon industrial rather than residential construction.



OILS Takes Legal Action in Two Cases

Legal action has been taken by the Office of Interstate Land Sales in connection with two cases involving failure to disclose information to prospective purchasers. Public interest in the stepped-up enforcement efforts is bringing in a mounting volume of complaints.



President Extends Certain HUD Authorities

The President has signed a Joint Resolution which provides for the extension of certain HUD authorities. S. J. Res. 250 temporarily extends: The Secretary's flexible interest rate authority... the model cities authorization... the neighborhood facilities authorization... the comprehensive planning authorization; the open space land authorization... the water and sewer authorization... the waiver of GNMA mortgage purchase limits... and exempts sewer and water programs from the areawide planning requirement until September 30, 1972.

What the States Are Doing

Wisconsin has extended the coverage of its State Equal Housing Opportunities Law. Effective April 15... certain former exemptions have been eliminated, such as owner-occupied single-family houses and mobile homes. The Legislature has also enacted a bill creating a State Housing Authority... empowered to issue up to \$150 million in bonds, to assist in financing low- and moderate-income housing.

The Massachusetts Legislature has amended the Law Against Discrimination in Housing to include provisions banning discrimination against blind persons in the sale or rental of housing.

California's Fair Employment Practice Commission has reaffirmed the anti-discrimination statutes and policies of the State. It has issued new guidelines which present all aspects of the Fair Housing Law.

The Governor of New Jersey has asked his Legislature to enact a uniform State construction code... and to provide for a balanced statewide housing plan which would periodically determine the need for housing in each county... and to establish the machinery to meet the housing needs.



Rural Housing Loans Made

Loans of \$647,476 to 10 rural low-income housing development organizations were announced by the Housing Assistance Council. The loans are the first to be made by the Washington-based national organization funded last year by the Office of Economic Opportunity to improve the delivery of low-income housing to the poor in rural areas... and will enable local organizations to produce over 1,000 dwellings for the rural poor under a variety of Federal subsidy programs. The housing projects are in California (2), Georgia, Maryland, Michigan, Ohio, Texas, Utah, and Wisconsin.

The loans come out of the \$2 million revolving fund of HAC... and will cover three basic types of costs incurred by organizations in developing applications for federally assisted housing for the poor. Local organizations often lack funds for predevelopment costs which include the initial fees of architects, engineers, and lawyers, and land option and purchase. Another typical use of the revolving funds is for site development. Suitable, developed sites are in short supply. Funds that are available are limited and sometimes take months to obtain. Such costs as land preparation, water and sewer development, streets, and lot layout may be covered. The third use of the revolving funds is by public housing authorities for the development of the work necessary to obtain HUD reservations and approval for low rent public housing.

All these costs are recoverable... and the loans will be repaid to HAC when funding is received by the local sponsor from the financing agency... the Farmers Home Administration... or HUD.



Census Series for School Use

The first of a series of special reports on the 1970 Census... specifically intended for use in the schools... has been published. The series... called *We, the Americans*, will include about a dozen publications on housing, blacks, persons of Spanish language, youth, women, immigrants, our jobs, the elderly, schooling, and income.

The first issuance... *Who are We...* a 16-page booklet presents a summary of 1970 Census results in a form readily absorbed by teenagers. It uses bright, psychedelic colors, simple graphs, and photos... and stresses the growth of suburban areas... the historic movement of the country's population from rural to urban areas... the changes in Congressional apportionment that population shifts bring about... and the new makeup of the U.S. population by race and age. For sale by the Superintendent of Documents, Washington, D.C. 20402. Price 35 cents.

Spending for Environment Control Going Up

Expenditures for environmental management by selected large governments were more than \$2.4 billion in fiscal 1969-1970, an increase of 26 percent from the previous fiscal year, according to a Census Bureau estimate.

The programs involved are those designed to manage and control solid waste and water and air pollution. Included were expenditures of the Federal Government, the 50 State governments, the 48 city governments with 1970 populations of at least 300,000, the 58 county governments with populations over 500,000, and other local governments in the 38 largest Standard Metropolitan Statistical Areas.

The survey indicates the selected governments spent more than \$1.4 billion for treatment of water supplies and sewage during fiscal 1969-70 while \$913 million financed solid waste management, and \$104 million went for air quality research, monitoring, and enforcement of standards. The survey also estimates that during October 1970 the governments in the survey employed the full-time equivalent of 121,323 persons in environmental management, with 76,302 in solid waste management, 40,682 in water quality control, and 4,339 in air quality control. Bureau officials believe that the number of employees may be understated because of overlapping or multiple governmental duties.

The survey... *Environmental Quality Control Expenditures and Employment* ... price 55 cents... is for sale by the Superintendent of Documents, Washington, D.C. 20402.



Recent Decision

Commonwealth of Pennsylvania, et al. v. County of Bucks, et al. Court of Common Pleas of Bucks Co., No. 3385. The Commonwealth of Pennsylvania and individuals claiming to represent resident and non-resident classes of low and moderate income persons challenge the constitutionality of the zoning ordinance of all 54 municipalities in Bucks County. They complain that each ordinance excludes or fails to provide for low and moderate income housing. The Court has held that plaintiffs have failed to state a cause of action. The action was also found to be premature, since plaintiffs had not been denied building permits under existing ordinances.

The Court refused to grant plaintiffs' request for relief, including the imposition of a requirement that defendants plan for, promote and provide for the construction of housing for families of low-and moderate-income, and observed that to do otherwise would constitute an intrusion into the legislative field which is beyond the power of the judiciary.



State and Local Employment Rises

The Census Bureau reports overall State and local government employment increased 3.3 percent between October 1970 and October 1971. There were 13.3 million civilian public employees in October 1971... an increase of 283,000 over October 1970. The increase was accounted for by State and local government employment which totaled 10.4 million in October 1971... compared with 10.0 million in 1970. Federal civilian employment remained the same as a year earlier at 2.9 million.

Approximately 21 percent of all State and local employees worked part-time in October 1971... and applying average full-time earning rates... the total full-time equivalent was calculated as 8.8 million. Of this total... local governments accounted for approximately 73 percent, or 6.4 million.

Public civilian payrolls for the month of October 1971 totaled \$8.9 billion, about 6.9 percent more than the previous year. The Federal Government portion amounted to about \$2.5 billion and State and local governments \$6.4 billion. The report... *Public Employment in 1971* (GE71 No. 1)... is for sale by the Superintendent of Documents, Washington, D.C. 20402. Price 40 cents.

State Conference Scheduled on Regional Growth Planning

A series of State growth conferences designed to strengthen the role and capabilities of States to deal with non-metropolitan growth problems will start in Vermont in June and continue through September in seven other States. The States are: Virginia, Oregon, Georgia, Illinois, Oklahoma, New Jersey, and South Dakota. Each State will sponsor a conference for neighboring States within its Federal Region.

Purpose of the conference is to provide a forum for exchange of viewpoints on common problems facing elected officials, State and regional agencies and the Federal agencies involved in non-metropolitan development. The series will also provide information on policies and programs of selected States or non-metropolitan regions to solve shared growth problems.

The State/non-metropolitan growth conference series is a parallel to the recently completed metropolitan growth conferences sponsored by Councils of Government and areawide planning commissions with HUD assistance. The dates and places of the conferences may be obtained from HUD Regional Offices in Boston, New York, Philadelphia, Atlanta, Fort Worth, Chicago, Kansas City, Denver, San Francisco, and Seattle.



U.S. Puerto Rican Population Put At 1,379,043

Preliminary 1970 Census figures show that the U.S. total of persons of Puerto Rican birth or parentage was 1,379,043. The total is subject to possible later revision.

The new count for first and second generation Puerto Ricans was 55 percent higher than the total of 892,513 counted in the 1960 census. They made up 0.7 percent of the total U.S. population in 1970 and 0.5 percent in 1960.

Of the 1970 Puerto Rican total, 872,471 were New York State residents; in 1960, the New York State total was 642,622. Thus, New York's proportion of the total U.S. Puerto Rican population was 63 percent in 1970 and 72 percent in 1960. The Puerto Rican proportion of the New York population was nearly 5 percent in 1970 compared with 3.8 percent in 1960.

Other States with heavy concentrations of Puerto Ricans were New Jersey where preliminary counts put the 1970 total at 135,676 (10 percent of the U.S. Puerto Rican total and 1.9 percent of the State's population total) and Illinois where the 1970 count was 87,515 (6 percent of the U.S. Puerto Rican total and 0.8 percent of the State's total).



Joint Urban Noise Research Study

Noise survey methods for intermediate-sized cities will be explored in a \$35,386 research project to be funded jointly by HUD and the City of Bridgeport, Conn.

The study will test, evaluate, and further expand the urban noise survey methodology developed jointly last year by New York City and HUD. That was the first effort toward establishing methods for conducting comprehensive studies of urban environmental noise in U.S. cities. The study is scheduled to be completed in six months. For further information: John F. McCarthy Jr., Director, Air Pollution Control Bureau, 45 Lion Terrace, Bridgeport, Conn. 06604.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

July 17, 1972
HUD-318-28-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



July 24, 1972

Vol. 3 No. 30

Current Trends

Project notes totaling \$325 million representing 83 local urban renewal issuing agencies were sold on July 5 at an average interest rate of 3.0427 percent. . . higher than the average interest rate for the \$391 million project notes sold on June 6, 1972 of 2.8538 percent.

Maturities of the 91 issues sold ranged up to one year.

The Census Bureau has announced that the price index of new one-family houses sold rose to 127 during the first quarter of 1972. This represented a 1.6 percent increase over the previous quarter. . . and compares to the index of 120 for the first quarter of 1971.

A comparison of the holders of the pass-through mortgage backed securities on December 31, 1971, and June 30, 1972, indicates that the program is continuing to attract "new money" into the housing field. While the holdings by Savings and Loans dropped to 45.9 percent on June 30, 1972, from 49.2 percent on December 31, 1971, the following percentage increases were noted:

	12/31/71	to	6/30/72
Commercial Banks	3.99		4.45
Retirement and Pension Funds	5.09		5.39
Nominees, Insurance Companies and Corporations	7.74		

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
JUL 25 1972
LIBRARY
WASHINGTON, D.C. 20410

☆

HUD's Flood Disaster Activities

To date. . . 12,832 applications have been filed for temporary housing in the East. . . 9,215 in Pennsylvania, 2,942 in New York, 390 in Virginia, 242 in Maryland, and 43 in Florida. 427 families have been housed in HUD-assisted housing, private rental housing, and mobile homes. Disaster relief efforts are being accelerated to meet these housing needs. Continuing temporary housing assistance is being given to victims of flood disasters in Omak, Washington; Rapid City, South Dakota; New Braunfels, Texas; Man, West Virginia; and Isleton, California.

☆

Recent Decision

Hilda Keller, et al. v. Kate Maremont Foundation, Romney, et al. U.S.D.C., N.D. Calif., Civil N. C-71-1585 RFP. Judge Peckham has followed Judge Weigel's decision in *Geneva Towers*, holding that tenants in a Section 221(d)(3) project, as a matter of constitutional due process, are entitled to: notice of their landlord's application to FHA for an increase in his rent schedule, reasonable opportunity to make written objections thereto, and a concise statement of the reasons for approving the increase. The Court refused to hold that the tenants are entitled to a full hearing on issues relating to an application for an increase in maximum rentals.

Romney Sees Bright Future for Non-Metropolitan Areas

Addressing a conference on non-metropolitan growth policies... sponsored by the State of Georgia and the Georgia Regional Executive Directors Association in Atlanta... Secretary Romney outlined a non-metropolitan growth strategy. The Secretary said that concentrations of people who created America's metropolitan areas are in the process of dispersal and decentralization... and this will open up new and unprecedented opportunities for rural and non-metropolitan areas in the next 20 years.

Three elements of a non-metropolitan growth strategy, according to Mr. Romney, are: 1) Facilitating and encouraging the spill-over of metropolitan growth dynamics into the surrounding non-metropolitan areas. A study by the President's Commission on Population Growth showed that 34 percent of those surveyed wanted to live in open country... and an additional 30 percent in a small town or city; 2) development of new communities... which "must be strategically located within commuting distance of one or more metropolitan areas... and yet far enough away not to be absorbed in the expanding metropolitan field"... and 3) the growing importance of recreation and leisure... due to the rising discretionary income of the American family and the possible growth of the four-day work week.

The non-metropolitan areas, Mr. Romney said, will become the recreation and leisure hinterland of the Nation. As a consequence, he said, millions of 'second homes' will be constructed, creating an expanded construction industry in those areas; a large business and industrial structure to operate the recreation and leisure industry will emerge, as well as a retail-wholesale-and-service industry. Also... we must recognize the growing impact of a retirement population that will be better financed in years to come. People are retiring to more quiet, tranquil areas all over the Nation... and this too can become part of a non-metropolitan growth strategy.

There are three 'basic keys' to this strategy: 1) a fast, efficient transportation system out of our metropolitan areas and into the non-metropolitan regions; 2) the buildup of adequate public services and the preservation of those environmental qualities that are the basic attraction for metropolitan populations... as well as those living in the non-metropolitan areas now; and 3) the creation of the new Department of Community Development proposed by President Nixon.



State and Local Employment Rises

The Census Bureau reports overall State and local government employment increased 3.3 percent between October 1970 and October 1971. There were 13.3 million civilian public employees in October 1971... an increase of 283,000 over October 1970. The increase was accounted for by State and local government employment which totaled 10.4 million in October 1971... compared with 10.0 million in 1970. Federal civilian employment remained the same as a year earlier at 2.9 million.

Approximately 21 percent of all State and local employees worked part-time in October 1971... and applying average full-time earning rates... the total full-time equivalent was calculated as 8.8 million. Of this total... local governments accounted for approximately 73 percent, or 6.4 million.

Public civilian payrolls for the month of October 1971 totaled \$8.9 billion, about 6.9 percent more than the previous year. The Federal Government portion amounted to about \$2.5 billion and State and local governments \$6.4 billion. The report... *Public Employment in 1971 (GE71 No. 1)*... is for sale by the Superintendent of Documents, Washington, D.C. 20402. Price 40 cents.

HUD Officials Cite Growing Role of Minorities in Housing

At a press conference in Detroit in connection with the annual NAACP convention . . . Assistant Secretaries Samuel C. Jackson and Samuel J. Simmons focused attention on the heavy volume of daily work being conducted with HUD and other Federal agencies by large numbers of minority organizations. . . including some 50 NAACP chapters.

Many NAACP delegates have met during the week with various HUD representatives to discuss housing needs in their communities, and ways in which HUD and other agencies might help solve them. Among the items referred to were the NAACP-sponsored National Afro-American Builders Corporation that has generated more than \$520 million in construction contracts and has been a direct beneficiary of Federal efforts to promote minority business opportunities.

Total Federal assistance to minority business enterprises increased \$263 million in 1971, they reported. . . from \$315 to \$578 million. Government contracts awarded to minority businessmen by GSA in 1971 more than tripled those of the preceding year. . . from \$21.8 million in 1970 to \$66 million.

"This is a positive response by an Administration sensitive to minority needs," Mr. Jackson affirmed.

The HUD officials commended NAACP delegates for their constant work toward expanding the Nation's housing supply. They urged continued minority involvement in any endeavor capable of reducing the shortage of housing for low-income people.



HUD Assistance to Senior Citizens

The June issue of HEW's publication *Aging* cites HUD's actions in response to the President's directive to Secretary Romney to encourage the provision of more space for senior centers within housing projects for the elderly. Assistant Secretary Watson's memo to Local Housing Authorities. . . asking their support in the effort was quoted in detail. Of special interest is the action of Commissioner on Aging John B. Martin in sending notice of HUD's move to all State agencies on aging and simultaneously apprising them of the HUD-HEW Agreement signed a year ago.



Warranty Proposed Published

A proposed amendment to Part 201 Title 24 CFR, Subpart B. . . covering Mobile Home Loans. . . was published in the *Federal Register*, page 11485, on June 8. The amendment would require that manufacturers of mobile homes furnish a one-year warranty to mobile home purchasers who obtain FHA-insured loans.



First Trust Territory Program Approved

The San Francisco Regional Office has approved the first application submitted by a Trust Territory under the Title VIII Community Development Training Program. The Trust Territory of the Pacific Islands will undertake a program of training housing and community development workers in the six local administrative districts of the Territory.

The \$20,000 grant will be administered by the Community Development Division of the Office of the High Commissioner, at Saipan, Mariana Islands. The training program will contribute to the Trust Territory goal of building management and technical capability at the district level to carry out housing and community development activities to meet local needs. The Territory. . . embracing more than 2,000 islands. . . with a 1970 population of 102,250 covers some 3 million square miles of the Western Pacific. It is governed by the U.S. under the United Nations trusteeship.

Notes From Here and There

In the States affected by Hurricane Agnes... there were approximately 27,000 flood insurance policies outstanding under the National Flood Insurance Program administered by HUD. About \$100 million of property was covered. Only about \$10 million of the insured property actually suffered damage. The bulk of the almost \$2 billion in damage caused by the storm was not covered by insurance against flooding.

Maine's State Housing Authority has approved its first housing project... for 65 units of leased housing.

The distribution of urban renewal projects and funds to communities above and below 50,000 in population remained almost constant during calendar year 1971. An analysis shows that nearly half of the projects and one-fourth of Federal funds for renewal went to communities below 50,000... with slightly more than half of the projects and three-fourths of the funds being in cities with populations above 50,000. The higher allocation of funds to the larger communities reflects the greater workloads and the higher unit costs of operations in these areas.

Cleveland's NBC television station WKYC will feature a series of public service documentaries on Federal programs for showing this Fall. Three of the 20 half-hour telecasts will be devoted to programs of primary interest to HUD. Tentative formats call for taping of programs within the next 60 days about Model Cities, housing and management counseling, and rehabilitation. NASA is spearheading the series and has requested participation of other Federal agencies along with HUD.

Census counts of first and second generation Cubans (Cuban foreign stock) in the U.S. population showed that the total was 560,628... a 351 percent increase over the 1960 total of 124,416. The Census Bureau also reported that 45 percent of the total 1970 Cuban foreign stock... 252,520 persons... lived in Florida. Other States with high concentrations of first and second generation Cubans in 1970 were New York where the total was 98,479 or 17.6 percent of the U.S. Cuban population; New Jersey, where the total was 71,233, or 12.7 percent of the U.S. Cuban total; and California, with 47,699 or 8.5 percent of the U.S. Cuban total.

Of the 1970 total of Cuban foreign stock, the number actually born in Cuba was 439,048; the remainder was persons with one or both parents of Cuban nativity.



Neighborhood Facilities Evaluation Issued

HUD has published the first in a series of evaluation reports on its Community Development grant-in-aid programs, and Federal policies and procedures involved... titled *Neighborhood Facilities - A Study of Operating Facilities*. It is designed to inform the public on the operation of the program.

The 76-page report covers 145 facilities built with Neighborhood Facilities grants under Sec. 702 of the Housing Act of 1965... and represents 76 percent of the facilities authorized and operating when the study was conducted... and includes surveys of facilities, site visits, and seminars.

Single copies of the report may be obtained free by writing to: HUD Service Center, Room B-258, Washington, D.C. 20410.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20410 (202) 755-6000

July 24, 1972
HUD-318-29-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
newsletter
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



July 31, 1972

Current Trends

NOT TO BE TAKEN
FROM THE LIBRARY
Vol. 3 No. 31

For the fiscal year ending June 30... HUD's target of 95,000 units of public housing was exceeded. Preliminary estimates indicate that 98,840 units were committed.

Two direct debenture placements were announced by FNMA... \$156 million with the Kentucky Turnpike Authority... and \$58 million with the Tennessee School Board Authority.

For the first time since 1960 there has been a reversal in the decline of Title I Home Improvement loans. During the first five months of 1972... the number of loans and the dollar amounts exceeded the volume for the same period of 1971. The renewed interest in these loans includes both conventional and mobile homes.

The Federal Home Loan Bank Board has issued regulations effective July 15 permitting federally chartered savings and loans to open satellite offices in retail establishments... such as supermarkets and other stores.

A telephone survey was conducted by the agencies involved in disaster relief in an attempt to determine the extent of the damage caused by Hurricane Agnes. In the six States hardest hit by Agnes... more than 110,000 families were affected... and more than 43,000 homes were either destroyed or seriously damaged. Over 36,000 of these homes were in Pennsylvania... and over 4,000 in New York. This information will help in estimating renewal and relocation funds needed.

The Cost of Living Council has reimposed price controls on 62,000 small lumber firms that had earlier been exempted. The action resulted from the finding by the Internal Revenue Service... the enforcement arm of the price program... "that in recent months exempt lumber firms have increased prices considerably more rapidly than those remaining under controls." This is the first instance where controls have been put back after having been previously removed... and is considered to be an indication that such action can be expected in other product areas if prices move out of line.

Project notes totaling \$430 million... representing 73 local housing authorities were sold at an average interest rate of 2.99 percent. The interest rate last... month was 2.798 percent. The average maturity of the notes sold was 6.8 months.



High School Students Rehab House

A two-story house that was rehabilitated by a student corporation affiliated with Denver's Manual High School has been opened for official inspection. The project resulted from a \$8,975 contract between the Denver Urban Renewal Authority (DURA) and the Corporation (Cule, Inc.) for the engineering work and rehabilitation of the DURA-owned house in the Mitchell Urban Renewal Project area.

A group of 40 students took part in the project. The work included electrical rewiring, plumbing and heating repairs, installation of floor covering, roof repairs, sidewalk replacement, and painting.

DURA plans to sell the four-bedroom house to a low-to-moderate income family from the project area.

HUD Achieving Record Results Housing "Agnes" Flood Victims

Families whose homes were destroyed or made unlivable in June's tropical storm Agnes are moving into HUD-provided housing at a record pace, with 1,362 families on the East Coast now living in temporary accommodations. At the same time, applications for HUD housing continue to be taken in large volume in many stricken areas. HUD staffs in disaster offices set up in 47 locations in five eastern States affected by the flood have received a total of 18,508 requests for temporary housing.

Those receiving such housing move into either existing vacant housing or into mobile or travel homes provided specially for the need. So far, HUD has let contracts for purchase of 4,789 mobile homes, including 559 travel homes.

Flood victims who move into HUD-provided quarters pay no rent for the first 12 months of occupancy. At the end of this period, they may buy the homes at wholesale prices.

Disaster teams take various steps in meeting HUD rehousing responsibilities. They take applications from disaster victims; survey housing damage to establish rehousing needs; survey housing vacancies to identify existing undamaged units available for occupancy in both the private rental market and in HUD-assisted or owned properties; locate vacant mobile home sites; and identify land suitable for mobile homes.

In addition to the temporary housing activities, HUD directs a program for victims that provides temporary mortgage or rental payments. These payments may be made, for up to one year, for those families who face loss of their residences because of disaster-caused financial hardship.

Secretary Romney has called on representatives of the mobile home manufacturing industry to supply an additional 7,000 units in the next three weeks for temporary housing in the areas devastated by Agnes. "We have assurances from the Governors of New York and Pennsylvania and the Corps of Engineers that up to 7,000 mobile home sites can be prepared in the next three weeks," he said. "We must have a mobile home available to place on each site as soon as it is ready."

Representatives of more than 25 manufacturers indicated their willingness to cooperate in meeting the need, by the use of units on hand and in production, and by increasing production. Several representatives indicated it would be a "monumental task" but felt that it could be done, if some restrictions on movement and inspection were waived.

Several States already have agreed to liberalize rules for transporting the mobile homes and similar action will be taken by all States involved. Experienced HUD personnel have been drawn from all parts of the country to expedite inspection of mobile homes and to speed up flood relief.



1971 Farm Population Estimated At 9.4 Million

The population on U.S. farms in April 1971 was estimated to be about 9.4 million according to an annual survey conducted by the Census Bureau.

About one person in 22 had a farm residence in 1971... compared with the one in three living on a farm in 1916, when the U.S. farm population reached its historic peak of 32.5 million. Estimated farm population in April 1970 was 9.7 million.

The farm population in 1971 was 4.6 percent of the total U.S. Population, down from 8.7 percent as recently as 1960.

Copies of *Farm Population of the United States, 1971, Series P-27, No. 43*, are available at 15 cents each from the Superintendent of Documents, Washington, D.C. 20402.

Grants to Aid Localities Improve Housing Techniques

The first HUD grants to help local organizations improve their effectiveness in developing housing for low- and moderate-income families have been made. 13 grants ... totaling \$1 million to 13 organizations. ... will permit the groups to provide advice and technical assistance to nonprofit sponsors and mutual self-help associations directly engaged in the development of such housing.

The grants were made under Section 106(a) of the Housing and Urban Development Act of 1968. ... which authorized HUD to provide, or to contract with public or private organizations to provide information, advice, and technical assistance concerning the construction, rehabilitation, and operation of low- and moderate-income housing. The names of grant recipients and their locations are:

California: Self-Help Enterprises, Inc., Visalia.

Florida: Cathedral Foundation, Inc., Jacksonville.

Hawaii: Hawaii Council for Housing Action, Honolulu.

Indiana: Southern Indiana Housing Development Corp., Columbus.

Maryland: Department of Economic and Community Development, Annapolis.

Massachusetts: South Middlesex Opportunity Council, Framingham.

Michigan: Greater Grand Rapids Housing Corp., Grand Rapids.

New Jersey and Pennsylvania: (Delaware River Valley) Housing Advisory Service Corp., Philadelphia.

New York: Better Rochester Living, Inc., Rochester.

North Dakota: Basin Electric Power Cooperative, Bismarck.

Oregon: State of Oregon, Housing Division, Salem.

Pennsylvania: (Six County Region in Southwestern Pennsylvania) The Mini-Corporation Association, Pittsburgh.

Texas: National Spanish Speaking Housing Development Corp., Del Rio.



In-Town Approach Has Strong Potential For Cities

Addressing a workshop on downtown revitalization sponsored by San Diegans, Inc. (SDI) in San Diego. ... HUD Assistant Secretary Samuel C. Jackson described the in-town concept as "the heart of a strategy for our center cities concentrating on urban development ... not solely redevelopment."

"Development of new-towns-in-town is a difficult, complex undertaking. ... but the potential of this type of new community for providing housing and jobs for the poor, a better living environment and a strong tax base for the Nation's cities is unmatched by conventional approaches to urban revival."

He told SDI members a properly-located new-town-in-town can provide:

- Considerably less relocation and disruption of homes, businesses and communities than conventional renewal aimed at slum removal;
- More jobs and housing, early in the development process, for any people necessarily displaced by in-town development;
- Decent housing and adequate community facilities, all provided faster than possible in extensive redevelopment; and
- Lower demolition costs, and reduced per unit subsidy for equivalent amounts of housing, jobs and community facilities produced by regular renewal.

"I am convinced that the in-town approach, as part of the Nation's broader urban strategy, can ensure that our center cities do not stagnate and die," he declared. "Equally important, it can provide decent housing near job opportunities for minority workers now unable to find adequate employment."

National Center Opens

The National Center for Housing Management... created under Executive Order 11668... signed last April 21... has opened. The Center's activities will include: the development of training and educational programs for housing management and personnel; cooperation with public and private national, State, and local organizations and institutions in extending housing management training and educational opportunities; expanding recruitment and placement systems that will link training in housing management to job opportunities; and development of improved housing management practices. The Center is located at 1707 H Street, N.W., Washington, D.C. 20006 (202-298-8777).



Vacancy Survey Issued

HUD's 16th semiannual summary of housing vacancies... covering 91 cities and metropolitan areas... for the period July through December 1971... has been published. The surveys are made for HUD by local post offices... and are designed to meet HUD's requirements for market analyses and other needs. Copies are available from the HUD Press Release Center, 4280 HUD Building, Washington, D.C. 20410. Please ask for HUD No. 72-328.



New Publication

Optimizing Development Profits in Large Scale Real Estate Developments... issued by ULI-the Urban Land Institute... a 64-page illustrated book designed to help developers of all types of large and small projects meet the dramatic changes and challenges in the real estate development field.

Written by Robert Gladstone and Michael Wilburn... for sale by ULI, 1200 18th Street, N.W., Washington, D.C. 20036. Price \$10.



FYI

Keep America Beautiful... Regional Conferences on Improving the Environment. Will include motivational workshops and group discussions designed to demonstrate techniques for organizing State and local programs to protect the environment. Boston, September 7-8. Atlanta, September 14-15. St. Louis, September 21-22. San Francisco, September 28-29. Registration: Keep America Beautiful, Inc., 99 Park Avenue, New York 10016.

International Association of Wall and Ceiling Contractors... 54th Annual Convention, Mexico City, September 22 to 27. Details: IAWCC, 20 E Street, N.W., Washington, D.C. 20001.

International City Management Association... Annual Conference... Minneapolis, September 17-20. Registration: Mark Keane, Executive Director, ICMA, 1140 Connecticut Avenue, N.W., Washington, D.C. 20036.

National Association of Home Builders... Third Annual Apartment Conference... Las Vegas, September 24-28. Registration: NAHB Convention and Meetings Department, 1625 L Street, N.W., Washington, D.C. 20036.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20402 (202) 775-6746

HUD-318-30-PA
July 31, 1972

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



August 7, 1972

Vol. 3 No. 32

Current Trends

LIBRARY
WASHINGTON, D.C. 20410

Last October... the F.W. Dodge Division of McGraw-Hill... in its annual estimate of contract construction for 1972... placed anticipated volume at 4 percent above the 1971 level. In April... the figure was revised upward to 7 percent higher than last year's volume. Now... a second upward revision... to 8 percent above 1971's figure has been made. The actual volume seen for this year is \$86 billion... compared to \$79.6 billion in 1971. Residential construction is expected to increase 9 percent over 1971... to \$38.1 billion... from last year's \$34.85 billion.

Mortgage lending by S&Ls reached a new high in June... \$5.6 billion... compared to \$4.6 billion in May. Commenting on the month's volume... the U.S. Savings and Loan League said that as recently as two years ago... June business was considered good if lending volume passed the \$2 billion level. For the first six months of the year... lending came to \$23.4 billion... up 35 percent over 1971... and nearly three times the volume in the first half of 1970. Another comparison... the six months volume was greater than the whole year total in 1968 and 1970.

Private housing starts in June were at a seasonally adjusted annual rate of 2.298 million units, one percent below the revised May rate of 2.331 million units. Permits issued for new units rose 6 percent in June to a seasonally adjusted annual rate of 2.079 million units... the largest monthly increase in six months. Actual starts... totaled 223,300 units in June... 14 percent above last year... with total starts for the first six months of the year reaching 1.173 million units... 18 percent ahead of last year's level for the same period.

Most housing and mortgage market indicators remained strong during the past month... and frequent comment has been made of the remarkable durability of the current housing boom. Sales of new homes set another record, and existing home sales also picked up. Savings flows remain strong while mortgage interest rates are unchanged.

Sales of new one family homes were at a seasonally adjusted annual rate of 711,000 units in May... 3 percent above the April rate... but lower than during the first two months of the year. A survey by the National Association of Real Estate Boards showed the number of sales in May to be 15 percent above the number for the same month last year. The median sales price for existing homes was \$27,100... 8 percent higher than a year ago.

Builders' plans for new home starts remain strong, according to HUD's July 1 survey of Area and Insuring Offices. Savings flows again showed surprising strength in June. Savings and loan associations had a net increase in savings capital of \$3.5 billion, 14 percent above the record June 1971 inflow. Mutual savings bank total deposits rose \$1.1 billion in June... compared with a \$1.0 billion inflow in June 1971... while commercial banks time and savings deposits increased \$1.9 billion during the month... only slightly less than the \$2.0 billion inflow in June 1971.

Mortgage and other long term interest rates remained firm during the past four weeks, with little movement one way or the other. Rates on long term securities have held fairly firm over the past month, edging up slightly. The yield on new issues of corporate Aa bonds was 7.72 percent for the week ending July 14, up from 7.63 percent a month earlier. The yield on long term government bonds remained unchanged at 5.59 percent.

