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PUBLIC HOUSING

Weekly News

FROM AMERICAN COMMUNITIES ABOLISHING
SLUMS AND BUILDING LOW-RENT HOUSING



Vol. 1, No. 17

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

December 5, 1939

Toledo Opens 78 Units To Tenants On Eve Of Thanksgiving

The first 78 units of the 384 planned for the Charles F. Weiler Homes, Toledo's second public housing project, were opened for tenant occupancy November 22, Thanksgiving Eve. The remaining 306 units will be completed early in 1940.

The new project, located in East Toledo, was named for the late Charles F. Weiler, first chairman of the Toledo Metropolitan Housing Authority, which was established in September 1933.

The homes, modernistic in design and equipped with modern conveniences, have concrete floors covered with linoleum. The kitchen and bathroom walls are covered with washable paint, while walls in the other rooms are of plaster in natural finish.

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Banks Respond Quickly to First Issue Of Local Authority Short-Term Notes

Housing authorities in 11 cities received a prompt response to the first \$50,000,000 issue of short-term notes. Within a few days after the notes were issued they were snapped up by local investors at interest rates averaging less than $\frac{6}{10}$ of 1 percent.

The cost to the local authorities of the \$50,000,000 raised by the short-term bonds will be only about one-fifth of what they would pay for money from USHA, which, under the law, must charge 3 to 3 $\frac{1}{4}$ percent for public housing loans. These substantial savings will be reflected in lowered subsidies and lowered rentals to project tenants.

Bids for the short-term paper came from the member banks of a nationwide syndicate. The Chemical Bank & Trust Co. acted as manager for the group, which includes the Chase Na-

tional Bank, National City Bank, Bankers Trust Co., Guaranty Trust Co., Manufacturers Trust Co., and other banks in 32 cities from coast to coast.

Housing authorities participating in the first short-term issue represent the cities of Atlanta, Ga.; Charleston, S. C.; Charleston, W. Va.; Chicago, Ill.; Washington, D. C.; Louisville, Ky.; Macon, Ga.; New Orleans, La.; Peoria, Ill.; Philadelphia, Pa.; and Pittsburgh, Pa.

According to the terms of each bond sale, the successful bidder pays all the expenses of obtaining an approving opinion of bond counsel and all fees and expenses of the paying agent. In other words, the interest rate of less than $\frac{6}{10}$ of 1 percent represents the net cost of the money to the local authority.

Proceeds from the sale of this short-term paper will be used by local housing authorities to defray early costs connected with construction of the projects. USHA's loan contract agreement to advance funds within a specified time represents security for the short-term loans. When the notes become due USHA releases the contracted funds, and the local authority redeems its short-term obligations.

The short-term notes are non-callable and are wholly exempt from Federal income taxes. In most cases they are also exempted from State taxes. They are offered to bidders who may designate the interest rate, denomination of the notes, and the incorporated bank or trust company in which they will be paid.



Cornerstone laying ceremonies, Charles F. Weiler Homes. This picture includes Mrs. Dale Wilson, daughter of Charles F. Weiler; Donald Robinson, Director; A. G. Spieker, Chairman; Mr. Weiler's widow; Mayor Roy C. Start; R. F. Hilty, President, Lucas County Commissioners; and Dr. Robert F. Pulley.

Slum Clearance Ruled Public Service by Massachusetts Court in Test Case

Stating that the elimination of slums "may well be deemed to rise to the dignity of a public service," Judge Stanley E. Qua, of the Supreme Judicial Court of the Commonwealth of Massachusetts, recently handed down a decision upholding the constitutionality of the Massachusetts Housing Authority Law.

Judge Qua's decision dismissed the petition of the Alldonn Realty Corporation that the Holyoke Housing Authority be restrained from carrying out its program on the grounds that the State housing law, under which it operates, is unconstitutional.

