United States Housing Authority

GENERAL MANUAL

PART FOUR

From Construction Contract Award
through Operation

54. THE EARLY CONSTRUCTION PERIOD

During the early construction period a close working relationship must be maintained between local authorities and their contractors on the one hand, and Construction Advisers and the USHA Regional Office on the other. Personnel for project supervision and inspection must be designated or employed, and schedules for initial occupancy should be worked out at the earliest feasible moment with the construction contractors.

54a. FUNCTION OF CONSTRUCTION ADVISER

Prior to the time the local authority invites bids for the construction of a project or any part thereof, the Regional Office will have designated a representative of the USHA at the site of the project, a representative known as the Construction Adviser. The exact time at which the Construction Adviser is actually stationed at the site will vary from project to project.

After the final plans and specifications for the project have been approved by the Regional Office, all matters in connection with the project which involve construction work should be taken up with or through the Construction Adviser. The Construction Adviser renders advice and suggestions to the local authority, but does not give orders to the contractor.

In all matters relating to construction, the Construction Adviser is the representative of the USHA on the site. The scope of authority of the Construction Adviser is so defined as to permit as many decisions and approvals as feasible on the site. As to the powers of the Construction Adviser, he will have been instructed by the Regional Officer as to which matters must first be submitted to it for consideration and approval before action thereon can be taken by the Construction Adviser himself.

In addition to the Construction Adviser, there will be such other representatives of the USHA, either permanently or periodically at the site, as the USHA may consider necessary to observe and review the construction of the project for compliance with the provisions of the Loan and Annual Contributions Contract between the USHA and the local authority.

The local authority will be advised by the Construction Adviser as to the scope of the duties of such additional personnel.

While the USHA will review the plans and specifications and all other documents submitted to it, and will furnish technical assistance, the responsibility for design and specifications and the observance of all the requirements of the Loan and Annual Contributions Contract will, of course, rest with the local authority.

The local authority should, through appropriate action of its governing body, designate the person who will represent it in the administration of the construction contract, and should define the scope of his authority. Such representative should be empowered to perform the functions of the local authority as required by the General Conditions of the Construction Contract (see Design Manual, pp.______), with such limitations as the local authority may desire. Since delays in arriving at decisions and ordering changes when they become necessary often interfere with construction work and may result in claims for damages by the contractor against the local authority, it is essential that the person designated as the representative of the local authority be readily available to the contractor at all times.

During the development of the project, the local authority shall provide and maintain competent and adequate architectural and engineering supervision and inspection of the project. Adequate supervision will necessitate a sufficient force of capable architects, engineers, and construction men to enable the local authority to supply to the contractor

promptly any additional or changed designs that may be needed, and to enforce compliance by the contractor with the provisions of the contract (see Section 54c, p._____). While the USHA will have representatives at the site of the project and will cooperate with the local authority in calling to its attention any matters that it may not consider to be in conformity with the contract, the USHA does not undertake the responsibility for the performance of any of the duties required, under the Loan and Annual Contributions Contract, to be performed by the local authority.

The General Conditions recommended by the USHA and set forth in the Design Manual contemplate that the architect will supervise the work to be performed under the construction contract. If the architect is not to provide such supervision, the local authority should designate a supervising engineer and staff to perform this function. In this event, the General Conditions should, of course, be modified accordingly.

54b. SUBMITTALS REQUIRED THROUGH CONSTRUCTION ADVISER

After entering into a construction contract, the local authority should submit to the USHA through the Construction Adviser, before final decision is made thereon by the local authority:

(1). All matters required by the "Terms, Covenants, and Conditions" of the Loan and Annual Contributions Contract to be submitted to the USHA before a decision is made thereon by the local authority, including any change order where the amount involved exceeds the relevant amount fixed in the construction contract.

(2). All proposed interpretations and decisions of the local authority or the architect as to whether items of work are required under the contract, the omission of which might affect the cost of the project in an amount exceeding $1,000.

(3). All samples required to be submitted by the contractor.

(4). All proposed decisions of the local authority which might impair the rights of the USHA under the Loan and Annual Contributions Contract, as set forth in the "Terms, Covenants, and Conditions."

(5). All proposed change orders or interpretations extending the time of completion of any work.

In submitting any of the matters set forth above, there should also be submitted all related data, such as estimates, drawings, and correspondence between the local authority, the architect, and the contractor.

In addition to the foregoing, there should be submitted by the local authority through the Construction Adviser (though not necessarily prior to the action of the local authority thereon):

(1). Copies of all change orders, interpretations, and decisions other than those which are required to be submitted prior to the decision thereon by the local authority.

(2). Copies of shop drawings after approval by the architect; and copies of approved as-built and change-order drawings, showing clearly all deviations of work as actually installed from contract drawings.

(3). Copies of all pertinent correspondence relating to the contract between the local authority, the architect, and the contractor.

(4). Copies of all complaints to the local authority by employees of the contractor.

Construction reports, reports to the United States Department of Labor, project data and records, and pay rolls and affidavits relating to the Kick-Back Statute (see Appendix B, p.___), as required by the "Terms, Covenants, and Conditions" of the Loan and Annual Contributions Contract, should likewise be submitted through the Construction Adviser.

Arrangements for testing by the National Bureau of Standards of any materials or equipment used or to be used in connection with projects built with USHA aid, in order to determine if such materials conform to contract specifications, can also be made through the Construction Adviser (see Design Manual, p.___).

54c. PERSONNEL FOR SUPERVISION AND INSPECTION

As already noted, the "Terms, Covenants, and Conditions" of the Loan and Annual Contributions Contract require the local authority to "provide and maintain competent and adequate architectural or engineering supervision and inspection of the Project at all times during the development thereof."

To aid local authorities in determining the personnel needed for supervision and inspection of projects during construction, the USHA has outlined various general factors to be considered. These factors are discussed in detail in the Design Manual, pp.____, together with recommendations concerning the engagement and organization of the supervisory and inspection staff.

54d. SCHEDULING INITIAL OCCUPANCY

It is of the utmost importance to make arrangements with construction contractors to complete the various portions of the project according to a schedule which will permit orderly and efficient initial occupancy of the project. In this way the tenant selection process can be so coordinated with construction completion that the various parts of the project can be occupied immediately upon completion.

In general, and when deemed practicable for projects of more than 150 dwelling units, it is suggested that local authorities make arrangements with their construction contractors to complete portions of each project for tenant occupancy in advance of the completion of the entire ~~project.~~ It is suggested that, of the first part of any such project, no less than 100 dwelling units be scheduled for acceptance and tenant occupancy. It is usually found preferable to accept subsequent portions in blocks of approximately 100 dwelling units each.

It may not be desirable to accept too many dwellings at any one time or at too frequent intervals. The rate of acceptance will be affected by the rate of tenant selection and leasing, and by the number of families that can be moved in at one time without confusion. This latter consideration is especially important where disinfestation is part of the established procedure. For a more detailed discussion of coordinating completion with occupancy, reference should be made to pp.____ of the Management Manual.

The various portions of the project to be accepted for tenant occupancy should be so scheduled that all of the dwelling units in each portion are contiguous and are separated from other parts of the project site by natural boundaries such as streets, playgrounds, or other reasonable barriers. The construction schedule should be arranged in such a fashion that progressive acceptance of the various portions of the project is made of areas that are contiguous to the portions previously accepted. The partial acceptance and occupancy schedule should be checked carefully against the completion schedule of the heating system, utility distribution lines and mains, street, walk, and other improvements, and the delivery of ranges, refrigerators, and other equipment. No building should be considered "substantially completed" until all equipment, utilities, walks, drives, and similar items are in a condition which will permit tenants to occupy the new dwellings without unreasonable inconvenience.

55. ESTABLISHMENT OF THE ADMINISTRATION FUND

Prior to the opening of a bank account for the deposit of such funds as are made available from the Development Fund for the administration of the project and for the deposit of project revenue, the local authority should designate a bank which is a member of the Federal Deposit Insurance Corporation to act as a depositary.

The bank account set up is to be known as the "Administration Fund" and is used for the general operation of the project. An Administration Fund Agreement is to be entered into between the local authority and the bank concerning the account. Where more than one statutory project (as defined in Section 8, p._____) is in operation, separate Administration Fund bank accounts are to be maintained for each such project.

There should be deposited daily into the Administration Fund all moneys received from tenants, together with all other funds received including amounts made available from the Development Fund for the administration of the project.

Similarly, there should be credited to the account all withdrawal of funds to cover the cost of services, the purchase of materials and supplies, and other costs incidental to the operation of the project, including payments to the reserve fund or to any other separate funds required to be maintained by local authority resolutions. (For further discussion of the Administration Fund, reference should be made to the more detailed treatment to be found in the Design Manual, pp_______.)

In this connection it should be noted that the USHA may also approve the establishment of a "Revolving Fund" in a bank account separate from the bank accounts under existing Administration (or Development) Fund Agreements in order that local authorities may make disbursements for expenses proratable among several statutory projects. Details concerning the establishment of such Revolving Funds are likewise contained in the Accounts Manual, p.______.

55 (a). ITEMS ELIGIBLE FOR INCLUSION IN ADMINISTRATION COST

Under the law, the term administration cost when used with reference to a project built with USHA aid means the cost of "any or all undertakings necessary for management, operation, maintenance, or financing, in connection with [such] . . . project, subsequent to physical completion" thereof.

Attention is also invited to Section 15 (5) (a) of the United States Housing Act, which requires that projects receiving USHA aid be "undertaken" in such a manner that economy will be promoted in both their administration and construction, and to Section (2) (1) of the Act, which requires that projects be developed and administered so as to promote economy therein.

The USHA will therefore not be able to approve the inclusion of any item in the cost of project administration unless the item is necessary for such administration or promotes economy therein.

Expenses of the nature specified in the following paragraphs are eligible for inclusion in administration cost and may be paid from project income, provided the amount of such expenses is reasonable in relation to the size and needs of the project or projects involved. In cases where two or more projects are under one Loan and Annual Contributions Contract, the costs of administration specified in this breakdown which are proratable between the several projects are to be prorated in a manner approved by the USHA.

(1). Management Expense:

(a). Project Office Salaries. Salaries of persons engaged at the project office for general management supervision; costs of tenant selection, rental management, handling tenant complaints and service requests, the keeping of the Books of Account, requisitioning and purchasing of materials and supplies, stenographic and clerical work, and storeroom clerical services; and supervisory cost of operation and maintenance.

(b). Central Office Salaries. That portion of the salaries and consultation fees (with the exception of legal fees) of persons engaged at the central office which is directly traceable to the management of the project and which is approved by the USHA as properly chargeable to the project.

(c). Legal, Fiscal, and Other Fees. Legal fees, court costs, fiscal agent fees, and other similar fees incurred in connection with the administration of the project.

(d). Other Management Expenses. Cost of office supplies, stationery, printing, accounting forms and books; advertising, literature, and pamphlets; postage and expressage; communications service (including messenger service); tenant investigation reports; armored car service expense; and such portion of the central office expense (other than salaries) as is directly traceable as a management cost of, and approved by the USHA as properly chargeable to, the project.

(2). Operating Services:

(a). Janitorial Expense. Cost of labor, supplies, materials and equipment required in connection with washing and cleaning, rubbish and garbage removal (exclusive of cost of removal from site), incinerator operation (including firing and cleaning of incinerators), and other associated janitorial duties (including snow removal and cleaning of wading pools).

(b). Extermination. Such portion of the cost of labor, materials, expendable equipment, and contract costs in connection with the work of disinfecting the household effects of incoming tenants as is not borne by such tenants. If the extermination work is performed by project employees, the cost of such labor.

Costs in connection with routine disinfecting and extermination and, if such work is performed by project employees, the labor cost of such employees.