For the first time in history... more than half the families in the country had annual incomes of \$10,000 or more in 1971... according to the Census Bureau. The new median... \$10,290... was 4.2 percent higher than the 1970 figure. However, the increase in consumer prices during the year gave the consumers no more purchasing power than they had in 1970.

The latest consumer survey conducted by National Family Opinion, Inc. for the Conference Board... indicates that there is a softening in consumers' buying plans for new homes. After a record reading of 3.8 percent in March and April... the latest report shows only 3.3 percent are currently planning a new home purchase.

Two bits of good news... the GNP... after eliminating the effects of higher prices... rose at a "real" annual rate of 8.9 percent in the second quarter... the highest rate since the last quarter of 1965. Also... the rate of increase in consumer prices for June dropped to two-tenths of 1 percent... bringing the total increase in the 12-month period from June 1971 to less than 3 percent... the first time the rise has been below that figure since late 1967.



2,500 Modular Homes Offered to Pennsylvania Disaster Areas

Local Housing Authorities in flood-ravaged areas of Pennsylvania have been offered 2,500 modular homes of one to four bedrooms... worth an estimated \$47,500,000.

In a joint announcement... Federal Regional Council Chairman Theodore Robb and Governor Milton Shapp of Pennsylvania hailed the experimental "rapid housing" agreement as an important step in Federal, State, and local cooperation to meet the long-term housing needs in the disaster areas. They said the plan presents "a great opportunity for local authorities to get flood victims back into permanent homes."

The first permanent modular housing units are expected to be ready for occupancy by the flood victims in September. The units will meet all FHA minimum property standards. Modular homes are not to be confused with mobile homes which are currently being installed in the flood areas. HUD will provide funds for the solidly built and quickly installed manufactured units on a permanent basis.

The Local Housing Authorities offered the housing are from the counties of Chester, Clinton, Dauphin, Lebanon, York, Luzerne, Lycoming, Mifflin, Montgomery, Northumberland, Schuylkill, Berks, Tioga, and Bradford. Cities and towns represented include Harrisburg, York, Nanticoke, Pottsville, Reading, Shamokin, Sunbury, Wilkes-Barre, and Williamsport.

The Local Housing Authorities have agreed that as the units are ready for occupancy, the disaster victims will be housed for a period of up to 12 months at no cost to the occupants under Office of Emergency Preparedness (OEP) regulations.



HUD and Co-ops to Restore Rapid City Housing

On behalf of the Mountain Plains Federal Regional Council... a supplementary grant has been made to help restore flood damaged houses in Rapid City, S.D. The grant, from HUD's Office of Research and Technology, went to the Basin Electric Power Cooperative of North Dakota to help Rapid City and the Pennington County Housing Authority.

The Basin Electric Power Co-op has shown under previous HUD research and demonstration assistance that rural electric co-ops can greatly assist citizens and local governments in matching housing needs with Farmers Home Administration and HUD Housing Assistance programs. The housing expertise and entrepreneurial services developed by Basin Electric and its member co-ops have demonstrated a new approach toward meeting rural housing needs.

Labor Relations Board Issues Ruling

The National Labor Relations Board recently ruled in favor of Components, Inc., an East Chicago building components manufacturer, in a suit against the Operating Engineers union. The dispute was over the question of who should operate truck-mounted cranes, used by Components, Inc. and many other building manufacturers throughout the country. These dual-purpose vehicles are used to lift large prefabricated building sections into place at job sites.

In August 1971... Illinois Local 150 of the International Union of Operating Engineers and Indiana Local 142 of the General Drivers, Warehousemen & Helpers Union disagreed over who should operate the crane portion of a truck-mounted crane being used at a suburban Chicago building site. The Operating Engineers argued that they should man the crane portion of the vehicle while the driver should only be allowed to move the vehicle to the job site and reposition it as needed at the site. The teamsters... felt that they should handle the crane portion as they had been doing over 10 years.

Feeling that a potentially serious "featherbedding" problem... which could add about \$100 per unit to the cost of manufactured housing if the practice became widespread... Components, Inc. filed an unfair labor practice suit with the NLRB. The action was supported by members of the National Association of Building Manufacturers nationally. During the hearings, testimony had indicated a history of performance of similar work with the same and other types of truck- or trailer-mounted cranes was almost uniformly assigned to employees represented by local Teamsters unions.



NAREB and HUD Cooperation

Fred C. Tucker, Jr., the President of NAREB together with a group of Realtors from all parts of the U.S. ... conferred recently with Secretary Romney and Assistant Secretaries Simmons and Watson... in connection with a joint effort to educate the public and real estate brokers and salesmen on the objectives of Title VIII... the Equal Housing Opportunity section of the Housing Act of 1968. Implementation of the Code of Equal Opportunity approved by the NAREB Board of Directors in May was discussed. The Code... which was designed for voluntary acceptance by Boards of Realtors throughout the country... will soon be submitted to State and local groups. The Code states that "Realtors subscribe to the policy that equal opportunity in the acquisition of housing can best be accomplished through leadership, example, education, and the mutual cooperation of the real estate industry and the public."



Impact of Urban Renewal

A nationwide survey of 11 cities with major urban renewal projects shows a 456 percent increase in average tax receipts and a 401 percent increase in assessed valuation of taxable acres in renewal areas. The cities covered by the study are... Atlanta, Baltimore, Dayton, both Kansas Cities, Louisville, Minneapolis, Pittsburgh, Richmond, Calif., St. Paul, and San Francisco. Construction valued at \$1.8 billion was completed or underway at the end of FY 1971. The average increase in tax receipts per acre was from \$3,000 to \$16,700... and the increase in tax base per taxable acre was from \$49,300 to \$247,300. There were 27,873 new housing units completed or underway in the project areas... at an average construction cost of \$17,456 for private units and \$14,444 for public units.



Mutual Problems Discussed By AIA and Labor

Representatives of the American Institute of Architects and of the Building and Construction Trades Department of the AFL-CIO have inaugurated a series of meetings to establish a better working relationship between the two organizations.

Agenda items include industrialization of the building process; a joint scholarship program for apprentices and journeymen who want to become architects; urban housing; jurisdictional disputes; manpower shortages; safety; etc.

HUD Contracts to Improve City Services

HUD has awarded The New York City Rand Institute a \$208,847 contract to help the Institute apply some of its expertise on emergency services to other cities around the Nation. The 13-month contract from HUD's Office of Research and Technology covers police, fire, and ambulance services. The Institute will show cities how they can improve these services to the community without increasing their budgets.

Under the HUD contract... the Institute staff will visit a number of cities to find out in detail the problems of deploying patrol cars, fire trucks, and ambulances. With the advice and approval of HUD... the Institute will select three pilot cities which are willing and able to demonstrate the transferability of the New York techniques... and help them effect the transfer.

Analysts from the Institute will develop computer programs, manuals, and other training materials for these cities—and work with managerial personnel in the cities.

The Institute... in collaboration with the New York City Fire Department... used higher mathematics, computer simulation techniques, and other methods developed through "operations research" to handle an ever-increasing number of alarms, eliminate delays in response, and use the number of available men in the most efficient ways possible.

The Institute's work to date has generated many requests for help from city managers around the country. Now... with HUD funding, the Institute can respond to these requests.



Largest Mortgage Issued

A commitment for the largest dollar amount in the 38-year history of the San Antonio Office... insurance on an \$11.4 million mortgage on the San Antonio Doctors' Hospital... was made this past month. Also believed to be the largest realty mortgage ever recorded in Bexar County... the loan is on a general hospital facility under Section 242. The 250-bed, \$12.6 million, 8-story structure will be built of prefabricated concrete modules. The same contractor... in 1968... built a 16-story hotel using the same modular system... in only nine months. The hotel was completed in time to be used by visitors to the San Antonio HemisFair. The modules for the hospital... which are produced locally by the contractor... will permit the completion of the structure in 18 months... considerably less time, as well as at a significant cost saving, over conventional construction.



Notes From Here and There

The Nation's newest county... North Slope Borough, Alaska... is the largest of any in the country. Its 88,281 square miles is larger than 40 of the 50 States. It is also the smallest of the 3,068 U.S. counties in population... 3,500 people. Barrow is the seat of the borough.



FYI

The Nonprofit Housing Center.... 1972 National Conference on Low- and Moderate-Income Housing... Washington, D.C., September 11-13. Details: Nonprofit Housing Center, Inc., 1717 Massachusetts Ave., N.W., Washington, D.C. 20036, Telephone: (202) 265-2224.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

August 7, 1972
HUD-318-31-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.



DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
newsletter
1972
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280
WASHINGTON, D.C. 20410



August 14, 1972

Vol. 3 No. 33

Current Trends

FHLBB reported that interest rates on conventional home mortgage loans rose slightly during June, reflecting continued heavy demand for money by homebuyers and a slight reduction in savings inflows to mortgage lending institutions. The June increase came to one basis point on new home loans and three basis points on loans made to purchase existing homes. The average term to maturity on new home loans in June stayed at the May level of 27.2 years, while the average loan-to-price ratio edged up to 76.3 percent. On mortgage loans made for existing homes, the average term to maturity increased from May's 25.2 years to 25.4 years. The average loan-to-price ratio rose by one-half of one percent to 75.9 percent.

GNMA has received \$1.1 billion in bids in its first auction of subsidized 7 percent FHA home mortgages. . . and the entire \$239 million package was sold at an average yield of 7.59 percent.

The average price of bids accepted by GNMA was 95.65. Accepted bids ranged from a high of 97.30 to a low of 95.39. The sale effectively supplements the financing of FNMA. . . which previously purchased all of these subsidized home mortgages from GNMA under the Tandem Plan. Furthermore, in receiving an average price of 95.65 instead of the FNMA auction price (currently 95.39) for the entire amount, GNMA realized a better return on its sale of these mortgages than it would have under the previous Tandem Plan procedure.



Major Reductions in Crime Insurance Rates

Rate reductions of up to 50 percent for coverages under the Federal Crime Insurance Program became effective August 1. The program is available in 10 States and the District of Columbia, with Tennessee included for the first time.

The rate reductions will apply to both residential and commercial policies. In addition. . . residential policyholders will now be permitted to purchase \$10,000 of coverage for the same price they previously paid for half that amount. (The \$5,000 limit was the maximum previously available under the policy.) To encourage agents and brokers to market the coverages more actively, the regulations implementing the new rates also provide for a minimum commission of \$15 for commercial policies and \$5 for residential policies.

Federal Crime Insurance is available in Connecticut, District of Columbia, Illinois, Maryland, Massachusetts, Missouri, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee. Interested individuals may obtain the revised rate tables and other program materials from licensed insurance brokers in those States.



FYI

National Association of Housing and Redevelopment Officials. . . National Housing Workshop. . . San Antonio. . . September 19-22. Details: Registrar, NAHRO Workshop, 2600 Virginia Avenue, N.W., Washington, D.C. 20037. (202)333-2020.

Disaster Assistance

To date... 25,471 applications for temporary housing have been received in the six-State (Agnes) area; 17,289 families have been determined to be eligible; and 3,106 families have been housed. 11,158 mobile homes, including 1,763 travel homes, have been ordered to provide temporary housing. All of the 62 eligible families in the State of Florida have been housed. HUD will provide financial aid to eligible applicants in Pennsylvania and New York to restore their homes to livable conditions... until permanent repairs can be made. HUD is entering into a turnkey agreement with Recreation Realty, Inc., of Kingston, Pa., to provide 50 leased fibreglass laminated units, valued at \$350,000, to be assembled, erected, and occupied in about two months. HUD has offered local housing authorities in Eastern Pennsylvania 2,500 modular homes of one to four bedrooms worth an estimated \$47.5 million.

Flood victims in the Wilkes-Barre area soon will live in the same kind of temporary housing awaiting the summer Olympic athletes in Munich, Germany. 50 leased fibreglass laminated units, valued at \$350,000, will be assembled on a site in Bear Creek, Pa., about nine miles from Wilkes-Barre. The three- and four-bedroom units, sleeping six to eight people, have electric heating, refrigerator and stove, a complete bath, and wall-to-wall carpeting.

The units are produced by Craftech International Ltd., of Croydon, Pa., which recently erected eight 2000-square-foot dormitories of the same construction to house Olympic athletes... and similar units have been used as vacation homes in the Poconos and other resort areas.

Occupants of the fibreglass houses will receive up to a year free rent under the President's Disaster Fund and will be counseled for their permanent housing needs.

HUD has also announced that it will assist in a self-help rehabilitation program to speed the return of Pennsylvania families to their own homes. This program is in addition to the growing number of temporary housing units being provided by HUD to the disaster areas.

Under the new rehabilitation program... financial aid will be provided to restore homes to livable conditions, until permanent repairs can be made.

The U.S. Army Corps of Engineers, which will determine the extent of the work required to make the homes livable, will arrange for the contractors to do the work. Contractors must be able to restore power, water, sewer facilities, security, and safety facilities within three weeks.

To prevent excessive delays, families found eligible for the rehabilitation program may cancel their agreement with contractors if work is not started within two weeks. In that event, the families can reinstate their applications for HUD temporary housing.

HUD said families receiving this rehabilitation assistance will not be eligible for other housing. Weekly reviews will be made of the rehabilitation work to assure that repairs are done well and quickly. The new rehabilitation program is expected to place many families back into their own dwellings, rather than temporary housing. Funds for the program will come from President Nixon's Disaster Relief Fund.

In addition... in three other areas, all the families will be rehoused before the end of August. In Okanagon County, Washington... out of 132 eligible applications for temporary housing, 109 families have been housed. In Isleton, California... out of 495 eligible applications for temporary housing, 439 families have been housed in private rental units, leased by HUD. In Rapid City, South Dakota... out of 1,254 eligible applications for temporary housing, 436 families have been housed. Since there is a severe shortage of available private housing... most of the families are being housed in mobile homes.

Settlement Costs Comments Extended 30 Days

The volume of replies received in response to recently published proposed settlement cost standards by HUD has resulted in extending the period of public comment from July 31 to August 31. The notice of extension was published in the *Federal Register* during the week of July 31.

The proposed standards... published in the *Register* on July 4... are a first step toward establishing maximums for specific areas where the HUD Secretary determines that excessive charges are being collected from home buyers and sellers in connection with FHA-insured mortgage transactions.

While the initially proposed maximums are limited to the metropolitan areas of Cleveland, Newark, N.J., San Francisco, Seattle, St. Louis, and Washington, D.C... it is contemplated that standards will be set in the future for additional areas where the Secretary determines that costs are excessive.



Replacement Housing Regulations

The criteria and procedures for the implementation of Section 215 of the Uniform Relocation Assistance Act of 1970 were published in the *Federal Register* on July 25 (page 14768). The new CFR Part 43, Provision of Replacement Housing... prescribes the procedures for all Federal and State agencies that cause residential displacement in the administration of direct Federal or federally-assisted projects... and became effective on publication.



44 Receive Architecture Scholarships

44 disadvantaged minority students from across the country have been named the 1972 recipients of The American Institute of Architects/Ford Foundation Architectural Scholarships. This year's winners, four of whom are women, include 37 blacks... two Orientals... two Mexican-Americans... a Puerto Rican... and an American Indian... bring to 95 the total number of students who have been given the opportunity to obtain an architectural education under this social scholarship program.

The program attempts to give scholarships, not just to those youths in financial need, but to those who otherwise would not have other means to obtain a professional education. Financial aid to each of the students, who are scattered among 47 architectural schools, varies according to need, and is renewable for five or six years until the first architectural degree is awarded.

The program began in 1969 when the AID and Ford Foundation each pledged \$500,000 to support three separate groups of students. This is the third and final group. AIA, however, recognizing the need to continue this support for additional disadvantaged minority students, will look to its own membership and to other foundations and industry for funds to continue this effort.

The 44 recipients were selected from 150 students nominated by high school counselors, Community Design Centers, individual architects, and local chapters. In addition... this year several architectural schools themselves nominated students.



Recent Decision

San Francisco Tomorrow, et al. v. San Francisco Redevelopment Agency and Romney, U.S. Supreme Court, No. A-1327. Mr. Justice Douglas, after considering the Responses filed by the Solicitor General and the Redevelopment Agency, filed an Order staying all physical activities in the Yerba Buena Urban Renewal Project and the West Berkeley Industrial Park Urban Renewal Project, pending disposition of the appeals on environmental issues now pending in the Court of Appeals for the Ninth Circuit. The Order is being appealed.

Site Planning Contract Awarded

HUD has awarded a contract to develop a systematic approach evaluating site plans which will assure that only good designs are selected for construction of HUD-assisted housing. The \$110,000 contract went to Llewelyn-Davies Associates, an urban planning firm in New York City. An outgrowth of site plan and design evaluation problems identified in Operation BREAKTHROUGH, the technique is expected to assure good design and save time, money, and manpower. It calls for a system that will collect available data on HUD-assisted housing developments deemed to have high quality and, using computer techniques, develop criteria and guidelines for site plan evaluation.

The technique should produce significant advances and innovations in economical site plan layout. Development of the model and technique will systematically draw upon data, analysis, and evaluation of existing residential developments. The computer based evaluation technique will lead to development of a simplified technique that could be used in HUD field offices, local governmental agencies, and private industry.



Bilateral Program

A cooperative program with the Soviet Union... covering 11 specific areas of environmental concern... was agreed to by President Nixon on his trip to Moscow. The Council on Environmental Quality which has primary responsibility for the program... has assigned to HUD the "Enhancement of the Urban Environment" portion of the joint effort. An interagency meeting between HUD's Research and Technology and Community Development staffs and CEQ has already taken place and preliminary proposals are being explored.



Notes From Here and There

20 European graduate students have reported for summer assignment to U.S. urban programs; five are assigned within the Department. This is the first instance of the use of this program in the urban area and the first time a government agency has directly participated.

The Census Bureau reports that the use of electricity as a heating fuel virtually doubled during the past five years. In 1971... 26 percent of the new single-family homes sold were heated by electricity... compared to 14 percent in 1967. At the same time... the use of gas decreased from 78 percent to 69 percent of homes... while oil declined from 7 to 5 percent.

HUD's Region X (Seattle) has issued a Letter of Credit in the amount of \$798,148 to fund the Puget Sound Governmental Conference Project... believed to be the first Integrated Grant Administration Program funded nationwide. It is a joint effort by HUD, Urban Mass Transportation Administration, Defense Civil Preparedness Agency, and the Federal Aviation Administration.

On July 1... 41 States, the District of Columbia, Puerto Rico, and Guam were in full compliance with the requirements of the Uniform Relocation Act... and were entitled to receive Federal financial assistance under all HUD programs. The other nine States... have not yet fully complied under the terms of the Act. They have... however... qualified for limited HUD assistance... including public housing, urban renewal, and model cities.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

August 14, 1972
HUD-318-32-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

August 21, 1972

Vol. 3 No. 34

Current Trends

HUD's appropriation for Fiscal Year 1973 has been approved by both houses of Congress. . . and has gone to the White House for Presidential approval.

The Secretary has announced that a specialist on the problems of the elderly and handicapped will be assigned to each Area and Insuring Office. Each Regional Office already has such a specialist.

The Interstate Land Sales Administration has issued 14 additional "Notices of Proceedings" against land developers for failure to file adequate details. This brings to 21 the total of such notices issued in the past two weeks.

The President has authorized an additional \$5 million to GNMA to purchase mortgages on housing in disaster areas.

To help reduce air pollution... HUD has prohibited demolition by burning in HUD-assisted Community Development projects... except in "very unusual circumstances." In no event will the burning of asphaltic or rubber products be permitted.

The warranty period for structural deficiencies in houses that have been repossessed by HUD... then repaired and sold... has been changed from six months to a year.



Truth-in-Lending in Settlements

The Federal Reserve Board has proposed to amend its rules under the Truth-in-Lending Law (Regulation Z) "with the aim of helping home buyers to shop for the best available terms."

Disclosure of the annual percentage rate and other loan terms would have to be made both to home buyers and to persons who want to refinance a home.

In its proposal, the Fed said: "Presently, many creditors follow the practice of making disclosures at the time of settlement, which usually does not enable the customer to shop for more favorable credit terms. Under the proposal... the customer would have a reasonable period to compare credit terms before becoming obligated."

The proposal requires all the customary Truth-in-Lending disclosures—annual percentage rate, number, amount, and due dates of payments. But it does not require early disclosure of settlement costs, a Fed official said, if they are to be paid in cash. If they are to be financed, the proposed 10-day notice would have to be given.

At the time of disclosure, the customer must be given a duplicate of the instrument or a statement making the disclosure and identifying the creditor.

Interested persons are invited by the Fed to submit comment, in writing, to the Secretary of the Board, Washington, D.C. 20051, or through any Federal Reserve Bank, not later than Sept. 8, 1972.

New HUD-GNMA Programs Aid Home Financing

In the fiscal year just ended... two new Government mortgage assistance programs demonstrated they could be counted on as major supports for residential financing in the future. Both are operations of the Government National Mortgage Association. In the year ended June 30... these operations encouraged the production and marketing of 520,000 housing units. The innovative programs... now well established after about two years of operations... are GNMA's Mortgage-Backed Security Program and the Tandem Plan.

The Mortgage-Backed Security Program channels capital into mortgage financing... such as that coming from pension and retirement funds. In its operation... private mortgage lenders pool FHA and VA mortgages and sell securities against them. FNMA guarantees the securities with the full faith and credit of the United States.

During the year, a total of \$3.5 billion of these securities were issued... accounting for financing of 175,000 housing units. About one-third of these investments came from organizations which do not ordinarily invest in mortgages. A total of over \$7.2 billion in these securities have been issued since the program was launched in February 1970. This has accounted for 360,000 dwelling units.

The other important GNMA program that has given additional, large-volume support to the mortgage market is the *Tandem Plan* under which GNMA commits to buy... or buys... mortgages from private lenders at prices favorable to the sellers of the mortgages. Then, working "in tandem" with the Federal National Mortgage Association (FNMA) or other investors, GNMA sells the mortgages or commitments at prevailing market prices and absorbs any difference between its committed prices and market prices.

The *Tandem Plan* developed considerably during the past fiscal year. When established in early 1970... its operations were directed to giving support to financing of low income housing with subsidized mortgages by eliminating many if not all discount points. These initial financing charges could not be afforded by sponsors and... because of this... construction was not undertaken in many cases. To aid this housing effort, GNMA set up a schedule of prices favorable to sponsors: a price of par or full face value of multifamily mortgages; and a price of 97 percent for home mortgages.

During the year... the plan was expanded in August 1971 to provide for purchases of nonsubsidized mortgages. All residential FHA mortgages may now be purchased if they come under a ceiling of \$22,000 per dwelling unit or \$24,500 for units of four or more bedrooms. A price of 96 percent of value applies to new construction, and 95 percent for existing homes.

This expanded operation of the *Tandem Plan*, made possible by a Presidential authorization of \$2 billion in Special Assistance funds, is aimed at supporting the mortgage market and encouraging the charging of moderate amounts of discount points. At the time the change was instituted, 8 to 10 points were involved in mortgage sales. They now are in the range of 4 to 5 points.

In enabling the FHA interest rate to be held at 7 percent, the program has directly helped the homebuyer and caused a high level of housing starts to be maintained.



NLISA Elects

Raleigh W. Greene, President of First Federal Savings and Loan Association of St. Petersburg, Florida, and Gilbert G. Roessner, President of City Federal Savings and Loan Association in Elizabeth, N.J., have been elected as President and Vice President of the National League of Insured Savings Associations.

Greene will move into the presidency for 1973 from a year's service as the League's Vice President. He succeeds Ross M. Blakely, President of Coast and Southern Federal Savings and Loan Association in Los Angeles.

Citing it as one of the Nation's first attempts at mixing public housing and private housing by deliberate design in an all-new-construction development. . . the Housing Authority of Pittsburgh has voted to build 500 homes in the Hazelwood-Glen Hazel sector of Pittsburgh. The \$10 million experiment is one of the first examples of an entire community to be initially built with the idea of having options for both public and private housing residents to rent or buy (when family income permits).

In the new community. . . it is hoped. . . persons driving through in their cars will not be able to distinguish which is public housing or individually-owned homes.

The proposal is for an eight-story highrise for the elderly consisting of 150 units at a total cost of \$2.7 million and the construction of 500 private and public integrated housing units at an approximate cost of \$10 million.



Simmons Named Head of Housing Management Center

Samuel J. Simmons, HUD's Assistant Secretary for Equal Opportunity since January 1969 has been appointed president and chief executive officer of the National Center for Housing Management.

Established by Presidential Executive Order on April 21, 1972, the National Center is expected to train and certify approximately 60,000 housing managers needed to operate the five million Federally-assisted rental housing units expected by 1980.

Secretary Romney has announced that Malcolm E. Peabody, Jr. . . currently Deputy Assistant Secretary for Equal Opportunity. . . will become Acting Assistant Secretary in September when Mr. Simmons assumes his new duties.



Rebuilding Policy Announced

Joint Federal and State policy on the long-term rebuilding of flooded areas in Pennsylvania has been announced. Designed to guide planning and the provision of State and Federal grants for flood rehabilitation, the joint basic policy contains four main points centered around 100-year flood plains (areas where flooding occurs an average of every 100 years.) Theodore R. Robb. . . HUD's Regional Director in Philadelphia who is also Federal Regional Council Chairman. . . and Lt. Governor Ernest P. Kline made the announcement.

"Long-term rehabilitation of all areas in Pennsylvania which suffered damage as a result of flood June 22-24 will require substantial Federal and State assistance," Lt. Gov. Kline and Chairman Robb said. "It is essential both for humanitarian and economic reasons that State and Federal grant programs be used to encourage relocation of flood sensitive facilities, particularly housing and public buildings away from areas where the risk of future flooding is high."

Chairman Robb and Lt. Gov. Kline, in signing the policy statement for the U.S. Government and Commonwealth of Pennsylvania, said that specific projects must be considered under Federal and State law on a case-by-case basis.



Tax Credits Incentive To Remove Lead Paint

In Delaware. . . consideration is being given to a proposal to use tax credits as an incentive to remove lead paint from homes. The plan would permit owners to deduct removal costs from up to 75 per cent of their property tax bills. Cost is estimated at between \$500 and \$1500 per house, depending on whether the paint is scraped off or removed by flame. The city solicitor has noted that Wilmington has effective ordinances against sources of lead poisoning but that it also needs to develop a program to further fight the problem. A bill has been introduced in the Delaware Legislature that would prevent the sale of paint with more than .05 cent lead for use on or in a house.

HUD Awards 104 Fellowships

HUD has announced the award of Urban Studies Fellowships to 104 students working toward Masters degrees in urban studies at 50 colleges and universities across the Nation. Graduate students receiving the grants reside in 29 States and the District of Columbia.

The District of Columbia led the field with 13 successful candidates... while California and New York State tied with 11 student residents each. 67 minority students and 49 women were among the 104 awardees. More than 1,300 applications for fellowships were received by HUD for the 1972-73 academic year. Awards are based on such factors as commitment to public service, ability, and financial need.

Urban Studies Fellowships cover a wide range of urban-related fields of graduate study for qualified students preparing for careers in urban public service at the State, areawide and local levels. Students pursue full-time degree work in studies involving social, economic, and physical development of communities and regions, with emphasis on coordination of all aspects of community development.



First Add-On Bathroom

Mrs. Almeta Dunlap of Eastover, South Carolina, has received the first add-on bathroom in the United States. Governor John West... present for the dedication ceremony... said the Farmers Home Administration, HUD, and the State Housing Affairs Office all joined hands to make the add-on bathroom a reality. The self-contained structure having a bathtub, toilet, lavatory, hot water heater, and overhead heater can be transported from the manufacturer and attached to a dwelling which may be lacking in some or all plumbing facilities. The project calls for technical education centers to train people to install plumbing to connect the facilities. The Governor's office has submitted a grant request to HUD for \$190,000 to purchase units of the add-on bathrooms for demonstration purposes in every county in South Carolina.



Central Housing Registry in Rochester

A central registry of all apartments and small homes in Monroe County, New York (which includes Rochester) will be compiled with the aid of a \$100,000 grant from the Joseph C. Wilson Foundation, which takes its name from the late chairman of the Xerox Corporation.

The compilation will aid the general public seeking information on available housing and industries moving into the area which seek housing for their employees. A portion of the grant will be used to organize a community action group to support legislative proposals designed to foster more housing.



Q and A on Crime Insurance

HUD has issued *Questions and Answers on Federal Crime Insurance*... covering major facts about coverage, eligibility, costs, etc. under the Federal Crime Insurance Program. Copies may be obtained free from the HUD Service Center, Room B-258, HUD Building, Washington, D.C. 20410.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

August 21, 1972

HUD-318-33-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

NOT TO BE TAKEN
FROM THE LIBRARY
newsletters

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



August 28, 1972

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

Vol. 3 No. 35

Romney Visits Agnes Disaster Area

Secretary Romney made a personal inspection tour of the Eastern Pennsylvania area that was hit by Agnes in June. In his report to President Nixon, the Secretary pointed out a number of significant factors. Some excerpts:

During the last three years there have been 16 major national disasters requiring HUD to provide temporary housing for 17,002 families. The latest estimate of temporary housing needs for the Agnes area is 28,854, which is more than was required for all 16 previous disasters. Temporary housing requirements in Eastern Pennsylvania alone are 20,450 units. HUD has provided temporary housing for 7,457 families in six weeks, which is 50 percent more than provided in six months after the Camille disaster.

One-third of the people are without jobs. 2,600 commercial establishments and 150 industrial plants have been destroyed.

HUD's efforts involve placing families in existing units (homes and apartments) as well as providing camper trailers and mobile homes on private and group sites. The group sites are acquired by the Commonwealth of Pennsylvania and developed (construction of utilities, streets, etc.) by the U.S. Army Corps of Engineers either directly or under contract.

While in Pennsylvania... the Secretary conferred with local, State, and Federal officials and made some specific recommendations to those involved regarding the handling of the problems existing there. He also recommended to the President that a Federal Disaster Director be appointed to coordinate the total Federal effort in the area. The President has accepted this recommendation and has appointed Frank Carlucci, Assistant Director of the Office of Management and Budget, to fill the post.

- ★ -

25 Percent of Housing Less Than 10 Years Old

One of every four homes listed in the 1970 Census was built between 1960 and 1970. Of the 67.7 million housing units built for year-round use... some 17 million (25 percent) were built since 1960... and 46 percent were built within the last 20 years.

Much of the 1960-70 construction occurred in the suburbs... with only 18 percent of housing units inside central cities... while in the suburbs the proportion was 33 percent, and in nonmetropolitan areas, 24 percent.

The 1970 Census showed that more than 27 percent of the Nation's homes had more than one bathroom, and 48 percent had three or more bedrooms; 35.7 percent were air-conditioned... of which 10.7 percent had central air conditioning; 95.5 percent had television sets; 71.1 percent had a washing machine; 41.8 percent were equipped with a clothes dryer; 18.9 percent had dishwashers; 28.2 percent had home food freezers; and 4.6 percent of American households owned the ultimate luxury item—a second home.

Copies of the report, *Detailed Housing Characteristics for the United States, Regions, Division, and States: 1970, HC(S1)-6*, are available for 20 cents from the Superintendent of Documents, Washington, D.C. 20402.

Building Code Officials Unite

For the first time... U.S. building code officials will be able to speak with one voice on matters of national importance. Meeting in Chicago... the full governing bodies of Building Officials and Code Administrators International, International Conference of Building Officials, and the Southern Building Code Congress... established the Council of American Building Officials.

The Council's member organizations each publish model building and related regulatory codes that are available for voluntary adoption by local governments throughout the country. Each organization is an autonomous membership organization comprised primarily of local government officials. In addition, each organization provides for the participation of all segments of the construction industry in its code promulgation and code changes procedures.

Under the by-laws adopted by the new organization, the members of the governing bodies of each organization serve as trustees. Three members from each organization will comprise the Executive Committee of the Council... which will hold its first meeting in Kansas City, September 17-22.



Bank Board Approves Variable Interest

The Federal Home Loan Bank Board has announced proposed regulations which will facilitate the use of variable interest rate mortgages by Federal savings and loan associations. FHLBB Chairman Preston Martin characterized the variable interest rate mortgage concept during a press conference as "...an idea whose time has come."