The Court found that the elimination of slums is a direct benefit to all the people, a benefit "not readily approached through private initiative but demanding coordinated effort by a single authority." It is "in line with the purposes of promoting the public safety, health and welfare for which the government of the Commonwealth was established," and it

requires for its successful accomplishment "the exercise of the power of eminent domain."

After commenting on the separate provisions of the State law, Judge Qua concluded: "The real purpose of the statute is the elimination of slums and unsafe and unsanitary dwellings, and the provision by public funds of low-rent housing is only a means by which the main object is to be accomplished. The statute as a whole is designed to serve a public need, and the money expended for low-rent housing, as well as that expended for slum clearance, is for a public use. We hold that the Housing Authority Law is a valid exercise of the broad legislative power granted to the General Court by the Constitution."

The Massachusetts case brings to 17 the number of States in which the court of last resort has upheld State housing laws. For a list of these States, see PUBLIC HOUSING NO. 16, Nov. 28.

Toledo Opens 78 Units To Tenants On Eve Of Thanksgiving

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There are three types of apartments. One is a three-room flat with living room, bedroom, bath, and combination dining room and kitchen, renting for \$20.25 per month. Another has four rooms and bath and rents for \$22.25, and a third has five rooms and bath and rents for \$23.50. Heat, light, and gas are furnished without extra charge in each apartment, and each is equipped with a gas stove and an electric refrigerator.

The project consists of long rows of two-story brick dwellings, each with a front entrance, small porch, and back door opening onto a wide court with concrete walks.

The administration building will serve as a community building for residents of the homes. It has a recreation hall in the basement with adjoining kitchen; a large auditorium on the ground floor, with a stage for motion pictures and other entertainment, and a playroom for children.

Applications already filed for residence in the homes number 300. The maximum income limits for family groups, as set by the Toledo authority commission, were observed strictly when accepting applications.

C. OF C. PRESIDENT PRAISES NEW LOANS. Frank L. Duggan, President of the Pittsburgh Chamber of Commerce, hailed the new short-term local authority financing plan as "the needed spark" in producing private cooperation with public housing. "Private enterprise, private capital, and private initiative ought to bear an equal and just share of the responsibility," he asserted. Advising private agencies "to take off their coats and go to work," Mr. Duggan described slum clearance projects as "one of Pittsburgh's largest investments in life saving."

Current Housing Literature

HOW A CITY GETS LOW-RENT HOUSING, by Guiton Morgan, *Public Management*, November 1939, pp. 333-335.

Describes how the housing authority of Austin, Tex., planned its three housing units. Discusses the close cooperation between the municipal departments and the authority.

PUBLIC HOUSING LAWS, Citizens' Housing Council of New York, N. Y., November 1939. 61 pp.

An outline analysis of the United States Housing Act, the housing provisions of the New York State Constitution, and the New York State Public Housing Law.

ROUND TABLE REPORTS OF THE FIRST ANNUAL CONFERENCE OF INDIANA HOUSING AUTHORITIES, Indianapolis, Sept. 26, 1939. 7 pp. Mimeographed.

Reports on Indiana housing legislation, planning and construction of public housing, local authority administration, public housing management, and rural housing needs in Indiana.

CONSTRUCTION SAVINGS IN PUBLIC HOUSING, by W. C. Vladeck, *Real Estate Record*, Nov. 18, 1939, p. 3.

Methods by which the New York City Housing Authority has been able to cut construction costs in its housing projects.

COMMUNITY AND NEIGHBORHOOD PLANNING THE KEY TO PROGRESS IN URBAN RESIDENTIAL AREAS, Information Bulletin No. 47, the Regional Plan Association, Inc., New York, Nov. 6, 1939. 8 pp.

Discusses the need for more planned communities and neighborhoods. Suggests methods of procedure. Photographs and graphic presentations of neighborhood plans.

THE NEW EMERGENCY IN HOUSING, an address by Edward Weinfeld before the Citizens' Housing Council of New York, Oct. 2, 1939. 10 pp.