(c). Refuse Removal. Cost of removing rubbish and garbage (excluding ash removal from project heating plants) from the project site, either by project labor or by contract.

(d). Watchman Expense. Salaries and supplies for a watchman or cost of watchman's services rendered under contract. The attention of local authorities is, however, invited to the fact that the cost of engaging a watchman is generally substantial. Except in unusual situations, the USHA cannot therefore recommend that a watchman be engaged.

(3). Dwelling Utilities:

(a). Water. Cost of water (except for stores and commercial spaces).

(b). Electricity. Costs of electric energy (except for stores and commercial spaces).

(c). Gas. Costs of gas service (except for stores and commercial spaces).

(d). Heating. Cost of operating labor, fuel, steam purchased, ash removal, supplies, and portable equipment required for the operation of the heating system (including the routine inspection and oiling of equipment), with the exception of such costs as are applicable to the heating of stores and commercial spaces.

(e). Sewerage Charges. Sewerage charges (except for stores and commercial spaces).

(4). Repairs, Maintenance, and Replacements:

(a). Grounds. Repair, maintenance, and replacement expenditures, including all labor, contract cost, supplies, materials, and equipment required for landscaped areas, surface areas, and wading pools; walks and drives; and fences. Expenses in connection with areas covered with growing materials are also eligible for inclusion.

(b). Structure. Repair, maintenance, and replacement expenditures for roofing and sheet metal; masonry, calking, and waterproofing; tile setting, lathing, and plastering; carpentry (including wood and asphalt-tile floors); hardware, glazing, and screens; and similar sundry expenses.

(c). Painting and Decorating. Expenditures for exterior and interior painting; labor and material for washing and cleaning painted surfaces; plaster, plaster patching; paper hanging; floor cleaning and finishing; and shades and curtain rods.

(d). Plumbing and Gas System. Expenditures for labor, material, and supplies for the repair, maintenance, and replacement of the hot- and cold-water system (including lines, tanks, meters,

generators, pumps, motors, and controls); drainage and sewerage systems; plumbing facilities (including medicine cabinets); gas piping, valves, and meters.

(e). Electrical System. Expenditures for labor, material, and supplies for the repair, maintenance, and replacement of interior and exterior distribution (including yard lighting standards, interior wiring, meters and fixtures, fuses, lamps for public spaces, and cost of inspection of the electrical system).

(f). Elevator System. Repair, maintenance, and replacement expense with respect to the elevator system.

(g). Ranges. Expenditures for their repair, maintenance, and replacement.

(h). Refrigerators. Expenditures for their repair, maintenance, and replacement.

(i). Other Equipment. Expenditures for the repair, maintenance, and replacement of the following: laundry equipment (including hot plates, fans, unit heaters, controls, and ironing boards); shop equipment, tools, and supplies; operating service equipment; social, recreational, and playground equipment; office equipment; and sundry equipment (including expenditures for the repair, maintenance, and replacement of all equipment not covered above).

(5). Other Project Administration Costs:

(a). Community Activities. The applicable portion of the salaries of persons spending all or any portion of their time in the actual work of formulating, guiding, and supervising social,

recreational, educational, and health activities of tenants and the cost of material and supplies used in connection with community activities.

(b). Vacations and Sick Leaves. Payments of salaries and wages to employees on vacation or on sick leave.

(c). Collection Losses. The portion of tenants' indebtedness past due and determined to be uncollectible. Delinquent accounts are not to be considered uncollectible until every available means and effort to make the collection have been exhausted.

(d). Insurance. Cost of the various types of insurance required in connection with the administration of the project.

(e). Payments in Lieu of Taxes. Amount paid in lieu of taxes in accordance with the provisions of the Cooperation Agreement with the city or other local taxing bodies.

(f). Interest. Accrued interest due on outstanding Series A or Series B Bonds or on Advance Loan Notes.

(g). Depreciation. Costs included as depreciation will equal costs of amortization.

(h). Reserves. Reserve for repair, maintenance, and replacements, and reserve for vacancy and collection losses.

(6). Alterations and Betterments:

The term alteration and betterment means the alteration of grounds or structures, or the alteration, acquisition, construction, or installation of equipment or facilities (subsequent to physical completion) which is necessary to achieve operating economies or to maintain "low-rent housing" [as the latter is defined in Section 2 (1) of the Act].

It should be noted that the term does not include "repairs," "maintenance," or "replacements" as the latter are defined in the Accounts Manual, p._____. In the above definition, grounds, structures, equipment, and facilities refer only to those items the repair, maintenance, or replacement of which is properly chargeable to "repairs, maintenance, and replacements" in accordance with the definition set forth in the Accounts Manual.

It should also be pointed out that the term "alteration and betterments" does not include "additions." The term <u>addition</u> means the construction (subsequent to physical completion) of dwelling units or other rental space outside the confines of existing structures, or the alteration, acquisition, construction, or installation (subsequent to physical completion) of grounds, structures, equipment, or facilities which is <u>not</u> for the purpose of achieving operating economies and which is <u>not</u> necessary to provide "low-rent housing."

Additions as defined here are, of course, not eligible items of administration cost, the discussion here being given for the purpose of precluding confusion between "additions" and "alterations and betterments."

The cost of alterations and betterments may be charged to administration cost only where they are necessary to maintain low-rent housing or to achieve operating economies. Operating economies represent the net estimated annual saving in the other expenses of administration. To justify charging an alteration and betterment to administration cost on the ground of operating economies, the operating economies effected are to be substantially greater than the cost of the alteration or betterment amortized over its useful life.

In determining whether a proposed alteration or betterment is necessary to maintain "low-rent housing," the following principles shall be the determining factors:

(a). The Act defines "low-rent housing" to mean "decent, safe, and sanitary dwellings within the financial reach of families of low income, and developed and administered to promote serviceability, efficiency, economy, and stability, and embraces all necessary appurtenances thereto." Should the minimum standards of "low-rent housing," as so defined, rise as time goes on, local authorities may find it necessary to effect alterations and betterments in order to maintain their projects in accordance with minimum current standards for low-rent housing.

(b). The development cost limitations of the Act must not be circumvented by alterations and betterments. For example, a project might be constructed without provision for ranges and refrigerators in order to obtain a low development cost. The installation of such equipment at a later date as an expense of administration will be carefully scrutinized to determine whether it will result in a failure to comply with the development cost limitations of the Act.

In determining both the period during which the expense of an alteration and betterment may be charged to administration cost and the annual rate of the charge, the following principles shall be the determining factors:

(a). The annual rate of USHA annual contributions is not to be materially increased by the charge. In effect, this principle means that the entire cost of an alteration and betterment is not to be charged in any one year if the charge would require an increase in the rate of the annual contribution for that year.

(b). The local authority may find it advisable to defer the cost of alterations and betterments in certain cases. For example, the cost of an alteration and betterment having an estimated useful life of five years may be prepaid, with one-fifth of the cost thereof being charged to administration cost annually. However, the cost of an alteration and betterment is never to be deferred beyond its estimated useful life.

(c). In no case is the expense for an alteration and betterment to be charged to previous years. Adherence to this principle is essential in order to determine at the end of each year the amount of the USHA annual contributions for such year.

(d). In the case of alterations and betterments made to effect operating economies, the estimated net operating economies effected thereby for each year (apart from the charge to alterations and betterments) are to be substantially greater than the annual charge of the deferred expense to alterations and betterments.

(7). Informational Service Expenses Chargeable to Administration Cost:

During the project administration period, the local authority may incur informational service expenses in connection with two main types of activities. The first type comprises the activities necessary to keep the community informed of the objectives of the local authority's management program, and of current developments in this program. (As indicated elsewhere, informational service expenses incurred in connection with this type of activities do not, of course, include expenses made to stimulate applications by prospective tenants. Expenditures for this purpose are classified as tenant selection cost. Reference should be made in this connection to the detailed discussion of local information programs to be found in Section 34, p._____.)

The second type of activities includes those which the local authority must undertake in order to keep itself informed of current developments in public housing operation and management.

Extreme care must be exercised in keeping all informational service expenses as low as possible. The USHA cannot approve the inclusion of any informational service expense in administration cost unless the local authority shows that the expense was necessary and that the amount spent was kept to the lowest practicable figure. Implicit in this principle, for example, is the fact that no informational service equipment should be purchased if savings can be effected by renting it. Similarly, no services or equipment which can be borrowed or otherwise obtained without charge should be rented.

The attention of local authorities is also invited to the necessity of complying with any relevant state laws in making expenditures for informational purposes. The mere fact that the USHA has determined that an expenditure is an eligible item of administration cost under the United States Housing Act does not, of course, authorize a local authority to make the expenditure if it is prohibited by state law.

Among the types of informational service expenditures which may be eligible for inclusion in administration cost are the following:

(a). The local authority may at times find it necessary to have photographs of the project, the project grounds, or of typical project dwelling units prepared and displayed to the public. Printing costs may also be incurred in connection with the preparation of pamphlets and leaflets designed to reach the general public and to acquaint it with the type of dwellings available in the project, the policies as to admission and tenancy, and other items of general interest. Similarly, the USHA realizes that the local authority may find it necessary to join associations of housing authorities, and pay their membership fees, in order to benefit from the experience of other local authorities confronted with similar management problems.

Reasonable expenses of character indicated may be classified as informational expenses and, where local budgets permit, are proper items of administration cost. [Project administration cost as discussed here is not to be confused with the general administrative expenses incurred prior to the full-fledged operating stage and eligible for inclusion in a project's development cost. See Section 17h (1), p._____, for a discussion of the latter.]

(b). Travel may also prove necessary in connection with project administration. [The statement made in Section 17h (2), p._____, with regard to travel costs eligible for inclusion in development cost is likewise applicable to travel performed in connection with project administration and eligible for inclusion in project administration cost.]

Local authorities should bear in mind the fact that economy in the administration of projects built with USHA aid is of paramount importance. Each dollar spent for informational service must find its justification in increased efficiency in project administration. The USHA will therefore continue to make a careful scrutiny of all informational service items and cannot, under the Act, approve any expenses for informational service which are not necessary to achieve the maximum economy consistent with efficient project administration. Experience has indicated, for example, that it will not ordinarily be necessary for the local authority to establish a full-time job for informational service work during the project administration period.

Pending further experience in connection with informational service expenditures during the administration period, the USHA cannot ordinarily approve informational service expenses beyond the following limits: membership fees may not be in excess of fifty cents per year per dwelling unit; over-all informational expenditures must not be in excess of one dollar per year per dwelling unit. It should be added that on the larger local programs, the USHA will not generally approve expenses up to such limits. On the other hand, in case of the smaller local programs, expenditures for such purposes up to the limits specified may be permitted.

56. MANAGEMENT REQUIREMENTS

A variety of management considerations arise during the development peroid of low-rent public housing projects. The proposed Management Resolution (discussed in Section 47b, p._____; see also pp._____ of the Management Manual), which will normally have been submitted to the Regional Office prior to the award of the construction contract, must be approved and adopted. Personnel for initial tenant selection and renting must be engaged for the projects nearing completion. Families apparently eligible as tenants must be adequately informed about the new projects. And various other steps preparatory to tenant selection and actual occupancy must be taken.

56a. THE MANAGEMENT RESOLUTION

The actual Management Resolution for the First Budget Period should be submitted at least seven months before the first building is scheduled to be opened for occupancy. The resolution should normally be approved by the Regional Office six months before this date in order to permit the preparation of operating manuals, the selection and training of staff (see the following Section 56b), and an intensive informational program prior to the start of tenant selection. The latter should begin no later than three to four months before initial occupancy (see Section 57). Management Resolutions for subsequent annual budget periods must be submitted to the Regional Office at least three months before the beginning of such budget periods (see Section 61b, p.____).

