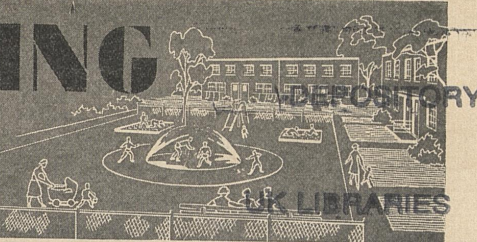


PUBLIC HOUSING

Weekly
News

FROM AMERICAN COMMUNITIES ABOLISHING
SLUMS AND BUILDING LOW-RENT HOUSING



Vol. 1, No. 13

Federal Works Agency, U. S. Housing Authority — Nathan Straus, Administrator

November 7, 1939

Management Featured At Dallas Conference

One hundred and fifty delegates from towns and cities in 13 Western and Southern States and the Territory of Hawaii met October 25-27 at Dallas in the first Regional Conference on Housing Administration and Management ever held in the Southwest.

City Manager James W. Aston of Dallas emphasized the importance of administration and management of public housing when he said: "If the projects are not handled on a wise, practical, and economical basis the movement is doomed to failure." Mr. Aston said his faith in the ultimate success of the projects rested on the high character and unquestioned ability of local authority members.

Like the Atlanta Conference of the previous week, the conference in Dallas was conducted by the National Association of Housing Officials in cooperation with the United States Housing Authority and the Dallas housing authority. The purposes, according to Mr. Carl Henry Monsees, Conference Director, were fundamentally the same: to review the growth of housing authority administration and housing management, and to aid in the formulation of sound administrative practices and high professional standards in low-rent housing.

Addressing the Conference Wednesday morning, Dr. Raphael Gold, member of the Dallas housing authority, called public housing "the Nation's major frontal attack on crime." James L. Stephenson, Executive Director of the Dallas housing authority, said: "It is appropriate that this

(See MANAGEMENT CONFERENCE on p. 3)

Parkside's First Year Sets No-Accident Safety Record

According to the Baltimore *Sun* of October 20, the Parkside project in Detroit, where 400 children play daily, has concluded its first year of operation with a record of no traffic accidents, no police calls, no cases of juvenile delinquency.

Thomas P. Danahey, real estate operator and formerly one of the most caustic critics of the project, is reported as saying he can now "annihilate" all the arguments which he advanced against public housing a few years ago.

The project's 3,000 tenants live on a 30-acre tract of land where all through-traffic streets have been dead-ended or diverted. Only drive-ways necessary for efficient use of project facilities have been retained. Grocery store, drug store, meat market, dry cleaning, and other shops are situated in a special commercial area on the project site.

Seattle Real Estate Board Praises Housing Commission

The proposed First Hill housing project was recently approved by the Seattle Real Estate Board when directors of the latter passed a vote of confidence in the Seattle Housing Commission. The resolution, which followed an explanation of disputed points by George W. Coplen, one of the directors, praised the Commission for its work "in realizing for Seattle a project of such magnitude." The Commission's efforts to reduce costs were also favorably mentioned in the resolution.

Short-Term Loans Cut Local Financing Costs

In order to bring more private money into public housing, and to lower construction costs, "Temporary Loan Notes" totaling some \$50,000,000 will be issued shortly by local public housing agencies which have signed loan contracts with the USHA.

The short-term notes, exempt from Federal and, usually, State taxes, will be sold to bidders offering the lowest rates of interest.

Under the provisions of the United States Housing Act, USHA loans are repaid within 60 years, and bear interest at not less than the going Federal rate at the time the loan is made, plus one-half of 1 percent.

Thus far this interest rate has varied from 3 to 3¼ percent. The local short-term notes are expected to sell at a much lower rate of interest.

The new plan is expected to cut expenses by as much as 2 percent of the entire cost of the projects because of the difference between the interest rate the USHA must charge for 60-year loans and that obtained in the open market for short-term loans.

Before the current war the Syracuse Housing Authority in New York offered a million dollars of such securities for sale. Those securities matured in 9 months and were callable at the end of 3 months, in contrast with the proposed new securities, which will mature in 6 months and be non-callable. The short-term notes of the Syracuse Housing Authority were sold at an interest rate of 0.47 of 1 percent.