The State Superintendent of Housing of the State of New York discusses the possible effects of the European war on New York's housing problem and suggests how this emergency should be met.

PEOPLE, THE QUANTITY AND QUALITY OF POPULATION, by Henry Pratt Fairchild. New York, Henry Holt & Co., 1939. 315 pp.

A study of population which traces the growth in human numbers and its effect on society. Written for the nonprofessional reader. Graphic diagrams and photographs.

ANNUAL SUMMARY OF STATE AND FEDERAL LAWS RELATING TO PUBLIC AND PRIVATE HOUSING, *Housing Legal Digest*, September 1939. Supplement. Various pages.

Discusses laws affecting public and private housing in the U. S., limited dividend housing, laws favorable and unfavorable to home financing, building regulations, planning, platting, and zoning.

GOVERNMENT EXPLAINS ANTI-TRUST DRIVE, by Corwin D. Edwards, *American Builder*, November 1939, pp. 34-35, 88-96.

Recent developments on various fronts of U. S. building monopoly drive outlined. More Government housing in sight if present program of activity fails.

THE SOCIAL ASPECTS OF BETTER HOUSING, by Robert W. Kelso, *The Mortgage Banker*, Nov. 1, 1939, pp. 1-3.

Discusses degrading social influences arising from city slums and advocates that private enterprise provide better housing for lowest income group.

HOUSING AS A PUBLIC HEALTH RESPONSIBILITY, by J. C. Leukhardt, *The Health Officer*, October 1939, pp. 206-207.

Describes ways and means by which public health departments can utilize their resources to further housing objectives.

BANKS HELP USHA, *Business Week*, Nov. 25, 1939, p. 42.

Banks make available to USHA \$50,000,000 of short-term money for low-rent housing, at interest averaging 1% of 1 percent.

Results of USHA Research Will Aid Local Authorities

Revised Bulletin Explains Project Heating Methods

The cost of keeping warm is an important item in every household's budget. With the construction and financing economies achieved by the USHA program, heating expense becomes an even greater factor in total rent. In driving rents down to a level that low-income families can afford, local housing authorities must give careful study to project heating arrangements. "Selecting A Method of Heating" (USHA Bulletin No. 20 on Policy and Procedure) has proved of vital help in this connection.

The Bulletin defines the basic purpose of heating system design as "the provision of suitable heating at the least possible cost." A system which costs too much to install will inflate

the capital cost of the project; a system which is not economical to operate will raise the rent level.