The following items (each of which is discussed in detail in the Management Manual) must be covered by the Management Resolution:

(1). Rentals and Statutory Rental Values. The charge for shelter rent plus utilities and the statutory rental value established for each size and type of dwelling unit must be such as to bring the dwellings within the financial reach of the low-income families to be rehoused in the project. The discussion of "graded rents" in the Management Manual, pp.____, is particularly relevant in this connection. The allowable consumption of utilities to be provided for in shelter rent plus utilities must also be determined for each size of unit. The charges or credits (if any) to be made for use in excess or below the amounts included must also be specified.

(2). Income Limits for Admission. Income limits for admission to the project shall be specified.

(3). Income Limits After Admission. Income limits for continued occupancy after admission shall be prescribed.

(4). Family Make-Up. Occupancy of a dwelling in a project shall be limited to a natural family or to a cohesive family group.

(5). Citizenship. Under the law, annual contributions cannot be paid by the USHA under any contract dated April 18, 1941, or thereafter unless the local authority has adopted regulations prohibiting as a tenant of the project involved any person not a citizen of the United States. The term tenant in this connection means the person who signs the lease and is responsible for the rent. (A further discussion of this citizenship requirement is to be found in the Management Manual, p.____.)

(6). Net Income. The net income of a family applying for admission to, or residing in a project, means the aggregate income, in whatever form received, of all members of such family, less allowable deductions as specified.

(7). Occupancy Standards. To avoid overcrowding and waste, occupancy standards must be established for admission and to determine eligibility after admission. This may include a table of maximum and minimum occupancy limits and a statement defining maximum occupancy permitted in rooms of various sizes; the maximum age at which a child may occupy the parents' bedroom; the age at which separate sleeping rooms are to be provided for children for opposite sexes; and limitations on the use of the living room for sleeping purposes.

(8). Substandard Housing Conditions. Admission shall be confined to families living under substandard housing conditions, that is, in quarters which are unsafe, insanitary, overcrowded, or detrimental to morals. Substandard housing conditions must be clearly defined in terms of local housing conditions.

(9). Tenant Selection. There shall be no discrimination in the selection of families for admission to housing projects.

(10). Tenant Relations. Controlling policies regarding tenant relations must be embodied in the Management Resolution.

(11). Tenant Maintenance. The Management Resolution should include a provision that work which is appropriate to assign to tenants in connection with interior and exterior spaces and equipment involving operating services, dwelling utilities, and repairs, maintenance, and replacements shall be performed by tenants. However, no work which requires the services of a skilled mechanic shall be so assigned.

(12). Manner of Operation. Projects shall be operated in an efficient manner for the purpose of providing decent, safe, sanitary, and uncongested dwelling accommodations within the financial reach of families of low income and in such a manner as to promote serviceability, efficiency, economy, and stability. Projects shall not be operated for profit.

The local authority should include in its management program resolution a statement as to which employees, if any, are to be required to live in the projects and the rents to be charged (see Section 59b).

(13). Illegal Use. Neither the project nor any part of it shall be used for any purpose which is illegal or extra hazardous on account of fire, explosions, or any other risks.

(14). Accounting Procedure. The accounting procedure shall be in accordance with instructions prescribed by the USHA and set forth in detail in the Accounts Manual.

(15). Management Records and Reports. Management records and reports, other than those of a financial and accounting nature, shall be prepared and filed in accordance with the provisions prescribed in the Management Manual.

Establishing eligibility to rent a dwelling requires the filing of a formal application, interviews, and the assembling and verification of such information as may be necessary to insure compliance with all legal requirements and local policies of admission. The economic circumstances of each applicant family should be carefully studied to establish the fact that the family has the ability to pay the project rent and that decent housing is not to be provided at the sacrifice of other essentials such as food, medical care, and the like.

Additional requirements may be specified by the local authority provided that they do not serve to circumvent the objectives of the Act, and provided sufficient eligible families can be found to complete occupancy of the project. A definite method of selecting tenants from the pool of eligible families must be established by the local authority.

In selecting tenants who meet the specified eligibility requirements, special requirements (such as acceptance of only families with children) may be made by the local authority provided sufficient eligible families can be found to complete occupancy of the project.

(16). Purchases and Contracts. The manner of purchasing and contracting for materials, supplies, and services other than personal services must be prescribed.

(17). Prevailing Wages. Under terms of the Housing Act (see Section 51 of this volume, p.____), prevailing wages must be paid for all employees on the operation and maintenance staff and for building trades employees not on the normal staff. (For recommendations concerning the selection and training of operation and maintenance personnel, reference should be made to the Management Manual, pp._____).

(18). Dwelling Lease. The form of dwelling lease must be specified. The dwelling lease shall contain, among other matters, provisions regarding the determination of eligibility of tenant families after admission.

(19). Maintenance of Structures and Equipment. The standards to be followed in the maintenance of structures and equipment must be prescribed.

(20). Insurance. The types and amounts of insurance must be prescribed (see Section 50, p._____).

(21). Budgeting Costs of Repairs, Maintenance, and Replacements. The manner of budgeting costs of repairs, maintenance, and replacements must be set forth.

(22). Reserves for Vacancies and Collection Losses. The manner of establishing reserves for vacancies and collection losses must be prescribed.

(23). Estimate of Average Annual Income and Expense. A Statement of Estimated Annual Income and Expense (Form USHA-853) must be prepared, and the project operated within the limitations of that estimate. The minimum feasible annual cost for a project in substantial compliance with the standards set forth can be determined by referring to the "Annual Administration Expense Control," which serves as a yardstick by which USHA measures the proposals of local authorities (see Management Manual, pp._____). A total cost proposed which exceeds that set up by using the "Annual Administration Expense Control" will be approved only when accompanied by a thorough justification.

In budgeting the cost of dwelling utilities, reference should be made to the "Utility Cost Control," also contained in the Management Manual (pp._____). In no event will average annual costs exceeding those set forth in the Management Resolution, approved prior to the award of the main construction contract, be approved for subsequent Management Resolutions unless the local authority can show that conditions beyond control have caused such increased costs.

(24). Operating Budget. An Operating Budget (Form USHA-848) for the budget period covered by the resolution must be drawn up.

(25). Findings. The local authority must make a finding to the effect that operation of the project in accordance with the provisions of the resolution will meet the requirements of all applicable laws and contracts.

56b. PERSONNEL FOR INITIAL TENANT SELECTION AND RENTING

Careful staff selection and thorough job training are indispensable to obtain satisfactory results in tenant selection. The necessary experience and educational qualifications of staff members will vary according to the duties to be performed and the degree of responsibility to be assumed by each. The number will be dependent upon the size of the project and the length of time allotted to tenant selection activities. A smaller staff employed for a longer period is preferable to a larger staff for a shorter period. This facilitates securing more competent personnel and makes better staff training possible, thus promoting office efficiency at a minimum of expense.

The processes of application taking, home visiting, and other steps in verification of apparently eligible applications require skill in the interview method and in the assembling of pertinent family data. The final selection of tenants necessitates a careful review of the circumstances of each applicant family based on these facts. Not only is it essential to ascertain that the family qualifies for acceptance according to all established policies of admission, but it is also necessary to determine if any of the social and economic problems presented may affect eligibility.

To evaluate such factors without bias or prejudice, and to know which agencies or individuals in the community to consult for reliable advice prior to making final decisions concerning eligibility, require the services of professionally qualified personnel skilled in the

techniques and practices of family welfare work. Therefore, the staff selected to perform these functions must possess training and experience in fields which call for the use of similar techniques and judgments, including previous experience in direct contact with families of low income and a thorough knowledge and understanding of their economic, social, and racial backgrounds and characteristics.

The supervisor of tenant selection should be a progressive person of recognized professional standing. In the case of slum clearance, involving outright projects, it is highly desirable that the person engaged to act in a supervisory capacity in tenant selection should have been identified with or in close touch with relocation activities (see the Management Manual, p._____). If the supervisor appointed has had no previous experience in actual tenant selection work, it is advantageous to make arrangements for this staff member to secure special training, and to observe and if possible to actually participate for a period in tenant selection for another USHA aided project before assuming active responsibility for these duties.

It is recommended that wherever practicable the supervisor of tenant selection be employed in a permanent capacity from the outset, either on the project management staff or on the staff of the local housing authority, depending upon the number of projects involved and the local administrative setup. Thus problems of tenant turnover, periodic review of the eligibility of tenants for continued occupancy, and related activities which are an integral part of project management will have the benefit of

the continuing services of the staff member originally charged with the responsibility of initial tenant selection.

If the scope of these activities does not warrant the full-time services of one person, responsibility for community relations may also be delegated to the same person, provided the staff member selected possesses the requisite qualifications to handle both phases of work.

There are many advantages also in engaging other permanent management staff members and having them participate in initial tenant selection before assuming their regular duties. In outright slum-clearance projects, it is desirable to utilize employees for tenant selection, if qualified, who have had the benefit of previous participation in relocation. The services of all professional and clerical personnel <u>temporarily</u> engaged for initial tenant selection should be confined to these specific activities and never confused with the regular functions of project management.

As a further guide to local authorities in selecting and training personnel for initial tenant selection and renting, the Management Manual (pp.______) outlines in detail suggested staff requirements and functions; minimum qualifications for tenant selection personnel, both professional and clerical; sources of qualified personnel; and staff training.

57. INFORMING PROSPECTIVE TENANTS

Interpreting the housing program to low-income families who may be unaware of their opportunities to secure better housing is a concrete task which every local authority must face and plan for in advance. This is particularly true when a local authority's first project is being developed. Tenant selection cannot be efficiently performed unless all those eligible for tenancy are properly informed and encouraged to apply. The degree of success of this phase of the program will depend largely upon the efforts made and the methods used to gain these objectives. (As indicated in Section 17f, p._____, the cost of tenant selection literature and other expenses relating to the stimulation of applications and the selection of initial tenants are chargeable to project development cost as pre-occupancy expenses rather than as informational service expenses.)

In addition to being part of the general public interested in the broad aspects of public housing, low-income groups are potential customers more directly concerned than any other group with questions of eligibility, management policies, and benefits to be derived from residence in the new development.

While the two tasks, informing the public of the broad aspects of the housing program (discussed in Section 34, p._____) and informing prospective tenants on matters relating to tenancy, are interrelated and should proceed concurrently, the efforts designed for the latter purpose constitute a special and distinct phase of the information program and should receive special attention in planning and execution. This planning should

be done so as to secure as many qualified applicants as possible. Selection from among a limited number of applications carries the danger of including as tenants families too close to the borderline between public and private housing efforts. Only the consideration of applications from all low-income families is consistent with good tenant selection, with good public relations, and with the fundamental responsibilities of the local authority.

Perhaps the first prerequisite in public relations at this stage is that local authority members and their staffs be well informed. While specific answers to all questions may not be available for some time and while all staff members cannot perform a complete informational service, they should be sufficiently well informed so as to avoid turning inquirers away unsatisfied or misinformed. The same consideration applies to foremen and watchmen on the construction job. All of these persons should be able to supply information on requirements for admission to the new project, how and where to file applications, and the like. They should be able to answer general questions and to refer to the proper sources those seeking more specific information. Moreover, wherever possible they should assume responsibility for taking the names and addresses of those who inquire. (For a further discussion of registration, see the Management Manual, p____.)

The attention of local authorities is invited to the fact that detailed suggestions and assistance in meeting informational problems, particularly in dealing with those that arise during the tenant selection period, are available through Regional Offices upon request. USHA

recommendations on informational matters, as on other scores, are based upon the common and cumulative experience of local authorities already having faced similar problems, and can thus help other authorities save both money and effort in reaching effective solutions.