Variable interest rate mortgages have been strongly recommended by several notable study commissions in recent years, including a 1969 Study of the Savings and Loan Industry (the Friend Report) and more recently the Report of the President's Commission on Financing Structure and Regulation (the Hunt Commission Report). The Bank Board agrees with these reports' conclusions that variable interest rate mortgages can attract additional funds into the Nation's residential mortgage markets and offer benefits to both borrowers and lenders.

The variable rate mortgage proposal could appeal to the home owner who often finds himself locked into high rate loans by prepayment fees and other refinancing costs. Moreover, by making the home mortgage a more attractive investment, the variable rate feature will make money more readily available to borrowers during all phases of the interest rate cycle. Also... variable rate mortgages appeal to lenders because they offer protection against an inflationary impact as reflected by rising interest rates. Variable rates will allow lenders' earnings to fluctuate more closely in line with their costs of funds and will add a new degree of liquidity to the mortgage instrument.

It is not clear if the variable interest regulations can apply to FHA and VA mortgages without Congressional action. The matter is now being studied.



New Publication

Citizen Participation in the Model Cities Program... one in a series designed to inform the public on the operation of the Department's Community Development grant-in-aid programs, and the Federal policies and processes involved. The 38-page study was prepared for HUD by Booz, Allen Public Administration Services, Inc., and provides an overall view of citizen participation in the Model Cities Program, analyzes the impact of this participation on local projects, institutions, and officials, and reviews existing HUD policies for citizen participation.

Single copies of the report are available free from: Director, Division of Evaluation, Office of Community Development, HUD, Room 8154, Washington, D. C. 20410.

428,500 HUD Subsidized Housing Units in Fiscal 1972

HUD funds amounting to \$487.5 million provided 428,500 subsidized housing units during the fiscal year which ended June 30. In addition... \$115.1 million of 1973 funds of a total carryover of \$203 million... already has been earmarked for an additional 115,500 subsidized units.

Analysis of the individual subsidized housing programs during FY 1972 shows:
(Dollars in millions; units in thousands)

	Amount Released	Units Provided	Carry-over	Earmarked in FY73	Units
Sec. 235 Home Ownership	\$129.6	153	\$83.4	\$46.3	54
Sec. 236 Rental Assistance	141.9	157.5	88.1	48.3	49.5
Sec. 236 Elderly Housing				17.5	
Rent Supplements	54.5	18	26.9	20.5	12
Low-Rent Public Housing	148.4	100*	1.6		

Also, Sec. 106 Technical Assistance funds in the amount of \$1 million... the entire contract authority available... were released. Seed money loans under Sec. 106 (b) totaling \$2.6 million were made... and \$2.7 million of this revolving fund carried over into 1973. The entire contract authority of \$9.5 million for College Housing... to support \$300 million of construction... was released.

*Equals record year of 1970.



Public Housing Project to Combine Human Services and Housing

As the result of a broader definition of the word "handicapped" as it relates to HUD programs, Region VIII, (Denver) with the cooperation of the Social and Rehabilitation Service of HEW, and the LHA... has developed a public housing project in Sioux Falls, South Dakota, for the mentally retarded and other handicapped and disadvantaged persons who are able to work.

The program will provide dispersed housing for the above groups, and include the involvement of various human service agencies to assure the necessary supporting facilities in the community. This program is believed to be one of the first which will assist a State in expanding its efforts in this field.

The State agencies are the Department of Public Welfare, the Division of Vocational Rehabilitation, the Commission on Mental Health and Mental Retardation, and Service to the Aging of the Department of Health. They unanimously agreed that there is a need for this kind of resource in the community and will cooperate in the implementation of the program. This program will enable some people to leave State institutions and become partially self-supportive.



Home Loan System Reaches 40

On September 22, 1932... Congress passed the Home Loan Bank Act. The tremendous changes that have occurred in the housing picture in the intervening 40 years is staggering. At the time of passage of the Act... approximately 20,000 homes per month were being foreclosed... and 40 percent of the \$20 billion home mortgage debt was in default.

A review of the characteristics of mortgage credit, housing starts, and costs... in 1932 and 1971... has been made by Michael Sumichrast, Chief Economist of the National Association of Home Builders... and discloses some sharp contrasts. The housing inventory of the country in 1932 was 31 million... compared to 70 million in 1971. Other comparative figures (1932 shown first): loan-to-value ratio... 56 percent and 75.5 percent; foreclosure rate... 1.25 percent and .39 percent; housing starts... 134,000 and 2.1 million; population... 125 million and 208 million; value of new construction put in place... \$630 million and \$42.4 billion; total mortgage debt outstanding on single-family homes... \$16.7 billion and \$307.8 billion.

Open University Concept Begins

A college career can be begun in an unusual, innovative way... or 18 more hours can be added to baccalaureate credits already earned. The opportunity for a planned study program... primarily at home... that deals with our cultural heritage... its great literature and art and music and thought is available to those who have been prevented from attending conventional college classes by home duties or occupation... at the University of Maryland's new "Open University."

The Open University is a unique program first developed in the United Kingdom in 1967 to provide a university education for those with the ability to continue their education on their own and particularly for those who could not otherwise obtain a university education. University College of the University of Maryland will be one of four colleges and universities in the United States to offer this one-year experimental program in cooperation with the Open University of the United Kingdom.

A 36-week course in the humanities will be offered for 18 semester hours credit. Most of the learning process will be by independent study with text books, with audio-visual materials supplying supplementary instruction. Learning centers will be established where tutors will be available to meet with students for discussion and consultation, and where films and audio tapes will be presented. Students will also have an opportunity to see and hear replays of material they have missed or wish to have repeated.

Tuition for the courses will be charged at the regular University College rate of \$25 per credit. The only formal academic requirement for an adult is graduation from high school or the equivalent. All applications must be completed by September 15. The Humanities Foundation Course will begin September 18, 1972. For application forms or additional information call Dr. Betty Jo Mayeske, (301) 454-5359, at the Center of Adult Education, University of Maryland, College Park, Md. 20742.



Notes From Here and There

HUD's Office of Community Planning and Management participated in the planning, management, and execution of the Western States Conference on Growth in Portland, Oregon. This was one of a national series of eight State level conferences conceived and supported by HUD. The Conference, sponsored by Governor McCall of Oregon... involved key decision-makers of the eight Western States in Federal Regions IX and X (Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, and Washington) in areas of land use, environment, economy, and political divisions. Agenda included discussion of critical development problems and issues, and development of key State and non-metropolitan policies related to achievement of balanced and rational growth controls to be utilized by the several States and their major sub-sections.

The Wilmington (Delaware) City Council has voted to give a tax break to property owners who improve their property or build before June 30, 1975. One councilman predicted this would have "a revolutionary effect on development in the city." He said that as far as he knows Wilmington is the first city in the country to enact such a law and suggested other cities do the same. "Traditionally, improved properties have been assessed higher and pay more taxes. The net effect penalizes people for fixing up a property." Under the new ordinance, the tax assessment on improved properties will be reduced by 50 percent of the value of the improvement for five years. Thus... if a \$1,000 improvement is made on a \$10,000 home... its new assessment would be \$9,500 for five years.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF COMMUNITY PLANNING AND MANAGEMENT
WASHINGTON, D.C. 20402

August 28, 1972

HUD-318-34-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



September 4, 1972

Vol. 3 No. 36

Current Trends

Private housing starts in July were at a seasonally adjusted annual rate of 2.181 million units... down 5 percent from the revised June rate of 2.294 million units. Permits issued for new units also declined slightly in July to an annual rate of 2.082 million units... 2 percent below the June rate. In terms of actual starts... a total of 203,500 units were begun in July... 3 percent above July of last year. Total starts for January through July reached 1.378 million units... 16 percent above last year's level for the same period.

Most housing and mortgage market indicators point to a continuation of housing and mortgage market activity at approximately current levels in the months immediately ahead... with some gradual easing in the starts rate possible. Sales of new one-family homes were at a seasonally adjusted annual rate of 690,000 units in June... approximately the same as in the prior two months. Existing home sales rose vigorously in June. Nationwide... sales in June were 13.5 percent higher than they were in June 1971... according to a survey by the *National Association of Real Estate Boards*. The price of existing homes also continues to rise sharply. The median sales price in June was \$27,380... an increase of 9.1 percent over the year ago level. In the apartment market, the absorption rate for new, private unsubsidized units is significantly lower than the 68 percent absorption rate for the same period a year ago, and practically the same as the 62 percent rate for units completed during the last quarter on 1971.

Consumer homebuying intentions remain at a very high level... according to the *Census Bureau's July Survey of Consumer Buying Expectations*. Builders' plans for new home starts appear to be leveling off, according to HUD's August 1 survey of Area and Insuring offices. Mortgage and other interest rates showed little change from a month earlier. The August 1 HUD survey of private secondary markets showed the yield on FHA new home loans at 7.60 percent... the same as in the July 1 survey. In the August FNMA auction of FHA-VA loans mortgages, the yield remained at 7.63 percent... virtually unchanged over the past three months. The volume of loans offered in the FNMA auctions remains comparatively low, a healthy sign of the continuing availability of private funds.

Rates on long-term securities have declined somewhat in recent weeks. The yield on new issues of corporate Aa bonds was 7.56 percent for the week ending August 11... down from 7.73 percent three weeks ago. For the first time in three months this corporate yield is below the yield on mortgages. Short term interest rates also are below their month ago levels... though the past week saw a slight increase. The yield on 3-month Treasury bills was 3.96 percent in the August 14th auction... lower than the recent peak of 4.14 percent recorded for the first week of July but higher than last week's 3.93 percent. These rates remain well below rates paid on savings deposits. However, some analysts expect higher short-term rates in the months ahead if the Federal Reserve System continues to intervene in foreign exchange markets to support the dollar, and if it acts to slow the current expansion of the Nation's money supply. Savings flows rose to new record levels in July. S&Ls had a net increase in savings of \$2.4 billion in July... a new record for the month and 55 percent higher than the \$1.6 billion inflow in July 1971. Mutual savings banks deposits rose \$.6 billion in July... compared with \$.4 billion in July 1971, and also a new record for the month. Commercial banks total time and savings deposits rose \$3.2 billion in July... compared with \$2.0 billion a year ago. Most of the recent increase in time deposits at commercial banks... however... came in the form of highly volatile large certificates of deposit.

Associations Discuss Tax Proposals

An unusual meeting of representatives of 10 trade associations was held recently in Washington. The session was called to review possible tax legislation in the 1973 session of Congress with officials of the Internal Revenue Service and the Office of Industrial Economics on the subject of the useful lives of buildings for depreciation purposes. The tax counsels of each of the organizations... met with the Government people... to undertake a series of data-gathering surveys directed toward developing "a sensible, realistic, and up-to-date set of classes of real property building types." There will also be an effort to bring about the establishment of realistic depreciation practices for Federal tax purposes. The organizations involved were the National Association of Real Estate Boards (which coordinated the sessions), the Building Owners and Managers Association, the Council of Housing Producers, the International Council of Shopping Centers, the Mortgage Bankers Association, the National Association of Home Builders, the National Association of Industrial Parks, the National Association of Real Estate Investment Trusts, the National Realty Committee, and the American Hotel and Motel Association.



Revenue Sharing Experiment Continued

The President has given \$79 million to 20 cities to continue experimenting with revenue sharing. Under the so-called "Planned Variations Program" the communities receive extra HUD money to use in the manner they consider best for their needs... with a minimum of regulation. The program which was begun last year, has received "a very favorable response," the President said. The cities, and the amounts each will receive are: Newark, \$7 million; Paterson, \$4.1 million; Erie, \$2.9 million; Norfolk, \$8 million; Tampa, \$7.1 million; Winston-Salem, \$3.3 million; Dayton, \$5.2 million; East St. Louis, Illinois, \$3.8 million; Indianapolis, \$8.5 million; Lansing, \$3.3 million; Waco, \$4.6 million; Des Moines, \$4.7 million; Butte, \$1.5 million; Fresno, \$4.9 million; Tucson, \$5.5 million; Seattle, \$5.2 million; and Rochester, N.Y.; Wilmington, Delaware; Houston; and San Jose, each \$200,000.



States Urged to Inform All of U.S. Flood Insurance

HUD has taken the extraordinary step of requesting all State Insurance Commissioners to require every licensed insurance company to notify all applicants for insurance and policy holders of the availability of Federal flood insurance... in a letter dated August 11, 1972... addressed to the State insurance authorities, with copies to all Governors and State flood insurance coordinating agencies.

It is apparent from the inadequate number of Americans who have thus far purchased available Federal flood insurance that Federal, State, and private efforts to alert the public to the program have not been successful enough... so that HUD is asking Insurance Commissioners for their assistance... in addition to any previous efforts they have made... to more fully inform those exposed to flood hazards of the insurance protection available.

At the present time, some 1,200 communities in the United States participate in the Federal flood insurance program and approximately 100,000 flood insurance policies are in force. It is anticipated that the recent rate reduction of up to 40 percent for the subsidized insurance will significantly increase sales under the program and the amount of protection available.



Realtors Offer Free Phone Consultation Service

A new consultation service for persons with real estate problems has started in Philadelphia. The program... initiated by the Philadelphia Board of Realtors is designed to assist buyers and sellers of houses who are having problems in a transaction... or persons desiring general information on the procedures of purchasing or selling a house. An operator will take the caller's name, address, and phone number and a Realtor member of the Consumer Assistance Service will return the call. The service will not try to answer legal questions... and callers will be advised to consult attorneys on those matters. However, the service will help callers determine whether their problems involve legal questions.

New Mexico Land Developer Warned

HUD's Office of Interstate Land Sales Registration has notified Sangre de Cristo Development Company, developer of "Colonias de Santa Fe," located about five miles north of Santa Fe, N.M. . . that it had failed to disclose important facts about the development to prospective purchasers. If it fails to do so or to prove its case at the hearing, further sales of lots in the development will be prohibited by OILSR.

In announcing the charges, George K. Bernstein, Interstate Land Sales Administrator, stated that, "this action is just one more step in our continuing effort to give real meaning to the protection of land sales purchasers under the Federal Interstate Land Sales Full Disclosure Act."

"Sangre de Cristo is involved in several lawsuits that may seriously affect the availability of water, electricity, and other services including schools and police and fire protection in the development. They have not fully disclosed the fact of these lawsuits or the negative effect they may have on purchasers of the 'Colonias de Santa Fe' lots in their Property Report.

"Beyond that," Mr. Bernstein continued, "Sangre de Cristo has failed to properly disclose difficulties in obtaining adequate water supplies in the area and potentially serious pollution problems resulting from the use of septic tanks. The land sales purchaser must have this type of information to make a rational decision, and we intend to see that he gets it."

Also. . . public hearings to investigate abuses in interstate land sales have been set for 14 major cities during the period September 14 to December 1.

In releasing the hearing schedule, Mr. Bernstein said, "Our earlier hearings in Washington, Kansas City, and Denver confirmed the necessity, as well as the value, of these sessions. The response was overwhelming, both in the number of people who came to the hearings and in the stories they had to tell. What we learned will go a long way toward helping us do a better job of protecting the consumer.

The new hearings will be held at 6:30 to 9 p.m. on the first date and from 9 a.m. to noon the second day. Boston, Sept. 14-15; New York City, Sept. 19-20; Atlanta, Sept. 27-28; Columbus, Oct. 3-4; Detroit, Oct. 5-6; Chicago, Oct. 11-12; Seattle, Oct. 19-20; San Francisco, Oct. 24-25; Los Angeles, Oct. 26-27; Phoenix, Nov. 14-15; Houston, Nov. 16-17; Little Rock, Nov. 21-22; Tampa, Nov. 28-29; and Miami, Nov. 30-Dec. 1. The location of the hearings in each city may be obtained from the local HUD office.



Smallest NDP Program Shows Dramatic Results

The Denver Regional Office has approved the second action year for the Neighborhood Development Program in Wellington, Colorado. The Wellington program. . . believed to be the smallest of its type in the Nation. . . has had a significant impact on the area. . . and is a source of great pride to the residents of this community of 700.

During the past 20 years. . . only two permits for new buildings had been issued in Wellington. . . and the condition of existing buildings was rapidly deteriorating. Since the approval of the NDP project last August. . . 81 building permits have either been approved or are in the process of approval through the town planning commission. . . and 11 homes have been refurbished through the HUD loan and grant program.



Historic Sites in Nebraska Receive Grants

Grants totaling \$124,011 for the renovation of three historic buildings in Nebraska have been approved by HUD. The City of Bellevue will receive a \$115,031 grant for the renovation of the Old Presbyterian Church and also for renovative work on the Fontenelle Bank-Courthouse. Both buildings are about 115 years old. The third building. . . the Burlington Railroad Depot in Papillion. . . was built in 1869 as the depot for the Omaha and Southern Railroad. All the buildings are listed in the *National Register of Historic Places*.

New Publications

In the search for improved effectiveness and economic efficiency, many municipalities are beginning to consider assessing charges for a wider variety of public goods and services. *Public Prices for Public Products*. . . Selma J. Mushkin, Editor. . . examines the feasibility of levying charges for a variety of these, including hospitals, solid waste collection, water, public education, recreation, and transportation. Publication date: September 15, 1972. 460 pages. \$10.95 cloth, \$6.50 paper, from the Urban Institute, 2100 M Street, N.W., Washington, D. C. 20036.

Mobile Home Parks, Part 2: An Analysis of Communities. Is the second of a two-part study by ULI—The Urban Land Institute. . . and concentrates on land planning and land use aspects of the mobile home park. The first of the series, *Mobile Home Parks, Part 1: An Analysis of Characteristics*, dealt primarily with the mobile home unit itself in terms of technological developments, costs, financing, and market factors. May be purchased from ULI, 1200 18th St., N.W., Washington, D.C. 20036. Price: \$10. Its companion book, *Part 1*, is priced at \$8.

A series of seven publications designed to assist rural housing agencies plan to meet the acute needs of rural areas. . . where 59 percent of all substandard housing exists. . . have been published jointly by the Rural Housing Alliance and the Housing Assistance Council. The publications: *FmHA Home Ownership Loans (Section 502)*; *FmHA Home Repair Loans (Section 504)*; *FmHA Farm Labor Housing Loans and Grants (Sections 515 and 516)*; *FmHA Self-Help Technical Assistance Grants (Section 523)*; *FmHA Rural Housing Site Loans (Section 523 and 524)*; *FmHA Water and Sewer Planning Grants*; and *Public Housing* are for sale at 50 cents each from the Housing Assistance Council, 1601 Connecticut Avenue, N.W., Washington, D.C. 20009.



FYI

Shelters for Mankind. . . national conference. . . California State University, Los Angeles, September 22-24. Details: Office of Community Services, CSULA, Los Angeles, 90032.

Associated General Contractors. . . midyear meeting. . . Honolulu, September 22-26. Registration: AGC, 1957 E St., N.W., Washington, D.C. 20006.

International Bridge, Tunnel, and Turnpike Association. . . annual meeting. . . San Francisco, September 24-27. Write: IBTTA, 1225 Connecticut Ave., N.W., Washington, D.C. 20036.

The Producer's Council. . . Construction Market Seminar. . . Chicago, September 20-22. Registration: CMS Registrar, 1717 Massachusetts Ave., N.W., Washington, D. C. 20036.

Institute of Noise Control Engineering. . . 1972 International Noise Control Engineering Equipment Exposition and Conference. . . Washington, October 4-6. Additional information from: INTER-NOISE 72, Applied Acoustics Section, National Bureau of Standards, Washington, D.C. 20234.

International Congress on Construction Communications. . . Rotterdam, The Netherlands, September 24-28. Details: The Construction Specifications Institute, 1150 17th St., N.W., Washington, D.C. 20036.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D. C. 20410

September 4, 1972

HUD-318-35-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



September 11, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 37

Current Trends

Yields decreased slightly and the range of accepted bids narrowed in the latest FNMA auction for four-month commitments on Government-backed home mortgages. The issuance was \$87.2 million in commitments at an average yield of 7.623... which converts to an average price of 95.43 for 7% FHA/VA home mortgages. In the previous auction for commitments to purchase FHA/VA mortgages on August 7th... the average of accepted bids was 7.630 and the range of accepted bids was from 7.616 to 7.650. FNMA received 151 bids totaling \$114.6 million and accepted 137 bids... including 89 by noncompetitive bidders who agree to accept the auction's average price.

The FHLBB reports that mortgage loans closed by insured S&Ls totaled \$4.4 billion in July... 10 percent above July 1971... but 16 percent less than June 1972. The June to July drop... according to the Board... is a normal seasonal decline.

Congress has passed and sent to the White House the \$1.3 Rural Development Act of 1972. The legislation authorizes loans and grants for rural commercial, industrial, and community development. It also provides mortgage loans for low and moderate income housing in rural areas through the Farmers Home Administration in cases where "credit elsewhere" is not obtainable. The Act defines "rural areas" to be towns of up to 10,000 in population.



Flood Insurance Proposed for HUD-Assisted Housing

Flood insurance would be required for all subsidized and unsubsidized single family properties covered by mortgages insured by HUD for homes in Special Flood Hazard areas... under a proposed HUD regulation.

Two conditions would have to be present before the proposed rule could apply: (1) The property would have to be located in a Special Flood Hazard area designated by the HUD Secretary; and (2) The first floor elevation of the property would have to be less than one foot above the specified maximum elevation of such an area.

To carry out this policy... the mortgage instrument would require the mortgagor to pay the flood insurance premiums to the mortgagee who would hold the money in escrow, as he now does with the taxes, ground rents, and hazard insurance premiums. The mortgagee would then pay for the flood insurance policy.

The proposed regulation was published in the *Federal Register* of August 15. Written comments may be filed in triplicate no later than September 17, 1972, with the HUD Rules Docket Clerk, Office of the General Counsel, Room 10256, 451 - 7th St., S.W., Washington, D.C. 20410.



Prepayment Rule Change Proposal

A proposed prohibition against any penalty for the prepayment of the principal amount of a mortgage on multifamily FHA-insured mortgages... was published in the *Federal Register* of August 19. Comments may be made until September 19 to the Rules Docket Clerk, Office of the HUD General Counsel, Room 10256. (Reference: R-72-211.)

First State-Sponsored New Town

The first State-sponsored new town in the Nation to qualify for new community assistance has been approved. The new town of Lysander... to be developed 12 miles northwest of Syracuse, N.Y. ... on a 2,700-acre site, will be eligible for 20 percent grants from HUD... supplementing 13 basic Federal grant programs for such facilities as water and sewer, hospitals, libraries, parks, and playgrounds. The Urban Development Corporation (UDC), a New York State agency, bought the site near the west bank of the Seneca and Oneida rivers in 1968, and will use proceeds of a bond sale to develop the land.

Lysander is the 12th new community to receive Federal assistance under Title VII, Housing Act of 1970. It is the first to receive a determination of eligibility for grant assistance rather than a Federal guarantee of its debt for land acquisition and development. The new town will provide housing, jobs, shopping, and recreation and education facilities for 18,000 residents over a 20-year development period.

5,000 homes for families of all income levels, sizes, and age groups are planned for Lysander, including 500 dwelling units for low-income elderly persons and another 1,000 for other low-income families. Lysander's town center will contain shops, offices, public service, and recreation facilities. High and medium-rise apartments will be built near the center to house the elderly and families without children. Neighborhood centers, developed around four elementary schools, each will contain indoor and outdoor recreation and day care facilities. No home will be more than 700 feet from a recreation area nor more than one-half mile from an elementary school. Foot and cycle paths separated from the major road system will connect homes with activities areas.

A marina will be built at the confluence of the Seneca, Oneida, and Oswego rivers on the new town site, opening the area for boating, fishing and other water sports, and providing water access to the New York Barge Canal system and to Lake Ontario. UDC plans to donate 100 acres to the Baldwinsville Central School District to provide 10-acre sites for each of the four elementary schools planned for the new town and a 60-acre educational center.

More than one in every five acres in the new community will be preserved as open space. Lysander will be developed next to a 3,700-acre State game management area. Construction of a number of ponds is proposed to provide storm water drainage protection for parts of the new town and to prevent any possible adverse environmental impact on the game preserve. Community facilities to be built on-site include schools, fire stations, playground, neighborhood centers, a library, a health clinic and religious institutions.

The Lysander site was part of a munitions works used in World War II, declared excess property after the war, and finally purchased by UDC in 1968.



Who Saves?

The following is excerpted from the August 1972 issue of *Savings and Loan News*: Almost three-quarters of adult Americans invest in savings accounts. Personally... or jointly... this was the distribution in November 1971:

A savings account	74 percent
Life insurance	61
Checking account	64
U.S. Savings bonds	32
Real Estate	31
Home mortgage	30
Stocks/bonds	20
Mutual fund shares	9

NAHRO Helps HUD in Flood Area

NAHRO is assisting HUD's efforts to provide temporary housing in the flood devastated area of northeastern Pennsylvania.

Under an agreement recently signed... the Association is providing technical services to disaster relief efforts in Columbia and Luzerne Counties, which include Wilkes-Barre and the Wyoming Valley. A NAHRO task force of about a dozen engineers and utilities specialists and eight housing management specialists are in the Wilkes-Barre area... and are expected to remain there for about 30 days.

Under the agreement with HUD... the NAHRO task force is to identify suitable locations for temporary housing, coordinate scheduling and transportation of mobile homes from HUD-identified supply sources to selected sites, work out the necessary utility arrangements, and conduct on-site inspections of mobile home units to assess any in-transit damage or other deficiencies.

In addition... NAHRO is to identify any obstacles to HUD's expeditiously providing temporary housing and to recommend to HUD the means for overcoming such obstacles. NAHRO also has given the assignment of analyzing and evaluating the public and private resources available for the continuing management and maintenance of the temporary housing being provided, as well as developing and recommending an appropriate management and maintenance program and providing advisory services.



Judges Study 400 Entries in HUD Design Contest

The judges for HUD's 5th Biennial Design Awards program have met to select outstanding entries in two categories: project design and urban design concepts.

The competition seeks to recognize and stimulate superior design and planning quality in all HUD-assisted local development activities.

Winners will be announced and honor award certificates presented at the annual convention of the American Institute of Planners on October 10 in Boston.

Almost 400 entries from 41 States, the District of Columbia, and Puerto Rico were submitted by architects, planners, engineers, landscape architects, developers, sponsors and public agencies.



HUD Counseling Program to Help Homeowners

A \$2.5 million demonstration program for counseling families having difficulty meeting payment commitments on homes purchased through Federal low-income homeownership programs... has been announced.

The concentrated counseling program for delinquent and defaulting homebuyers will be initiated in 19 cities. There is a high volume of mortgage insurance activity under the Section 237 special mortgage insurance and Section 235 low-income homeownership programs in the selected cities, as well as a significant pattern of delinquencies and defaults under the programs.

The cities are: Atlanta; Columbia, S.C.; Dallas; Detroit; Grand Rapids; Indianapolis; Jacksonville; Little Rock; Los Angeles; Louisville; Milwaukee; Oklahoma City; San Antonio; Seattle; Shreveport; Spokane; Tampa; Tulsa; and Washington, D.C.

There were more than 7,000 total delinquencies in the 19 selected cities, as of last March 31. 31 HUD-approved public and private agencies will provide the concentrated counseling under two-year contracts with HUD. Previously, these agencies had been conducting volunteer counseling programs in their communities.

FYI

National Association of Housing and Redevelopment Officials. . . Community Development Institute. . . Los Angeles, October 15-18. Registration and details: NAHRO, 2600 Virginia Avenue, N.W., Washington, D.C. 20037.

National League of Insured Savings Associations. . . annual meeting. . . Los Angeles, October 14-19. Details: NLISA, 1200 7th Street, N.W., Washington, D.C. 20036.

American Bankers Association. . . 98th annual convention. . . Dallas, October 7-11. Write: ABA Convention Registration, 1120 Connecticut Avenue, N.W., Washington, D.C. 20036.

Mortgage Bankers Association. . . 59th annual convention. . . San Francisco, October 23-25. Registration: 1125 15th Street, N.W., Washington, D.C. 20036.

American Institute of Architects. . . Seminar on Building Systems, Comprehensive Architectural Services, and Speeding Up the Design/Construction Process. . . Columbia, Maryland, October 10-11. Registration: Maurice Payne, AIA, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036.

American Institute of Architects. . . Conference on HUD-Assisted Housing. . . Washington, October 5-6. Contact: M. Carter McFarland, AIA, 1785 Massachusetts Avenue, N.W., Washington, D.C. 20036.

American Land Development Association. . . National Land Conference. . . Miami, October 22-26. Details: ALDA, 1000 16th Street, N.W., Washington, D.C. 20036.



Notes From Here and There

The final FY 1972 figure for public housing approvals. . . 100,862 units. . . is the largest number ever attained in any year since the program began in 1937.

The National Tribal Chairman's Association. . . an organization of the representatives of Indian tribes. . . met in Eugene, Oregon, August 8-10. Reaves Nahwooksy, HUD's Coordinator of Indian Affairs, and Martin Seneca from the Central Office and Richard Williams, representing the Regional Office of Equal Opportunity in Seattle. . . met with 250 tribal representatives and staff members from other Federal agencies to discuss Indian problems.

The Woodland, Texas, New Community HUD-guaranteed debentures were sold in competitive bidding at an interest rate of 7.1 percent. . . the same rate as for recent GNMA and FNMA offerings. . . and below other comparable Government-guaranteed issues. This is the largest Title VII issue to date.

To date. . . 27 States have enacted legislation controlling the quality of manufactured housing sold within their borders. . . 18 of these are industrialized housing statutes. . . six create State-wide codes. . . and three provide for the acceptance of manufactured housing that meets HUD standards.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

September 11, 1972
HUD-318-36-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

September 18, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 38

Current Trends

The monthly analysis of construction activity by the F.W. Dodge Division of McGraw-Hill concludes that the housing "boom" has passed its peak. It does not... however... anticipate any serious decline in construction activity. The basis for the "cooling off a bit" theory is that construction contracts in July were only 6 percent above the same month in 1971... in contrast to a 13 percent gain in the first seven months of 1972... compared to 1971. The report concludes with the observation: "Now that the housing boom has passed its peak... we're looking for a period of fairly stable demand for total construction at about the present level. As housing recedes over the next several quarters... most of the void will be filled by nonresidential construction which... so far... has only partially recovered from the recession and has a potential for further growth in 1973."

The Veterans Administration has proposed settlement cost limits for the same six metropolitan areas... and at the same level... as HUD's proposals in July. The areas involved are Cleveland, Newark, San Francisco-Oakland, Seattle-Everett, St Louis, and Washington.

East Coast Flood Disaster

All mobile homes required for the Reading, Harrisburg, and Williamsport areas in Eastern Pennsylvania and for locations in the State of New York have been received in various staging areas. All mobile home deliveries are being diverted to the Wilkes-Barre area where deliveries should be completed this week.

The D.C. Disaster Office has housed all 314 eligible families in the Virginia and Maryland suburban areas of D.C.

HUD has committed \$4 million in supplemental funds to the Wilkes-Barre Model Cities Program for comprehensive health services, child development services, the mobile homes recreation program, the city-wide recreation program, and mass transportation services.

To date... HUD has housed 20,031 families out of the 28,745 eligible families in the six-State area affected by Hurricane Agnes.

HUD Issues Report on Community Development Programs

HUD has released a study on Community Development grant-in-aid programs, and Federal processes and policies.

Titled *Local Strategies to Affect State Plan Allocation of Federal Funds*, the report is the third in the HUD Evaluation Series... and summarizes one phase of a study prepared under a contract funded by HUD and conducted in cooperation with the Department of Health, Education, and Welfare. A special emphasis of the study is on Model Cities supplemental grant funds, and the use of other Federal grant-in-aid funds to carry out Model Cities programs.

Single copies of the report are available free from: Director, Division of Evaluation, HUD-Community Development, Rm 8154, Washington, D.C. 20410.

Elderly Needs Emphasized in Management Studies

The upgrading of life for older residents in Federally aided public housing is a major objective of HUD-funded pilot programs employing new operating and management techniques.