Under the USHA program funds

(See SHORT-TERM LOANS on p. 2.)

Land Problem in America Is Theme of New Book By Charles Abrams

Publication of "Revolution in Land," by Charles Abrams, was announced on October 4 by Harper & Bros. Mr. Abrams is a Consultant to the USHA, Counsel for the American Federation of Housing Authorities, and former legal advisor to the New York City Housing Authority.

While primarily a critique of the American land problem, "Revolution in Land" supplies an invaluable frame of reference for housing study, and hence recommends itself strongly to all those interested in the public housing movement.

Lewis Mumford, noted writer and authority on planning, says of the volume: "In this book Mr. Abrams has made an important contribution to modern politics and government. He has restored the land itself to its proper focus, as one of the major elements in our attempts to turn business and industry and public works to adequate social uses. This book fills out a barren patch in contemporary thinking; and it puts every political student, every citizen, every administrator—whether in government or business—under a serious debt to the author.

"On the mechanics of land use in present-day American society Mr. Abrams makes the contribution of an authority; he shows the place occupied by price, mortgage debt, interest rates, taxes, building, and legal forms in creating our present land complex."

Slums A Disease, Says Maryland Judge

"The Act (Maryland State Housing Law) aims at the prevention of the growth and development of new slum areas as well as the eradication of existing slum areas. Preventive medicine and surgery are combined: the diseased area is to be excised, and safeguards are to be established against recurrence of the disease."

Rowland K. Adams,
Circuit Court No. 2,
Baltimore, Md.

Current Housing Literature

THE REAL HOUSING ISSUE, by Charles Abrams, *The Nation*, Oct. 21, 1939, pp. 439-441.

Describes real issues underlying controversy which resulted in the resignation of Alfred Rheinstein, Chairman of the New York City Housing Authority.

TWO COMMUNICATIONS: WHEN THE USHA BUYS LAND, by R. G. Tugwell; ANSWER by Nathan Straus, *The New Republic*, Oct. 25, 1939, pp. 341-343.

Discussion of the question of acquiring slum property where land costs exceed the \$1.50-per-square-foot limitation.

THE LOW RENTAL PROGRAM IN CALIFORNIA, by Albert J. Evers, *The Building-Loan Journal*, Aug. 1939, pp. 13-14.

Describes activities of California's local housing authorities. Refutes charge that such activities compete with private enterprise.

THE LAW OF PUBLIC HOUSING IN THE UNITED STATES, by William Ebenstein, *Minnesota Law Review*, June 1939, pp. 879-924.

Discusses public housing and the law (Federal and State). Presents significant facts of the housing problem.

AIA HOLDS SEVENTY-FIRST CONVENTION IN WASHINGTON, D. C., *Architectural Record*, Oct. 1939, pp. 9-12.

Inefficiencies in building industry are analyzed in connection with low-cost housing program.

HOUSING FOR YOU AND ME, by Emily Harris, *Parents' Magazine*, Sept. 1939, pp. 50, 97-98.

Discusses steps taken by Federal Government and private enterprise to provide safer living for children and parents. Emphasis on traffic precautions.

FAMILIES AND HOW THEY LIVE, Pt. IV, *Printers' Ink*, Sept. 29, 1939, pp. I-XXXII.

Statistical study of families in Ohio and West Virginia. Includes description of homes, number of families paying rent over \$30 a month, age factors, and composition of families.

FIBRE BOARD SIDING PROTECTED BY SEMI-PLASTIC PAINT INCLOSES LOW-COST HOUSES, *Construction Methods*, Oct. 1939, pp. 66-67; 102-104.

Some new construction features used in low-cost houses eligible for FHA mortgage financing, in Greensboro, N. C. Illustrations.

FIRST PAN-AMERICAN LOW-COST HOUSING CONGRESS, by Jose Maria Cantilo, *Bulletin of the Pan American Union*, Sept. 1939, pp. 531-532.

Description of preparatory steps taken to assure the success of the Pan-American Low-Cost Housing Congress recently held at Buenos Aires.

USHA REVISES APARTMENT PRICING POLICIES, by Brendan Sullivan, *Real Estate Record*, Oct. 28, 1939, pp. 2-3.