In this connection, "Public Relations of Local Housing Authorities" (Chicago, July 1939), a committee report of the National Association of Housing Officials, is also recommended.

57a. COORDINATION WITH OTHER PUBLIC RELATIONS ACTIVITIES

While the primary purpose of the general informational function discussed in Section 34 is to insure the widest possible understanding of the housing program as a whole, its effectiveness can be increased if its potentialities for reaching low-income families are utilized.

Emphasis should be placed upon reaching low-income families wherever possible. Informational exhibits, movies, and slides should be shown at places frequented by low-paid workers and their families. General informational literature, when suitable, should be easily available to these families. The participation of low-income families in groundbreaking ceremonies, dedications, and the showing of demonstration units is likewise desirable.

Higher income families, on the other hand, have professional or other contacts with potential tenants. Wherever possible in general informational activities, they should be reminded of their responsibility for interpreting the program and for properly referring apparently eligible families. For this same reason, when specific information regarding rents, income limits, occupancy standards, and the like is directed to potential applicants, it should be made available to others in the community as well.

If care has been taken during the early stages of planning and construction to utilize all opportunities to develop understanding among low-income families, fewer difficulties will be encountered when tenant selection is inaugurated. In planning the more intensive informational work required in connection with tenant selection, a number of special considerations should be borne in mind.

(1). Newspaper publicity does not necessarily reach most low-income families simply because newspapers may not be read by these families with any regularity.

(2). Winning the interest and confidence of those families who will occupy the project is a special problem in addition to the responsibility for promoting an understanding of the program as a whole among all groups in the community.

(3). Emphasis on the social welfare aspects of the program should not be carried over into efforts to inform potential tenants. Low-income families are prospective consumers of housing and should be approached and treated as are consumers of any other type of commodity.

(4). Prospective tenants are likely to be readily influenced by misinformation reaching them through neighbors and fellow workers very early in the development stage. Belief in the validity of rumors may deter them from making application.

(5). Low-income families may be apprehensive of interviews and verifications. A sense of insecurity may have arisen from periods of unemployment, sickness, or other hardships during which unusual demands were made upon limited resources. Such families may be apprehensive about "government" landlords and about rent-collection policies.

(6). Long struggles "to make ends meet" and the frustration of efforts to establish adequate homes may cause low-income families to doubt the actual availability of attractive new low-rent dwellings.

(7). If they live near the project during construction, prospective tenants may be impressed by the numerous signs forbidding trespassing and may, over a period of months, become accustomed to staying away from the very location to which they will later be encouraged to come.

(8). If uninformed about plans for landscaping and unable to visualize the completed project, prospective tenants may recall only the unsightliness of the construction stage and may be entirely unaware of the attractiveness of the completed site.

(9). If the project is to be situated in a once undesirable neighborhood, low-income groups may not be aware of the changes to be anticipated due to the new housing development.

(10). Leaflets and information designed specifically to reach low-income families should be written in simple, non-technical language and directed toward a personal and convincing appeal.

In general, there are five approaches to low-income families: through the general campaign discussed in this Section 57a; through individuals, groups, and agencies in higher income brackets who assume responsibility for interpretation and referral; through organizations and agencies among low-income groups; through direct contacts in person, in writing, and by other means, with apparently eligible families known through surveys, records of relocation activities, and registrations; and finally, through the tenant application and central offices, the project site itself, and demonstration units.

All of these avenues, which are discussed in some detail in the following subsections, should be given full consideration by the local authority if an effective job is to be done in informing prospective tenants.

57b. <u>TIMING AND EMPHASIS IN INFORMING PROSPECTIVE TENANTS</u>

As has been indicated, informing prospective tenants and securing their participation in any local housing program should begin at the program's inception. It is obvious, however, that concrete information concerning policies of admission cannot be released until rents have been definitely fixed and all standards of eligibility definitely formulated and approved. Thus, the early setting of rents and early approval of eligibility requirements are prerequisites to satisfactory tenant selection. Just as soon as formal applications for admission can be received, carefully planned informational material should be released and other appropriate steps taken to stimulate applications.

Information designed to stimulate applications, whatever the informational mediums used, should stress factors that are of major concern to potential tenants, such as:

(1). The address of the application office and the hours during which applications may be filed.

(2). The rent range, quoted in such a way as to indicate plainly what items other than shelter are included. (Experience has shown that attempts to quote rents in detail have failed because of the fact that determination of the rent to be paid by an individual family can be made only on the basis of an individual interview in which income, size of family, and ages, sexes, and relationships of the members are clearly ascertained. Quotation of <u>rent range only</u> is therefore considered desirable except in newspaper stories designed specifically to explain the entire rent structure.)

(3). The top income limits (see preceding paragraph).

(4). Occupancy limits for each size dwelling unit.

(5). Specific eligibility requirements for admission, including local as well as legal policies, and preferential considerations and restrictions, if any, clearly and simply stated.

(6). Advantages offered by the project: wholesome neighborhood, community facilities, modern conveniences, and the like.

(7). Special welcome to and advantages for children.

In preparing written material and also in all contacts with prospective tenants, it is well to remember that while the facts presented must be specific, information that is too detailed may tend to be confusing.

In connection with planning informational programs, strict attention should be paid to any restrictions in the market as set up in the market analysis (see Section 10, p._____). If the market for a particular project is restricted because of sociological, racial, nationality, or religious peculiarities, information should be designed either to reach special groups whose applications can be considered or to avoid reaching groups that are not to be included.

All informational activities should aim to encourage eligible families to apply for admission, not to discourage applications. Emphasis on the number of applications already received should therefore not be featured when additional applications are being sought. Moreover, it is essential to avoid terms like "substandard housing," "slums," and "slum-dwellers," which may be offensive to applicants. In addition, terms acceptable in professional conversations but unfamiliar to the lay person should be replaced by shorter and more customary words. For example, the term "rental office" is probably more desirable than "tenant selection office." The word "verification" is more desirable (and truer to fact) than "investigation." "Wages" and "pay" are more familiar than the term "income." Finally, it is important to emphasize that fair consideration will be given all applications and that answers will always be given all inquiries.

There are many mediums through which eligible families can be reached during the tenant application period: printed materials, posters, newspaper releases and special supplements, radio broadcasts, exhibits, speaking engagements, movies, demonstration units, branch application offices, and the like. All of these may not prove equally effective in every community, and there may be other possibilities better suited to stimulating applications under particular local conditions that have not been considered here, but which should not be overlooked locally. The tenant selection supervisor will be likely to have some such suggestions based on local customs or conditions.

As a check on the effectiveness of the various methods utilized, it is of utmost importance to maintain a systematic record of the steps taken locally and the results secured. This may be accomplished by having the receptionist in the tenant selection office or interviewers who take applications obtain from each applicant family its source or sources of information concerning the project, together with an indication as to which stimulus finally led to filing of the application.

A further check on the effectiveness of the campaign can be established by the use of a map of the community on which addresses of applicants are spotted so as to indicate at a glance what sections of substandard housing are failing to produce applicants. At the same time the tenant selection staff and other employees of the local authority should assume responsibility for ascertaining reactions throughout the community to the developing program.

Such checks will not only have definite value for continuous local use in planning informational work, but by this means experience gained in one community can be passed on to housing authorities in other localities undertaking similar work.

To coordinate all activities into one organized campaign, as well as to maintain a check on the accuracy of the information disseminated and to insure proper emphasis in such information, it is desirable to have all written material dealing with the technical aspects of tenant selection clear through one appropriate channel.

For the utmost effectiveness, close cooperation between informational personnel and tenant selection supervisors should obtain, since supervisors can advise on ways of appealing to low-income families, and since it is they who are responsible for a good job of tenant selection (of which informing potential tenants is only a part).

While the timing of the campaign will naturally be fitted into the general informational program and into the development of the project, it is well to recognize the special interest and news value inherent in certain special events and to plan in relation to these. Events of this type include:

(1). Appointment of project manager and/or tenant selection supervisor.

(2). Approval of the Management Resolution and announcement of rents and income limits.

(3). Appointment of advisory committees.

(4). Opening of the rental office.

(5). Taking of the first application.

(6). Opening of the demonstration unit.

(7). Signing of the first leases.

(8). Moving of the first tenants.

(9). First general activities of tenants (especially where the availability of units is spread over a period or where tenant selection is, for any reason, delayed).

While it cannot be anticipated that families will be able to determine their own eligibility, careful consideration of all of these factors will result in an increase in the number of applications or inquiries from eligible families, and will provide a better basis for explanation to those families who cannot qualify. It will facilitate the entire process of tenant selection, greatly reduce the costs involved, and achieve sound public relations by preventing general misconceptions and misunderstandings with respect to tenant selection policies.

57c. COOPERATION OF OTHER LOCAL AGENCIES

While the local authority must lead the community in reaching low-income families whose housing situations require consideration, it cannot do the job by itself. Instead, it must expect and rely upon the cooperation of various other agencies and organizations which have access in any way to low-income families in the community.

As soon as applications can be accepted, contacts should be established with representatives of agencies that are in constant touch with families living in areas of substandard housing, as well as with organizations and individuals widely representative of potential applicants, with the expectation that they will assume a full measure of responsibility for referring potential applicants to the tenant selection office. This task will be considerably easier if a solid groundwork of education and information has been built up with such agencies in the course of the project's development. These should include community and neighborhood centers, family welfare and child care agencies, clinic and health centers, churches and schools, Work Projects Administration community service projects, and other agencies operating in neighborhoods of substandard housing. They should also include labor unions, employers, and fraternal organizations, as well as racial and nationality organizations representing any particular groups being considered for tenancy.

Past experience of local housing authorities in obtaining the cooperation of other local agencies during the tenant selection period indicates the following noteworthy points:

(1). Community organizations working in conjunction with social welfare organizations among low-income groups have recognized the value of assisting in the dissemination of information about public housing projects and the methods of applying for occupancy.

(2). Social welfare agencies of all kinds, both public and private, are in the habit of using their direct contacts with low-income families to assist them in securing adequate low-rent shelter. Many of these agencies, in addition to reaching relief families, reach hundreds of low-income families not on relief rolls who will undoubtedly be eligible as tenants.

(3). Churches, through their ministers, organizations, and individual workers, know the situations of member families and have referred many eligible applicants.

(4). Grade and high school principals and teachers in public and parochial schools have not only assisted through educational lectures, studies, and classroom projects, but have also approved the display of posters and the distribution of tenant application leaflets to students. The names of individual families about whose home conditions they have knowledge have also been supplied. Parent-Teacher Associations have likewise been of assistance.

(5). Leaders of WPA workers' service classes are engaged in actual discussion of housing problems and the like. They, as well as leaders of recreation and family life education projects, are constantly in touch with families in need of housing, as are officials, foremen, and supervisors of other WPA and NYA projects.

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'and other [illegible]

(6). Labor unions, through their officials, special committees, shop chairmen, and stewards, are willing and able to explain the public housing program and to correct false rumors about it.

(7). Fraternal societies, especially those representing the larger racial and nationality groups in the community, have officials or committees that have been glad to help answer inquiries and to encourage applications from their membership.

(8). Personnel and employment divisions of factories and other business establishments employing large numbers of low-income workers have been found to be genuinely interested in the housing problems of their employees. Cooperation has been obtained in posting informational material, in distributing it among employees, and in securing the names of those who may qualify for admission from the point of view of income.

(9). The memberships of business, professional, and civic clubs, sometimes regarded as removed from the low-income group, include many employers of potential tenants. Even in general informational talks, such groups should be reminded of their opportunities to refer apparently eligible employees to the proper local authority channels.

(10). Wherever special committees on tenant selection have been appointed to serve in an advisory capacity in the establishment of tenant selection policies (see the Management Manual, p.___), such committees can be of material aid in stimulating applications from eligible families. Thus, wherever feasible in connection with the preparation and distribution of informational materials and particularly during the initial tenant selection period, the advice of advisory committees on tenant selection should be sought.