Thirteen of the Nation's largest local housing authorities have been awarded 3-year contracts to conduct demonstration programs testing management techniques to increase tenant services.

While all of the programs proposed by the 13 agencies seek better management response to the needs of all their tenants. . . those proposed by New Haven, Hartford, Puerto Rico, Greensboro, and Atlanta strongly emphasize the problems of elderly tenants in low-rent public housing. They include plans for extensive programs and services for low-income elderly residents from both the surrounding community and public housing.

The New Haven Housing Authority. . . for example. . . will develop a demonstration program based on findings of a current study of the needs of older residents in projects throughout the city.

A \$3 million HUD contract will cover the cost of the program proposed by the **Puerto Rico Urban Renewal and Housing Corporation** for 16 projects in two of its public housing districts. The elderly housing component will involve both senior citizens and other tenants in the full use of existing facilities and social services in the projects most seriously afflicted by social and physical problems. The agency's management improvement program will train tenants for salaried jobs, including elderly tenant housekeeper aides. Over 200 trainees are expected to be involved annually.

One of the four components of the pilot program proposed by the **Hartford Housing Authority** is an experiment in congregate living, intended to provide needed services for elderly residents of public housing unable to care for themselves. Hartford's total management improvement program will be carried out with a \$1,396,452 HUD contract.

A program designed to increase "socialization" of elderly tenants in public housing in **Greensboro** is planned as part of the housing authority's contract of \$2,807,537. Experimental approaches to an improved management system responsive to the needs of the elderly will be built around the authority's existing community services program started last July. The program employs adult workers who are responsible for fepveloping and coordinating programs, including interagency activities for elderly tenants.

The Atlanta Housing Authority. . . whose low-rent public housing roll is approximately one-third elderly. . . will test programs, services, and activities designed to prevent premature institutionalization of its older tenants. The program will stress activities to alleviate loneliness and add to the self-sufficiency and happiness of older persons. Counseling and guidance services will be tested along with providing homemaker services for tenants unable to perform daily routine activities and a "friendly visitor" program to provide needed social contracts and to encourage older tenants to remain self-sufficient and in their own homes. The authority's \$1,160,000 contract will also provide for an advocacy service to help guarantee the elderly the fullest use of available services.

Also selected in nationwide competition to participate in the public housing management improvement research and demonstration program were: **Metropolitan Dade County (Miami) Department of Housing and Urban Development**, \$1,696,900; **Detroit Housing Commission**, \$3,607,850; **Hawaii Housing Authority**, \$1,975,000; **Milwaukee Housing Authority**, \$1,793,610; **National Capital Housing Authority**, Washington, \$892,087; **Richmond, Va., Redevelopment and Housing Authority**, \$1,366,144; **Wilmington, Del., Housing Authority**, \$2,782,543; and **Worcester Housing Authority**, \$1,047,908. (Total contract funding over three-year period.)

Equal Opportunity in Housing

The Maryland Commission on Human Relations has found a real estate broker guilty of racial discrimination in violation of that State's Fair Housing Law. The complainant was awarded \$1,500 as compensation for the humiliation he suffered. . . and the Realtor was ordered to take affirmative action that would prevent future discriminatory practices. This was the Commission's first decided case under the Maryland Fair Housing Law.

Louisiana Governor Edwin Edwards has signed a bill amending the Law regulating the licensing of real estate brokers and salesmen to get them to comply with the Fair Housing Law. The law was amended to provide that (1) Brokers and salesmen indicted for violations of the law will be investigated by the Louisiana Real Estate Commission (2) An applicant for a real estate license must submit a sworn statement that he knows and understands the Fair Housing Law and that he will not engage in "blockbusting" (3) An agent or broker's license will be automatically revoked if he is convicted of violating the Law.

The U.S. Court of Appeals for the District of Columbia ruled that the recording of racially restrictive deeds is unconstitutional. Based on this ruling the Recorder of Deeds of the District of Columbia cannot record or file deeds that contain racially restrictive covenants. . . that forbid land from being sold to certain people.

A Maryland statute that makes the practice of "blockbusting" a misdemeanor has been upheld by that State's Court of Special Appeals. Generally. . . the law prohibits inducing people to sell or refrain from purchasing property by making representations that minority persons are moving into the neighborhood. The court rejected the view that this statute violated freedom of speech.

The Pennsylvania Human Relations Commission has acted to end discrimination in public housing in Williamsport. It ordered a stop to the planning and construction of the Roundhouse Project. . . that was to be located in an area with a high black population. The selection of a new site will have to be approved by the Commission. The Williamsport Housing Authority was also directed to ensure that a second facility. . . the Newberry Project. . . would have a tenant population that reflects the racial composition of persons eligible for public housing.

The State of Iowa has amended its Civil Rights Act to include a prohibition against discrimination in housing because of a person's disability. The law previously covered discrimination in housing because of race, color, creed, religion, or national origin. The amendment was effective July 1, 1972.

The Real Estate Board of Greater Baltimore has adopted a "Code for Equal Opportunity." Member Realtors were urged to post the Code in a prominent place and were informed that an infraction of any provision of the Code would be considered a violation of the Board's By-Laws and Code of Ethics. The new Code calls for equal service to clients and prospects of all races, prohibits discriminatory advertisements, and says Realtors shouldn't volunteer information regarding the racial composition of a neighborhood.



FYI

American Institute of Planners. . . annual convention. . . Boston, October 7-11. Registration: AIP, 1776 Massachusetts Avenue, N.W., Washington, D.C. 20036.

International Association of Assessing Officers. . . annual meeting. . . Dallas, October 15-18. Details: IAAO, 1313 East 60th Street, Chicago 60637.

American Society of Civil Engineers. . . National Environmental Engineering and annual meeting. . . Houston, October 16-20. Registration: ASCE, 345 East 47th Street, New York 10017.

Land Developers Warned to Halt Deceptive Practices

Some 450 land developers throughout the Nation have been put on notice that they are violating the Interstate Land Sales Full Disclosure Act administered by HUD. George K. Bernstein, Interstate Land Sales Administrator, said the developers have 15 days from receipt of the notice to answer the charges and request a formal hearing. If they fail to do so or to prove their case upon hearing. . . further sales of lots in their developments will be suspended by HUD.

"On January 27 of this year," Mr. Bernstein stated, "we amended our land sales regulations to require fuller disclosure of the organization and operation of property owners' associations and of water availability in the developments and other conditions, nuisances, and safety factors relating to the location of the development.

"Too often, the lot owners' association is a smokescreen established and controlled by the developer, and statements concerning sewage, water, and other services and facilities in the Property Report required by the Act are too ambiguous to have any real meaning for the land sales consumer. These deceptive practices must be corrected, and we're doing what we can to bring that about."

The developers that have been sent or are being sent the 15-day notice by HUD have failed to correct their Property Reports within the time allowed by the regulations as amended.



Ford Foundation Grant

A recent grant \$800,000 was made to the Southwest Council of La Raza, a Mexican-American agency that assists community development corporations in several States.

The Southwest Council of La Raza was set up with Foundation assistance in 1968 to advance the status of Mexican-Americans. . . the second largest minority in the United States. The Council supports 13 local affiliates that work for better housing, education, and economic development in barrios ranging from Oakland, Calif., to Phoenix, Ariz., and acts as a liaison for Chicano groups seeking Federal funds.



Notes From Here and There

A \$1,500 profit from the tenant-operated laundromat at Wentworth Gardens. . . a Chicago Housing Authority public housing project. . . financed scholarships for 12 young high school graduates living in the project. The scholarships were presented at the third annual awards dinner sponsored by the Resident Council's Service Committee and the city-wide Residents' Advisory Council.

HUD's Maintenance Engineering Branch initiated a demonstration of graffiti removal and surface preparation for painting. The demonstration was held at Barry Farms. . . a project of the National Capital Housing Authority, in the presence of Central office and Regional office personnel, maintenance engineers representing the Air Force, GSA, and the National Bureau of Standards. The Hydrotech Process, consisting of high pressure water, chemicals, plus detergents, was the system demonstrated. Comments were favorable. . . and experiments will continue.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

September 18, 1972
HUD-318-37-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



September 25, 1972

SEP 25 1972

Vol. 3 No. 39

Revenue Sharing Passes

The Senate has passed... by a vote of 63 to 20... the Nixon-sponsored Revenue Sharing Bill. The Senate version calls for \$33.5 billion in Federal grants to State and local governments over a five-year period. It varies in a number of details from the earlier-passed House Bill. The matter now goes to Conference to iron out the differences between the two Bills.



Current Trends

To date... GNMA has received 1,923 applications for the issue of pass-through mortgage-backed securities... totaling \$8.3 billion... of which \$5.1 billion have been sold. GNMA's mortgage portfolio approaches the \$20 billion mark.

A bipartisan bill to broaden Pennsylvania's Housing Agency Law to provide "a miniature FHA," operated by the State... has been introduced in the Legislature. The plan would be handled without cost to the taxpayers... and is intended to "provide badly needed housing for young people starting out, or for people, who because of fixed-income situations, cannot afford to purchase adequate housing through commercial mortgage programs."

Housing starts in the second quarter increased 16 percent over the second quarter of 1971... according to the F.W. Dodge Division of McGraw-Hill... and were even with the first quarter's volume on a seasonally-adjusted basis. Most housing starts in the second quarter were in: Chicago, (16,061 units); New York, (14,972); Houston, (14,865); Los Angeles-Long Beach, (13,398); Washington, (12,460); Miami, (11,205); Phoenix, (10,946); San Francisco, (10,687); Denver, (9,421); and Atlanta, (9,060).

Leading banks have raised their "floating" prime rate to 5-5/8 percent... up from the 5-1/2 percent prevailing for some weeks.

GI Home Loans reached their highest level in 15 years during fiscal 1972, the Veterans Administration reported. 359,000 loans were closed during the year... an 81 percent increase over 1971's 198,000. Loan applications were up 43 percent to 400,000. Appraisal requests rose nearly 19 percent... from 545,400 to 647,000... and requests for determination of eligibility increased nearly 11 percent... from 712,000 to 787,500.

Project notes totaling \$642.5 million... representing 79 local housing authorities were sold in early September at an average interest rate of 3.12 percent. The interest rate last month was 2.81 percent. Bids ranged from 2.30 percent to 3.33 percent. The average maturity of the notes sold was 8.1 months.



Housing Goal Feasible... Report Says

The Fourth Annual Housing Goals Report... required by the Housing Act of 1968... has been sent by the President to Congress. Among other things... the Report covers the 10-year housing production goal of 26 million units set by Congress. Production in fiscal years 1971 and 1972 exceeded the stated goal by 700,000 units... while the 9-million unit target total for the first four years after the 1970 revision of fiscal year targets... is 8 percent ahead of planned production.

Census Microfiche Reports Available

Final reports on *Metropolitan Housing Characteristics* and other material derived from the 1970 Census of Population and Housing are now available on Microfiche (sheet microfilm)... in standard size sheets... 4"x6"... that contain up to 70 pages on one sheet. The reports are for sale by the U.S. Department of Commerce, National Technical Information Service, Springfield, Virginia 22151. Lists of available reports are available from the Service. NOTE: Prepayment is required by check or money order, NTIS prepaid coupons, or NTIS Deposits Account before order can be shipped. The *Metropolitan Housing Characteristics Reports* are priced at 95 cents each... or the complete set of 248 reports at \$236.60.



Housing Court Begins Operation

The Governor of Massachusetts and 200 judges, lawyers, and public officials were present when Boston's Housing Court... the first of its type in the Nation... began business late in August. The Court... authorized by the Legislature last year... differs from Housing Courts in other cities. It has the same status as the Superior Court... with civil, criminal, and equity jurisdiction. The Court will hold sessions in various sections of the city... to avoid the need for litigants and witnesses to make trips to the courthouse downtown... and will also maintain a 24-hour telephone answering service to help those with housing problems.



HUD Pact With Painters Union To Benefit Local Housing Agencies

A Memorandum of Understanding between HUD and the International Brotherhood of Painters and Allied Trades, AFL-CIO should increase the speed and efficiency of painting public housing units fourfold.

The agreement to utilize spray paint techniques in maintaining the more than one million low-rent units now under management was signed by Secretary Romney and S. Frank Raftery, General President of the Brotherhood.

"This action marks a new era in maintenance painting using the latest technological changes and modern equipment," Secretary Romney said. "Of equal importance are the financial savings to the local housing authorities. Also, the time saved will permit more efficient use of manpower and improved painting service for residents and contribute to a reduction in vacancy rates. The maintenance painting force of all LHAs will remain at current levels."

A painter using spray equipment can increase his productivity fourfold by substituting this technique for brush and roller application systems. In terms of a 5-year maintenance cycle, 200,000 units require painting each year. The potential savings in labor using the spray painting method would amount to many millions.

Housing Role of Nonprofits Told



Details of the activities of some 1,300 nonprofit groups... which are credited with developing more than a third of all HUD-FHA approved or subsidized housing built in the dozen years that nonprofit organizations have participated in federally-aided housing programs are described in the September issue of *HUD Challenge*, the Department's official monthly magazine which serves as a forum for the exchange of ideas and innovations between HUD related organizations and the public.

The article, entitled "Nonprofit Involvement Goes Beyond Production," by Dr. George Snowden... HUD Assistant for Nonprofit Sponsors... presents a picture of how such groups are concerned with housing project management, training housing managers, and counseling both tenants and homeowners.

Three other articles in the September issue also review the role of the nonprofits in creating and managing housing.

Time Extended for Comments

The period for public comment on the settlement cost standards recently proposed by HUD has again been extended until October 15, 1972. The notice of extension was published in the *Federal Register* on September 1.

The Department has received voluminous comments... as well as numerous requests for extension of the time during which comments may be submitted. In addition... the extension was prompted by the publication of proposed regulations governing the amount of settlement cost allowed on home loans guaranteed by the Veterans Administration. HUD believes that persons may wish to make further comments on its proposed standards in the light of those published by the Veterans Administration.

Comments on the proposed settlement cost maximums, as well as on a proposed "Settlement Cost Reporting Form," are solicited from mortgagees, mortgagors, persons who furnish services to the public in connection with real estate settlements, public interest groups, and other interested parties.

Persons wishing to comment may do so by writing to the Rules Docket Clerk, Office of the General Counsel, Department of Housing and Urban Development, Washington, D.C. 20410, no later than October 15, 1972.



Crime Insurance Sales Increase

Federal Insurance Administrator George K. Bernstein has announced that sales of Federal crime insurance doubled in the month after premium rates were cut in half on August 1. Pointing out that not enough people are aware of the Federal program... he announced that his office is asking State Insurance Commissioners in the 11 States where the Federal Crime Insurance Program is operating to require every property insurance company to notify all policyholders and applicants for insurance of the availability of the insurance.

The request was made in a letter addressed to the State insurance authorities, with copies mailed to the Governors and the Mayors of all large cities in those States. Mr. Bernstein also sent a similar letter to the Insurance Commissioners in the five States where State-sponsored crime insurance programs are in effect, urging similar action for those programs as well.

Noting that the efforts by HUD, State, and private groups to alert the public to the program have not reached enough people... Mr. Bernstein advised the Insurance Commissioners that he was seeking their help in order that those exposed to losses from robbery and burglary may know that Federal Crime insurance is available.

Federal crime insurance is available in Connecticut, District of Columbia, Illinois, Maryland, Massachusetts, Missouri, New York, Ohio, Pennsylvania, Rhode Island, and Tennessee. The five States where State programs are in effect are California, Indiana, Michigan, New Jersey, and Wisconsin.



Cleveland Cannot Build Public Housing in Black Area

Cleveland has been ordered to stop building public housing in its black neighborhoods. That is the effect of a temporary injunction issued by a U.S. District Court against the Cuyahoga Metropolitan Housing Authority (CMHA)... the public agency which develops and administers low-rent public housing in the city. While CMHA's policies and practices have been in good faith... said the court... they have contributed to residential segregation in Cleveland. In failing to locate public housing units in white neighborhoods, CMHA violated the Civil Rights Acts of 1964 and 1968. And, in failing to desegregate all aspects of its public housing program, including the population of presently existing units and the planning of scattered sites, it violated the Fourteenth Amendment of the U.S. Constitution. It must now take steps to insure the integration and dispersal of public housing.

New Publications

These publications are not available from HUD. Please address requests to addresses shown.

Corporate Role with University and Community. . . a booklet based on the Spring 1972 meeting of the Urban Affairs Committee of the National Association of Manufacturers. Covers a wide range of subjects related to the corporate role in contemporary community and social problems. Available from NAM, Environmental Quality and Conservation Department, 277 Park Avenue, New York 10017 (212-826-2100).

Yesterday's Houses. . . a report describing the background, contents, and ways of using a series of films and video tapes about housing and housing codes. Prepared under a Section 314 Urban Renewal Demonstration Grant from HUD. Gives lists and availability of various printed materials, tapes, and films. Available from: Institute of Community and Area Development, University of Georgia, Athens, Georgia 30601.

Museums: Their New Audience. . . a report by a special committee of the American Association of Museums on the proliferation of museums across the country. . . their rapid growth in attendance. . . and the philosophy and motivation behind their growth. Prepared under a HUD 314 grant. Single copies from the American Association of Museums, 2233 Wisconsin Avenue, N.W., Washington, D.C. 20007.



Notes From Here and There

The Bangor, Maine; Portsmouth, New Hampshire; Little Rock and North Little Rock, Arkansas Housing Authorities have responded to an urgent request from the Federal Office of Emergency Preparedness by dispatching teams of maintenance men and some trucks to the Pennsylvania flood area. The volunteer crews will help in general repair and rehabilitation work. . . and those from Bangor and Portsmouth will provide expertise and assist in the winterization of the mobile homes provided by HUD as temporary domiciles of flood victims.

Rapid City, South Dakota was hit by one of the worst natural disasters in recent U.S. history. . . when flood waters inundated the city of June 9. Now, according to the Mayor. . . all of the displaced victims have been rehoused in temporary housing made available by HUD. The rebuilding process is about to begin. . . and the city has applied for the largest urban renewal grant ever requested in that section of the country. . . \$64 million. The program will involve the relocation of residences and business from the flood area. . . and the eventual use of the cleared land for open space and recreational purposes.

The New York State Urban Development Corporation will build 18,000 housing units in Lysander. . . the recently approved New Community near Syracuse. This is the first of the 12 New Communities approved by HUD under Title VII of the Housing Act of 1970 that is sponsored by a State. . . rather than by a private developer.

A minority construction firm. . . headed by baseball-great Jackie Robinson. . . will build a \$13 million low-income housing project in the Bedford-Stuyvesant area of Brooklyn.

Ada Louise Huxtable, the *New York Times'* architectural editor. . . and frequent critic of urban architecture and development. . . has written an article which calls Boston's Government Center Urban Renewal Project "a skillful use of urban space." Referring to the 60-acre project. . . which replaces the notorious Scollay Square "skid row". . . Ms. Huxtable labels the project "One of the most important groups of urban structures in the country. Boston sought, and got, excellence."

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

September 25, 1972
HUD-318-38-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



October 2, 1972

SEP 29 1972

Vol. 3 No. 40

Current Trends

The *Advance Mortgage Corporation's* semi-annual survey of housing markets reports that 70 percent of all housing starts in the first half of 1972 were in the South and West... even though less than half of the population of the country resides in these areas.

The Price Commission will hold a public hearing on October 19 in Atlanta regarding lumber prices and lumber industry pricing policies.

HUD's September 1 mortgage market survey showed conditions were almost identical with August. A decrease of one-tenth of a point was recorded in the national average secondary market price for HUD-insured 7 percent new-home mortgages with 30-year terms and minimum down payments. This decline brought the price to \$95.5 per \$100 of outstanding loan amount and increased the equivalent gross yield to investors to 7.55 percent. A year ago... September 1, 1971... the yield was 7.92 percent. Within this one-year period, the yield dropped gradually each month to a low of 7.45 percent as of April 1. Since then it has risen slowly to the current level. For the seventh consecutive month, virtually all of the HUD Area and Insuring Office Directors indicated that mortgage funds were generally adequate for the financing of mortgages under Section 203(b) of the National Housing Act.

FNMA has announced the issuance of \$26.5 million in four-month commitments on conventional home mortgages, at an average yield of 7.846. The range of accepted bids was from 7.764 to 8.000. The range in last month's conventional auction was from 7.750 to 7.900 and the average yield was 7.798. FNMA received 87 bids totaling \$28.7 million and accepted 77, including 39 non-competitive bids. The next auction for conventional commitments will be held October 10.

Project notes totaling \$487.2 million, representing 122 local issuing agencies were sold on September 12... at an average interest rate of 3.1461 percent. Maturities of the 126 issues sold ranged up to one year... with six-month notes accounting for 8.9 percent of the total amount sold and one-year notes accounting for 47.3 percent. The average maturity for all notes, to be dated October 11, 1972, was 9.0 months.

New housing authority bonds totaling \$256.8 million representing 34 local housing authorities were sold September 13... at an average net interest cost of 5.2080 percent... compared with the average net interest cost of 4.9726 percent obtained at the last previous sale held June 7, 1972. This sale was the 74th since 1951... and brings the aggregate amount marketed to \$8.702 billion.

GNMA received \$698 million in bids in its second auction of subsidized 7 percent FHA home mortgages... and the entire \$179 million package was sold at an average yield of 7.61 percent. The average price of bids accepted by GNMA was 95.57. Accepted bids ranged from a high of 96.25 to a low of 95.36. In GNMA's first auction of subsidized mortgages in July... the average price of bids accepted by GNMA was 95.65 and the average yield was 7.59 percent.

As a result of record-breaking flood losses this year... President Nixon has asked Congress to increase the authorized total of Federal flood insurance subsidies and coverage. Among the President's proposals: quadrupling total authorized coverage from \$2.5 to \$10 billion; doubling of the single-family home coverage from \$17,500 to \$35,000; and more stringent local land-use controls in flood-plain areas.

Census Reports Populations of 21 New Metropolitan Areas

The populations of 21 metropolitan areas created between Census Day 1970 and January 1972 were announced by the Census Bureau. More than half (11) of the new Standard Metropolitan Statistical Areas (SMSA's) are in the South. And... under a new metropolitan area definition... the South's central city population of 18,645,668 was larger than any other region's.

A total of 3.8 million persons were living in the newly-designated SMSA's in April 1970, the report shows. Nearly three-fourths, or about 2.8 million of this population is suburban... compared to 54 percent for the U.S. as a whole.

Florida is the State most affected by the change in metropolitan definition. In 1970... about 69 percent of Florida's population was classified as metropolitan. Under the new definition... 81 percent is so classified.

The national total of SMSA's increased from 243 to 264 under the new definition, and the population living in them rose from 139.4 million to 143.2 million. This represents nearly 71 percent of the total U.S. population. On the average, the population of the 21 new SMSA's increased more rapidly than in the existing metropolitan areas.

The new SMSA's are Alexandria, La.; Anchorage, Alaska; Battle Creek, Mich.; Daytona Beach, Fla.; Elmira, N.Y.; Florence, Ala.; Fort Meyers, Fla.; Gastonia, N.C.; Killeen-Temple, Texas; Lakeland-Winter Park, Fla.; Long Branch-Asbury Park, N.J.; Melbourne-Titusville-Cocoa, Fla.; New Brunswick-Perth Amboy-Sayreville, N.J.; Parkersburg-Marietta, W. Va.-Ohio; Poughkeepsie, N.Y.; Richland-Kennewich, Wash.; Santa Cruz, Calif.; Sarasota, Fla.; Spartanburg, S.C.; Williamsport, Pa.; and Yakima, Wash.



More Management Expertise Needed

Oakley Hunter, President of FNMA, addressing a Washington meeting of the Nonprofit Housing Center... pointed to some of the problems besetting nonprofit housing projects.

"What is too often forgotten in these days when housing is undergoing such a searching examination," he said, "is that if subsidized housing is 10 percent bad, it is also 90 percent good. Unfortunately, we have a habit of remembering the 10 percent and forgetting the 90 percent. Of 1.1 million mortgages held by FNMA on 1- to 4-family houses, 156,000 are on Section 235 interest-subsidy houses. Of these 156,000... less than 2 percent are in foreclosure... 8.8 percent are delinquent 30 days... 2.4 percent are delinquent 60 days... and 1.3 percent are 3 months or more delinquent. Of nearly 1,000 multifamily subsidized mortgages in FNMA's portfolio... less than one percent are in foreclosure... less than 5 percent are 30 days delinquent... 2 percent are 60 days delinquent... and 3 percent are 3 months or more delinquent."

Calling management the biggest weakness in the program, Hunter went on to explain why the Department of Housing and Urban Development is now requiring advance proof of a management plan and management capability.

"Developers are sometimes prone to underestimate expenses in order to obtain mortgage insurance commitment," Hunter said. "The projects get built but are then immediately in trouble. It would appear that there exists a great need for more expertise in these matters on the part of nonprofit sponsors themselves."



FYI

National League of Insured Savings Associations... 29th Annual Meeting... Los Angeles, October 14-19. Registration: NLISA, 1220-17th Street, N.W., Washington, D.C. 20036. (202/659-1955)

"Equivalent" Jurisdictions Listed

27 States and 16 localities have been tentatively designated as providing "rights and remedies" for alleged discriminatory housing practice substantially equivalent to those provided by Title VIII of the Civil Rights Act of 1968.

In announcing these, Malcolm Peabody, HUD Acting Assistant Secretary for Equal Opportunity, pointed out that under the provisions of the Act complaints will continue to be referred to the appropriate State or local agency in these jurisdictions, instead of HUD proceeding directly.

HUD set forth the criteria and procedure for recognition of such States and localities in the *Federal Register* of Aug. 16, 1972.

The 27 States designated are Alaska, California, Colorado, Connecticut, Delaware, Hawaii, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Michigan, Minnesota, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, Ohio, Pennsylvania, Rhode Island, Vermont, Washington, West Virginia, and Wisconsin.

The 16 localities are Washington, D.C.; Dade County and Rivera Beach, Fla.; Aurora, Peoria, Springfield, and Urbana, Ill.; Ann Arbor, Mich.; Kansas City, Mo.; Omaha, Neb.; New York and Schenectady, N.Y.; Philadelphia and Pittsburgh, Pa.; Mercer Island, Wash.; and Charleston, W. Va.



Citizen Participation Evaluation

The September issue of *Public Administration Review*... the bi-monthly publication of the American Society for Public Administration... is devoted to case studies and evaluation of citizens action in two major programs... Model Cities... funded by HUD, and the Community Action Program... funded by OEO. There are 10 essays... prepared as part of a study by the National Academy of Public Administration of crisis, conflict, and creativity in the two programs. The study was financed with a Ford Foundation grant. Single copies of the magazine at \$4.50 are available from ASPA, 1225 Connecticut Ave., N. W., Washington, D. C. 20036.



FNMA to Accept 95 Percent Conventional Mortgages

FNMA has announced that it will begin issuing commitments to purchase 95 percent conventional mortgages later this year. The amount above 75 percent must be insured by a private mortgage insurance company.

The 95 percent mortgages will be eligible for delivery to FNMA beginning with commitments issued at the November 6 conventional mortgage auction.



Public Housing Is Big Business

The economic effect of public housing in St. Louis is shown in a report by the Executive Director of the Housing Authority to HUD. In the first year of the Modernization Program, more than \$5 million in work has been initiated... and has already resulted in 242 new construction jobs... plus an additional 129 employees for the Authority.

In addition to the Modernization Program, more than \$27 million in new construction has been authorized for the St. Louis Housing Authority under the Turnkey Process. Of this total, more than \$21 million is directly related to construction work and the Authority's figures indicate that there has been a 33 percent minority participation to date... which exceeds the Authority's goal of 30 percent participation. The report also discloses that the initiation of a Tenant Security Program has resulted in a 25 percent reduction in crime in the Authority's projects... and that 176 tenants are presently employed in various jobs for the Authority.

Uniform Tenant's Act Proposed

Meeting in San Francisco... the National Conference on Uniform State Laws has adopted the *Uniform Residential Landlord and Tenant Act*... formerly referred to as the Uniform Landlord and Tenant Relationship Act.

The Act... as adopted... does not meet all the demands of tenants' groups... but does provide for some of the provisions these groups have been insisting upon. According to an analysis of the Act made by the Earl Warren Legal Institute of Berkeley... the Act "is far from one-sided as it provides that tenants who act in bad faith suffer equal penalties to landlords who are in bad faith."

Copies of the final draft and comments regarding it are available from the National Conference of Commissioners on Uniform State Laws, 1155 East 60th Street, Chicago, Illinois 60637, at 75 cents each.

Information regarding the adoption of the Act in individual States should be addressed to Allan D. Heskin, the National Housing and Economic Development Law Project, 2313 Warring Street, Berkeley, California 94720... or Harold Thomas, National Tenants Organization, 425 13th Street, N. W., Washington, D.C. 20004.



New Publications

Annual Report of the Department of Housing and Urban Development... covering the activities of the Department for calendar year 1971. For sale by the Superintendent of Documents, Washington, D. C. 20402. (No. 2300-0192) Price 40 cents.

Shelter and Subsidies by Henry J. Aaron... a Brookings study in social economics. Analyzes who benefits from Federal housing policies. For sale by the Brookings Institution, 1775 Massachusetts Avenue, N.W., Washington, D. C. 20036. Price \$7.95 hard cover; \$2.95 in paper.

Environment Bibliography... a listing of some 600 important textbooks, novels, handbooks, scholarly works, and digests in these major areas: Air Pollution, Chemical and Biological Contamination, Environmental Design, Environmental Education, Energy, Food and Drugs, General, International, Land Use and Misuse, Noise Pollution, Non-Renewable Resources, Oceans and Estuaries, Population Planning and Control, Radiological Contamination, Recreation, Renewable Resources, Solid Waste, Transportation, Water Pollution, Weather Modification and Geophysical Change, and Wildlife. Each citation lists the title, author, publisher, length, copyright date, and price.

Available from the Environment Information Center, Inc., Library Division, 124 East 39th Street, New York, N.Y. 10016. Please enclose 25 cents for postage and handling.



Notes From Here and There

HUD is participating in the joint program of the District of Columbia public schools and the Greater Washington Council of Churches in their annual drive to collect clothing for the thousands of Washington school children who do not have adequate clothing to attend school regularly. From mid-September to mid-November... collection boxes will be in both north and south lobbies of the HUD Building to receive employees' contributions.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF COMMUNICATIONS AND PUBLIC AFFAIRS
WASHINGTON, D.C. 20402

October 2, 1972
HUD-318-39-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



October 9, 1972

LIBRARY
WASHINGTON, D.C. 20410

Vol. 3 No. 41

1972 Housing Bill Dead

The House Rules Committee has killed the 1972 Housing Bill. As has happened a number of times in the past... a continuing resolution can prevent any interruption to existing program operations.



Two Important Housing Decisions

The Eighth Circuit Court of Appeals has handed down two decisions of major significance to HUD housing programs. In both cases... it overturned lower court actions. In *Housing Authority of Omaha, et al. v. U.S. Housing Authority, et al.*... the Court reversed a decision of the U.S. District Court of Nebraska... and sustained the authority of the Secretary of HUD to issue Model Lease and Grievance Procedure circulars. In the second case... the Circuit Court overruled a District Court decision dismissing a NAACP-supported suit against the City of Blackjack, Missouri, for alleged discrimination in passing a zoning ordinance prohibiting a federally subsidized housing project. As a result of the ruling... the case will be reinstated on the calendar.



Current Trends

New private housing starts in August spurted ahead after two months of decline... to a seasonally adjusted rate of 2.5 million... up 12 percent from the 2.2 million level in July... and near the record levels of the early months of the year. The August increase was about equally distributed between home and multifamily units. Permits issued for new units also rose during the month to an annual rate of 2.2 million... 7 percent above the July rate. Actual starts in August totaled 228,300 units... 11 percent above the level for August 1971. Total starts for January through August reached 1.6 million units... 15 percent above last year's level for the same period.

Short-term interest rates moved sharply higher in recent weeks, and the increase has begun to carry over into the long-term securities market. Meanwhile, the yield on new issues of corporate Aa bonds rose to 7.72 percent for the week ending September 15, up from a low of 7.56 percent four weeks earlier.