Recent change in rental policy of USHA results in rent reductions in seven completed projects and the lowering of the limits on tenants' incomes.

THE ROLE OF THE HOME ECONOMIST IN LOW-RENT HOUSING PROJECTS, by Martha Rogin, *Journal of Home Economics*, Nov. 1939, pp. 606-609.

How the home economist can assist the local housing authority, particularly with regard to tenant selection and management of low-rent projects.

MILLIONS FOR HOUSING, *Printers' Ink Monthly*, Oct. 1939, pp. 5-7; 54-72.

Describes in detail the complex character of the building industry. Analyzes restraints in building progress which Assistant Attorney General Thurman Arnold seeks to eliminate.

Los Angeles Issues First Number of New Local Housing Bulletin

Information concerning the public housing program is being made available to the citizens of Los Angeles through the publication of *Public Housing and Slum Clearance News* by the Housing Authority of the City of Los Angeles.

The first issue contains articles on the history of public housing in Los Angeles (dating back to 1906); the importance of a housing survey; the distinction between the USHA program and other governmental agencies in the field of housing; and other short news items.

Such a local bulletin will maintain civic interest in the housing movement while providing a textbook for those who do not fully understand the purposes of the U. S. Housing Act.

Short Term Loans

(Continued from p. 1)

are advanced to local authorities on loans as they are needed for expenditures, instead of the entire loan being made in one lump sum. This avoids incurring interest charges on money which will not be needed until later.

The first step in obtaining advances is USHA approval of requisitions for funds in compliance with provisions of the loan contracts. Upon giving such approval, USHA will forward to the Federal Reserve bank of the district in which the authority issuing the notes is located an authorization to pay the amount of its loan advance to the local authority approximately 6 months after the notes are issued and 3 days prior to their maturity.

On the basis of this pledge by the Government, the local housing authority will sell its notes, which will be redeemed from the loan advances of the USHA as they are deposited at the later date. The Temporary Loan Notes will be offered to bidders who will have the option of designating the interest rate, the denominations of the notes, and the incorporated bank or trust company at which they will be paid.

Superior Inaugurates Wisconsin's Program

The City Council of Superior, Wis., where, in April of this year, the voters declared themselves nearly 2 to 1 in favor of public housing, passed a resolution October 17 authorizing Mayor Ostby to sign a cooperation agreement with the Superior Housing Authority.

Superior is the first city in the State to give its housing authority permission to go ahead with a local construction program. USHA funds totaling \$675,000 have been earmarked for the construction of a project to house some 175 families.

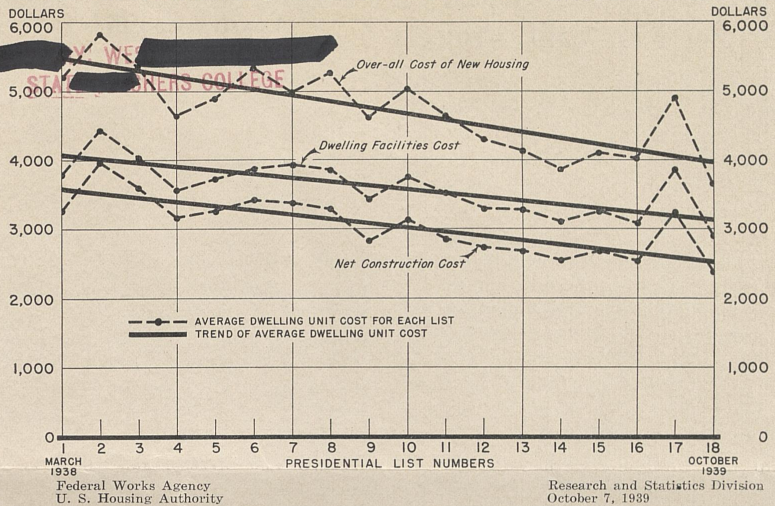
Superior's housing authority was created in May 1938. In April 1939 opponents of the local housing program called for a referendum on two issues: Should the local program be continued? and should a housing survey be conducted at the city's expense? The answers from the majority of the voters in both cases were "yes." More than 9,000 citizens urged that the program be continued against an opposition vote of 5,000.