(11). Well established citizens' housing groups can likewise be of much assistance during the period of initial tenant selection. Such organizations usually have a wide representation of other groups in the community, and can therefore function as effective mediums for the distribution of announcements concerning eligibility requirements and the like. Moreover, the tenant selection period affords a special stimulus to the formulation of such groups, where they are not already in existence.

As has been said, the cooperation of all of these organizations and agencies is essential to an adequate program of tenant selection and must be secured as soon as application taking begins.

57d. THE USE OF PRINTED MATERIALS

Printed materials relating to tenant selection should be ready for distribution as soon as final rent schedules are approved. Local authorities should not hesitate to enlist editorial and other assistance through Regional Offices at this stage of program development. As in the case of other local publications (see Section 34), easily adapted sample or dummy publications will be made available upon request.

Experience has shown three types of publications, aside from registration post cards (see Management Manual, p._____), to be effective during the tenant selection period. Local authorities are urged to give careful consideration to the particular merits and uses of each of the three types, and to recognize the importance of using materials familiar to local low-income groups in meeting problems peculiar to their own communities. Local authorities are also reminded that each type of publication may lend itself to a different distribution.

(1). Leaflets. In the initial tenant selection period a detailed leaflet is usually essential. Such a publication should be prepared primarily for distribution to agencies and organizations discussed in Section 55c (3), to prospective tenants who have already visited project offices and demonstration units, and to potential tenants sufficiently well informed to be interested in more detailed information.

Many attractive leaflets have been prepared in sizes ranging from 7" x 5" to 9" x 6", but those with a folded size of about 8" x $3\frac{1}{2}$" are more convenient for mailing. The method of distribution planned will, of course, be a determining factor in decisions on size.

Single-fold leaflets of four pages are more easily handled than the two-fold, six-page form used by many local authorities. With care, the points to be made can ordinarily be covered in four rather than six pages. Two-directional folds should be avoided because the text beneath the top fold may be completely overlooked.

Two- and three-color printing jobs, while attractive, are not sufficiently more effective than certain less expensive publications to justify the extra expense involved.

If, in the dictates of economy, a choice must be made between relatively expensive paper and relatively expensive typography, the latter is recommended. The paper to be used should be selected with an eye to economy and the quality of reproductions, as well as for its effect on low-income families. The relatively inexpensive super-calendered paper used in this manual, as well as in the USHA news weekly, Public Housing, is recommended in this connection. If such a paper is chosen, halftones to be used should not be finer than a screen of 120, the type used here.

The contents of this type of leaflet should include:

(a). The range of the rents [see Section 55c (2)] and what they include. Where rents are due weekly, they should be given on a weekly basis.

(b). Who is eligible, including family size and weekly and annual income limits for each dwelling type.

(c). When and where to apply, including hours and, if necessary, directions as to how to get there.

(d). Groups to whom preference will be given, if any, such as former site residents.

(e). Citizenship requirements (see Management Manual, p.____) in localities where groups of noncitizens might otherwise apply.

(f). Restrictions, if any, such as those regarding period of residence in the community, source of income, and the like.

(g). Other information - or questions and answers - on rents, community facilities, tenant selection and management policies, and information descriptive of the project as a whole.

Illustrations may be used to advantage in this type of leaflet. Photographs of the new project, of interiors (particularly those showing kitchen and bathroom equipment), and of people rehoused are recommended. To the ill-housed such pictures may speak louder than words. Illustrations (including before-and-after pictures that tell a story) are especially desirable in leaflets to be distributed to foreign language groups that are not too familiar with English. They are also valuable in leaflets prepared in languages other than English.

Illustrations of the type developed by pictorial statistics are not recommended because they are generally unfamiliar to low-income groups. Where attempts have been made to indicate occupancy standards in this way, the results have seldom been enlightening to the families concerned. Line drawings are better than pictorial statistics. Project architects can often be enlisted for such sketches.

Experience has shown that floor plans are not easily read by the layman. Isometric sketches, particularly when heavy black is used on the floors, are somewhat more understandable than the ordinary treatment. As a rule, however, floor plans should be avoided.

Simplicity and clarity should never be sacrificed to unwarranted details in tenant selection literature. For example, listing the local authority membership and staff is of no immediate concern to prospective tenants. In other than general housing literature, wherever space is at a premium or greater effect can be achieved without overcrowding the text, such names are generally best omitted.

The statement "All information given in applications will be treated in confidence" is good. Inclusion of the statement "If you have questions that are not answered in this leaflet, someone at the rental office will gladly answer them for you" is also recommended.

(2). Handbills. Experience has shown that in many communities the detailed leaflet described in the preceding subsection does not sufficiently interest all families in the low-income group. A simple handbill in the form more familiar to such families is frequently needed to supplement the leaflet.

The trend is toward inexpensive colored handbills, such as those used by grocery stores. A good size is 9" x 6". Inexpensive colored newsprint should be used. The contents should include:

(a). The rent range (see Section 57b) and what the rents include. In those instances where rents are due weekly, the figures quoted should be on a weekly basis.

(b). Who is eligible, in brief.

(c). When and where to apply, including hours and, where necessary, brief directions as to how to get there.

It is unwise to use line drawings or photographs, or to attempt to cover more than these three points in the handbill. Simplicity of content and lay-out should be the keynote.

(3). Flyers. In most instances, as tenant selection progresses, segments of the low-income group are found to be still inaccessible, so far as informational materials are concerned. To reach these families many local authorities have, in the next effort, discarded attempts to explain eligibility requirements and tenant selection policies and have designed flyers aimed solely at arresting attention, at catching interest, at causing people to stop and want to make further inquiry. Where this type of flyer has been used, it is usually designed to appeal through the suggestion of some single factor, such as: "Hurry! We have a Home For You." "Are Your Children Safe?" "Do You Want a Decent Home?"

Flyers are usually designed to meet particular local problems. They are usually directed toward arresting attention and nothing more. Distribution of material of this kind should be extremely discriminate, however, so that obviously ineligible families will not be led to apply.

As already noted, each of the three types of printed materials discussed here has a particular use and merit, and lends itself to a different kind of distribution. Combinations of the three or additions to them are entirely possible and should be considered by each local authority.

General recommendations. The following suggestions and recommendations are applicable to all types of tenant selection literature.

(1). The printer's type used should not be smaller than 10 point, since this size type looks more familiar to the groups to be reached. (This is a sample of 10-point type.) Roman lightface and roman boldface type in familiar styles are good.

(2). Mimeographed handbills and leaflets have been effective only in those instances where they were well laid out and run off. Careful line drawings can enhance their appearance. But poor mimeographing can defeat the purpose of any leaflet, however expertly designed. In addition, mimeographing is generally cheaper than printing only when small quantities of a publication are desired. Where quantities of 5,000 or more are necessary, printing is ordinarily as cheap, if not cheaper.

(3). It is wise to have rent figures, when included, prominently displayed either in boldface or large size type. Maximum income limits given on both an annual and a weekly basis are more effective than giving either alone. However, here again it must be remembered that since the determination of income limits involves a variety of factors, information on this score is meaningful only when presented in general terms.

(4). Hours during which applications will be received at the tenant selection office should always be given. It is also frequently desirable to include the phrase "Where necessary, appointments at other hours may be arranged." The inclusion of the tenant selection office's telephone number may save prospective applicants a great deal of time and effort. Care should be taken, however, to encourage those who phone to call in person if the family is conceivably eligible.

(5). In some instances, it may be felt that a new public housing project needs no further identification as to location and management. As a rule, however, it is better to anticipate unfamiliarity with a project's name and purpose among the group to be reached. Thu it is recommended that in _every_ tenant selection publication the project address be included in smaller type, along with the name of the local authority and some such credit line as "Assisted by the United States Housing Authority."

(6). As already indicated, in any informational work directed toward prospective tenants, it is better to refer to "families living in bad housing" than to speak of "slumdwellers" or "families living under substandard housing conditions." No one wants to be called a slumdweller, or to be made unnecessarily conscious of the poor quality of his quarters. Moreover, definitions of "substandard housing" in leaflets of this sort are generally more confusing than enlightening to the reader and are therefore better omitted. Where questions and answers are used in supplemental leaflets, however, it is possible to indicate the _sort of defects_ that may fall within the local authority's definition of "substandard housing."

Distribution. Tenant selection literature should be prepared in sufficient quantities to permit widespread distribution among apparently eligible families. The suggested means of distribution may be summarized as follows:

(1). By mail, to those who registered before application taking started, to former site occupants, to those apparently eligible according to local surveys, and the like.

(2). At the central office of the local authority, and through construction and rental offices on the project, branch tenant selection offices, and demonstration units.

(3). Through public and private social agencies that are in contact with eligible families, such as family welfare societies, visiting nurses, and WPA offices.

racial,

(4). Through labor, fraternal, national, neighborhood, and other organizations having low-income families among their memberships.

(5). Through churches in low-income neighborhoods.

(6). Through schools, so that children can take them home to their parents. This method has been unusually successful in some communities.

(7). At libraries, settlement houses, community centers, recreation buildings, and meeting places of WPA community service projects.

(8). Through city departments having low-paid employees and serving low-income groups.

(9). Through employers, including factories, department stores, and office buildings.

(10). Through neighborhood groceries, movies, barber shops, and the like.

(11). Through door-to-door distribution in areas of substandard housing. This can generally be accomplished through some neighborhood organization.

It is highly desirable that handbills or leaflets accompany posters whenever used (see below), since posters cannot normally cover all the points it is advisable to cover in informing prospective tenants. It is also always essential that tenant application publications be available at informational meetings (see Section 57i).

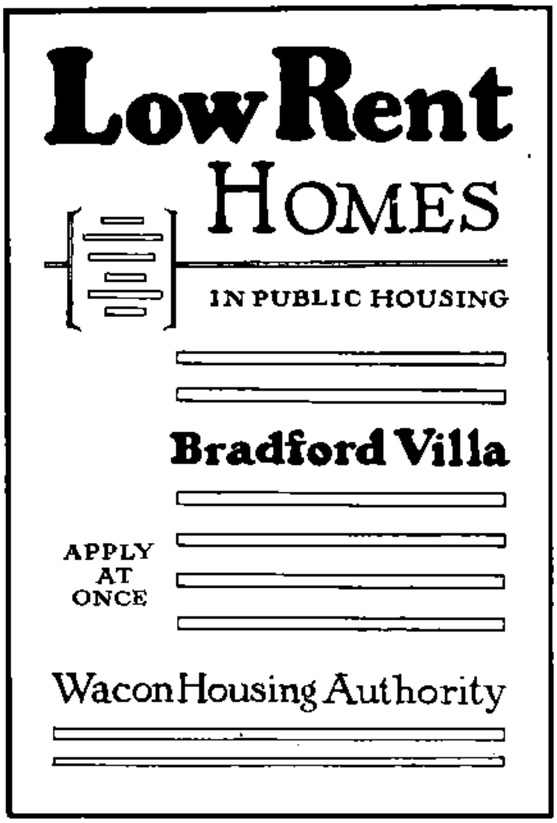
57e. USING POSTERS TO INFORM PROSPECTIVE TENANTS

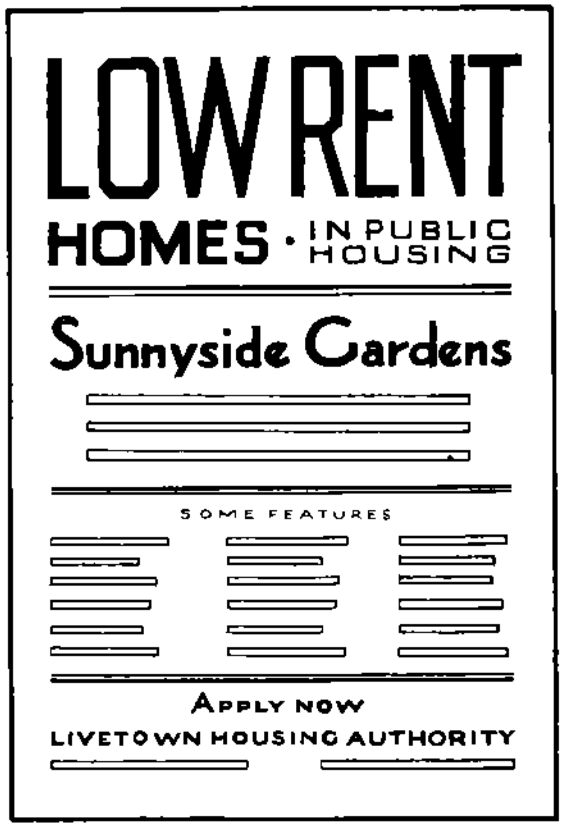
Posters have been used to good advantage in localities where their limitations have been recognized. (As in the case of flyers, posters ordinarily cannot contain adequate information on admission requirements.) Skillful handling of interviews with persons who cannot qualify is required to eliminate the danger of misunderstanding which might otherwise become a problem. The extra time and effort devoted to explaining admission requirements in the tenant selection office, however, can appropriately be regarded as still another opportunity to establish good public relations.