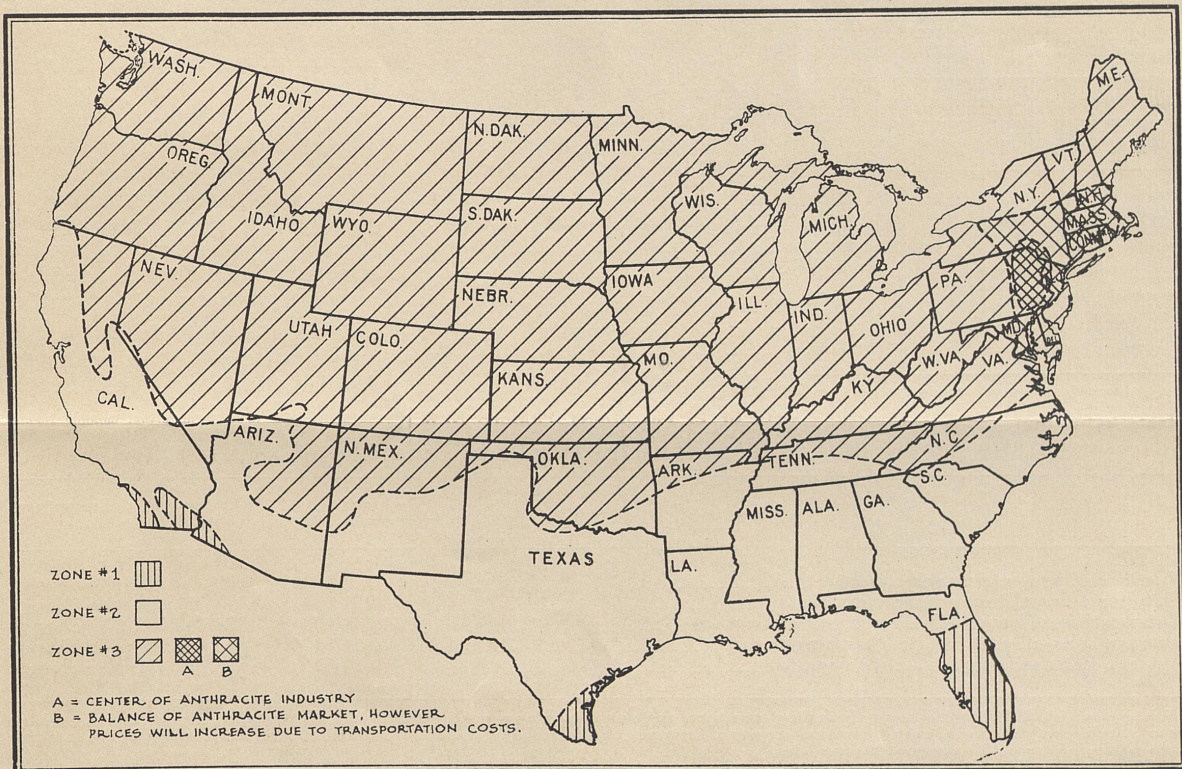
In a Nation-wide program all planning must be flexible enough to cover a wide variety of local requirements. With that end in view USHA technicians have divided the country roughly into three heating zones (see map below). In general, no heat other than that produced by the cooking stove will be required in Zone 1. For Zone 2 a space-heater in the living room will normally suffice. Zone 3 will usually call for either a complete tenant-operated heating unit or a project-operated plant (or group of plants).

The choice between individual and group heating should be made only after thorough consideration of various factors, according to the Bulletin.

Tenant-operated units have several definite advantages. Responsibility for fuel consumption is placed squarely on the tenant; paid workers are replaced by the tenant himself; small individual plants are usually lower in first cost and often result in lower operating and maintenance costs to the tenant.

On the other hand, in very cold climates lower operating expenses may be achieved by the more efficient performance of a project-operated plant. Flats and apartments do not lend themselves readily to individual heating units except where gas is cheap. In the anthracite regions (see map) central plants may frequently be operated with the less expensive, smaller sizes of anthracite coal, not always feasible for individual units.

(See PROJECT HEATING METHODS on p. 4)



This map illustrates the three main heating zones into which USHA technicians have divided the country, and defines the boundaries of the anthracite coal industry and the anthracite market. Zone 1 requires in general no heat other than that from

the cooking stove. Living-room space-heaters are usually adequate in Zone 2. Zone 3 calls for a complete tenant-operated individual heating unit or a project-operated central plant (or group of plants).

Construction Bids

Bid Openings Definitely Scheduled

Local authority and project number	Number of units	Date of bid opening
Anniston (Ala.-4-1).....	166	12-18-39
Atlanta (Ga.-6-3).....	634	12-22-39
Atlanta (Ga.-6-5-Pt. I)	552	12- 5-39
Atlantic City (N. J.-14-1).....	375	12-20-39
Camden (N. J.-10-1)....	275	12- 8-39
Charleston (S. C.-1-4)...	128	12-11-39
Columbia (S. C.-2-2)....	250	12-15-39
Columbus (Ga.-4-2-A)....	104	12-12-39
Corpus Christi (Tex.-8-1-R Pt. II).....	24	12-13-39
Corpus Christi (Tex.-8-2-R).....	210	12-13-39
Corpus Christi (Tex.-8-3-R).....	100	12-13-39
Great Falls (Mont.-2-1)...	156	12-15-39
Laredo (Tex.-11-1).....	272	12- 8-39
Meridian (Miss.-4-1)....	89	12- 6-39
McKeesport (Pa.-5-1)....	206	12-15-39
Newark (N. J.-2-5).....	614	12-21-39
New Haven (Conn.-4-1)...	460	12-19-39
Oakland (Calif.-3-2)....	154	12-13-39
Pensacola (Fla.-6-1)....	120	12-14-39
Pittsburgh (Pa.-1-3)....	1,758	12-22-39
Raleigh (N. C.-2-1)....	200	12-20-39
San Francisco (Calif.-1-3).....	750	12-19-39
Savannah (Ga.-2-3)....	330	12-19-39