Mortgage interest rates so far have resisted the upswing, probably reflecting the continuing ample flows of savings and some step-up in mortgage loan commitments by Federal agencies. The September 1 HUD survey of private secondary markets showed the yield on FHA new home loans at 7.61 percent, only slightly higher than the 7.60 percent recorded in the August 1 survey.

In August... S&Ls had a savings inflow of \$1.7 billion... 53 percent above August 1971... pushing the first eight months of 1972 14 percent above the comparable 1971 period of \$22 billion. Mortgage closings were \$5.2 billion in August... up from \$4.5 billion in July. Based on the first eight months... it is expected that the yearly totals for 1972 will see substantial gains over any past year in every category of association activities. In commercial banks time and savings deposits increased a striking \$6.3 billion in August... more than three times last year's August inflow. Importantly... less than half the increase was in the form of the comparatively volatile large certificates of deposit.

Recent Court Decision

The U.S. District Court has ordered the City of Chicago and the Chicago Housing Authority to promptly select nondiscriminatory sites for public housing and to begin steps to acquire and develop them. The Court also decided that City Council approval of these sites is no longer necessary, since the City and Council have been lax in approving sites as they were previously ordered to do.



Housing Benefits Minority Businessmen

Addressing a meeting of the United Mortgage Bankers of America in Washington ... HUD General Assistant Secretary Samuel C. Jackson told minority bankers, contractors, and architects at their joint conference that the current record-breaking volume of housing production is generating unparalleled business opportunities for minority housing specialists. Opportunities for minority entrepreneurs are accelerating at the same pace as the Nation's housing production. . . Mr. Jackson said.

"Last year... 1971... was the biggest year for housing production in the history of our Nation; well over two million new houses and apartments were started; and about 500,000 mobile homes were built. . . also a record," Mr. Jackson reported. "In the past three years, approximately one million units of subsidized housing have been started, and that's more than has been produced over the entire past 30 years," he declared. In the current fiscal year, HUD and the Administration expect to top a half-million subsidized units. "This increased housing production means greater opportunity for you as minority entrepreneurs," he noted. "This also means more contracts and a growing need for more specialists in every phase of the housing industry."

Other Federal Departments have done equally well in promoting minority opportunities, Mr. Jackson pointed out. Among overall accomplishments, he cited:

- An increase from \$8.8 million in 1969 to more than \$150 million for 1972 in non-competitive Federal procurement from minority businesses;
- A 10-fold increase in competitive Federal purchase from minority businesses over the \$8.2 million level in 1970;
- Federal deposits of more than \$450 million in black banks;
- Investments of nearly \$42 million in more than 400 minority-owned firms; and
- An increase in minority business assistance from \$200 million in 1969 to more than \$360 million in 1971.



New Film

Operation BREAKTHROUGH. . . 16mm, 12 minutes, color. . . takes its name from the HUD program initiated in mid-1969 to "break through" constraints that have prevented industrialized housing from emerging as a major industry in the United States. In this film HUD has tried to give an overview of the many problems industrialized housing has had to face in this country.

Operation BREAKTHROUGH takes the viewer on a tour of the nine BREAKTHROUGH demonstration sites where over 2,900 prototype homes are being built. More than 25,000 additional units are now being processed or built under Phase III—the volume production stage of the program.

The film examines industrialized housing from three points of view—the need, the constraints, and the effect of the BREAKTHROUGH program. Prints are available on a free loan basis from any of the 27 film library offices of Modern Talking Picture Service, Inc.

HUD Housing for Elderly Reaches Record High in 1972

An unprecedented number of older Americans benefited last year from major rental, home purchase, and rehabilitation programs of HUD. Secretary Romney reported that in Fiscal Year 1972, nearly 68,000 units of subsidized housing specially-designed for the elderly were funded under the 21 HUD programs offering some form of assistance to the elderly. During this period, an all-time high of more than 37,000 low-rent public housing units. . . or 37 percent of the total Low-Rent Public Housing Program. . . were approved for elderly with limited incomes.

Also during FY 1972. . . FHA insured mortgages on nursing and intermediate care facilities provided almost 12,000 beds. Applications are now being processed for about 30,000 more beds.

Fiscal year 1973 will see \$32.5 million targeted for specially-designed Section 236 rental housing for elderly which should produce roughly 32,000 dwellings, and rent supplement assistance is expected to remain at the same level as the previous year.



FDIC Proposes Fair Housing Rules

The Federal Deposit Insurance Corporation. . . which regulates over half the Nation's commercial banks and Mutual Savings Banks. . . which are State-chartered and not members of the Federal Reserve System. . . has prepared fair housing lending provisions for these institutions. . . which have been published in the *Federal Register*.

In its action. . . FDIC joins the FHLBB in promulgating specific regulations for implementing the provisions of the 1968 Civil Rights Law. The Federal Reserve Board had earlier issued general policy statements about the Act to its members. . . to be followed by specifics later. The FDIC regulations will apply to the 8,000 out of a total of 14,000 commercial banks and 326 of the 490 Mutual Savings Banks. Comments on the proposed regulations are requested not later than November 1.



FYI

National Association of Manufacturers. . . Urban Affairs Committee Fall Meeting . . . New Orleans, November 16 and 17. Details: NAM Urban Affairs Committee, 277 Park Avenue, New York 10017.

American Institute of Architects. . . Ninth Architectural Research Conference . . . Chicago, November 17-18. Research papers are invited. Information from Ms. Polly Quick, AIA, 1785 Massachusetts Ave., N.W., Washington, D.C. 20036. (202/265-3113)

U.S. Savings and Loan League. . . 80th Annual Convention. . . Miami Beach, November 12-16. Registration: USSLL, 111 E. Wacker Drive, Chicago 60601. (312/644-3100)

National Association of Housing and Redevelopment Officials. . . Institute on Housing Modernization, Conservation, and Preservation. . . Pittsburgh, November 12-15. Registration: NAHRO Institute, 2600 Virginia Avenue, N.W., Washington, D.C. 20037. (202/333-2020)

National League of Cities. . . 49th Annual Congress of Cities. . . Indianapolis, November 26-30. Details: NLC, 1612 K St., N.W., Washington, D.C. 20006. (202/293-7300)

Industrialized Building Exposition and Congress. . . Louisville, October 30 to November 2. Registration: INBEX, 5 South Wabash Avenue, Chicago 60603. (312/273-6880)

Apartment Owners and Managers Association of America. . . 4th Annual National Apartment Conference. . . Atlanta, November 12-15. Registration: Apartment Conference, Sheraton Biltmore, Atlanta 30383.

HUD Sued by LHA's

Shirley Barber, et al. v. Edward White, Jr., Executive Director, Housing Authority of the City of New Haven, Romney, et al. U.S.D.C., Dist. of Conn., C.A. File No. 15235.

Six suits have been filed by Local Housing Authorities against HUD... seeking payment of subsidies for operations of the Authorities serving 20 communities in New Jersey; Norfolk and Portsmouth, Virginia; Oklahoma City; Macon; and New Haven. Housing Authorities serving Cleveland and the State of Alaska, and the National Association of Housing and Redevelopment Officials have reportedly retained counsel for the purpose of filing a class suit on behalf of all Local Housing Authorities. Plaintiffs assert rights arising under the Constitution, the statute, and the provisions of the contracts between HUD and the Local Housing Authorities. Plaintiffs in the New Haven suit have moved for a temporary injunction against the Housing Authority, which is set for argument within the next several days. It is reported that the Housing Authority will make a motion to realign with the plaintiff tenants and cross-move against HUD for the subsidy.



Notes From Here and There

A team of HUD employees from Washington... representing the Offices of Housing Production and Mortgage Credit; Program Analysis and Development; and Field Support are visiting a number of Field Offices for the purpose of evaluating the Accelerated Processing Procedures now being used throughout the country. Included in the visits are Houston, Denver, Sacramento, Tampa, Cleveland, and Greensboro.

The Seattle Housing Authority's Jefferson Terrace... that city's first public housing for the elderly project... recently celebrated its fifth anniversary. Jefferson House, a part of the housing complex, operated by Senior Citizen Centers, Inc., serves residents of several public housing projects for the elderly in the center city, as well as other elderly in the neighborhood, many from rooming-houses. A comprehensive health and recreation program is provided by local community service agencies. Recreation services include one that is quite imaginative... a "worm farm" for dedicated fishermen who come to Jefferson House.

The American Institute of Planners... has named John R. Joyner as its new Executive Director. The Institute... which has 7,000 members and 32 chapters across the country... is the national professional society of urban and regional planners. Mr. Joyner comes to the Institute from the National League of Cities/U.S. Conference of Mayors... where he was Deputy Director of Urban Services.

One of the largest central city redevelopment projects ever undertaken in this country... the 50-acre, \$400 million Franklinton Project... will be entirely a privately-financed venture. The Prudential Insurance Company of America will join the Girard Trust Company... the major partner... along with five other Philadelphia corporations... in financing the project.

Mr. & Mrs. Edward Stancavage and their five children were the 10,000th family in the flood-ravaged Wilkes-Barre area to be housed by HUD. The announcement was made on September 15 by Frank Carlucci... the coordinator of Federal activities in the area. The event was marked by appropriate ceremonies.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20402

October 9, 1972
HUD-381-40-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.



October 16, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 42

Current Trends

President Nixon has ordered a "rent watch" to prevent landlords from raising rents because of increased social security payments. The "watch" has two objectives. . . to protect renters. . . particularly older people from having their rents illegally raised. . . and also to prevent landlords from violating stabilization program regulations. Internal Revenue Service . . . the enforcing arm of the stabilization program. . . is assigning extra officers to monitor the "watch" and to expedite any complaints that come in about rent increases.

Annual. . . instead of the existing biennial recertification of incomes of tenants of Section 236 projects. . . is provided for in new regulations published in the *Federal Register* of September 29. The proposed regulations become effective October 27.

The value of total new construction (public and private) put in place in July was \$11.1 billion. . . according to the Census Bureau. . . at a seasonally-adjusted annual rate of \$121.4 billion. . . and approximately the same rate as June. For the three months. . . May, June, and July 1972. . . total new private residential construction was at a seasonally adjusted annual rate of \$52.9 billion. . . 24 percent greater than for the same three months in 1971. Total private construction in July was at the seasonally adjusted rate of \$92.4 billion. . . 1 percent below the \$92.8 rate for June.

Census has also reported new home sales figures for July. . . a near-record 724,000 units on a seasonally adjusted basis. . . compared to a 674,000 rate in June. . . and 712,000 in July 1971. The peak month was February 1972. . . with a 727,000-unit rate. The median sales price of all new one-family houses in July was \$27,500. . . up from \$27,000 in May and June. . . and \$25,000 in July 1971.



Fighting 'Fires' Not Saving Cities

Putting out "fires" is not enough to meet the problems of cities, HUD Secretary Romney told the annual banquet of the International Public Works Congress in Minneapolis. Mr. Romney said that this Nation cannot afford billion dollar mistakes in public spending on the basic physical structure of the Nation's metropolitan areas.

"We must organize for the truly significant effort. . . the long range effort of setting goals, determining the major challenges down the road, and ordering systematic steps to meet them.

"You, as experts in the public investment area, know better than most, that we are locking ourselves into concrete for the next 30 to 40 years as we commit ourselves into highway grids, mass transit, sewage, and waste disposal systems, housing, schools, and provision for clear water and adequate energy.

"On the one hand we need long-range plans, and on the other we need continuous flexibility to be responsive to new human preferences and revolutionary innovation."

"If we keep trying to go ahead without creative, imaginative, innovative new approaches to the human problems of our Real Cities, we face disaster," Mr. Romney said. "The trend lines can be clearly extended out over the next 20 years. . . and the handwriting is on the wall.

"But it doesn't have to be that way. . . we can use change to mold the kind of country and community we will all want to live in."

California's Growth Rate Drops

In the 27 months since the 1970 Census was taken... U.S. population grew almost 5 million... to 208,232,000 on July 1. This represents an annual increase of 1.1 percent... compared to the 10-year average in the 1960's of 1.3 percent. The .2 percent difference means about 400,000 fewer Americans added each year... caused primarily by a sharp decline in the birth rate.

Ever since the 20th century began... California's growth rate was at least double that of the Nation at large. In 1970... the State became the country's largest... replacing New York State... which had been the most populous since 1800. From 1970 on... California's growth rate has dropped dramatically... and the increase in the two years was only 515,000... a rate of growth almost identical to the national figure. The same situation applies to New Jersey and Connecticut... both of which grew considerably faster than the national rate in the '60's... but are now at the national rate. Nevada... also one of the fastest growing States in the 60's... has slowed... to a 3.5 percent rate... half its decade-earlier rate. Florida is now the fastest growing State... with a 1972 count of 7.4 million. Another interesting note: West Virginia, North Dakota, and South Dakota... the three States that lost people in the 60's... have turned around. Each is now gaining population at about twice the national rate. The only major area that lost population in the two years was the District of Columbia... about 1 percent.



Ford Foundation Grant

For further efforts to develop national housing policies aimed at reversing patterns of residential segregation, the Foundation recently granted \$159,000 to the Potomac Institute. Formed 11 years ago to promote equal opportunity in American life, the institute initially concentrated on Federal civil rights policies. It now works on such issues as school finance and the development of minority business and job opportunities.

Among the policies that will be analyzed are plans (such as one in Dayton, Ohio) in which various communities are assigned a "fair share" of low- and moderate-income housing according to housing needs, population density, and land availability; judicial decisions on exclusionary zoning, and HUD's criteria for selecting low-income housing sites. The grant will support meetings to explore the feasibility of new land-use controls to insure adequate supply and distribution of housing and also overcome segregation by race and income. The aim is to devise policy models that link Federal responsibility to combat discrimination and poverty with State and local control over land use.



New Publications

Condominiums: Their Development and Management by Anthony D. Grezzo, an expert in mortgage finance, who recently retired as Deputy Director of the Division of Technology and Documentation in HUD's Office of International Affairs.

The 71-page study traces the origin of the condominium movement, which began with the Romans and continued through the Middle Ages to modern times. An Appendix provides model forms for such things as a master deed, enabling declaration, by-laws, management agreement, regulatory agreement, and subscription and purpose agreement. Copies may be obtained free from the Information Services Branch, Office of International Affairs, HUD, Washington, D.C. 20410.

Information Sources in Housing and Community Development... compiled by the HUD Library and Information Division. Included are listings and key sources of publications and reference tools in the fields of housing and community development. For sale by the Superintendent of Documents, Washington, D.C. 20402. Price 50 cents. Stock No. 2300-0196.

Art Students Build Public Housing Playground

The residents of the Diggs Park Housing Project in Norfolk gathered at the foot of a multistory treehouse and inaugurated an organic playground with an old fashioned party. The playground uses as many natural materials as possible. It is the product of cooperation between the Old Dominion University Art Department and the Norfolk Redevelopment and Housing Authority.

The playground's "mountains"... earth mounds up to 22 feet, boulders, sand pits, and a fountain have proven a strong magnet for the tots from the 248 units of Diggs Park and 291 units of neighboring Oak Leaf Park. The playground was designed by the art students of the University with the help of their instructor, Mrs. Fay Zetlin. Logs, rocks, boulders, ropes, rubber tires, and railroad ties were used in an interesting and functional way. Steel pipes... punctured with thousands of small holes... provide a refreshing sprinkler for hot summer days. A floor of Belgium blocks salvaged from an old Norfolk street will provide slip-free footing while youngsters scamper in and out of the spray.

Earthen mounds... which look like a Revolutionary War fort or an Indian graveyard, also serve as a sound and visual barrier from the busy streets beyond. The "tree house" has draped cargo nets for climbing vines or assaults on medieval castles.

While the students were the primary designers and planners... the playground has also benefitted from neighborhood input. Mothers requested benches in certain locations, fathers suggested a small basketball court and a horseshoe pit, and children painted a mural on pumphouse walls. One wall of the mural carries the inscription, "It's O.K. to draw here."

Some of the playground features have already found uses not anticipated by its designers. An aspiring soapbox derby driver has adopted the tallest "mountain" for the fastest start in town, and the tree house will serve as a stage and bandstand. The natural playground is fast on its way to becoming the neighborhood institution.



State Spending Exceeded Revenue 1971 Census Reports

Spending by State governments exceeded revenue by \$1.6 billion in the 1971 fiscal year, according to the Census Bureau. Revenue of State governments from all sources... the report shows... totaled \$97.2 billion in fiscal 1971, or 9.3 percent more than in fiscal 1970. Expenditures amounted to \$98.8 billion... rising 16.2 percent in the period.

Intergovernmental revenue reached \$23.8 billion, or 17.6 percent more than the 1970 amount of \$20.2 billion. Taxes provided \$51.5 billion... or about three-fifths of all 1971 State general revenue. General sales and gross receipts taxes provided \$15.7 billion, while motor fuel taxes produced \$6.6 billion and tobacco sales tax revenue was up 9.9 percent, to \$2.5 billion in fiscal 1971.

The yield from individual income taxes, imposed in 43 States, totaled \$10.2 billion... up 10.6 percent from the 1970 figure. Corporation net income taxes amounted to \$3.4 billion... or 8.4 percent less than in the previous period. 49 States had an increase in general revenue between fiscal 1970 and 1971.

The largest expenditure by the State governments was the \$35.1 billion spent for education. Of the total, \$19.3 billion went for support of local public schools, compared with \$17.1 billion in fiscal 1970. Expenditure for State colleges and universities reached \$12.4 billion in fiscal 1971. Spending on public welfare totaled \$16.3 billion, or 23.3 percent more than in 1970. Continuing expansion of medical assistance programs accounted for much of this increase, the report indicates. Expenditure for highways in 1971 amounted to \$14.8 billion, or 9.8 percent more than in the previous year. Expenditure for hospitals, the fourth major State function, rose 11.6 percent to a total of \$4.6 billion in 1971.

The report, *State Government Finances in 1971, Series GF71, No. 3*, may be obtained for 60 cents from the Superintendent of Documents, Washington, D. C. 20402.

Minorities Pay More for Less Than Whites

Blacks and Spanish-speaking Americans living in low-income areas of major cities pay more for less housing than whites living in the same areas... according to an analysis of 1970 Bureau of the Census figures made by HUD's Office of the Assistant Secretary for Equal Opportunity. The two minority groups also spend a higher percentage of their incomes for housing expense... and yet a higher percentage than whites live in overcrowded housing.

These findings are based on an analysis of data on housing expenses and overcrowding contained in *Employment Profiles of Selected Low-Income Areas*, published by the U.S. Bureau of the Census this year... covering 51 cities... delineating in each the areas with substantial numbers of low-income people. Total population in the areas studied was nearly 9 million, about half black, 12 percent Spanish, 36 percent white non-Spanish, and 2.6 percent "other," meaning Orientals and American Indians.

The HUD analysis was based on figures averaged out for families with male heads for the 51 cities. Based on this procedure... the median monthly housing expense for blacks is \$95 compared to \$79 for whites, and \$85 for Spanish-speaking. Housing expense absorbs more than 25 percent of income in about 20 percent of the black and Spanish-speaking families and in 14 percent of the white families. In spite of higher housing costs, blacks live in overcrowded housing twice as frequently as whites and Spanish-speaking three times as frequently as non-Spanish whites.

The report noted: "The data provided here documents what has long been known to the observer concerned with the effects of discrimination in the housing market and the results of a dual market system, the fact that blacks and families of Spanish origin pay more for less."

Single copies of the report are available without charge from the Office of the Assistant Secretary for Equal Opportunity, Rm 5202½, HUD, Washington, D. C. 20410.



Report on Building Prefabrication Released

The social aspects of building prefabrication... as examined by a United Nations committee, are discussed in *HUD International Brief No. 14*... which review conclusions and recommendations adopted at the Eighth Session of the Building, Civil Engineering and Public Works Committee of the UN's International Labor Organization (ILO) held in Geneva, Switzerland in June 1971.

In the report... prefabrication is viewed as "an integral and established feature of the building industry, particularly since it was one of the ways that many countries could cope with critical labor shortages during the postwar period." It is pictured as only one part of the continuous development and application of industrialized building systems. The widest application of these systems, according to the report, is in Eastern Europe.

Copies of *HUD International Brief No. 14* (Stock No. 2300-0190) are for sale at 15 cents each by the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20402

October 16, 1972
HUD-318-41-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-6280



October 23, 1972

OCT 26 1972

Vol. 3 No. 43

Senate Acts on FHA Authority

On Friday, October 6, the Senate passed House Joint Resolution 1301 which would extend the FHA insurance program. The FHA Authority lapsed October 1. The Senate action must now be reconciled with action previously taken by the House.



Senate Votes HUD Funds

The Senate also approved legislation calling for: (1) an additional \$150 million in operating subsidies for local housing authorities; (2) another \$350 million for regular urban renewal and to make up for Federal outlays in rebuilding areas hit hard by Tropical Storm Agnes; and (3) lifting the ceiling on public housing annual contributions formula. The House and Senate must now reconcile differences in their respective versions of the bills as passed.



HUD Increases Subsidies for LHA's

Secretary George Romney has announced that substantial relief will be given many of the more than 3,000 local housing authorities in the Nation to meet their rising operating costs. The action involves an increase of more than \$100 million in Federal subsidies to LHA's.

"This action to meet the legitimate needs of the public housing program," Mr. Romney said, "is a reflection of the Administration's commitment to help local housing authorities maintain decent living conditions for the three million low-income people in public housing, while protecting taxpayers through prudent future limitations on the amount of subsidy that will be provided."

Implementation of the action depends in part on Congressional approval for additional contract authority. The subsidy to be paid to a given housing authority will be based on: (1) amount of estimated operating deficit of the LHA's budget, adjusted for inflation; (2) an amount equal to the rent reduction caused by congressional legislation, and (3) an amount sufficient to provide a reasonable level of operating reserves for the LHA.



FHLBB To Drop Moratorium

The Federal Home Loan Bank Board has taken another step toward eliminating the 9-year ban on conversions of State-chartered mutual savings and loan associations into stock corporations. Last February... the Board made its first move in this direction... by allowing a San Francisco association to make the conversion. FHLBB will now take the necessary steps to make this type of conversion generally available. It is planned that a draft of the necessary regulations will be published by October 31... and April 30, 1973, for final regulations, guidelines, forms and procedures and Congressional and S&L industry reactions.

The Board's proposed regulations will require that all stock issued in conversion be distributed to eligible savers pro rata to their interest or deposit in the savings and loan. No preferential distribution to management will be allowed. In addition, the stock must be distributed to depositors or accountholders without cost to them and without changing their savings account status. Savings accounts must remain federally insured.

Plumbing Firm Debarred from Federal Contracts

HUD Acting Assistant Secretary for Equal Opportunity Malcolm E. Peabody, Jr., and Assistant Secretary of Labor for Employment Standards R. J. Grunewald have announced the debarment of a Philadelphia plumbing contractor. . . Russell Associates, Inc. . . from receiving further Federal or federally assisted construction contracts because the firm was in noncompliance with the Philadelphia Plan.

The Philadelphia Plan. . . an implementation of the provisions of Executive Order 11246. . . prohibits discrimination in the employment of workers in Federal or federally assisted contracts. The Executive Order is administered by the Labor Department's Office of Federal Contract Compliance (OFCC). HUD has the responsibility for monitoring compliance with the Executive Order with respect to HUD-assisted construction.

The debarment occurred in connection with a contract on a HUD-assisted Turnkey housing construction project sponsored by the Montgomery County, Pennsylvania, Housing Authority.

Under the Philadelphia Plan the general contractor is responsible for submitting minority group utilization goals and timetables as a measure of progress in providing equal employment opportunity. Subcontractors. . . including plumbers and pipe fitters. . . are obligated to make good-faith efforts to meet these goals and timetables.

A prime contractor on the Turnkey project. . . Backman Construction Co. . . submitted manpower utilization reports to HUD indicating that a subcontractor. . . Russell Associates. . . had failed to use minorities sufficiently to achieve the goals and timetables to which it was committed. After conciliation efforts to bring the company into compliance and a hearing at which Russell Associates failed to demonstrate that it had made good faith efforts to increase minority utilization. . . Secretary Romney ordered Russell Associates debarred from further Federal contract work. The OFCC approved the debarment and placed the name of the firm on its ineligibility list which is distributed to all Federal agencies. The firm will remain ineligible until it can prove to the satisfaction of the OFCC that it has established and will carry out employment practices that comply with Executive Order 11246.



Maryland Requires Home Buyer Notice

The Maryland State Bar Association has issued a ruling. . . that effective September 15. . . all lawyers practicing in that State must inform home buyers that even though they are paying the lawyers' fees. . . that the lawyers may not be representing solely the home buyers' interests. . . but may also be handling other parties' aspects of settlement. The lawyers are required to inform the home buyer that he has a right to employ his own attorney. This is believed to be the most specific delineation of lawyers' allegiance at settlement yet promulgated by any State Bar association.

An Urban Renewal Success



Tax revenue from the Center Street Urban Renewal Project area in Tacoma, Washington rose 784.5 percent between 1959 and 1972. In 1972. . . the additional tax revenue was \$97,403. . . which will continue annually. These figures were developed from a comparison of tax receipts for individual tracts in the area before redevelopment. . . and since. Some examples: The site on which the Bank of Washington Computer Center is built yielded property taxes of \$499 in 1959. In 1972. . . the figure was \$20,197. The Puget Sound Log Scaling Bureau site in 1959 was taxed \$167. . . and in 1972 \$3,677. Another plus factor is the positive improvement in community spirit the project has made possible. Recently. . . a crowd of 30,000 people attended the second trial closure to traffic of the Broadway Pedestrian Plaza. . . for a 2-day sidewalk sale sponsored by the Downtown Association with citizens groups, local government, and businessmen as active participants.

U.S. Best Housed Nation

Speaking before the Commonwealth Club of California in San Francisco... Oakley Hunter, President of FNMA, called the U.S. the best housed country in the history of the world.

"The record does not paint a picture of a housing crises but one of success in providing decent housing for the American people," Hunter said. "Overall, we are as a Nation better housed than any people—past or present."

Among the Nation's housing achievements Mr. Hunter cited:

- A 50 percent increase in the number of housing units from 1950 to 1970... as compared to a one-third increase in population.
- A record number of housing starts... 2 million... in 1971 and the prospects for 2.2 million this year.
- A reduction in the number of units lacking private plumbing... from 37 percent in 1950 to eight percent in 1970.
- A reduction in the number of overcrowded units... those averaging more than one person per room—from 16 percent in 1950 to eight percent in 1970.
- More federally-assisted housing for low- and moderate-income housing funded and started in the last three years than in the previous 31 years of existence of Federal housing program... about 1 million units.

But despite the progress in housing, he cautioned that the solutions to urban problems will come slowly.

The Nation's urban problems, Hunter said, are going to be solved "in fits and starts" and sometimes "rather haphazardly," as opportunities are presented. "That is the way it has been in the past, and I see no dramatic change in the future," he said.



Jackson Urges Youth Help Solve Urban Problems

HUD Assistant Secretary Samuel C. Jackson has challenged 20th century youth to "focus your energies, your experience and concern for human renewal on problems facing young people and the Nation."

Addressing the National Youth Development Conference and the sponsoring Community Action Pittsburgh, Inc., in Pittsburgh... Mr. Jackson urged young people to commit themselves to solution of problems in their communities. He suggested they be particularly alert to the ravaging impact of drugs on the black community and to the need for restructuring educational systems to provide open and challenging job opportunities for minority graduates.

"As newly-enfranchised voters," he cautioned, "you cannot afford now to indulge in matters of little consequence; you must participate in the political arena and you must act, directly or indirectly, in the business of setting priorities for this Nation. You must be now to influence the minds of the decision makers on the human needs that have so long been neglected," he affirmed. "The unfinished business of hunger, of some Americans not getting the education they deserve, and of others being unable to find a decent home or job must not be allowed to languish.

"With your leadership, your dedication and your enthusiasm, we can have quality education, good housing and a clean, wholesome, environment for each and every American," he concluded.

FYI

Housing Assistance Council... Second National Rural Housing Conference ... Washington, D.C., November 28-30. Details: NAC, 1346 Connecticut Avenue, N.W., Washington, D.C. 20036.

America 2000... Housing Counselor Training Educational Seminar... St. Louis, November 29-30. Registration: America 2000 Federation, 300 South Grant, St. Louis, 63103. (314/289-2214)



New Publications

The following are for sale by the Superintendent of Documents, Washington, D. C. 20402:

1972 Statistical Abstract of the U.S... the 93rd annual edition of the basic statistical data of the Nation. There are 113 entirely new tables in this edition and a more comprehensive selection of data from the 1970 Census of Population and Housing than was possible in the 1971 edition. A loose insert... U.S. Statistics in Brief, 1972... is included for the first time. Price \$5.50.

Characteristics of New One-Family Homes: 1971... jointly issued by HUD and the Census Bureau. Covers homes sold and contractor-built, owner-build, and rental homes started. Report No. C25-71-13. Price \$2.00.



Notes From Here and There

German Secretary of State for Housing... Dr. Louis Storck... is visiting the U.S. as the head of a 12-man delegation consisting of directors of German banks and insurance companies. These institutions have been asked by the German government "to assume some of the essential financing and building tasks in renewal and development." At the request of the State Department and the German Embassy... HUD has helped schedule a tour of projects in New York, Philadelphia, Dallas-Fort Worth, San Francisco, and Sacramento ... with a visit in Honolulu as the team goes on to Japan.

Latest data show that 28,366 Section 312 rehabilitation loans totaling \$191 million were approved from the start of the program in 1965 to the end of fiscal 1972. On June 30, 1971... there were 21,536 loans totaling \$138 million. The loans have helped finance the rehabilitation of 45,579 dwelling units. In addition to these loans... the report covers Section 115 rehabilitation grants to the end of fiscal 1972. In this program... 39,314 grant... covering 40,068 dwelling units... in the amount of \$107 million were approved. For some units... both loans and grants were involved.

HUD has received more than 800 responses to the invitation for comments on the settlement cost proposals published in the *Federal Register*. HUD staff is replying to these... when appropriate... providing technical explanations about the basis for the proposed regulations to various interested groups and individuals. In addition to discussions... usually with law firms... the staff is also working with Arthur D. Little Company ... which has been retained by a group of title insurance firms to evaluate the techniques involved in setting maximum settlement charges.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
WASHINGTON, D.C. 20410-0001

October 23, 1972
HUD-318-42-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

October 30, 1972

LIBRARY

Vol. 3 No. 44

Current Trends

WASHINGTON, D.C. 20410

On October 18... President Nixon signed the extension authorization for FHA ... thus restoring FHA's authority to insure mortgages which had expired on October 1.

Private housing starts... seasonally adjusted... declined in September to an annual rate of 2.352 million units, down 4 percent from the August rate of 2.453 million units. Permits issued for new units, however, rose slightly to an annual rate of 2.252 million units, 1 percent above the August rate.

Actual starts in September totaled 200,800 units... 14 percent higher than in September 1971, and was the highest starts level on record for the month. Total starts (public plus private) for January through September came to 1.814 million units, 15 percent above last year's level for the same period.

Current figures point to continuing strength in housing demand: sales of both new and existing homes are at record levels. Builders' plans remain at a high level... though inventories still are rising. Of most immediate concern is the rise in short-term interest rates, which is causing many lenders to expect higher mortgage rates in the months ahead.



Romney Offers Long-Range Alternatives For Housing

Speaking before the Annual Convention of the Mortgage Bankers Association in San Francisco... Secretary Romney pointed out that in the next decades housing and community development will require massive investment funds... as will other major areas... and that we can no longer afford \$100 billion mistakes. He offered five long-range basic policy alternatives in housing:

1. Termination of a direct Federal role in housing. We would end subsidy programs, 'privatize' FHA, move to a combination housing allowance-income subsidy for the poor, and end operating subsidies for public housing.

2. Radical decentralization of the Federal housing role to the States. The Federal Government would make a bloc grant for housing to the States... with no strings attached. The existing HUD Area and FHA Insuring Offices would be turned over to State governments.