Posters should be as widely distributed as possible, particularly in substandard housing areas. They can be placed in store windows, on school and library bulletin boards, in post offices, at entrances to factories and other places of work, in union meeting halls, welfare agencies, clinics, and in neighborhood stores and shops.

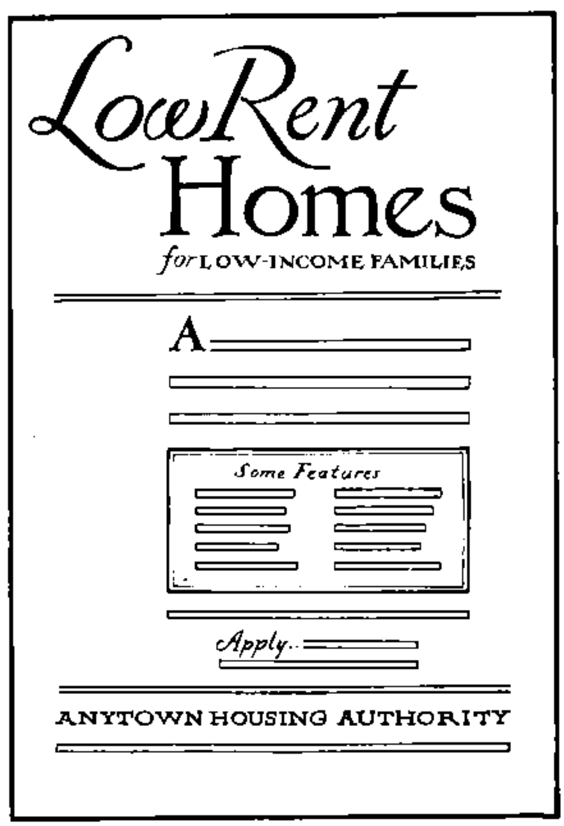
Tenant application handbills or leaflets giving full information should be available wherever posters are displayed. In one locality effective displays of posters and leaflets were made at counters where gas and electric bills are paid. In another community placards prepared and displayed on street cars helped stimulate applications.

The following lay-outs will prove helpful in designing such posters. Any of the four lay-outs can be interpreted in type by local printers or by Work Projects Administration or National Youth Administration art projects. The printers' types shown are standard styles and if not available can be closely simulated. The lay-outs may be


Low Rent
HOMES
IN PUBLIC HOUSING
Bradford Villa
APPLY AT ONCE
Wacon Housing Authority


LOW RENT
HOMES · IN PUBLIC HOUSING
Sunnyside Gardens
SOME FEATURES
APPLY NOW
LIVETOWN HOUSING AUTHORITY


LOW RENT
Homes
for LOW-INCOME FAMILIES
Apply at once
BERKLEY GARDENS


Low Rent
Homes
for LOW-INCOME FAMILIES
A
Some Features
Apply
ANYTOWN HOUSING AUTHORITY

142024

altered to suit variations in copy or size, and they may be reproduced by printing, offset, silk screen, or hand painting in one or more colors. The shaded areas are suggestions for color separation.

The sizes suggested are 11" x 14" or 14" x 22", either of which may be cut without waste from standard showcard stock.

Recently both WPA and NYA art projects have developed posters and signs for a number of local authorities. In almost all localities it is possible to secure through the local or state offices of these administrations materials of this type designed by competent artists, simply for the cost of the materials used.

57f. NEWSPAPER RELEASES AND SPECIAL SUPPLEMENTS AS INFORMATION MEDIUMS

The establishment of a close working relationship with the local press will serve the twofold purpose of creating an informed and sympathetic knowledge of the local housing program and providing a means of disseminating specific information concerning eligibility requirements (see Section 34d p.____). Experience has shown, however, that many low-income families, especially certain racial or nationality groups, may not necessarily read newspapers regularly and may therefore miss releases of this kind. In order to reach as wide an audience as possible in this respect, the releases made should also be directed to foreign language, racial and labor papers, and to various neighborhood publications such as those of church groups, fraternal and other organizations, and local shopping news sheets.

The types of stories particularly suited for release during this period are suggested in Section 57b. Sample news releases available in manual form through USHA Regional Offices will be of particular value to local authorities at this time. Giving these stories to the local press by calling reporters in for a conference, however, is generally more effective than issuing them in a more routine manner. The number of applications already received should not be emphasized in press releases, since this might tend to discourage further applications. As already suggested, the use of such words as "slumdwellers" and "slum families" also discourages applicants and should be avoided. The recommendations made with regard to other items to be included or excluded in tenant application publications (see Section 57e) are likewise applicable to news stories.

The tenant application period often provides excellent material for feature stories. Among the possible angles are human interest stories about the first family to qualify for admission, and stories about the first families to move in. Visits to projects by school children or other groups might be described. The work of committees and organizations setting up demonstrations in inexpensive home furnishings also comprises excellent feature material.

In this connection one caution must be stressed. It should be recognized that feature stories involving individual low-income families involve many dangers. Local authorities have reported instances in which families have resented being photographed or written up, and other instances where families have built up distorted ideas of their own importance because of publicity given them -- distortion which in certain instances has created difficult relationships in connection with rent collections and other conditions of tenancy. Feature stories of this kind should therefore be used with the utmost care.

The important thing is to keep an eye open for incidents and subjects of feature interest and to cultivate the same attitude on the part of local reporters. Moreover, the best features can usually be obtained by giving the necessary assistance to reporters and feature writers, rather than through prepared releases.

In some communities local newspapers have published special supplements at the time of project openings. Such supplements can be helpful not only in explaining the objectives of the program but also in stimulating the right kind of applications if care is taken to include in them some features dealing with low-income families as well as material of special interest to them.

In addition to interviews with local officials and housing personnel, special newspaper supplements should include interviews with applicant families and representatives of the low-income group. Along with accounts of the social advantages of low-rent public housing to the community, there should be included descriptions of the advantages to the individual tenants in terms that are at once intelligible and inoffensive to them.

A suggestion from the local authority will often be all that is needed to cause a local newspaper to issue such a supplement. The possibility of securing advertisements from the concerns engaged in building the project and in supplying the materials and equipment makes the idea especially appealing to many papers. Advertisements of furniture and home-finance companies are preferably not included in such supplements, since tenants should be protected from commitments through installment buying which might decrease their ability to pay rents.

Great care should be exercised in the display of advertising for supplements to make certain that there is no indication that the local authority is <u>endorsing</u> this or that product or firm. Apparent endorsement may cause reaction on the part of other businessmen who assume that favoritism is being shown, or on the part of tenants who believe that trade with particular firms is being recommended.

Work should start on special supplements long before the actual time of publication. Several weeks are usually required to plan and prepare the the various articles and features. Local authorities should work closely with those in charge of such supplements in order to assure accuracy and balance.

Samples of worthwhile supplements are available from the Regional Offices, together with comments as to which aspects of the treatment are particularly good and as to what phases, if any, have not been adequately treated.

The question of the need for and the advisability of paid advertising during the initial tenant selection period cannot be answered categorically for all local authorities, although it is safe to say that where <u>all</u> the other informational mediums discussed here have been utilized, paid advertising is unnecessary. Where the use of paid advertising is being considered, its cost and community reaction to it, as well as the general inadequacy of newspaper publicity where low-income families are concerned, must all be carefully weighed before a decision as to its use is reached.

57g. RADIO AS A MEANS OF INFORMING PROSPECTIVE TENANTS

Radio broadcasts are another valuable and popular means of reaching prospective tenants. In most communities local radio stations will make free time available for programs explaining tenant selection. Such programs may be prepared not only as monologues but also in question-and-answer form. The program will be livelier and generally more acceptable to the radio station -- if the dialogue is carried on by a representative of the local authority, on the one hand, and by a person taking the part of an eligible applicant, on the other. When such broadcasts are arranged they should be publicized through the local press and by posters and special announcements in neighborhood churches, community centers, and the like. Announcements of special speakers prominent in the community should likewise be publicized in advance.

While arranged programs are valuable, many local authorities have found that spot announcements, included in regular broadcasts of local news and advertising and repeated frequently, are more easily arranged and produce more applicants. Both should be used wherever practicable.

57h. <u>HOUSING EXHIBITS</u>

There are many types of exhibits that can be useful during the tenant selection period, including architects' drawings, models, and plans; photographs of the project at various stages of construction; and the general USHA exhibit (see Section 34e, p.______).

Exhibits can be located in store windows, schools, churches, union halls, and the like. Whenever possible, a supply of tenant application leaflets should be made available nearby. When placing exhibits, if their main purpose is to interest potential tenants, care should be taken to see that the location is one available to low-income families and customarily frequented by them. Care should also be exercised to make all exhibits neat, attractive, and dignified.

571 SCHEDULING SPEAKING ENGAGEMENTS

Speeches are an important phase of informational activities which should be given early attention. They may well completely occupy one staff member for a period of time, if adequate and qualified volunteer service cannot be secured. Short talks should be given wherever low-income families customarily congregate in connection with employment or for recreational or other purposes. When such talks are made, the information given should be as clearly and simply presented as that recommended for all types of written releases, and ample time should be allowed for questions and discussion. Although members of the local authorities and their staffs often do the bulk of such speaking themselves, members of tenant selection advisory committees and other interested citizens are usually willing to assist in this work. For projects to be occupied by particular nationality or racial groups, speeches should be made to these groups by their own representatives wherever practicable.

When appearing before other than low-income groups, speakers should emphasize their listeners' opportunity to interpret the public housing program to potential tenants whom they may know as employees, patients, clients, or in other relations.

57j. THE USE OF MOVIES AND SLIDES

The tenant selection period is a good time to give showings of the USHA movie, "Housing in Our Time," and of any local movies, both in local movie houses and before school assemblies and meetings of local organizations. The showing of such movies should be prefaced with or followed by an announcement covering requirements for admission and information as to when and where applications should be filed. The cooperation of managers of moving picture houses in or near areas of substandard housing, in particular, should be enlisted wherever possible to permit slide announcements or brief talks from the screen, as well as the display of posters, exhibits, and leaflets.

57k. <u>DEMONSTRATION UNITS</u>

Demonstration units, which are undertaken primarily to help future tenants furnish their homes comfortably and attractively without unduly heavy expenditures for new furniture, provide good material for news stories. For detailed suggestions concerning demonstration units, see the Management Manual, p._____.