Rents Cut in Thirteen Former PWA Projects

Rent reductions averaging \$4.43 per dwelling unit per month, making possible the rehousing of low-income families now living in substandard dwellings, have been made in 13 former PWA projects since their original rent schedules were established. The projects are located in Georgia, New Jersey, Alabama, South Carolina, Texas, Oklahoma, Indiana, Florida, Tennessee, and Nebraska. The new rents substantially lower the average annual income ranges within which tenancy is restricted.

The greatest reduction in average shelter rent per dwelling unit, \$21.46 to \$12.44 per month, was made in the Cherokee Terrace project, Enid, Okla. This was an average monthly saving to tenants of \$9.02. (Shelter rent is equivalent to rent now paid for slum dwellings and does not include the cost of utilities.)

Cost Trends Per Dwelling Unit, USHA-Aided Projects Under Loan Contract



Cost Reductions Effected By Local Authorities

Cost trends per dwelling unit for USHA-aided projects under loan contract are shown in the accompanying chart. The average cost per dwelling unit for the over-all cost of new housing, dwelling facilities cost, and net construction cost are shown for each group of projects (list) which has been approved by the President. The trends, as determined by the 18 lists in each case, are shown by the heavy solid lines. The period covered by these lists is March 1938—October 1939.

The over-all cost of new housing includes all costs of a project except those for slum buildings to be torn down, land for future development, and local authorities' architectural, administrative, carrying, and contingent expenses applicable to these items. Dwelling facilities cost represents the construction costs of dwellings, dwelling equipment, and the local authorities' architectural, administrative, carrying, and contingent expenses applicable to dwelling construction and equipment; in other words, the over-all cost of new housing less the cost of all land and all nondwelling building spaces and equipment. Net construction cost includes the cost of dwellings—that is, structural, plumbing, heating, and

electrical; it comprises most nearly the items represented in residential construction costs compiled by the Bureau of Labor Statistics on the basis of building permit data.

Local authority planners, as evidenced by the noticeable reduction in average costs per dwelling over the 19-month period, are steadily forcing costs down. The fact that all three cost figures have been reduced indicates that savings are not relegated to construction and dwelling facilities costs alone.

Management Conference

(Continued from p. 1)

Conference should be held in Texas. Texas has 16 active local housing authorities, and a total of \$35,000,000 has been allotted to Texas for the purpose of slum clearance and low-rent housing. Texas has 21 of the country's 274 housing projects now under USHA loan contract. A total of \$6,000,000 in loans from the USHA has been earmarked for two large projects in Dallas. The white project and the colored project will each rehouse 700 families from substandard dwellings."

L. Kemper Williams, President of the National Association of Housing Officials and Chairman of the Housing Authority of New Orleans, addressed the Conference at the morning session, October 25.

Historic Names Chosen For Four Calif. Projects

The Housing Authority of the City of Los Angeles has turned back the pages of California history to select names for its public housing projects. In the same way that the traditional architecture of the region has influenced project design, so the Spanish heritage of California will be remembered in naming the new homes.

The first project scheduled for construction is the 610-unit Ramona Village, which will bear the name of the Indian girl immortalized in Helen Hunt Jackson's famous romantic novel, "Ramona."

Three other names have been selected by the authority for proposed projects. Rancho San Vicente and Rancho San Pedro were so named because the project sites are on land originally included in large Spanish grants that carried the same names. Pueblo del Rio will be constructed near what was at one time the banks of the Los Angeles River, although the present river channel is somewhat to the east of the site of the proposed project.

It is altogether fitting that present day history in the making should embody those early days when people successfully fought to establish themselves in new territory. The public housing program is another fight, to eradicate the miserable living conditions of our low-income families and offer them a chance to reestablish themselves in normal and healthy surroundings.