3. Partial decentralization of the Federal housing role to the States. HUD would make a housing bloc grant to the States, but require an approved State plan. HUD would not deal directly with metropolitan housing agencies, but would concentrate on industry, stability, total supply, costs, and the creation of a uniform national housing market... opening the way for industrialized construction.

4. Partial decentralization of the Federal housing role to the States and metropolitan housing agencies. Subsidy bloc grants would be made based on three-year plans approved by HUD. The Federal Government would concentrate on national housing objectives.

5. Incremental change in present programs and intergovernmental delivery system. This would imply the encouragement of State and local involvement, and further simplification and improved administration of Federal housing programs.

Reorganization and Revenue Sharing are Vital to Cities

Floyd H. Hyde, HUD Assistant Secretary for Community Development, told the annual meeting of the American Bar Association in San Francisco, that "government has become the master of our people rather than the servant, and changes in our fundamental systems of government at all levels are necessary and the government must become more responsive to the people it is supposed to serve. For the past 40 years centralization of power has increased in Washington, away from State and local government--and away from the people," he said.

President Nixon's program for reorganization, general revenue sharing, and special revenue sharing, he said, are basic, for "we have found that the major cause of the ineffectiveness of government is not merely a matter of men or money, but also machinery, and it will do little good to change personnel or provide more resources unless we are willing to undertake a critical review of government's overall design."

The Executive reorganization would consolidate seven present Executive Departments and several other agencies into five new Departments, merging related functional activities to eliminate duplication, and reducing the present 11 Cabinet Departments to nine. The result, said Mr. Hyde, will be greater efficiency, responsiveness, and better delivery of services to State and local government.

In addition... under Revenue Sharing... proposed by the President... State and local governments would set their own priorities on activities being carried on now under categorical grant programs.

The revenue sharing, said Mr. Hyde, is patterned after the Model Cities Program, which recognized the need for local decision making and planning, with citizen participation, and with the same approach that seeks solutions to urban ills through coordinated efforts linking human, social, environmental, and physical needs.



HUD, Other Agencies to Provide Social Services for Older Americans

Based on a common interest in improving the well-being of older Americans living in federally-financed housing, HUD has signed an agreement of cooperation with three national organizations. The agreement calls for the establishment of broad social programs that make wider use of volunteers and para-professionals from the elderly population, many of them living in federally subsidized housing. The programs will not only be staffed by older volunteers but will provide a wide range of social services for other older persons, also living in federally financed housing.

The other participating agencies are the U.S. Department of Health, Education and Welfare's Administration on Aging and two private organizations... ACTION, and the National Center for Voluntary Action... special training programs for volunteers are an important feature of the agreement... and although the program is necessarily limited at the first stage to public housing tenants, it is expected that the idea will take hold among other interested individuals which will improve the quality of life for all older citizens.

Each of the four signatory agencies will contribute within its own sphere of responsibility, generally along these lines:

- HUD will provide facilities, usually within the project or nearby, and financial and other support to local housing authorities;
- The HEW/AOA, through its State organizations, will develop programs and conduct training of those older tenants who wish to participate, also working with local housing authorities;
- ACTION will provide VISTA volunteer workers, mostly elderly, to help in a wide range of services and to mobilize, train and orient other volunteers to expand the program;
- The National Center for Voluntary Action will serve as a national program clearing housing and contact point for national organizations interested in older citizens.

Lincoln Village A Milestone

The successful use of industrialized housing in Operation BREAKTHROUGH will be demonstrated in the soon-to-be started Worcester, Massachusetts, community of Lincoln Village. Over 80 percent of the 1,200 houses in the new development will be built in the New England factories of three BREAKTHROUGH producers.

Lincoln Village is not only one of the largest planned unit developments with which HUD has been involved... it is also one of the largest such projects ever funded by a State agency.

The Lincoln Village development will combine the new technology of the three industrialized housing producers... Rouse Wates, General Electric, and National Homes... with 200 conventional townhouses for families with low and upper level incomes. The project is a joint HUD-Massachusetts Housing Finance Agency effort. Secretary Romney lauded the development as a milestone in the history of American housing. He pointed out that although Lincoln Village is the largest such development in New England... it represents only a small percentage of the 30,000 homes now being developed under Operation BREAKTHROUGH's Phase III volume production state... which includes 28,000 homes being developed with subsidy funds in 29 States for low and moderate income families... and 2,000 unsubsidized units being developed for middle-income families. The replacement value of the 30,000 homes is over \$700 million. The total Federal investment in BREAKTHROUGH was \$65 million.

To date... 27 States have enacted industrialized housing laws or State-wide codes that will allow factory producers of housing to market their units any place in a State... local codes notwithstanding. In mid-1969 there were no such laws. Instead there were 30,000 communities with as many as 13,000 building codes totally restricting any effort toward new factory technology.

Perhaps the most encouraging aspect of the program has been the consumer's new acceptance of industrialized housing. The new factory-built houses look like houses, and the public's response has been overwhelmingly positive. Over 35 percent of the 2,900 prototype units on the nine BREAKTHROUGH demonstration sites have already been either sold or rented. This appears to be a clear indication that the negative public image of "pre-fab" housing has finally been put to rest.



Experts to Assess Multi-Service Utility Plant

A panel of some of the country's most respected utility experts has been named by the National Academy of Engineering to help evaluate the practicality of developing a single plant capable of serving all the utility needs of future community development. The panel of 12 experts... including top officials of the industry as well as leading academicians in the field... was established by the National Academy under a \$157,320 contract with HUD.

The research program, called "Modular-Sized Integrated Utility System (MIUS)," was started last April by HUD's Office of Research and Technology with the cooperation of other Federal agencies... including the National Aeronautics and Space Agency, Atomic Energy Commission, National Bureau of Standards, and the Environmental Protection Agency.

In contrast with conventional methods, where each utility is handled as a separate service, the study envisions a single processing plant which would generate a complete range of utilities, including electricity, heat, air conditioning, waste water and solid waste treatment, and water supply. These services would be available in a single package to dwelling units in clusters ranging from 100 to several thousand.

Further information may be obtained from Dr. Matthew J. Reilly, Executive Director of the program for the National Academy, 2101 Constitution Ave., N. W., Washington, D.C. 20418

Nine Projects Win 1972 Nonprofit Housing Awards

Two developments in San Francisco and one in Minneapolis won top honors in the 1972 awards programs for nonprofit sponsored low- and moderate-income housing. Six other projects were given Awards of Merit in the design awards program sponsored biennially by the American Institute of Architects, the Nonprofit Housing Center Inc., and the American

Institute of Planners.... The awards, initiated in 1970, were presented in Washington September 12, at a special luncheon session of the Nonprofit Housing Centers' National Conference on Low- and Moderate-Income Housing.

In making the selection out of 69 entries... the jury noted particularly that the architectural quality of the nine winners was exceptionally good, which, it said, "refuted a widely held premise that housing for the low- and moderate-income citizen must look and be poor."

The jury also gave specific consideration for evidence of planning for the avoidance or alleviation of adverse environmental factors such as noise pollution, air pollution, or visual blight, through site selection or building design modifications.

The three Honor Awards were given to: Martin Luther King Square, San Francisco; Ebenezer Tower, Minneapolis; and Friendship Village, San Francisco.

The six projects winning Awards of Merit were: Maplewood Terrace, Middletown, Connecticut; Western Park Apartments, San Francisco; Village Park, Amherst, Massachusetts; Harmony House Co-op, New Haven, Connecticut; Jamestown Homes, St. Paul, Minnesota; and Hale Mahaolu Elderly Housing, Kahului, Maui, Hawaii.



Bank Housing Loans

Residential property loans account for more than \$52 billion of the \$82.5 billion held in long-term mortgages by commercial banks... according to the American Bankers Association.

Clarke C. Stayman, chairman of ABA's Housing and Real Estate Finance Division, said this represents a residential loan increase of more than 60 percent and a 65 percent total mortgage loan increase since 1965.

These figures, however, demonstrate only part of the banking industry's involvement... Stayman declared. Not included in any government statistical information is the \$5.5 billion bank investment in Federal agencies' securities... the proceeds of which flow directly into housing.

"The \$44 billion investment in municipal bonds supporting housing is also omitted," Stayman noted.

The ABA and HUD are now in the process of establishing a means to ensure that all bank residential financing activities are fully reported. These statistics will include bank lines of credit to mortgage bankers, S&Ls, mutual savings banks, government and mortgage agencies, and land acquisition loans.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

October 30, 1972
HUD-318-43-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

November 6, 1972

Vol. 3 No. 45

LIBRARY
WASHINGTON, D.C. 20410

Current Trends

The annual Building Products Executives Conference... was told by George A. Christie, Chief Economist of the F. W. Dodge Division of McGraw-Hill... that 1973 should equal 1972 in construction contract awards. The estimated value of the contracts was placed at \$88.5 billion. Christie stated that the construction industry should expect no increase in Government-funded projects next year... except for some anti-pollution facilities... and that a "real decline in federally-aided projects is ahead."

In its closing hours... the 92nd Congress appropriated \$250 million in supplemental funds for urban renewal projects in communities which have been declared disaster areas by the President.

Project notes totaling \$699 million... representing 93 local housing authorities were sold in October... at an average interest rate of 3.02 percent. The interest rate in September was 3.12 percent. The average maturity of the notes sold was 6.8 months.

Also, urban renewal project notes totaling \$393 million... representing 116 local issuing agencies were sold... at an average interest rate of 3.1027 percent.

The October 1 HUD survey showed only minor changes in secondary market prices and yields from September 1... and a slight upward rise in contract interest rates on conventional first mortgages.

The Federal Water Pollution Control Amendments of 1972 became law when the Senate and House overrode the Presidential veto.

The FHLBB reports that insured savings and loan associations had a record savings level at the end of the second quarter of \$16.2 billion... up from the \$14.8 billion in the first quarter of 1972... and \$11.6 billion in the second quarter of 1971. Total assets of the associations came to \$228.2 billion at the end of July... as against \$195.2 billion a year earlier. Mortgage loans outstanding... also at the end of July were \$191.7 billion... compared to \$163.7 billion in July 1971. Total of mortgage loans closed by associations for the first six months of 1972 was at a record \$23.3 billion. Full year totals for 1971, 1970, and 1969 were \$39.5 billion; \$21.4 billion; and \$21.8 billion respectively.

Almost half of the rehabilitation grants made during the last fiscal year went to improve the condition of the housing of persons in minority groups. The total volume of these grants under Section 115 rose sharply to \$28 million... which represents 8,775 individual grants covering 10,409 dwellings with an average of \$2,741 per unit.

Secretary Romney announced a substantial increase in outlays to meet the needs of the elderly. In the 10 HUD programs most directly related to the needs of older Americans... the Department registered an increase in outlays of 300 percent in four years... to \$583 million in Fiscal Year 1973... compared to \$194 million in Fiscal Year 1968.

Tax Cuts Possible Under Revenue Sharing

With Presidential approval of the general Revenue Sharing legislation... and the publication of amount of Federal assistance individual communities will receive... many municipalities are making plans to use the new money to reduce property taxes. A *New York Times* survey in 12 States of 19 large cities and a number of smaller towns shows some interesting patterns of planned uses of the funds. They range from capital improvements for such things as city halls and improved sewer and water facilities to subsidies for public transit systems, additional recreational facilities, reducing the real estate levy... one of the most common complaints about current local tax structures... is contemplated by many cities. Boston... with one of the highest realty tax rates in the Nation... estimates it can eliminate a probable \$82.50 increase on the tax on a \$25,000 house because of the revenue it will receive under the new plan. In other cities the reduction would be less... but still significant. For example... on a \$25,000 house... the reduction would be \$26.32 in Dallas; \$33.42 in Omaha; \$37.50 in Allegheny County (Pittsburgh) Pennsylvania; and \$47 in Chicago.



HUD Accepting Applications for College Housing Aid

HUD Area Offices are now accepting applications for assistance under the College Housing Program for Fiscal Year 1973. Funds for fiscal 1973 will support a net program level of \$250 million. Applications will be accepted until May 1, 1973.

Because of current college costs... the maximum supported loan which any applicant may request has been raised from \$1500 per student last year to \$2,000 for each student this year... providing maximum HUD-supported loan amount for institutions with a total full-time enrollment of 3,000 students is \$6 million.

Floods Again Strike Virginia



For the third time in four months... parts of Virginia have been declared a disaster area. A number of central Virginia communities were damaged in early October by the rampaging James, Appomatox, and Shenandoah Rivers. In June... Hurricane Agnes did more than \$200 million in property damage and destroyed hundreds of homes. And heavy rains in late September brought a Presidential disaster declaration at that time. HUD has sent teams of staff members into the affected areas to man four offices set up to provide emergency housing for those whose homes were damaged or destroyed.

New Capital Source for S&Ls



The FHLBB has announced proposed regulations permitting for the first time issuance of subordinated debentures and capital notes by savings and loans... thus making it possible for the Nation's rapidly growing savings and loan associations to bring in capital of a type which would augment net worth. The new instruments would rank below saver deposits and certificates in the event of liquidation.

The proposed regulations call for the new securities to be uninsured, have minimum \$100,000 denominations, at least a 7-year term, and will be counted as net worth up to an amount not in excess of 20 percent by the Federal Savings and Loan Insurance Corporation.

Mortgage Futures Market Proposed



A mortgage futures market... proposed by The Conference Board... an independent economic research group... has received the endorsement of FHLBB Chairman Preston Martin. While the basic concept of such a market has been discussed for some years... this is the first time it has had the Bank Board's support. In his statement favoring the plan... Mr. Martin stated that it would help lower interest rates and reduce cyclical gyrations in the supply of money available for home mortgages. Further... it would permit lenders to make long-term commitments essential to a continuous flow of financing the \$80 to \$90 billion annual home mortgage loan needs of the country.

HUD Seeks to Hold Down Elderly Rents

HUD has moved to hold steady rents of elderly tenants of public housing following recent Congressional approval of a 20 percent increase in Social Security benefits. A directive to Local Housing Authorities indicates that "adjustments in rents reflecting Social Security increases may be made only at the time of the regularly scheduled reexamination of family income and eligibility, at other times provided for by adopted local housing authority policy, or as specified in the tenant lease."

The directive recommends that in those cases where the review shows that a tenant's income exceeds the limits for continued occupancy, LHAs should take into account the provision of the Housing Act of 1937 which permits an over-income family to remain in occupancy under certain conditions.

Intended to insure pensioners living in public housing the maximum benefits of the Social Security increase... HUD seeks to prevent large portions of the increases being absorbed in rents and to ensure continued eligibility of elderly tenants for the low-rent public housing. The new HUD policy applies to all persons in public housing affected by the Social Security increase.

Rural Aids Expanded



The recently enacted Rural Development Act of 1972 authorizes a broadening of Federal assistance programs to rural areas. Among the provisions of the new legislation is an increase in the population size of communities eligible for water and sewer grants... from 5,500 to 10,000. Also... the authority of Farmers Home Administration to make rural housing loans in localities of up to 10,000 is continued and strengthened. FmHA's water and waste disposal grant ceiling is raised from \$100 million to \$300 million. FmHA is also authorized to guarantee development loans to public bodies for industrial development... up to an aggregate of \$50 million annually. FmHA now has about \$5 billion in rural housing loans outstanding. Estimates have been made that this total may multiply to five times its present level in the next several years.



HUD Extends Warranty Period

Home buyers will get more protection under the recent extension of the warranty period... from six months to one year... for correcting structural defects in houses bought from the acquired property inventory of the Department. The warranty applies to sales of HUD-owned homes and protects the purchaser for one year from the date of sales closing. HUD-acquired home properties are one-to-four unit dwellings to which HUD holds title following foreclosure on federally-insured mortgages. HUD's programs of repair and sale of acquired properties for owner occupancy stress protection of the consumer. The repair program is designed to result in a dwelling that can be offered for sale in like-new condition with all components operable and with no major expense in the offing for several years. In the one-year warranty period... HUD will correct any structural defect in the dwelling, or in its heating or central cooling, plumbing, and electrical systems.



Sale of U.S. Flood Insurance Pushed

In a letter to State Insurance Commissioners... George K. Bernstein, HUD's Federal Insurance Administrator... praised the insurance industry for its cooperation in promoting the sale of Federal flood insurance. At the same time... he also called for renewed efforts by State authorities and others to increase public awareness of the benefits of National Flood Insurance.

Steps are now being taken by the industry to promote the sale of flood insurance... and the National Flood Insurers Association has agreed to print and distribute... without charge... a series of informational leaflets on the Federal program.

The leaflets may be obtained on request from the National Flood Insurers Association, 1600 Water Street, New York, N.Y. 10038.

28 Honor Awards Announced

28 Honor Awards for superior design were made at the annual convention of the American Institute of Planners in Boston. The 5th Biennial HUD Design Awards certificates were presented at a luncheon by Clifford W. Graves, Deputy Assistant Secretary for Community Planning and Management.

A five-member jury of professionals selected the winners from nearly 400 entries involved in HUD-assisted planning and construction projects in 41 States, the District of Columbia, and Puerto Rico. The winners ranged from single buildings to large development programs. Special emphasis was placed on the contribution of environmental designs to human values.

HUD's Urban Design Concept category recognized superior large-area planning. Award winners in this category were Heritage Plaza East, Salem, Mass.; Jacksonville Form and Appearance: One, Jacksonville, Fla.; Operation BREAKTHROUGH Sites in Kalamazoo, Mich., and Indianapolis, Ind.; the comprehensive urban design for San Francisco, Calif.; Town Center and Area I of Highland Park, Mich.; and the Vieux Carre Historic District Study in New Orleans, La. Because the jury recognized a growing interest in urban design concepts which can act as catalysts for desirable development improvements, more awards were given in this category than ever before.

Winning entries in the Project Design category included such diverse projects as an urban area "peoples park;" student housing; inner-city neighborhood centers; and low- and moderate-income housing. Special Mention Awards were also made.

The Awards Program, commended by Congress in the 1968 Housing and Urban Development Act, reflects Secretary Romney's view that "the design, planning and construction activities under the Department's programs must result in environments which have an uplifting effect on peoples lives."



Notes From Here and There

The third annual Baltimore City Fair, held from September 29 to October 1, 1972, drew 1 million people to the downtown Charles Center and Inner Harbor Urban Renewal Projects. The projects provided sites for neighborhood and institutional tent exhibits, amusements, free musical entertainment, and water sports.

Total assets of the Nation's 45 federally insured minority-owned savings and loan associations are over \$441 million. . . according to the FHLBB. This figure includes 37 black associations and six Mexican-American savings and loans which opened for business during the first 6 months of 1972. One Mexican-American S&L and one Japanese-American S&L have been in business for some years.

HUD is wholeheartedly supporting the Freedom of Information Act. . . and has ruled in favor of releasing to the press and the Columbia Broadcasting System, income and expense information on 14 HUD multifamily projects on which the Secretary holds mortgages. The action was taken notwithstanding a suit pending to prevent disclosure of such information in connection with a project in Boston. . . and other threatened suits.

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20402

November 6, 1972

HUD-318-44-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT

newsletter
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D.C. 20410 (202) 755-5280



November 13, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 46

Current Trends

During September... savings and loans experienced a moderate slowdown in net deposit inflows and mortgage activity... according to the FHLBB. The increase in savings of \$1.5 billion during the month was the smallest gain since December 1971... and about \$200 million less than the rise in August. Mortgage closings were down 13 percent from August... at a \$4.6 billion level. The drop reflected the usual seasonal pattern.

Also in September... construction contracts rose to record levels... totaling \$8.2 billion... up 23 percent from the \$6.4 billion in September 1971... according to the F. W. Dodge Division of McGraw-Hill. For the first nine months of 1972... the new contracts figure was \$69.7 billion... 15 percent higher than the \$60.9 figure in the comparable period a year ago. Both apartment and single-home contracts in September exceeded the 1971 level by 34 percent... totaling more than \$4 billion.

FHA Title I and mobile home activity continues to escalate. During the first eight months of 1972... about 196,000 home improvement and mobile home loans were insured. Mobile home loans increased 14.7 percent over the corresponding period of 1971. In September... mobile home loans... which have been running from 200-300 monthly... increased sharply to 819.

The FNMA has begun offering a new type of commitment to buy FHA and VA mortgages on one-to-four family homes. Known as "convertible standby commitments"... they will be for 12 months... and are intended primarily to finance the construction of new homes. Currently... FNMA offers home mortgage commitments for only four months. Yields to be required by FNMA will be higher than the yields required on the four-month commitments. At any time during the life of the commitment, however, the holder will have the option of converting the commitment to the yield then in effect for four-month commitments. After conversion... the commitment would not be good for more than four months.

The convertible standby yields will be determined by FNMA and announced in advance. Yields on the regular four-month commitments are determined by an auction systems.

Variable interest mortgage loans will not be approved by the FHLBB at least until Congress has held hearings on the plan.



\$50 Million Grant Made for Black Hills Disaster Area

Urban Renewal grants totaling \$50 million have been approved... \$48 million for Rapid City and \$2 million for Sturgis, South Dakota.

The Urban Renewal funds will be used for rehabilitation, prevention of future floods, relocation of families and businesses, and the establishment of a new green-belt area running throughout the entire length of Rapid City.

The Vice President in announcing the grants... stated, "these funds will insure that no property owner will be unduly burdened because, in addition to the money paid to him for the acquisition of his property, there will also be substantial sums to pay for the relocating of his family or his business." He also praised the Federal, State, and local governmental cooperation in the area. "Due to this cooperation, we have been able to deliver through 15 separate Federal agencies a total of over \$115 million to assist in relief and rehabilitation of the four-county area."

Georgia Developer Indicted Under HUD Land Sales Law

A 22-count criminal indictment has been returned by a Federal Grand Jury in the District Court, Northern District of Georgia, against four individual corporate officers, three corporations, and eight land salesmen.

The indictments... involving one conspiracy count and 21 substantive counts, charged numerous criminal violations of Title 18, U. S. Code... and of the Interstate Land Sales Full Disclosure Act which HUD administers. "If we were looking for a case illustrating all the abuses about which we have been warning the public, we couldn't have found a more frightening example," George K. Bernstein, the Administrator of the program, observed.

The defendants are Treasure Lake, Inc., a Pennsylvania corporation, and its President, James C. Dunbar; Great Northern Development Corporation, a Pennsylvania corporation, and its President, Frank A. Carcaise; Treasure Lake of Georgia, Inc., and Robert A. Baker, Vice President and General Manager, and George H. Ellis, Vice President of Treasure Lake of Georgia, Inc., as well as eight individual salesmen.

Mr. Bernstein stated that this was a classic case of intentional failure to register with HUD and to file the required Statement of Record prior to initial sales of lots in the subdivision, as well as of misrepresentation by the developers after they finally registered with his Office. Not only were the defendants charged with failing to deliver a copy of the Property Report to the purchasers as required by the Act, but also with fraudulently obtaining the signature of purchasers on documents which showed that a Property Report had been received when in fact it had not.

According to the indictment, the developers and their agents also failed to inform OILSR of changes of material facts affecting the development.



HUD and Spanish Officials Hold Housing Seminar

A Housing Finance Seminar was conducted jointly by HUD and the Spanish Ministry of Housing in Madrid from October 16 to October 20, 1972. Sponsored under provisions of the U.S.-Spain Friendship and Cooperation Agreement of 1970... the seminar brought together top leaders of the housing industry in both countries... and focused on means of attracting private capital into residential mortgages and the exploration of various financing methods that have application to housing in the U.S. and Spain. A tour of Spanish housing projects was included in the program.

Eugene A. Gulledge... HUD Assistant Secretary for Housing Production and Mortgage Credit... and D. Martin de Eyries, General Director of Housing of the Spanish Ministry of Housing... served as co-chairmen.



National League Installs

At the 29th annual meeting of the *National League of Insured Savings Associations* in Los Angeles... Raleigh W. Greene, President of the First Federal Savings and Loan of St. Petersburg, Florida... took office as President of the League for the coming year. Greene, who has been Vice President of the League for the past year, replaces Ross M. Blakely of Los Angeles. Taking over as Vice President of the League is Gilbert G. Roessner, President of City Federal Savings and Loan Association of Elizabeth, N.J.

The new President has long been active in National League policy-making, having served as Legislative Chairman. An active participant in civic affairs, Greene has received distinguished service awards from the Junior Chamber of Commerce and the National Conference of Christians and Jews. He was Chairman of the Florida Council of 100 for two years, and served as a member of the Executive Committee of the St. Petersburg Committee of 100. He is currently Chairman of the Board of Trustees of St. Leo College in Florida, and a member of the Governor's Task Force on Housing and Community Development and on Education.

Community Development Workshops

The *National League of Cities* will host meetings with mayors to discuss HUD Community Development Programs. So far...two meetings have been scheduled...in Washington on December 12 and 13 for Regions I and II. On January 9 and 10 the second meeting will be in San Francisco...covering Regions IX and X. City Managers are also invited to attend the sessions...and the *International City Management Association* and the *National Training and Development Service for State and Local Governments* will assist the *National League* in developing the program format and workshop materials.



Racial Change Surveys Begin

HUD's Office of Equal Opportunity has begun surveys in three cities to determine the causes of rapid racial changes in certain neighborhoods of those cities. The survey team...consisting of Central, Regional, and Area Office specialists...will conduct the studies in Chicago, St. Louis, and Boston.



HUD Approves \$1.657 Billion for Model Cities Through Fiscal '72

HUD approved \$1.657 billion for the Model Cities Program from its inception in 1967...through June 30, 1972. During the past fiscal year, which ended June 30, HUD obligated \$578 million for grants to the cities.

147 cities are at various stages of their five-year action programs...and in addition...20 cities were approved in July 1971, to receive supplementary grants totalling \$79 million for the Planned Variations program.

Model Cities taking part in the Planned Variations Program are permitted to extend their activities citywide; to institute a chief local executive review and comment on all Federal programs involving the city, and to reduce Federal regulation and review of local plans and programs.



13th New Town Approved

A pledge of \$13 million in Federal guarantee assistance will help a nonprofit firm build Harbison...a new community for 23,000 people near Columbia, S.C...on a 1,740-acre site acquired by the United Presbyterian Church almost a century ago. A total of 6,750 homes will be built over a 20-year period...for families of all levels and sizes...including those of low and moderate income. A full range of schools, shopping centers, offices, and job opportunities is planned for residents...including four elementary schools and neighborhood parks...all within walking distance of homes. A town center will contain major department stores and offices, secondary schools, library, center for the arts, and a community recreation center for organized sports. A 196-acre industrial corridor will be provided. Three artificial lakes are planned...along with 14 miles of walkways for pedestrians and bicyclists. 49 acres of greenways will tie residential areas to schools, parks, playgrounds, shopping areas, and other community facilities.

Harbison is the first new community project approved to date in which the developer will be a private nonprofit organization. Under the guarantee, bonds for new town land acquisition and development are sold. The new community must be developed according to a plan agreed upon with HUD. The project has widespread support from public and private institutions in the area.

Eight of the 13 directors will be selected from local community groups, governmental units, planning agencies, and business and financial organizations. The remaining five will be named by the South Carolina-Georgia Synod of the United Presbyterian Church.

A health maintenance organization is planned. Child care centers are planned in conjunction with elementary schools. Columbia will supply water to the site...while sewage will be treated in the Columbia Metropolitan Sewage Treatment Plant. Harbison is expected to have a favorable impact on the tax structure of neighboring communities.

FYI

National Municipal League. . . Annual Conference. . . Minneapolis, November 26-29. Registration: NML, 47 East 68th Street, New York, New York 10021.

Asphalt Institute. . . Annual Meeting. . . Washington, December 4-6. Details from the Institute, College Park, Maryland 20740.

Gerontological Society. . . Designing Environments for the Elderly Conference. . . San Juan, December 15-16. Details: Thomas O. Byerts, Director of Architecture and Environment, 1 Dupont Circle Bldg., Washington, D. C. 20036.



USCM Committee Co-Chairmen Named

U.S. Conference of Mayors President. . . Mayor Louie Welch of Houston. . . has appointed Co-Chairmen of the five standing committees of the Conference for 1972-73. They are: **Human Resources Committee**. . . Mayors Stanley Cmich of Canton, Ohio, and Patricia O. Sheehan of New Brunswick, New Jersey; **Urban Economic Policy Committee**. . . Mayors Kenneth A. Gibson of Newark, and Moon Landrieu of New Orleans; **Transportation Committee**. . . Mayors Richard J. Daley of Chicago, and John Driggs of Phoenix; **Community Development Committee**. . . Mayors Stephen Clark of Dade County, Florida, and Norman Mineta of San Jose, California; **Environment Committee**. . . Mayors Ben Boo of Duluth, Minnesota, and Merle Mergell of Englewood, California.



What Revenue Sharing Means

"With the passage of General Revenue Sharing, we have entered a 'revenue sharing era' and I am sure that the companion measure. . . Urban Community Development Special Revenue Sharing. . . will be enacted by Congress in the near future." These were the thoughts of HUD Assistant Secretary for Community Development Floyd H. Hyde, speaking in Los Angeles at the National Community Development Seminar, sponsored by the National Association of Housing and Redevelopment Officials. Mr. Hyde declared that the funds to be distributed under General Revenue Sharing could be used for a broad range of purposes. This could mean that the 50 States and the more than 3,000 counties would become active in program areas formerly considered the exclusive domain of local public agencies.

Also. . . the language in the House-Senate Conference Report on General Revenue Sharing permits the use of funds for a broad range of purposes. . . including: "Ordinary and necessary capital expenditures authorized by law." This gives city-county-State coordination in community development even more immediacy than before. These governmental entities can take the Neanderthal approach, and plan as if others didn't exist. . . or they can move seriously toward an era of cooperation based on the realization that there are communities of interest which make artificial boundaries irrelevant.

The key to problem solving is not money alone, Mr. Hyde concluded. "Competent people are the key, and many mayors and city managers will grab hold of the extraordinary opportunity made possible by revenue sharing and will need the services and knowledge of trained housing and redevelopment officials."

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

November 13, 1972
HUD-318-45-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$1.50 per year, domestic. . . \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

DEPARTMENT OF HOUSING newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



November 20, 1972

LIBRARY
WASHINGTON, D.C. 20410

Vol. 3 No. 47

Current Trends

A proposed rule... setting forth the form of written warranty which a manufacturer of mobile homes must furnish a purchaser... was published in the *Federal Register* on October 31. (24 CFR Part 201 - F.R. 23190).

The first HUD-wide labor relations conference was held in Washington. Labor relations personnel from all Regional and Area Offices attended the three-day sessions... which covered such topics as wage rates, labor standards, enforcement, apprenticeship and training, and low-rent public housing.

The National League of Cities/U.S. Conference of Mayors have submitted a report to HUD... covering a joint HUD/Department of Labor pilot project aimed at finding employment in local governments for unemployed scientists and technicians from the aerospace and defense industries. The project was able to place 77 percent of the participating scientists and engineers... and has proven the feasibility of adapting the management and professional skills of such technologists to high-level local governmental positions.

As part of the Department's effort to reduce the inventory of delinquent Secretary-held mortgages... the first cash purchase of a multifamily mortgage has been approved. On December 1... HUD will offer for public bidding 435 mortgages... representing a face value of \$265 million.



First Land Sales Conviction

The first conviction under the Interstate Land Sales Act was returned on November 1. A Federal Court jury found a Kansas developer guilty on two counts of an indictment... charging violation of the Act... and making false statements in sales of the land. Sentence has not yet been passed. The conviction carries penalties of up to 5 years imprisonment and a \$5,000 fine.



French and HUD Officials Meet

Members of the National New Towns Commission of France and several French developers visited Washington, for a series of work sessions with officials of HUD. Headed by Roger Goetze... Chairman... the visit was part of the program of cooperation in urban development matters between France and the United States.

In addition to the Commission members... the group included the directors of all nine French New Towns corporations and high level representatives of the five major government agencies involved directly in the new town program. The 28-man group met with Edward Logue, President of New York Urban Development Corporation, and was briefed on the Welfare Island New Community and other UDC projects.