571. ESTABLISHING BRANCH APPLICATION OFFICES

Where the main application office at the project or elsewhere is not readily accessible to all parts of the community, or where low-income families are accustomed to confine themselves to particular neighborhoods or areas, it may be advisable to consider establishing branch offices in neighborhoods of substandard houses or in places where considerable numbers of low-income people work or meet. The practical difficulties of such a plan, such as the impossibility of clearing through the various files in the main application office, must be considered but can probably be eliminated if sufficient thought is given in advance to planning.

In instances where the setting up of branch offices on an extensive scale is not feasible, consideration should be given to opening one or two temporary headquarters at focal points, perhaps confining application taking or the making of appointments to certain hours of the day or evening, or to certain days of the week.

When the location of the project office is such that neither of these plans is necessary, it may still be advisable to station representatives of the tenant selection office or well trained volunteers at various places where low-income families gather, to give information and answer questions.

57m. OTHER MEANS OF INFORMING PROSPECTIVE TENANTS

As soon as application taking begins, letters should, of course, be sent to all former site occupants and to families whose registrations are on file. Such letters may also be sent to occupants of substandard housing as revealed by local surveys. A form letter may be used for this purpose, accompanied by appropriate tenant selection literature to encourage applications from apparently eligible families and to discourage applications from those who cannot qualify.

Families whose applications are classified as apparently eligible should be reminded of the possibility of referring friends and neighbors. First tenants should likewise be requested to tell their friends and former neighbors, since they have experienced in a concrete way the value of the new dwellings.

In this connection, in cases where applications have been slow or where parts of a project have been completed after other parts were occupied, some local authorities have cooperated with initial tenant groups in arranging "at homes" to which friends and former neighbors were invited, families probably qualified though slow to apply for admission.

Local authorities are divided on the question of house-to-house canvassing for the purpose of explaining the program and of encouraging families to make application. As is the case in other matters of policy, the decision as to the wisdom of this plan must rest, to a large degree, on local situations. Such canvassing has been successfully used in some communities; in others it has been consistently avoided. It is recommended that the plan be carefully considered before it is either discarded or adopted.

In many communities, settlements, schools, colleges, and WPA discussion groups have designed courses or discussion around public housing, thereby helping to create an awareness of the housing problem, which in turn helps to increase applications.

There are numerous devices which can be used by local authorities fully alert to the importance of the problem. For instance, one local authority stapled to employer's reference forms going out of its offices a 2" x 4" slip on which was printed in red: "Do You Know of Any Other Family Whose Housing Situation Is Bad? We Will Be Glad to Consider Additional Applications at our Office at ________ ________." To remind as many people as possible of their responsibility for referring families whose housing needs are known to them, this or a similar device might be used in connection with most of the mail leaving the local authority office.

Still other means of informing prospective tenants may be developed locally. The assistance and advice of USHA representatives are available in this connection upon request, as previously indicated.

57n. IMPORTANCE OF THE RENTAL OFFICE

Thus far, ways and means of encouraging potential tenants to come to the application office have been discussed. The office to which they come and the project site require special consideration in relation to encouraging potential tenants to apply.

As has been indicated, during the tenant selection stage of any local housing program low-income families become prospective consumers of housing and must be regarded as are consumers of any other type of commodity. At this stage in the program the rental office becomes, in effect, a sales office endeavoring, through education and the understanding of values, to "sell" adequate housing accommodations to a clearly defined market in which there is a varying amount of resistance arising from factors already discussed. In addition, during this period of program development the local authority begins to set examples of its management policies and to demonstrate the manner in which it expects to serve its customers, as well as the manner in which it expects its customers to receive that service.

These factors suggest the paramount importance of cleanliness, neatness, dignity, and accessibility in the set-up of the rental and management office, in the display of demonstration units, and so far is consistent with the currently developing construction, in the care of the project site.

The location of the rental office must be obvious to anyone approaching the project. When construction is nearing completion, it is possible to redesign the well placed project signs which were erected in comformity with the requirements of the loan contract. These should

be supplemented with signs giving further directions and leading to the very door of the rental office. The latter should be plainly designated with a sign reading "Open," "Please come in," or the like. The size and design of the signs and the type of lettering used are most important. Penned, penciled, or crayoned signs should not be employed.

While no construction job in progress can be made to look like the finished work, the local authority should see that approaches to the offices and demonstration units are <u>safe and free from hazards</u>. Cooperation of the contractors can undoubtedly be enlisted in this respect.

It is as important to have the rental office itself neat and attractive as it is to have it clean. With the use of thought, care, and imagination rather than any appreciable additional expenditures, it is possible to provide for comfort in the waiting room, to have well arranged posters, site plans, displays, and pictures on the walls, and to produce a feeling of businesslike ease in the office as a whole.

These factors are of the utmost importance in encouraging potential tenants to submit applications. Most local authorities have already realized that the whole philosophy of good public housing management is expressed in the truly adequate rental office, and that failure to express it there not only affects the number of applications and the general public relations program but also, to a large degree, the management-tenant relationship after occupancy.

58. PERMANENT FINANCING

As has been pointed out (see Section 20 and 21, pp.____ and ____, respectively), local authorities must raise at least 10 percent of the development cost of their projects from sources other than the USHA. This is usually done through the sale of their Series A Bonds. For practical reasons it is impossible for local authorities to have advance loan notes outstanding after their Series A Bonds have been issued, and it is therefore necessary for them to issue their Series B Bonds in exchange for advance loan notes at the same time their Series A Bonds are issued.

Since the USHA cannot advance more than 90 percent of the development cost of a project, local authorities must sell their Series A Bonds prior to the time they have expended 90 percent of the development cost. There are many reasons which make it desirable for local authorities to postpone selling their bonds before they approach the point where the project is 90 percent completed. For one thing, it permits the local authority to take advantage of short-term financing by the sale of their temporary loan notes, resulting in large savings in carrying charges during the development period. For another, it permits the local authority to sell its bonds at a time when there is greater certainty as to what the actual development cost will be, which eliminates the risk of selling an excessive amount of bonds. Finally, it improves the investment quality of the local authority's bonds, since all risks inherent in a construction loan are practically eliminated by this time.

Steps should therefore be taken toward the selling of the local authority's bonds when it has expended approximately 75 percent of the development cost of the project, so that the bonds can be sold and delivered when it has expended approximately 90 percent of the development cost of the project.

Before permanent financing is undertaken, the USHA will aid the local authority to the extent of preparing all forms necessary in this connection. It should be noted that it is the policy of the USHA that all local authority bonds sold to others than the USHA be sold to the bidder bidding the lowest net interest cost after due advertisement for the receipt of competitive bids. Since prospective purchasers of local authority bonds invariably request proposed operating statements, this will include a Statement of Estimated Average Annual Income and Expense, prepared on the basis of the approved Management Resolution, for distribution by the local authority.

59. OTHER MANAGEMENT CONSIDERATIONS

Various other considerations relating to the management of low-rent housing projects arise during the last stages of construction. The following subsections review two of the most important of these considerations.

59a. FINAL STEPS PREPARATORY TO TENANT SELECTION

The Management Manual (pp._____) outlines in considerable detail other suggested procedures for initial tenant selection. Included are detailed suggestions covering steps to be taken from the stage of formal application taking to the stage of actual selection of individual families from a pool of eligible and approved applicants.

To facilitate tenant selection and renting, specimen forms and instructions for their use, as well as suggested office procedures, are included. Most of the forms included are suitable for reproduction and actual use as designed. The suggested size of the forms is noted on each.

In preparing the recommendations, previous methods of tenant selection for low-rent housing projects were carefully analyzed. It is believed that the best features of past experience are now embodied.

Inasmuch as the current recommendations of the Management Manual depart in some respects from past methods, attention is called to the following major points:

(1). The procedure is geared to the terms of the United States Housing Act of 1937, which places responsibility for tenant selection locally, and which restricts tenancy in low-rent housing projects to families in the lowest income group living under housing conditions definitely detrimental to safety, health, and morals.

(2). The processes of verification of eligibility are clarified to insure compliance with the Act and also to accomplish a somewhat different emphasis in verification, which increased importance

attached to pertinent family data obtainable from public or private social agencies to which applicant families may be known, and with less importance attached to the use of commercial credit reports.

Revision has likewise been made in the type and number of recommended forms for recording information assembled at different stages in tenant selection, with separate forms for the filing of an application, the home visit report, and the summary report of verified data, to take the place of a single complex form intended to serve all purposes. This prevents statements made in the original application from being obscured by new or revised entries at later dates. It also permits final review of applications for approval from summaries limited to <u>verified</u> findings covering all eligibility requirements.

(3). A major revision in the method of rating and scoring factors of eligibility is recommended. This limits scoring to the item of housing only, based on a locally developed scoring system. Eligibility with respect to other factors is to be determined directly from the facts assembled in the process of verification, with final selection of approved applicants, preferably from a pool of eligible and approved applications, being made according to an order of preference established locally. Soundly applied, this method is believed to be a thoroughly reliable basis for the final selection of tenants and has also the advantage of being readily explained to the public at large.

(4). An early start in formal application taking is emphasized as a means of building up an approved pool of applications. This

insures that the families selected are those in greatest need, and entirely eliminates priority in filing applications as a basic factor of preference.

(5). The entire procedure is predicated upon the use of qualified professional personnel for taking applications, as well as for all steps in verification and final review and recommendations with respect to eligibility (see Section 56b). This recognizes the major significance of the initial application interview, formerly considered primarily as a clerical function in tenant selection.

While the detailed recommendations of the Management Manual are intended primarily for use by professional staff members in dealing with the specialized aspects of tenant selection, it is believed that they also merit careful review by those officials of housing authorities responsible for the policy making and administrative aspects of the management program, including initial occupancy of a project.

59b. OCCUPANCY OF DWELLINGS BY PROJECT EMPLOYEES

In order to promote efficiency and economy, local authorities may find it necessary to require certain of their employees to live in the project. This may be necessary in order that an employee may be immediately available in the event of emergencies, or because the duties attached to the position require the attendance of the employee at irregular intervals or at unusual hours. A dwelling unit occupied by an employee who is required to live in the project will be considered as a necessary appurtenance to the project similar in nature to the project office, rather than a "dwelling" as that term is used in the Housing Act.

Because each such case reduces the ability of the local authority to rehouse the greatest possible number of low-income families, the number of dwellings occupied by project employees should be kept to an absolute minimum. In general it is believed that not more than one out of each 200 dwelling units should be occupied by such project employees and their families.

The rent (shelter rent plus utilities) charged to the employee should be determined by the local authority at an amount which it deems equitable, taking into consideration the amount which would have been paid by the employee for rent and utilities had he not been required to live in the project. In no event, however, should less than the scheduled rent be charged.

The manner of accounting for charges to project employees in excess of the scheduled rent is set forth in the Accounts Manual, p.____.

It should be noted that the USHA policy regarding project employees who are required by local authorities to live in projects built with USHA aid has no reference whatsoever to other project employees who may apply for dwellings, who may be found eligible in all respects, and who may be admitted to the project on the same basis as other low-income families.

59c. TENANT SELECTION, RENTING, AND LEASING

As a project, or the first section of a project, nears completion, a final selection of tenants must be made from the pool of approved applicants built up as the result of initial tenant selection activities. The various bases on which final selection can be made are discussed in detail in the Management Manual, p.____. Also included in the Management Manual are recommendations with respect to office procedures in connection with renting and leasing, along with suggested procedures for handling rejected applications, the selection of dwelling units, the signing of dwelling leases, moving assignments, and preparation of tenant handbooks.