Construction Bids

| Local authority and project number | Number of units | Date of bid opening |
|------------------------------------|-----------------|---------------------|
|------------------------------------|-----------------|---------------------|

BID OPENINGS DEFINITELY SCHEDULED

| | | |
|-------------------------------|-------|----------|
| Atlanta (Ga.-6-2 Pt. II)..... | 358 | 11-14-39 |
| Baltimore (Md.-2-7).... | 700 | 12- 5-39 |
| Bridgeport (Conn.-1-1)..... | 1,250 | 11-22-39 |
| Harrison (N. J.-16-1).... | 222 | 11-21-39 |
| Hartford (Conn.-3-1).... | 146 | 11-17-39 |
| Holyoke (Mass.-5-1).... | 167 | 11-21-39 |
| Knoxville (Tenn.-3-3).... | 200 | 11-21-39 |
| Laurel (Miss.-2-2)..... | 125 | 11-16-39 |
| Meridian (Miss.-4-1).... | 89 | 11-24-39 |
| Meridian (Miss.-4-3).... | 80 | 11- 8-39 |
| Mobile (Ala.-2-1)..... | 100 | 11-22-39 |
| San Juan (P. R.-2-1).... | 408 | 11-10-39 |
| Savannah (Ga.-2-2).... | 480 | 11-20-39 |

BID OPENINGS TENTATIVELY SCHEDULED ¹

| | | |
|---|-----|----------|
| Akron (Ohio-7-1)..... | 276 | 11-29-39 |
| Allegheny Co. (Pa.-6-2)..... | 288 | 12- 1-39 |
| Camden (N. J.-10-1).... | 275 | 12- 1-39 |
| Charleston (S. C.-1-4).... | 128 | 12- 1-39 |
| Corpus Christi (Tex.-8-1-R Pt. II)..... | 24 | 11-28-39 |
| Corpus Christi (Tex.-8-2-R)..... | 210 | 11-28-39 |
| Corpus Christi (Tex.-8-3-R)..... | 100 | 11-28-39 |
| Fall River (Mass.-6-1).... | 354 | 12- 1-39 |
| Laredo (Tex.-11-1).... | 272 | 12- 1-39 |
| Paducah (Ky.-6-1)..... | 125 | 11-28-39 |
| Paducah (Ky.-6-2)..... | 75 | 11-28-39 |
| Toledo (Ohio-6-2)..... | 112 | 11-28-39 |
| Washington (D. C.-1-2)..... | 246 | 12- 1-39 |

¹ There is usually a 30-day period between bid advertising and bid opening. None of the bid openings shown here have as yet been definitely scheduled.

Lawrence, Mass., Signs Cooperation Agreement

After a thorough examination of all the facts about housing in Lawrence, Mass., Mayor Walter A. Griffin and the City Council have signed a cooperation agreement with the local housing authority, permitting it to go forward with its program.

The Lawrence housing authority has a USHA earmarking of \$1,500,000 and will be eligible for a loan contract as quickly as preliminary plans have been approved. Mayor Griffin delayed action on the local program until all the facts were in and the people of Lawrence had had ample time to form well-founded opinions. Housing Authority Chairman John J. Darcy and his associates have exerted every effort to collect and publicize data on local housing conditions. Thomas M. Howard, Vice-Chairman of the authority, visited several projects in the South and reported favorably to local civic leaders.

Construction Report Analysis

During the week ended October 27 five new projects were added to those under construction. The new projects—two in Peoria, Ill., and one each in Los Angeles County, Calif.; Harrisburg, Pa.; and Boston, Mass.—caused slight declines in both the average over-all cost of new housing per unit and the average net construction cost per unit for all 112 projects under construction.

Weekly Construction Report

| Item | Week ended October 27, 1939 | Week ended October 20, 1939 | Percentage change |
|---|--------------------------------|--------------------------------|----------------------|
| Number of projects under construction..... | 112 | 107 | +4.67 |
| Number of dwellings under construction..... | 46,335 | 44,436 | +4.27 |
| Total estimated over-all cost ¹ of new housing..... | \$212,751,000 | \$204,444,000 | +4.06 |
| Average over-all cost ¹ of new housing per unit..... | \$4,592 | \$4,601 | -0.20 |
| Average net construction cost ² per unit..... | \$2,889 | \$2,892 | -0.10 |

¹ Includes: (a) Building the house, including structural costs and plumbing, heating, and electrical installation; (b) dwelling equipment, architects' fees, local administrative expenses, financial charges during construction, and contingency expenses; (c) land for present development; (d) nondwelling facilities.

² The cost of building the house, including structural, plumbing, heating, and electrical costs.

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