Included on the seven-day schedule were visits to other new communities... including Reston, Virginia; Columbia, Maryland; Jonathan and Cedar-Riverside in Minneapolis, Minnesota; Park Forest South, Illinois; and Fort Lincoln, Washington, D. C. ... as well as a meeting with the directors and members of the Department of Urban Studies at the Massachusetts Institute of Technology in Cambridge.

HUD Promises Latin-Americans \$49 Million

HUD has promised Latin-Americans \$49 million in housing programs over the next two years. The funds . . . earmarked by the Denver Regional Office of the Department . . . are only part of the national "goals program" for minority involvement adopted in 10 HUD offices nationwide. This disclosure was made by Acting Assistant Secretary for Equal Opportunity Malcolm E. Peabody, when he addressed the Supreme Council of the League of United Latin-American Citizens.

Peabody said "there are no specific set-asides or quotas for Latin-American participation in HUD programs, nor do they exist for any other minority group." "But," he said, "Latin-Americans have competed successfully against blacks and whites and other minorities in every region of the Nation in bidding for Federal dollars for elderly housing, low income housing, and construction contracts."

"LULAC has organized a national program to acquaint Spanish-speaking entrepreneurs with the intricacies of HUD funding, and now Latinos are sponsors of major projects in eight western and southwestern cities," Peabody said. "There are Latin-American sponsors in Phoenix, San Antonio, Corpus Christi, Albuquerque, and Racine, Wisconsin . . . all working on HUD-funded projects conceived and developed by Spanish-speaking developers and constructed by Spanish-speaking contractors," he said. "Even in the East . . . where Puerto Rican entrepreneurs represent the predominant Spanish-speaking group . . . Latinos of Puerto Rican descent have taken advantage of Federal assistance in sponsoring six rent supplement projects in the South Bronx, New York . . . and they went even further. Three Puerto Rican banks hold the lion's share of the total \$10 million deposit of the Local Housing Authorities in the South Bronx and Harlem. These are not the only minority banks holding HUD deposits. The Pan-American National Bank in Los Angeles, the Trinidad National Bank in Colorado, and the Denver First National also hold HUD deposits . . . along with a score of black banks."

"In fact, Latin-Americans have even gotten involved in College Housing financing programs," Peabody said, "which are traditionally the last bastions of non-participation by minority groups."



Chicago Corporation to Fight Blight

Nearly 50 Chicago area savings associations have formed a service corporation to help fight neighborhood blight. The organization is called CARES, Inc. . . an acronym for Chicago Area Renewal Effort . . . which plans to invest up to \$20 million for the construction and rehabilitation of urban housing. The housing will be located either on scattered sites or in larger areas, although area development probably will have higher priority.

Almost 50 associations have made CARES stock subscriptions amounting to \$652,100. The goal is \$1 million . . . and it is expected that the initial capital could create leverage 10 to 20 times its value. The service corporation received organizational backing from the Cook County Council of Insured Savings Associations and the FHLBank of Chicago.



Competition for Community Art

HUD's National Community Arts competition has attracted more than 1700 entries which are now being judged by a jury of distinguished artists. The entries cover a wide range of works of art which were developed to be suitable for projects assisted by the Department. Included in the art contest are murals, sculpture, and fountains, submitted by artists in 46 States, Guam, District of Columbia, Argentina, Australia, Canada, England, France, and Italy. The HUD effort is part of an overall Federal Government drive to promote greater involvement of the arts and artists in federally aided programs . . . which will not only assist the artists . . . but also enhance the projects. The winning entries will be exhibited at the National Collection of Fine Arts in Washington, D.C., later this year. HUD will also issue a catalog on functional environmental art and artists that can be used by individuals and organizations across the Nation.

HUD Suspends New Mexico Land Development

An order suspending sales of "Colonias de Santa Fe" by the Sangre de Cristo Development Company. . . located about 5 miles north of Santa Fe, New Mexico, will remain in effect until the company accurately reflects in its filings with HUD's Office of Interstate Land Sales Registration the facts affecting the development that provides full disclosure to the public.

OILSR previously took action to suspend the developer in August. . . charging Colonias with failure to disclose pertinent information in its Property Report and Statement of Record on file with HUD, including law suits involving the developer and the availability of water, electricity, and other services such as schools, police, and fire protection. Despite OILSR objections, the hearing examiner on those charges granted a postponement of the hearing to December 13, 1972. The postponement was in conjunction with the developer's voluntary suspension of sales until that time.

However, on the basis of the filing of new amendments by the developer to its previous filing, and due to the complexity of the issues involved and the multitude of problems, OILSR has issued the indefinite involuntary suspension order, which is considered to be "necessary and especially urgent in view of the fact that the voluntary suspension expires at midnight on December 12, 1972."



Institute Studies CDC

Since they were inaugurated in the early 1960's. . . about 80 community development corporations (CDCs) have been created. . . mostly in the larger cities. A CDC typically has as its objective the improvement of conditions in minority neighborhoods, increasing the economic strength of the poor, and fostering minority enterprise. Generally. . . this is done in a variety of ways. . . including rehabilitation of existing housing and building new housing, operating day care centers, job training and referral centers, and many other community services. Groups of businessmen, civic leaders, church, or public agencies and foundations have been the launchers and supporters of CDCs.

A study of the operations of these CDCs. . . their effectiveness and significance. . . is now underway by the Urban Institute. . . funded by the Ford Foundation. . . to be completed in a year.



Business Must Help Solve 'Real City' Problems

HUD General Assistant Secretary Samuel C. Jackson has told members of the Connecticut Savings Bank Association meeting in Atlantic City, that technological successes in the United States, "including an unprecedented level of housing production," are creating a whole new generation of problems in the Nation's central cities.

Advances in transportation, communications, manufacturing, and retailing. . . as well as housing. . . have accelerated the movement of jobs, factories, housing, and business opportunities into suburbia's shopping malls, housing developments, and industrial parks . . . he pointed out. . . leaving the central cities with declining tax bases, diminishing public services, deteriorating business districts, and neighborhoods.

"These problems," he warned, "are critical enough to shake public confidence in the future of our cities; they pose not only a threat to the business and financial community, but to the Nation as well. . . for central cities are in fact the heart of our metropolitan regions."

Mr. Jackson commended CSBA for its role in the Hartford Process, and challenged his audience to find new ways to resolve "real city" problems. The success of Federal efforts to channel urban growth and overcome "real city" problems will depend in large part upon an innovative response from the American business community.

Publications Available

Ford Foundation Assistance for Housing... covers the Foundation's housing grants and investments... totaling \$25 million... in the past decade. Available from the Foundation's Office of Reports, 320 East 43rd Street, New York 10017. Free.

1972 Builders Guide to Manufactured Homes... published by the National Association of Building Manufacturers. A limited supply available from NABM, 1619 Massachusetts Ave., N.W. Washington, D.C. 20036. Price \$2.00.

The DMG Bulletin... a quarterly journal of the Design Methods Group... replacing the DMG Newsletter... published by the Design Methods Group, School of Architecture and Environmental Design, California State Polytechnic University, San Luis Obispo, California 93401. Subscription (U.S.): firms, libraries, and institutions... \$16... foreign \$17; individuals... \$10.00... foreign \$11.

The following Census publications are for sale by the Superintendent of Documents, Washington, D.C. 20402.

State Economic Areas... presenting 1970 Census statistics on the general social and economic characteristics of inhabitants of each of 510 economic areas of the United States. The information in the new report generally is a consolidation of data from tabulations for individual counties and other areas already published in the Volume 1 report series for the various States, numbered PC(1)-C. Price \$3.50.

Detailed Housing Characteristics, U.S. Summary. Detailed data from the 1970 Census for each State and the District of Columbia... presented on such characteristics of U.S. housing as occupancy; utilization; financial; structural; plumbing; fuels and appliances; and equipment. Tables are presented for the U.S.; its major regions and geographic divisions; States; inside and outside Standard Metropolitan Statistical Areas (SMSA's); SMSA's (inside and outside central cities); urban and rural; and places of 100,000 population or more. Separate tables deal with the characteristics of housing units with Negro head of household. Price \$2.00.

Also, a new map showing migration... county by county... of the U.S. population between 1960 and 1970 has been published. The map, *GE-50, No. 44*... shows in color the net migration... the number of persons moving into each county minus the number moving out. It is one of the three principal components of population change—the other being births and deaths. Price 30 cents.



Significant Decision

A recent Utah Supreme Court decision... (*Peterson, et al, v. Fowler, 27 Utah 2nd 159, 493 P 2nd 997, 1972*) ruled that an architect was not responsible for a workman's death when a scaffolding collapsed during the construction of a sports arena. The court held that the architect "neither designed it, constructed it, nor designated any material for it, nor did he have anything to do with renting or maintaining it. His responsibility was to his client, the building owner," the court ruled, "and his duty in that regard was simply to see that the sports arena would be safe for the uses to which it would be put when finished... It is not the duty of the architect to see that contractors furnish their employees with safe places to work."

HUD newsletter
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
OFFICE OF COMMUNICATIONS
WASHINGTON, D.C. 20410-1002

November 20, 1972
HUD-318-46-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$1.50 per year, domestic... \$2.00 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD

DEPARTMENT OF HOUSING
newsletter
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



November 27, 1972

Vol. 3 No. 48

LIBRARY
WASHINGTON, D.C. 20410

Current Trends

Tenant membership on Local Housing Authority Boards has doubled in two years. In 1970... only 43 LHAs had tenant representatives. Of the 86 currently serving... most are in the East and Midwest... with fewer in the West, Southeast, and Southwest.

Sealed bids will be opened at noon (EST) December 6, 1972, by local housing authorities in 26 States on 42 tax-exempt bond issues totaling approximately \$282.5 million.

Proceeds of the bond sales will be used to reimburse the Federal Government for funds advanced to local housing authorities for low-rent projects already completed and to provide additional funds to complete projects. A total of \$8.702 billion in housing bonds have been issued since July 1951... of which over \$1 billion has been retired.

Project notes totaling \$487.4 million... representing 102 local housing authorities have been sold... at an average interest rate of 2.735 percent. The interest rate last month was 3.02 percent. The average maturity of the notes sold was 7.5 months.



Nation Needs Basic Change Says Romney

Drawing on his automobile experience... Secretary Romney told the annual conference of the National Association of Real Estate Boards in Honolulu that "the time has come for America to make a basic model change... not just a face lift."

Mr. Romney said the Nation must move away from the 'gas-guzzling dinosaur' era of ineffectively throwing increasing billions of dollars to solve problems and move to the 'compact car' of effective problem solving by revitalized State, local, and private agencies. "The Nation must turn from wasteful, extravagant, ineffective massive Federal controls and programs to a reassertion of the basic genius of earlier America... the renaissance of individual and voluntary group initiative, the restoration of balanced, sensible collective bargaining, the restoration of a dynamic competitive enterprise system, and the reinvigoration of responsible State and local government.

"In addition... there is an urgent need for a basic new model in the housing and urban development field. We do not have a housing or urban policy today. We have an accumulation of odds and ends. If we have learned anything, it is that housing by itself cannot solve the problems of people who may be suffering from bad thinking, bad habits, lawlessness, laziness, unemployment, inadequate education, low working skills, ill health, poor motivation, and a negative self-image. Only a new integrated housing and social system at the local level can effectively attack these problems. Only State, local, and private agencies will ever be able to do what needs to be done... if it is to be done at all.

"Housing assistance must be tied to law enforcement, education, skills training, job placement, health care, and other forms of help. We need... at the local level... a systems approach to individual human need. Just throwing more billions at these problems without reorganizing our basic attack will perpetuate the billions of wasted taxpayers' dollars. The drift to a centralized, federally strait-jacketed society is still with us. But, no one can solve the serious problems threatening our Nation's future unless more will do their part... not only State and local governments, but private and voluntary organizations, and most of all the family and the individual."

Governmental Tax Revenue Dropped Slightly During Fiscal 1971, Census Reports

Taxes collected by Federal, State, and local governments in the fiscal year ending June 30, 1971, were slightly lower than a year earlier, while revenue from all sources was higher, an annual report from the Census Bureau shows.

New tax revenue (excluding refunds) collected by all governments in that year, totaled \$232.3 billion, slightly less than the \$232.9 billion collected a year earlier. However... revenue from such other sources as insurance trusts, liquor stores, utilities, and operation of various semi-commercial services brought the fiscal 1971 total up to \$342.5 billion or \$8.7 billion more than was received in fiscal 1970. In addition to the tax revenue... other miscellaneous revenues were received.

The \$232.2 billion in tax revenue includes \$128.3 billion from individual and corporate income taxes (\$98.1 billion from individuals and \$30.2 billion from corporations); \$52.7 billion from sales, gross receipts, and customs; \$37.9 billion from property taxes; and \$13.4 billion from all other tax sources.

About 60 percent of all net tax revenue is collected by the Federal Government... State governments collect about 20 percent... and the rest is local taxes. Federal tax revenue is chiefly from income taxes, and local governments depend primarily on the property tax. More than half of State tax revenue comes from sales and gross receipts taxes and selective taxes on motor fuels, liquor, tobacco, and other commodities and services.

Governmental expenditure totaled \$369.4 billion in fiscal 1971... \$36.4 billion more than during the previous year. Of this... \$214.7 billion went for current operation... \$48.8 billion for capital outlay... \$25.4 billion for assistance and subsidies... \$22.5 billion for interest on debts... and \$58.0 billion for insurance benefits and repayments.

Indebtedness by all governments amounted to \$557.0 billion at the end of fiscal 1971 compared with \$514.5 billion a year earlier.

Single copies of the report, *Governmental Finances in 1970-71, GF71 No. 5*, may be obtained for 60 cents each from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402.



Housing-Nursing Home Project for Elderly Approved

Pitman Manor... a Section 236 subsidized mortgage project of Methodist Homes of New Jersey... has been approved. The project... a combined housing for the elderly and nursing facility... is located in Pitman, N.J., some 20 miles south of the Philadelphia-Camden area. Section 236 is a financial assistance program of mortgage interest payment subsidies for qualified multi-family projects. Its 40-year \$4,252,200 mortgage will be supplemented by a \$700,000 subsidy from the Methodist Homes parent organization. Construction has begun and initial occupancy is scheduled for December 1974.

The sponsor's \$700,000 will be used to equip the nursing home and provide the special long-term care services... and the sponsor will assume responsibility for any operating deficits that may be sustained. In the project... long-term care facilities will be provided in close proximity to the elderly housing so that the occupants living independently may avail themselves of the nursing home services on an "out-patient" basis without the necessity of premature institutionalization.



First Hospital Mortgage Insurance in Puerto Rico

The first hospital mortgage insurance commitment in Puerto Rico was issued under Section 242 for \$5 million. The hospital... Asociacion de Senoras Damas del Santo Asilo de Ponce... will have 350 beds and an estimated replacement cost of \$14 million. The difference between the mortgage and the estimated value will be covered by local financial contributions, HEW and Hill Burton funds, and the value of the existing structures.

Housing Subsidy Programs 'Effective'

A study described Federal programs providing subsidies for home purchase and rental as "basically sound... and effective instruments for meeting the key objectives of housing subsidies." The study was conducted by the Real Estate Research Corporation of Chicago... under a joint contract with the National Association of Home Builders, the National Association of Mutual Savings Banks, and the U.S. Savings and Loan League

Referring to Sections 235 and 236... the study concludes: "we believe their basic designs are sound, although some modifications can improve them." The report continues:

"The often-drawn conclusion that existing subsidy programs are failing or generally are ineffective is based upon three errors frequently made by critics. These critics either focus solely on the deficiencies of the programs and ignore their benefits, or they fail to recognize that any program designed to serve multiple objectives will inescapably be ineffective in achieving some of these objectives because there are inconsistencies among objectives. Or they use performance standards for 'normal' non-subsidized housing creation (such as default rates) to evaluate subsidy programs, even though the latter must cope with major social problems that do not encumber the former. These problems include poverty, deteriorated neighborhood surroundings, and accommodating destructive households.

"Thus, Federal housing subsidies ostensibly aimed at meeting housing needs are also compelled to bear large 'excess burdens' of coping with major social problems other than providing shelter. This distorts the shelter-oriented effectiveness of such subsidies, not because of inherent deficiencies in them, but because of society's failure to cope with these social problems in more direct ways."



Turnkey III Regulations Published

HUD's regulations for the Turnkey III Homeownership Opportunities Program were published in the *Federal Register* on November 4. The program is designed to encourage public housing tenants to become homeowners through the purchase of Local Housing Authority-owned dwellings. The regulations are tied to a training program which will be conducted in HUD's 10 Regions to orient LHA staff members, HUD employees, and representatives of homebuyers' associations about the program and its philosophy. The sessions will be run for HUD by the National Association of Housing and Redevelopment Officials.



Nonprofit Sponsors Vital in Housing Goals

Nonprofit housing sponsors have been a major factor in the Federal Government's record production of low- and moderate-income housing. Addressing the Nonprofit Housing Center's three-day national conference in Washington, D. C., HUD General Assistant Secretary Samuel C. Jackson acknowledged that conferees and their parent organization have contributed "substantially" to housing production records established over the past three years: "400,000 units in 1970, and more than 450,000 units in 1971, in comparison to some 186,000 housing units constructed in 1969. This year, we expect to top 500,000."

"Despite this progress... and your substantial role in it... we still face the serious and persistent problems of housing deterioration, overcrowding of families and the mounting rate of housing abandonment in our central cities," Mr. Jackson continued. Seven percent of the Nation's housing units... "some 14 million Americans... still live in dilapidated housing, eight percent are seriously overcrowded and more than 700,000 housing units across the Nation are abandoned each year, he reported.



FYI

Ball State University... Dedicatory Convocation of its new College of Architecture and Planning Building, Muncie, December 2. Details from the Dean of the College of Architecture and Planning, Muncie, Indiana 47306.

Recent Ford Foundation Grants

American Institute of Architects Research Corporation, \$30,000, for a conference to examine problems of implementing an Institute report on national urban growth policy. The report called for major changes in city government, tax policies, and neighborhood development.

Bedford-Stuyvesant Restoration Corporation, \$100,000 supplement for administrative costs of operating various community development projects in Brooklyn's Bedford-Stuyvesant area which is New York's largest black community... plus \$10,000 to enable staff members to visit other community development corporations.

Foundation for Community Development, \$400,000, continued support for projects that assist rural blacks in North Carolina. Funds will be used for economic research and development, and leadership training in housing, day care, health, and business management.

Community Programs, Inc., \$33,000, partial support of an inventory of church land in the Chicago metropolitan region that might be used for low- and moderate-income housing development. In addition to identifying sites dispersed throughout the Chicago area, the inventory is expected to serve as a pilot for a nation-wide survey of church lands planned by the National Housing and Human Development Alliance, an ecumenical group.

Metropolitan Applied Research Center, \$500,000, for research on urban and minority group problems, staff support, and fellowships and internships for social scientists and urban workers. Established in 1966, MARC conducts a range of programs dealing with cities, the poor, and minorities.

Rutgers University, \$45,000, for continued study of the Newark watershed, an undeveloped 36,000-acre area 30 miles from the city. The University's Office of Newark Studies has prepared a land-use plan for the area that includes controlled development, recreation, and preservation of a portion as wilderness.

Urban Institute, \$235,745, for a study of the effectiveness of community development corporations in bringing about economic and social change.

State of Vermont, \$15,000, for an assessment of existing legislative and administrative decisions that establish the legal basis for the enforcement of the State's comprehensive land-use and development act.

Washington Center for Metropolitan Studies, \$75,000, for a study, based on 1970 census data, of the movement of blacks to the suburbs around Washington, D. C.



Notes From Here and There

Edward M. Lamont of Washington, D. C., has been appointed Director of HUD's Office of New Communities Development. He previously served as Deputy Director and Acting Director of the New Communities assistance programs for the past 15 months. . . and was formerly a vice president of a New York banking firm and an authority in development finance for the World Bank and its affiliates.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



December 4, 1972

Vol. 3 No. 49

LIBRARY
WASHINGTON, D.C. 20410

Current Trends

Home building bounded back in October with 2 percent increase in starts over September. . . and 19 percent above October of last year. . . bringing the seasonally adjusted annual rate to 2.410 million. The entire increase came from multifamily starts. . . while single family starts showed a decline. The actual starts were 213,000 units in October. . . 16 percent higher than in October 1971. Total starts (public and private) for 1972 from January through October reached 2.031 million units. . . 18 percent higher than a year ago. Except for 1971. . . this 10 month start record exceeds any previous full year in history.

Permits issued last month for new housing units dipped slightly. However . . . indicators continue to point to a vigorous housing and mortgage market in the months ahead. Home sales and apartment rentals are at near-record levels. . . national vacancy rates remain low. . . interest rates appear to have stabilized. . . and savings flows are heavy. Most analysts expect starts to top 2 million next year for the third consecutive year.

Two major bimonthly surveys of consumer home-buying intentions reported opposite trends in October. The Census Bureau's index of household plans to buy new homes within the next year reached a new high in October. . . showing buying plans 12 percent above the July level and 29 percent above the year earlier.

In contrast. . . the *National Industrial Conference Board's* October survey of plans to buy homes showed a decline for the third successive time. The *Conference Board* reports 2.7 percent of households contacted indicating plans to buy a home within the next six months, the lowest percentage since February 1971.

A recent HUD study shows that only 10 percent of the land acquired for community development programs during fiscal year 1972 was obtained by condemnation. The two principal programs of the Department in terms of acquiring real property are urban renewal and neighborhood development.

The *NAREB Market Report* reports: "Overbuilding in some areas has caused a temporary excess of supply over rental demand. . . particularly for apartments in large multifamily structures. Obviously. . . the surplus will influence rental income trends as owners offer incentives to attract tenants."

A trend for business to weigh all the economic factors of alternative sites and then choose the one nearest where the chief executive lives or plays has been noted by observers of business relocation. The preferences of the top officer of the company have played a part in recent corporate moves of several major corporations. . . according to *Business Week*. Of 13 major companies that moved from New York City to the suburbs since 1968, more than half the relocation sites were influenced by the place of residence of the chief executive officer, a consultant told the magazine.

FNMA has accepted bids of \$49.2 million for four-month commitments to purchase 7 percent government-backed home mortgages. A total of \$78.7 million was offered. The average yield of 7.723 percent was down slightly from the FHA/VA auction held two weeks earlier.

HUD Issues Series on Family Planning

HUD has announced publication of a four-booklet series designed to aid local officials in developing and administering family planning programs as part of local health care systems.

The series, titled *Family Planning*, is the product of an 18-month technical assistance effort involving 20 Model Cities during 1970-71.

The objectives of the project . . . carried out under a HUD contract with Westinghouse Learning Corporation . . . were to increase Model Cities capability in functional programming, to increase the effectiveness of the operating agency, and to aid in improving the Model Cities planning processes.

Each booklet of the series contains selected references:

I. The Concept. Provides basic information on health and social implications for developing a family planning program; presents an overview of the elements of such programs, and of potential institutional arrangements for implementing the program.

II. Program Planning. Provides the order of tasks required in program planning, as well as procedures. Presents suggestions for organization, assessing needs, identifying and mobilizing local resources, determining program scope and structuring, funding sources, and development of grant applications.

III. Getting and Keeping Your Program Going. Indicates possible trouble areas, and suggestions for solving problems. Includes staffing program, orientation and training, physical layout of the clinic, equipment and supplies, information and education, and records and reports.

IV. Improving Your Existing Program. Suggestions on improving the operating plan including program evaluation, role of the consumer, boards, and committees, involvement of special groups and other community services.

Copies of the complete four-part monograph may be obtained for \$4.50 (sold only as a set) from the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402.



Indian Success Story

An unusual housing project has been completed. In early 1971 . . . HUD waived competitive advertising requirements to permit a negotiated contract between the Rosebud Housing Authority . . . on the Rosebud Sioux Reservation in South Dakota . . . and Lakota Enterprises . . . an Indian contracting firm. While the firm had no experienced management personnel, no skilled workers, and no record of achievement, it was considered a worthwhile effort to permit the company to undertake a \$1.2 million site improvement job to prepare the land for 600 homes on the Reservation.

The experiment proved eminently successful. A labor force of between 60 and 70 men worked on the project . . . 95 percent of them Indians . . . and a cadre of trained, experienced construction workers has emerged. Among 26 workers . . . who started as laborers . . . are skilled heavy equipment operators, cement form-setters, finishers, masons, a heavy equipment mechanic, truck drivers, and gutter machine operators. Three of the men are holding supervisory positions . . . and two men, who couldn't even start a tractor when the project began, are employed as tractor operators in Rapid City . . . earning \$5 an hour.

Lakota Enterprises has taken on other contracts . . . won in competition with other firms . . . and has become part owner of a new house building firm . . . which is 64 percent Indian owned. The managers of Lakota are looking forward to entering the general contracting field.

Cambridge Bills 'Exempts'

Cambridge, Massachusetts, is the home of Harvard, MIT, Radcliffe, and some 60 other institutions... all of which are exempt from the payment of real estate taxes on their property. The city has billed these institutions... "respectfully requesting" voluntary payments... in the amount of \$1.6 million. The amounts requested are based on the value of the land occupied... not on the buildings. It is believed that this is the first instance where a city has done this. Half of the land in Cambridge is occupied by tax-exempt uses... creating a fiscal problem of a greater magnitude than most cities of its size. The bills run from a "few hundred to many thousands," a city hall spokesman said. One source said Harvard's bill was "nearly \$100,000." While a number of the "exempts" make voluntary payments in lieu of taxes... their contribution to municipal costs is much less than it would be if taxes were collected.



Census to Expand Housing Data

The Census Bureau will expand its survey of new housing starts and completions starting in January 1973, to include new places and a number of new questions which will eventually result in publication of additional new data for multifamily buildings.

The new information will provide more reliable statistics than the "guesstimates" now being quoted on town houses, condominiums, construction costs, and on selected characteristics of apartment houses.

The new data will cover only multifamily buildings... including town house apartments. Currently, there are no accurate national or regional statistics on the number of town house units built, nor on the number of new town houses and conventional apartment units sold under condominium ownership.

The new questions will seek information on the number of bathrooms per unit, type of air conditioning, type of heating fuel, availability of swimming pool and other recreational facilities, and selected construction costs.



Partnership Corporation Active

In connection with the Industrialized Building Exposition and Congress in Louisville early in November... the *National Corporation for Housing Partnerships* issued a report on its activities. The Partnership... a private corporation created by Congress... was financed by 270 leading industrial corporations, utilities, labor organizations, insurance companies, and financial institutions to stimulate the construction of low- and moderate-income housing. Since beginning operations in June 1970... NCHP has given approval to 121 projects in 32 States. The projects involve 20,000 dwelling units... with accommodations for 60,000 people. Over 10,000 units... in 62 projects in 27 States... are currently under construction or completed. The Corporation's equity capital commitments for these projects total \$27 million. An additional \$2.8 million in seed money has been advanced for land options, land purchases, and other requirements... with total construction cost of \$402 million for the projects.



Project Completion Rate Increases

The number of conventional urban renewal projects completed in the first 10 months of fiscal year 1972 exceeded the number completed in the comparable period of FY 1971 by 63 percent. Through April 30, 1972... the number of renewal projects completed since the inception of the program in 1949 rose to 650... of which 62 were completed in the first 10 months of FY 1972. In the comparable period of FY 1971 there were 38 completions. There were 1,243 conventional renewal projects underway in 728 communities... and 229 Neighborhood Development Programs underway in 229 communities.

New Publications

Some call it solid waste; others, refuse disposal. But to millions of city dwellers it's still garbage... and today it's big business... for both private enterprise and local governments. What's the best way to collect solid waste and how can local governments determine if they're doing a good job? Two studies recently published by The Urban Institute seek to answer these questions.

How Shall We Collect the Garbage? Dennis Young examines the kinds of economic arrangements that are most likely to bring about improved efficiency and lower costs in garbage collection. *In How Clean Is Our City?* Louis H. Blair and Alfred I. Schwartz analyze a system they helped design to measure and evaluate the solid waste collection program in Washington, D.C. Price \$1.95 each from the Urban Institute, 2100 M St., N.W., Washington, D.C. 20037.

Women and Blacks in Planning: 1972... a memo report recently released by American Society of Planning Officials Planning Advisory Service... reports data on women and blacks from the questionnaire for the annual Planning Advisory Service Report, Expenditures, Staff and Salaries of Planning Agencies. Price \$1.00 from ASPO, 1313 East 60th Street, Chicago, Illinois 60637.



Public Housing Articles Available

Reprints of two significant articles on public housing: *Public Housing's Neglected Resource: The Tenants...* which appeared in the Fall 1972 issue of *City...* published by the National Urban Coalition, and *Too Poor for Public Housing...* which appeared originally in the May/June 1972 *Social Policy...* may be obtained free on request from the National Housing and Economic Development Law Project, University of California, 2313 Warring Street, Berkeley, California 94704.



Notes From Here and There

Mrs. Samella Gates has been appointed Director of the Kansas City (Mo.) Model Cities Agency... the first woman to be appointed a major municipal department head in the history of Kansas City.

An Office of Housing Technology has been established by the National Bureau of Standards... and is expected to bring an interdisciplinary approach to solutions of housing problems. Dr. E.O. Pfrang has been appointed chief of the office, which will be within the NBS Building Research Division.

HUD has approved a proposal by the National Association of Real Estate Boards to combine on one poster the message of NAREB's Code for Equal Opportunity with HUD's Equal Housing Opportunity statement. The red, white, and blue poster... to be displayed by individual realtors... will demonstrate the realtor's voluntary cooperation with the program to prohibit discrimination in the sale or purchase of real estate.

On Election Day... November 7... the United States population passed the 210 million mark. On that date, the "Census Population Clock" registered 210,002,963 Americans, including the Armed Forces and Americans residing abroad. Approximately 140 million of those Americans were old enough to vote.

HUD newsletter
U.S. Department of Housing and Urban Development
Washington, D.C. 20402

December 4, 1972
HUD-318-48-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$3.50 per year, domestic... \$4.50 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410, (202) 755-5280



December 11, 1972

WASHINGTON, D.C. 20410

Vol. 3 No. 50

Current Trends

HUD's November survey of builders' plans showed a slight drop in builders' optimism. Of those contacted... 13 percent are planning fewer starts... compared to 10 percent a month ago.

In the apartment field... there is a renewed vigor in the rate of absorption of new units. Nationwide... 73 percent of the units completed during the second quarter were rented within three months... compared to only 61 percent for apartments completed during the first quarter. The national vacancy rate in October stood at 5.8 percent... virtually unchanged from the second quarter.

In spite of some recent uptrends... there are signs of easing pressure on mortgage interest rates. GNMA's November 8 auction brought an average yield of 7.58 percent... down from 7.61 percent in mid-September. A very healthy \$736 million in purchase offers were received by GNMA for the \$151 million of loans offered for sale.



Secretary Romney Resigns

George Romney... Secretary of HUD since January 1969... has resigned and the President has accepted his resignation. Mr. Romney's future plans involve working with a coalition of concerned citizens... which he hopes will be able to focus attention on major public issues. In announcing his resignation... the Secretary said:

"The greatest need in America is to strengthen its voluntary and private aspects including our political processes. There is growing need for adequate citizen participation in the national decision process and our domestic public problems cannot be solved without a greatly expanded voluntary and private organizational attack on them.

"The success of my effort will depend on those participating doing so as citizens. It is time to put our citizenship responsibilities above all other responsibilities except those to our Creator, church, and family. Only thus can we make our Nation's political and governmental and private responses capable of solving today's new and unprecedented domestic challenge."



Local Revenues and Expenditures Double

Revenues and expenditures by local government units within the 72 largest metropolitan areas in the U.S. more than doubled between 1962 and 1971, the Census Bureau reported. General revenue for the 12,800 local governments in the 72 SMSA's amounted to \$56.7 billion in 1971, compared with \$22.6 billion in 1962. Expenditures during the same period totaled \$58.2 billion. The figure in 1962 was \$23.6 billion.

More than half of the general revenue in 1971—50.1 percent—came from property and other taxes. Nearly two-thirds of the revenue in 1970-71 was derived from locally-imposed taxes, charges and miscellaneous nontax local sources. Payments from States and the Federal Government to local units accounted for the remainder.