Bid Openings Tentatively Scheduled¹

Local authority and project number	Number of units	Date of bid opening
Allegheny Co. (Pa.-6-2)...	288	12-20-39
Austin (Tex.-1-1-A)....	81	12-20-39
Austin (Tex.-1-2-A)....	70	12-20-39
El Paso (Tex.-3-2)....	314	12-22-39
Meridian (Miss.-4-2)....	119	1- 3-40
Meridian (Miss.-4-4)....	89	1- 3-40
New Orleans (La.-1-3)...	916	12-22-39
New Orleans (La.-1-5)...	903	12-29-39
Norwalk (Conn.-2-1)....	136	12-27-39

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.

Schnapper Publishes New Compendium On Housing

The H. W. Wilson Co. recently announced publication of "Public Housing In America," compiled by M. B. Schnapper, of the USHA Informational Service Division. Issued as Vol. 13, No. 5, of the "Reference Shelf" Series, the book constitutes an anthology of recent housing literature.

Nearly half of the 369 pages are devoted to "Affirmative Discussion" and "Negative Discussion" of public housing problems. Such writers as Senator Robert F. Wagner, Nathan Straus, Lewis Mumford, Sir Raymond Unwin, and Leon H. Keyserling are quoted on the "affirmative," while Father Coughlin, Chester T. Crowell, Senator Millard Tydings, and others present criticisms of various aspects of the public housing movement in rebuttal.

The other half of the volume is titled "General Discussion" and features essays on broad housing principles by leading housers such as Catherine Bauer, Edith Elmer Wood, John Ihlder, and James Ford.

In his brief introduction Mr. Schnapper traces the historical development of housing thought in this country and analyzes the special appeal which housing has for every group in the community. "It is generally agreed that a city with slums and blighted areas is hardly a pleasant place in which to live or point to

with any pride, that substandard housing conditions are not only shameful but socially and economically wasteful," the author asserts. But "the problem is not easy of solution."

In presenting the several varieties of solution contained in his book, Mr. Schnapper preserves a complete impartiality. His purpose is to inform and to instruct rather than to appraise. "Whether private enterprise or government can or should solve the housing problem of America's low-income families is for the reader to decide," he concludes.

The volume includes an extensive bibliography, and is priced at \$1.25.

Project Heating Methods

(Continued from p. 3)

In general, preference should be given to individual units unless cost estimates strongly favor the project-operated plant.

The several types of fuel, and their relative merits, are discussed in the Bulletin, as are common varieties of individual units.

The Bulletin includes an Appendix, divided into three sections. In the first a detailed method for studying the economy of heating methods is presented. The second part gives design recommendations for project-operated plants. The third section is devoted to fuel consumption formulae.

Copies of Bulletin No. 20 (Revised July 1939) may be secured by addressing the Informational Service Division, USHA.

Weekly Construction Report

Item	Week ended November 24, 1939	Week ended November 17, 1939	Percentage change
Number of projects under construction.....	122	122	No change
Number of dwellings under construction.....	51,053	51,053	No change
Total estimated over-all cost ¹ of new housing.....	\$234,340,000	\$234,340,000	No change
Average over-all cost ¹ of new housing per unit.....	\$4,590	\$4,590	No change
Average net construction cost ² per unit.....	\$2,891	\$2,891	No change

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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