60. WINDING UP CONSTRUCTION

Before making final payment to any contractor employed in connection with a project built with USHA aid, the local authority must furnish the USHA a Certificate of Completion (see pp. ______, Design Manual) with respect to the contract in question, and must obtain from the contractor a Certificate of Release. Both of these documents should be drawn up along the lines of specimen forms available from the USHA.

Upon USHA request, as provided in the "Terms, Covenants, and Conditions" of the Loan and Annual Contributions Contract (see Appendix C, p. ______), the local authority will not make final payments to any contractor until after recommendations of the USHA have been received as to any construction items which should be corrected.

When the USHA is satisfied that substantially the entire statutory project is ready for occupancy, a written Occupancy Notice will promptly be given both the local authority and the fiscal agent by the Regional Office. (For definition of a "statutory project" see Section 8, p.______.)

As soon as the local authority is satisfied that the development of the project has been properly completed and that the costs of development have been paid in full, a certificate to this effect (see Accounts Manual, p.______) should be furnished both the USHA and the fiscal agent by the local authority. For details as to the opinion which must accompany this certificate, reference should be made to the "Terms, Covenants, and Conditions" of the Loan and Annual Contributions Contract.

Whenever the USHA is satisfied that the required statements have been submitted in satisfactory form and are correct, and that there are no defects or inadequacies in structure or equipment which should be remedied as a part of the development of the project, a written notice to this effect, known as the Physical Completion Notice, will be given both the local authority and the fiscal agent. This notice will serve as conclusive evidence of the USHA's determination that the local authority has observed and fulfilled all of its covenants and agreements set forth in the Loan and Annual Contributions Contract relative to the development of the project.

As soon as practicable after giving the Physical Completion Notice, the USHA will also give written notice to the local authority and the fiscal agent showing the Actual Development Cost of the project, as determined by the USHA.

61. OPERATION

Wherever feasible, projects built with USHA aid will have had sections of dwelling units opened for occupancy long before Occupancy or Physical Completion Notices are given by the USHA. Local authorities should make every effort to attain full-fledged, 100-percent occupancy as immediately as possible after all dwelling units become available.

The Design and Management Manuals contain detailed instructions as to alterations and betterments and as to budgeting costs of operating services, dwelling utilities costs, and repairs, maintenance, and replacements.

For a discussion of insurance coverages required during project operation, see Section 50, pp.______.

61a. OPERATING REPORTS REQUIRED

Detailed recommendations are contained in the Management Manual (pp._____) to guide local authorities in the preparation and submission of Management Reports on project operation.

These reports have several functions. First, they make currently available to the USHA the information which it needs to fulfill its duties under the United States Housing Act and to assist local authorities in the execution of their Management Programs. Second, they present, in a readily available form, the information which the members of a local authority need for their review of management activities. Finally, the reports make available to the employees of a local authority concerned with management, particularly those acting in supervisory capacities, the information which they need to evaluate their own work as well as the work of their subordinates.

There follows a list of all the management reports which are required and the time these reports are to be submitted. Copies of all report forms, together with instructions for preparing them, are included in either the Management Manual or the Manual of Accounts. Local authorities will be furnished with an initial supply of report forms upon request to Regional Offices.

The number of copies specified for each report to be submitted is the number to be furnished the USHA. The number of copies of each report to be prepared should be determined in accordance with how many copies the local authority desires to retain for its own use.

(1). Financial Reports. All necessary information on financial reports is included in the Manual of Accounts, which should be carefully reviewed by local authorities at this stage.

(2). Reports on Applications (Form USHA-841) and on Leasing and Occupancy (Form USHA-840). These reports are to be submitted weekly in triplicate until 97 percent of the units in the project are occupied by tenants, and, thereafter, monthly in triplicate.

(3). Reports on Project Tenants (Form USHA-41). These reports are to be submitted monthly as required in accordance with the attached instructions. Only one copy of each report is necessary.

(4). Report on Premises Vacated (Form USHA-836). This report is to be submitted monthly. Only one copy is necessary.

(5). Report on Community Activities, Services, and Facilities (Form USHA-839). This report is to be submitted quarterly in triplicate for the quarters ending February 28, May 31, August 31, and November 30. (This report is to be submitted for quarters different from those established for quarterly financial reports in order to spread the clerical work involved, and because many community activities tend to divide naturally according to the four seasons.)

(6). Operation and Maintenance Monthly Report (Form USHA-837). This report is to be submitted monthly in triplicate.

(7). Distribution of Labor Monthly Report (Form USHA-838). This report is to be submitted monthly in triplicate.

(8). Report on Management Problems (Form USHA-391).

This report is to be submitted in triplicate as required.

All reports due (including financial reports), other than reports on applications and on leasing and occupancy, should be placed in one envelope and forwarded by the local authority to the appropriate USHA Regional Office by not later than the fifteenth day following the end of the month (or last month of the quarter) covered by the reports.

Reports on applications and on leasing and occupancy should be handled in the same manner as other reports after 97 percent of the units are occupied. Prior to the time 97 percent of the units are occupied, the reports are to be sent to the appropriate Regional Office so as to be received not later than Tuesday of the week following that covered by the reports. Where tenant selection for several projects in one city is being conducted from a central office, the local authority may submit one report on applications to cover all projects, and individual reports on leasing and occupancy for each project.

59b. THE MANAGEMENT PROGRAM FOR RECURRENT PERIODS

It is contemplated that each local authority will make a comprehensive review annually of its policies and procedures and resulting expenses of administration for each project. During such regular annual review, all policies and procedures should be examined critically in the light of increasing experience.

It is expected that modifications can be made which will maintain rents at levels appropriate to the current rent-paying ability of low-income families and, at the same time, achieve essential standards with greater economies in project administration so that annual contributions may be lowered progressively.

The procedure for the preparation, submission, approval, and adoption of the Management Program for each regular annual Budget Period (see Management Manual, pp.______) is as follows:

(1). At least three months before the start of the next Budget Period the local authority will submit four copies of its proposed Management Resolution for such period to the appropriate Regional Office. This proposed Management Resolution will not have been adopted by the local authority but will merely have been approved for submission to the USHA.

(2). Within a month after receipt, the USHA will notify the local authority either that the proposed Management Resolution meets with the approval of the USHA or that it will meet with USHA approval if modified in a specified manner.

(3). After receipt of USHA unqualified or conditional approval, the local authority, after consideration of necessary modifications and after

any relevant discussions with the USHA, will adopt the resolution which then establishes the Management Program for the following Budget Period.

(4). After adoption of the resolution in a form satisfactory to the USHA, the local authority will transmit four copies to the Regional Office of the USHA, together with four certified copies of (or extracts from) the minutes of the meeting at which the resolution was adopted.

61c. FIELD REVIEW OF MANAGEMENT PROGRAM EXECUTION

At the convenience of each local authority, arrangements will be made during the first and subsequent Budget Periods for USHA management advisers, auditors, and staff specialists to review project administration in the field. The extent and the nature of such field review will be kept to the absolute minimum necessary to assure the regular payment of annual contributions. In general, such field review will serve to supplement the review of periodic reports to be made by local authorities in accordance with instructions contained in the Management Manual (see also Section 61a).

Subsequent to the first Budget Period and except where such reports indicate the need for more frequent visits, the field review will normally be made during the three-month interval immediately preceding each successive annual Budget Period.

62. OPERATION OF PWA HOUSING DIVISION PROJECTS

Detailed recommendations and requirements concerning the operation of PWA Housing Division projects transferred to the USHA by Executive Order in 1937 and subsequently leased by local authorities, are contained in the Management Manual (pp.____) and in the Accounts Manual (pp.____). Copies of the financial and management reports required to be filed with the USHA are included, along with instructions as to their preparation and submission.

APPENDIX A.

THE UNITED STATES HOUSING ACT OF 1937, AS AMENDED

(to be reprinted in full)

APPENDIX B.

LABOR LAWS PERTAINING TO USHA PROGRAM

1. Wages
2. Hours
3. Workmen's Compensation
4. Intimidation

(to be reprinted in full)

APPENDIX C.

PART TWO OF THE CONTRACT FOR LOAN AND ANNUAL

CONTRIBUTIONS: "TERMS, COVENANTS, AND CONDITIONS"

(to be reprinted in full)

APPENDIX D

LIST OF USHA FORMS GENERALLY USED BY LOCAL AUTHORITIES

FORM NUMBER	TITLE
*USHA-41	Report on Project Tenants
USHA-48	Weekly Pay Roll (leased PWA projects)
USHA-104	Monthly Electrical Consumption Report
USHA-150	Income & Expense - Budget Control Statement (leased PWA projects)
USHA-213	Analysis of Expenditures & Budget Control Statement
USHA-216	Certificate of Purposes
USHA-349	Real Estate Settlement Record
USHA-376	Notice of Intent to Vacate
USHA-376A	Advice of Intent to Vacate
*USHA-391	Report on Management Problems
USHA-402	Requisition for Advance Loan (regular requisition)
USHA-402A	Requisition for Advance Loan (used for temporary financing)
USHA-402B	Requisition for Payment of Principal on Purchase of Temporary Series B Housing Authority Bonds (used for permanent financing)
USHA-402B-1	Requisition for Payment of Accrued Interest on Purchase of Temporary Series B Housing Authority Bonds (used for permanent financing)
USHA-424	Land Appraisal Report
USHA-426	Architect's Contract (With Supervision)
USHA-427	Architect's Contract (Without Supervision)
USHA-440	Breakdown of Attorney's Fees and Legal Expenses in Support of Requisition for Loan
USHA-444	Report of Elimination of Unsafe or Insanitary Dwellings.

FORM NUMBER	TITLE
USHA-460	Insurance Information
USHA-511	Report of Accident
USHA-512	Development Cost Budget
USHA-518	Report on Racial Employment
USHA-533	Land Appraisal Record
USHA-536	Weekly Report of Land Acquisition
USHA-614	Final Estimate of Total Development Cost
USHA-619	Computation of Total Development Costs
USHA-621	Income & Expense - Budget Control Statement
USHA-655	Appraiser's Record
USHA-673	Data on Local Public Housing Agency
USHA-674	Minutes of Contract Award Meeting
USHA-825	Informational Expense Budget
USHA-827	Local Building Costs Survey Report
*USHA-836	Notice of Premises Vacated
*USHA-837	Operation & Maintenance Monthly Report
*USHA-838	Distribution of Labor Monthly Report
*USHA-839	Community Activities, Services, and Facilities
*USHA-840	Leasing & Occupancy Report
*USHA-841	Report on Applications
USHA-853	Statement of Estimated Average Annual Income and Expense
USHA-882	Certificate Relating to Local Contributions Received
USHA-882A	Computation of Local Contributions Received

FORM NUMBER	TITLE
USHA-883	Resolution Restricting Tenancy to Citizens
USHA-885	Statement as to Local Contributions
USHA-921	Monthly Report of Capital Borrowings, Deposits, and Balances in Development Fund.

USHA forms will generally be furnished local authorities, as needed, by the Regional Offices. With respect to certain forms (*), however, it should be noted that Regional Offices will furnish quantities sufficient for three months' operation only. All of these particular forms (see below) are stocked by the Government Printing Office and may be purchased by local authorities as needed for periods beyond the initial three months. As an alternative, local authorities are, of course, free to have these forms printed locally, if they so desire.

Where any of these items are ordered from the Government Printing Office, local authorities should submit their requests directly, in writing, enclosing a check in an amount equal to the cost of the forms ordered, based on the following prices:

USHA Form 41	$0.35 per 100
USHA Forms 391	.30 per 100
USHA Form 836	.35 per 100
USHA Form 837	.35 per 100
USHA Form 838	.40 per 100
USHA Form 839	1.50 per 100 sets (three sheets each)
USHA Form 840	.30 per 100
USHA Form 841	.30 per 100