Copies of the report, "*Local Government Finances in Selected Metropolitan Areas and Large Counties: 1970-71*," GF71, No. 6, may be obtained for \$1.25 from the Superintendent of Documents, Washington, D.C. 20402.

Choices for '76

An innovative research project has been funded by HUD under the Section 701 Planning Assistance Program. A \$300,000 grant to the Regional Plan Association of New York will provide for the initiation and ultimate evaluation of the most massive citizen participation effort of this type ever attempted. The program will utilize television to focus attention on a series of major issues facing the entire New York Region.

The project will involve 18 TV stations... which have agreed to participate... in televising six 1-hour programs... one each covering: Housing, Transportation, Environment, Poverty, Urban Growth, and Government Structure. The first five programs will run in March and April 1973. The sixth... in September... will summarize the first five and reflect the opinions expressed in the first series. As a result of the HUD grant... private corporations and foundations have been stimulated to invest in the project... and over \$2.5 million has been pledged. It is hoped to enlist hundreds of thousands of citizens into small Town Meeting groups. A new book... written by Pulitzer Prize winner Bill Caldwell... will soon be published by the New American Library... and will be made available to those participating... so they may be made aware of the issues, details, and alternatives regarding future growth and development in the Region.

With over one-tenth of the Nation's population residing in the New York Region... the area is a fitting laboratory for this comprehensive and significant experiment. It is hoped that other regions in both the U.S. and abroad will benefit from the results of this effort.



1973 Seen as Good Housing Year

The housing boom will continue... but at a slightly reduced level in 1973... and both the demand for housing and the supply of mortgage money will support a level of starts in excess of 2 million units... excluding mobile homes. And this will be the third consecutive 2-million-unit-year. These were among the predictions made at the annual convention of the *National Association of Real Estate Boards* in Honolulu by Woodward Kingman, President of HUD's GNMA.

The forecast was for a slight decline from this year's unusually high level of 2.35 million starts... as the tremendous backlog of demand built up during the tight credit period of 1969-70 is worked off. Several factors... however... will sustain high production volume; the increased rate of new family formations... relatively low vacancy rate... the high level of federally subsidized housing starts... the increasing mobile home sales... the high rate of savings flows and a continued availability of mortgage money from sources other than the usual thrift institutions.

Mr. Kingman felt that housing activity will also be helped by a leveling off of demand for non-mortgage credit... as corporations and State and local government borrowings reach a lower plateau than last year.



Urban Data System Report Completed

✓
Haw?
Hf
A final report on the design and pilot testing of a computerized urban development information system has been prepared by Fairfax County, Virginia, under a HUD contract. Known as the *Urban Development Information System (UDIS)*... the project involved the design and pilot testing of the system to help record and plot urban growth in relation to planned public facilities. Initial testing of the concept over a 15.9 sq. mile area in Springfield, Virginia, was successfully completed with a \$125,000 HUD contract awarded in November 1970.

An additional \$226,000 in HUD funds was awarded last April for testing and implementing the system on a county-wide basis. That phase is expected to be completed by April 1973. Copies of the report *Urban Development Information System, Fairfax, Virginia*, are available at \$3.00 for the hard copy or \$.95 for microfiche from the National Technical Information Service, Springfield, Va. 22151.

Model Cities May Study City-wide Problems

Model Cities have been authorized to finance studies of their activities which might be used to help solve city-wide problems... under a new HUD policy. Eligible activities include:

- Studies of the Model Cities approach to planning, budget, and management.
- Planning of a transition of Model Cities projects and staff into city-wide activities.
- Examination of Model Cities experience with citizen participation and its applicability on a broader scale.
- Studies of the techniques for inter-agency and inter-governmental operations developed in the Model Cities programs.

Funds for these new activities must come from the yearly grants to the Model Cities... and no additional money will be provided.

At present... a demonstration program called Planned Variations involves 20 Model Cities... with 16 of them empowered to extend their programs citywide, and the remaining four cities used for executive review and comment. The program is in its second year and all the cities received supplemental funds in addition to their usual Model Cities annual grants. The program seeks to determine the effects of giving local officials greater flexibility in setting local priorities, and discretion in the use of the additional funds.

The Model Cities program... based on a five-year work program following planning... involves 147 cities, and is in various stages, ranging from the second to the fourth year of its actions programs in the various cities.



New Publications

The sixth edition of *Metropolitan Area Statistics*... a reprint from the 1972 edition of the *Statistical Abstract of the United States* has been issued by the Census Bureau. The 66-page booklet presents recent data for the 148 Standard Metropolitan Statistical Areas (SMSA's) in the United States having 200,000 or more inhabitants in 1970. A total of 216 items is shown for each SMSA, including 87 items from the 1970 Census of Population and Housing. Copies of *Metropolitan Area Statistics* may be purchased from the Superintendent of Documents, Washington, D.C. 20402. Price per copy is 35 cents.

Census Data for Community Action. This pamphlet... prepared by the Census Bureau... is designed to assist community groups in using census data in assessing neighborhood problems and planning action programs. Basic information is based on the questions asked in the 1970 Census. Emphasis is placed on the use of census tract reports and block statistics reports... and several examples are given of how statistics from these reports may help... and cover such activities as planning adult education programs, assessing the need for day-care centers, and evaluating the impact of expressway construction.

Copies of *Census Data for Community Action* may be obtained from the Publications Distribution Section, Washington, D.C. 20233. Price 50 cents.



Rural Housing Loans Made

The Housing Assistance Council... which is funded by the Office of Economic Opportunity to assist in bringing subsidized housing to rural people of low income... has announced interest-free loans to 14 rural housing organizations. More than 1,000 units of housing in the rural areas of 10 States and the Virgin Islands are planned under the \$495,000 loan amount. In announcing the group of loans... Gordon Cavanaugh, the Council's Executive Director, said: "It is estimated that for every nine Federal dollars spent in cities, only one is spent in rural areas. Neglect in the form of unbalanced allocation of resources has been the Government's rural policy so long, we're beginning to reap what we haven't sown. Today... one rural house in seven is substandard. In cities it's one in 25."

Census Social Report

The Census Bureau has issued a report covering the social and economic characteristics of the American people. . . as derived from the 1970 Census of Population and Housing. Some of the items reported:

- Nearly one of every five workers who live in U.S. metropolitan areas must cross county lines to get to work. 18.5 percent of all metropolitan commuters live and work in different counties.

- Slightly fewer Americans changed residence in the latter half of the 1960's than during the corresponding half of the 1950's. 53 percent of the population 5 years and over were living in the same residence on April 1, 1970, as five years earlier. The 1960 census showed 50 percent in the same residence as in April 1955. Most of the moves were for relatively short distances. About 23 percent of the population, 5 years and over, moved to another dwelling within the same county, while another 17 percent reported previous residence in another county.

- Four out of 10 women aged 14 years and over were in the labor force in 1970, compared with the one in four who were employed or actively seeking work in 1940. Results from the 1970 censuses compared with earlier censuses also showed that women in the labor force accounted for 29 percent of the total county of women 14 and over in 1950 and 34.5 percent in 1960.

- Almost 2.7 million employed Americans worked at home in 1970. Farmers made up the largest number in this category. The county also determined that one million of those who worked at home lived in rural areas and were mostly farmers. A total of over one million were urban dwellers and another half million resided in nonfarm rural areas.

- The number of American men and women working for various Federal, State, and local government agencies has increased by nearly 4.5 million. Based on 1970 figures, the report shows that government agencies employ more than 12.3 million Americans. . . or 14 percent of working men. . . and 19.5 percent of working women. In 1960, 7,859,997 Americans or 10.8 percent of the men and 15 percent of the women worked for Federal, State, or local governments.

Copies of the report. . . *General Social and Economic Characteristics, U.S. Summary, PC(1)-C1*, may be purchased for \$2.25 from the Superintendent of Documents, Washington, D.C. 20402.



Chattanooga Plans Government Reorganization

With Section 701 assistance. . . Chattanooga, Tennessee, has developed plans to reorganize its municipal government framework including, as a long-range goal, the institution of a Community Development Department. . . within which there would be three divisions responsible for Human Services, Community Services, and for Financial, Budget, and Administrative Services. The City has defined and scheduled a two-phase program: (1) To strengthen the capability of the Mayor and City Commission to understand and respond to the needs of the Chattanooga citizens. . . and to allocate city resources in ways which most effectively meet those needs; and (2) to improve the planning, coordination, delivery, and administration of public services to all residents of Chattanooga.



DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



December 18, 1972

LIBRARY

Vol. 3 No. 51

HOLIDAY GREETINGS
WASHINGTON, D.C. 20410
from all of us at HUD

New HUD Secretary Named

James T. Lynn... currently Under Secretary of Commerce... has been nominated by the President to succeed George Romney as Secretary of HUD. The nomination must be acted on by the Senate... when it reconvenes in January.



Current Trends

At the end of October... savings and loan associations had surpassed the record mortgage lending volume reached during the full year of 1971, and savings deposit gains through October came very close to eclipsing the record for the full 12 months of last year.

During October... S&Ls closed \$4.5 billion in new mortgage loans setting a new high for that month... and lifted total mortgage lending for the first 10 month of the year to \$42.3 billion compared to the \$32.6 billion for the same months of last year. More significantly... the lending volume in the 10 months of the current year exceeded the \$39.5 billion for the full twelve months of 1971 by 7.1 percent. Last year was also a record year with lending moving up over the prior high of \$25.2 billion. It is anticipated that the loan volume for 1972 will reach \$51 billion.

The Office of Management and Budget has authorized the release of \$100 million in HUD contract authority to help meet the operating deficits of Local Housing Authorities. Also... \$50 million was released to permit the production of new housing by LHAs.



Dividends to Housing Cooperatives Distributed

A \$7 million dividend has been distributed to management-type housing cooperatives with mortgages insured under Section 213 of the National Housing Act... bringing to \$18.6 million the amount of dividends declared to date in this program. There have been three previous dividend declarations, two in 1970 totaling \$5.6 million... and one in 1971 for \$6 million. They were based on the maintenance of mortgage payments by Section 213 cooperatives... and is the result of a 1965 amendment to the Housing Act... providing for dividend payments to the cooperatives when the loss ratio permits. Insurance premiums are paid to FHA for the account of insured mortgages on management-type housing cooperatives, and are credited to the Cooperative Management Housing Insurance Funds. Under the law... when these funds build to a safe amount over foreseeable losses... a dividend may be paid to eligible coops that have contributed to the fund.



Zero-Growth Birth Level Reached

The Census Bureau has announced that for the first time in history... the U.S. in the first nine months of 1971... reached a below-zero population growth level. The estimated fertility rate for the period... 2.08 children... was below the 2.1 average necessary for a zero population growth "replacement" level. The Bureau said that while the population is still growing... it was over 209 million at the beginning of December... the rate of growth is now only a little more than half the average for the 60's.

Economist Sounds Warning

One of the Nation's outstanding housing economists... George A. Christie of the F.W. Dodge Division of McGraw-Hill... sounded a note of warning to the homebuilding industry regarding overbuilding. Stating that the industry is running three years ahead of production schedules... he projected a temporary overbuilding which may cause a drop in production in the near future. "Sooner or later," he said, "a correction must take place to bring output more in line with what the market can absorb on a continuing basis." Christie predicted a 2.9 million-unit 1972 production... including 600,000 mobile homes... and a 15 percent decline in 1973... to a total of 2.45 million with 550,000 mobiles. The basic reason for the unprecedented volume of production in the past two years... according to the McGraw-Hill analyst was the tremendous jump in inflow of savings in building and loan associations. The money was available... so the housing was built. However... it brought about housing production in 1972 and 1973 that was originally planned for 1975 to meet the 10-year 26-million unit housing goal set in 1968.

The Dodge report listed housing production for the third quarter in the 10 largest markets: Chicago, New York, Houston, Denver, Washington, Los Angeles, Long Beach, San Francisco, Phoenix, and Detroit.



First Revenue Sharing Checks Mailed

On December 11... about 4,000 checks... the first Federal Revenue Sharing installment... were mailed to States and municipalities. The checks... estimated to total about \$2.5 billion... represent half the current year's payments... and will be followed by another payment of equal size in January. Thereafter... quarterly payments will be made. Some financial observers predict that much of the current payment will temporarily find its way into the short-term note market... as State legislatures and city councils decide how to allocate the funds to meet public needs.



HUD Official Decries Discrimination

Malcolm E. Peabody, Jr., Acting Assistant HUD Secretary for Equal Opportunity speaking at the annual convention of the National Association of Real Estate Boards in Honolulu... said that the practice of racial steering "in its viciousness and subtlety" was worse than the direct racial turndowns that once characterized the dual housing market. Characterizing 'steering' as a catchword for an entire galaxy of discriminatory tools employed by the real estate industry to channel minority expansion to selected areas, Peabody said the practice "preserves all-white areas and promotes ghetto expansion."

He said that as a result of the practice, "black prospects are drawn to property in black areas (and) white prospects are drawn to property only in white residential areas. This practice often led to blockbusting... whereby unscrupulous real estate agents and brokers create a panic situation in a white neighborhood that leads white homeowners to sell at deflated prices when black families begin to move in. Such housing is then commonly sold at inflated prices to black home buyers.

"Both racial steering and blockbusting are illegal under the Federal fair housing law... and both HUD and the Department of Justice will push for compliance with the law by legal means. The Justice Department had already been involved in major cases involving steering."

Mr. Peabody called on the realtors "for more action within your national, State, and local Boards to educate your agents, and to make group-support decisions calculated to see you through to community-wide compliance with nondiscrimination principles."



FYI

National Association of Home Builders... Annual Convention-Exposition... Houston, January 7-11. Registration: NAHB, 1625 L Street, N. W., Washington, D. C.

Notes From Here and There

Almost 6,000 delegates attended the 80th Annual Convention of the U.S. Savings and Loan League in Miami. Richard Gilbert of Canton, Ohio, was installed as the League's 1973 President. George Preston of West Palm Beach, Florida, is the new Vice President.

The November issue of *Nation's Cities Magazine* contains a six-article overview of the more than 1,000 State and Regional planning agencies and Regional Councils of Government ... which have received Federal grants in excess of \$200 million. The articles review the assets and liabilities of these groups. Copies of the special issue titled *Regionalism Today* ... are available for \$1 each from *Nation's Cities*, 1612 K Street, N.W., Washington, D.C. 20006.

The mayors of five of the world's largest cities (Tokyo, New York, Paris, London, and Moscow) met in Tokyo for three days to discuss the common problems of big cities everywhere. Following their meeting ... they agreed to meet again in Paris in 1974 ... and every two years thereafter in one of the participating cities. One subject the mayors all agreed on: the cities need massive infusions of cash to improve mass transit systems and help ease the strain on metropolitan services.

Malmstrom Air Force Base (Montana) has launched an unusual program. A series of race relations seminars has been instituted to educate landlords to accept the doctrine of equal housing opportunity ... along the lines used in Armed Forces race relations training courses. Plans are underway to extend the program to other military installations in the U.S. where black servicemen have been victims of discriminatory housing practices.

The Federal Court for the Southern District of New York has ruled that U.S. citizenship is not a requisite for admission to public housing. The White Plains Housing Authority ... which administers both Federal and State-subsidized public housing ... had refused housing to a Colombian family because of lack of citizenship. The Court ruled that the refusal violated the 14th Amendment "equal protection" provision.

Some 400 homes were wiped out or badly damaged by the heavy rains that caused flooding in the Gila River and San Francisco River areas of Arizona in October. At a ceremony recently ... attended by Governor Jack Williams, and Federal, State, and local officials ... the door key for the first mobile home to be provided for a family was presented. The HUD disaster team ... which had worked in earlier floods in Pennsylvania, New York, and California ... had moved into Arizona ... and along with OEP set up three "one-stop" centers for flood victims. Some of the temporary staff recruited for these centers were local people ... many of them Spanish-speaking ... who helped provide guidance, counsel, and advice to those made homeless.

The Federal Home Loan Mortgage Corporation has introduced a new single-family short-form mortgage document which will result in significant savings for future home buyers in mortgage recording fee costs. Use of the short-form document is now permitted by law in 17 States. The FHLMC short-form document has been developed to enable savings and loan associations to take advantage of State statutory provisions which authorized mortgage deeds of trust to incorporate provisions by reference to previously recorded "master" or "fictitious" mortgage instruments. States now permitting use of single-family short-form mortgages are: Arizona, Arkansas, California, Connecticut, and Washington.

In an unusual demonstration of international cooperation ... representatives of local governments in Canada and the U.S. have agreed to coordinate planning on both sides of the border in the Niagara Falls area. The agreement is a logical outgrowth of the 1970 HUD Section 701 Planning Assistance Grant to the Erie Niagara Regional Planning Board in New York State for an environmental study of the international border ... which paralleled a study on the Canadian side. A major focus of the joint effort is transportation planning and pollution abatement in the Great Lakes and Niagara River.

New Publications

The types and scope of relocation assistance available to those displaced from their dwellings or places of business by HUD-assisted local activities are covered in *How HUD Helps with Relocation*. The eight-page folder summarizes the financial assistance and services for which families, individuals, and business concerns may be eligible if they are forced to move because of local activities financed by HUD. Single copies of *How HUD Helps with Relocation* (HUD-76-CMP(2)) may be obtained from: Publications Services Center, Room B-258, HUD, Washington, D.C. 20410, or from HUD's Regional and Area Offices.

The Message from Stockholm... a leaflet outlining citizen action needed to realize environmental objectives... adopted by the 1972 Stockholm Conference has been published by the American Association of University Women and the United Nations Association of the U.S.A. The conference... convened last June by the United Nations... was the first world-wide gathering of policy-makers to consider environmental matters. The leaflet which was co-sponsored by 19 other national organizations... outlines the major points of the Declaration adopted by the 113 nations represented at the Stockholm meeting. Single copies are 25 cents each from the United Nations Association, 833 United Nations Plaza, New York, N.Y. 10017. Bulk orders of 100 for \$5.00 may be ordered from the AAUW, 2402 Virginia Avenue, N.W., Washington, D.C. 20037.

Guide to Federal Funds for Urban Programs at Colleges and Universities identifies 80 current Federal programs which support a wide variety of urban-oriented programs and activities. The broad spectrum of programs ranges from aging and alcoholism to welfare and water pollution; from community development and crime prevention to economic development and environment; from mental health and minority group development to teacher training and transportation. Research, training, and demonstration programs are highlighted. Published by the American Association of State Colleges and Universities this third edition updates, revises, and includes 19 programs not previously listed. Copies are available for \$5.00 from the Office of Urban Programs, AASCU, One Dupont Circle, Washington, D.C. 20036.



'Homesteading' in Cities Suggested by HUD Official

Homesteading in the Nation's cities... using federally owned housing... has been proposed by HUD Assistant Secretary Samuel C. Jackson as a realistic way to stem housing abandonment and improve central city neighborhoods.

Addressing the New York State Conference of NAACP in Binghamton, N.Y... Mr. Jackson said the concept of an Urban Homestead Act... giving federally held homes to families willing to live in them and put their "sweat equity" into them... is not unrealistic nor as costly as it might seem when weighed against its advantages.

It costs a great deal to take over, refurbish, and market a HUD-foreclosed house. Additionally, to operate and finance a housing subsidy program requires long-term Federal involvement and substantial amounts of money, he said.

As an alternative to declining central cities, and mounting abandonment, the Urban Homestead Act could produce "a motivation to increase productivity and levels of personal skills; a respect for property laws and a just order; social responsibility and neighborhood stability; and a popular trust and willingness to protect the Nation."

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Washington, D.C. 20410-2002

December 18, 1972
H17-318-50-PA

Published weekly by the U.S. Department of Housing and Urban Development... George Romney, Secretary... James J. Judge, Director of Public Affairs... James C. Biller, Editor. Subscription rate \$3.50 per year, domestic... \$4.50 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

HUD newsletter

OFFICE OF PUBLIC AFFAIRS
U. S. Department of Housing and Urban Development
Washington, D. C. 20410 (202) 755-5280



December 25, 1972

Vol. 3 No. 52

Current Trends

The Institute of Real Estate Management in its 1972 edition of *Apartment Building Income/Expense Analysis* reports that during the year 1971 rents rose... on a national average... 3.3 percent... compared to an increase of 8.3 during 1970. Operating expenses increased at a lower rate than in 1970... 4.1 percent in 1971... in contrast to the 8.3 percent rise a year earlier. The greatest increases in expenses during 1971 were in payroll, maintenance and repair costs, utilities, and insurance.

Bonds of 40 housing authorities... totaling \$268.2 million... were sold at the lowest interest rate in four years. The average cost of 4.8798 percent... was down from the last sale in September when the average was 5.2 percent. In November 1968... a bloc of bonds was sold for 4.8239 percent.

The Labor Department has reported a 8.2 percent increase in the average wage of union building industry craftsmen in October 1972 over a year ago. The average hourly wage was \$8.55 an hour including fringes. Plumbers were receiving the highest average wage... \$9.96 per hour... with bricklayers next at \$9.36... and electricians \$9.29. Laborers had the lowest rate: \$6.72. In the year before... from October 1970 to October 1971... the average rise had been 12.7 percent.

On December 5... FNMA issued \$30.9 million in four-month commitments to purchase conventional home mortgages at an average yield of 7.874. The range of accepted bids in the auction for nongovernment-backed mortgages was from 7.751 to 8.000... compared to the November 6th range from 7.800 to 8.175 and the average yield was 7.897. The next auction for conventional commitments will be held January 2, 1973.

There are reports that during recent weeks several large New York City banks have quietly raised the interest rate on conventional home mortgages to 7 1/4 percent... from the 7 percent level that had prevailed for some time.

A total of \$684 million in bids were received in GNMA's fourth auction of subsidized 7 percent FHA home mortgages... and the entire \$145 million package was sold at an average yield of 7.53 percent. The average price of bids accepted by was 96.08. In GNMA's previous auction of subsidized mortgages in November... the average price of bids accepted by GNMA was 95.71 and the average yield was 7.58 percent.

Project notes totaling \$43 million... representing 60 local housing authorities were sold December 5... at an average interest rate of 2.928 percent. The interest rate last month was 2.735 percent.



IRS Ruling For Replacees

The Springfield (Mass.) Redevelopment Authority with HUD cooperation has won its battle with the Internal Revenue Service over replacement housing payments to 29 families displaced by the Brightwood Urban Renewal Project over a year ago. The IRS attempted to collect income taxes on the replacement payments. Massachusetts is reported to be the only State in the country where such an effort was made. The Springfield LPA has announced that the IRS has now ruled that replacement housing payments should not be included in the gross incomes of the recipients. One replacee had paid \$569 to IRS... will receive a refund plus 6 percent interest.

HUD's Region VI Office Moving

The headquarters of HUD's Region VI will be moved from Fort Worth to Dallas, Texas. The Region comprises the States of Arkansas, Louisiana, New Mexico, Oklahoma, and Texas. When HUD's present Regional structure was set up in 1971... one of the goals was to meet President Nixon's desire to provide "one stop" service for citizens by having all Federal socio-economic agencies in 10 cities throughout the country. The HUD Region VI Office had for many years been located in Fort Worth... and thus did not meet the President's goal... as the other socio-economic agencies have their Regional Offices in Dallas. At the time... it was not considered necessary to immediately transfer the Fort Worth office to Dallas until the Department's program activities were stabilized and operating effectively. Now it is believed the change can be made with a minimum of disruption. The headquarters will be in the New Federal Building, 1100 Commerce Street, Dallas, Texas 75202.



Municipal Spending Exceeds Revenues

Spending by city governments exceeded revenues by \$1.7 billion during the year ending June 30, 1971... according to the Census Bureau. City governments received \$37.4 billion in revenues during the period on everything from income taxes to municipal liquor stores. Expenditures totaled \$39.1 billion.

The expenditures for education costs of \$5.2 billion or 16.4 percent, continued to make up the largest share of general city expenditures... and compare with \$4.5 billion in the previous fiscal year. This sum included only the amount spent directly by municipalities which administer local school systems directly... rather than through independent school districts.

Police protection cost \$3.5 billion, or 10.9 percent of the general expenditure... which was \$477 million above the previous year. The next highest spending categories were \$2.7 billion each for welfare and highways.

Including utility, insurance, trust, and general purpose spending, about two-thirds, or \$26.3 billion, of all municipal expenditures was for current operation. Capital outlay for construction, land acquisition, and purchase or renovation of existing buildings took about one-fifth at \$7.8 billion. Debt interest amounted to \$1.8 billion. Personnel costs ran to \$16.4 billion, or about 42 percent of all municipal expenditures, with most going for current operations although the sum included some payments for construction work. Revenues increased \$4.7 billion, or 14 percent, over the previous fiscal year, while spending grew by \$4.9 billion, also a 14 percent increase.

Municipal indebtedness totaled \$49.0 billion... about 12 percent more than a year earlier. The debt total included \$24.0 billion in full-faith-and-credit-bonds, \$18.2 billion of non-guaranteed long-term debt, and \$6.8 billion in short-term debt. The latter compares with \$4.9 billion in the previous fiscal year.



Significant Decision

In a unanimous decision... the Supreme Court has ruled that white tenants of an apartment house have an equal right to sue a landlord on racial discrimination grounds as do blacks. Justice Douglas... speaking for the Court... said: "The person on the landlord's blacklist is not the only victim of discriminatory housing practices." Citing the 1968 Federal Fair Housing Act... Mr. Justice Douglas stated that all persons... white and black... have an equal stake in securing desegregated housing. The suit was filed against the owner of a 3,500-unit apartment complex in San Francisco by a white tenant... who claimed that the management's discrimination against black applicants for occupancy deprived whites of the social benefits of living in the integrated community. Also... the professional advantages which would have come with association with minority groups... was denied the white tenants. Furthermore... the tenants had been stigmatized... they claimed... by being called residents of a 'white ghetto.' The high court ruling reverses a lower court dismissal of the case.

Strong Mortgage Market Expected in '73

An increase to \$4 billion in sales of government-backed mortgage securities in 1973... half a billion more than in 1972 was anticipated as a strong indicator of an increasingly healthy housing mortgage market by GNMA President Woodward Kingman. Increasing concentration on quality rather than quantity in the Nation's subsidized housing programs during the next year will result in a leveling off in the record number of housing starts achieved in each of the past two years... he told a luncheon gathering of 200 attending the Housing Seminar of the New York Society of Security Analysts. He also forecast sales of \$4 billion in mortgage-backed securities... as compared with \$3.5 billion in 1972. This year's level of \$1 billion in bond sales is expected to remain constant, but the pass through sales on GNMA mortgage-backed securities will rise from \$2.5 to \$3 billion in calendar 1973. The securities... sold by private mortgage holders and backed pooled FHA and VA mortgages with the full faith and credit of the U.S. Government, increase the amount of funds available for residential financing.

Mr. Kingman's remarks also anticipated in 1973:

- A slight decline in the high volume of housing for the coming year... with demand continuing strong because of new family formation, relatively low vacancy rates, and a sustained volume of federally subsidized housing units.

- An ample supply of mortgage money because of the continuing large inflow of cash to thrift institutions... the relatively moderate demand for long-term capital from the private sector... and progress in curbing inflation.



Boy Scout Meetings

Implementing Secretary Romney's agreement with the Boy Scouts of America to provide scouting for youth in Local Housing Authorities... the Office of Housing Management, in cooperation with Headquarters and the Western Region of the BSA, has scheduled workshops in Region X. The schedule is:

January 15, 1973—Boise—for LHA's in Idaho; January 16, 1973—Portland—for LHA's in Oregon; January 17, 1973—Seattle—for LHA's in Washington; January 18, 1973—Anchorage—for LHA's in Alaska

The Executive Director, Social/Community Services Coordinator, Housing Managers, and Tenant Council Representatives of each LHA will be invited to participate in these workshops... along with representatives of the Boy Scouts... and HUD's Regional and Area Office Community Services Advisors.



Demolition of 140,000 Housing Units Authorized in 1971

The Census Bureau reports that approximately 140,000 housing units were authorized for demolition in 1971 in 4,100 permit-issuing places in the United States. New York City led with 15,500 units authorized for demolition, followed by Chicago with 6,900, and Los Angeles with 4,100. One third of all demolitions... approximately 45,000... were concentrated in 15 cities with a population of 50,000 or more. In 14 cities with a population of 50,000 or over... more housing units were authorized for demolition in 1971 than were authorized for new construction (6,500 for demolition and 2,900 for new construction).

The above figures do not include disappearances from housing inventory due to abandonment, conversion to nonhousekeeping and nonresidential use, fire, flood, and other natural disasters. The report *Housing Units Authorized for Demolition in Permit-Issuing Places: 1971*, Series C45-1971, is available for sale by the Bureau of the Census for \$1.00.

Notes From Here and There

The first patients were recently admitted to the Northampton Nursing Home in Northampton, Massachusetts. The 160-bed facility which has a \$1.9 million FHA-insured mortgage. . . specializes in the care of children who are afflicted with birth defects, mental or motor handicaps, or are victims of accidents. It is one of the first in the country to specialize in this field.

Analysis of the June 1972 figures of Section 312 rehabilitation loans indicates that 10 percent of the loans were for buildings 20 years old or less; 10 percent were for structures over 30 years. A similar relationship was found in fund allotments. . . 8 percent of the loan funds went for structures 20 years and 83 percent for structures more than 30 years old.

An information exchange program has begun between the United States and the Soviet Union on environmental planning and monitoring of new community development. Chairman of the U.S. subcommittee will be Edward M. Lamont, Director of HUD's Office of New Communities Development. First visit by the team to the Soviet Union is scheduled for March, 1973.

In Fiscal Year 1972. . . Local Public Agencies acquired 22,339 parcels of real estate in 2,354 HUD-assisted projects. Only 10 percent of the parcels required condemnation. . . the remainder were handled by negotiation. In the two largest programs involved. . . 12 percent of acquisitions under Urban Renewal and 9 percent of those under Neighborhood Development were acquired under condemnation proceedings.

Grants under HUD's Historic Preservation Program in Fiscal Year 1973 will more than double FY 1972's level. . . with an estimated \$8 million for the year.

A Washington, D.C. public housing project has been selected as the site for a demonstration program for lead-based paint removal or cover-up. The National Bureau of Standards chose the site after a lead presence determination was made. . . using the Princeton Gamma-Tech sensing device.

Almost half of the rehabilitation grants in the last fiscal year went to minority group persons. Total grants were \$28 million. . . covering over 10,000 dwellings. . . at an average of \$2,741 per unit.

Keep America Beautiful. . . the nonprofit public service organization founded in 1953 to combat littering as a first step toward solving broader environmental problems. . . has made its 1972 Awards. The organization's Community Awards for efforts to improve their environments were given to: Orange, Connecticut; Long Beach, California; and Monroe, Louisiana. Special Merit Awards were given to Grand Prairie, Texas; Skokie, Illinois; Highlands, North Carolina; and North Hempstead, New York.

FYI



The National Association of Building Manufacturers will conduct three regional Government Housing Programs Workshops aimed at explaining and simplifying the procedures necessary to contract for federally-financed housing projects. . . January 22 & 23 in Miami, January 29 & 30 in San Francisco, and February 5 in Washington. All three workshops will feature top-level HUD/FHA and FMHA officials under the direction of Charles Edson and Bruce Lane of Washington. . . legal counsel to NABM. For further information, NABM, 1619 Massachusetts Avenue, N.W., Washington, D.C. 20036, (202) 234-1374.

HUD newsletter
OFFICE OF PUBLIC AFFAIRS
U.S. Department of Housing and Urban Development
WASHINGTON, D.C. 20402

December 25, 1972
HUD-318-51-PA

Published weekly by the U.S. Department of Housing and Urban Development. . . George Romney, Secretary. . . James J. Judge, Director of Public Affairs. . . James C. Biller, Editor. Subscription rate \$3.50 per year, domestic. . . \$4.50 foreign. Address all communications regarding subscriptions, changes of address, etc. to the Superintendent of Documents, Washington, D.C. 20402.

Use of funds for printing this publication approved by the Director of the Bureau of the Budget November 21, 1969.

