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House & Home

AUGUST 1971

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House&Home

McGraw-Hill's marketing and management publication of housing and light construction

Volume 40 Number 2 / August 1971

FEATURES

NEWS

DEPARTMENTS

Cover An apartment project in Cupertino, Calif. *Architect:* Donald Sandy Jr., James A. Babcock. *Builder and owner:* Avery Construction Co. *Photo:* Thomas A. Abels. *For story see page 60.*

President's open housing actions blunt criticism from civil rights leaders

Black activists and white civil rights leaders—such as Bishop Stephen G. Spottswood of the NAACP and the Rev. Theodore M. Hesburgh of the U.S. Civil Rights Commission—aren't yet cheerleaders for the Nixon administration's open housing policies and programs.

But after assessing all that's happened in the past eight months—at the Supreme Court, the White House, the Justice Department, and the Department of Housing and Urban Development—these two sensitive weathervanes concede that the wind from Washington may have shifted.

Father Hesburgh has admitted that the actions taken by Attorney General John Mitchell and Housing Secretary George Romney "represent progress." Bishop Spottswood said the administration's moves—including those in the housing field—"have earned a cautious and limited approval among black Americans."

Just how far administration policy has swung—and whether it will swing back before next year's Presidential election—remains to be seen.

Stronger policy. At the moment, the straws keep coming down the wind to suggest that the administration hopes to demonstrate that it has a credible record on open housing.

The latest straw: a radio-TV-newspaper-poster campaign to stimulate toll-free calls from any phone in the country to a Washington office (800-424-8590) created to receive housing discrimination complaints.

Past neutrality. Up to now, most blacks and civil rights leaders have expected little or nothing from the Nixon administration. By and large, President Nixon's own statements against forced integration of the suburbs and the limited ability of the federal authorities to change housing patterns indicated he would be happy to leave decisions on zoning and site location for public housing right where it has been—in the hands of local officials.

Father Hesburgh's Civil Rights Commission, in fact, had accused Housing Secretary Romney of back-sliding on enforcement of fair housing laws.

Even when the White House finally issued President Nixon's long-promised statement on "Federal Policies Relative to Equal Housing Opportunity," it was widely interpreted as indicating the administration would be mostly neutral.

"**HUD Opens Doors**" is theme of government advertising drive for integrated housing.

Turning point. The key to the administration's position turned on Black Jack, Mo., the St. Louis suburb that incorporated and then quickly zoned out a church-sponsored, middle-income, integrated housing project that had already acquired a site and HUD approval of its project. Romney recommended that Mitchell take Black Jack into court.

President Nixon, Mitchell said, didn't want to have such decisions made without first laying down a broad statement of administration policy as a guide.

In mid-December, Mitchell hoped to have the statement ready "shortly after the first of the year." But the political sensitivity of the housing issue—plus the fact that Mitchell and Presidential assistant John Erlichmann as private lawyers both had extensive personal experience with zoning laws in their pre-Washington private practices—delayed its completion until June 11.

Public sentiment. All during the months it took to whip up President Nixon's policy statement, Washington developments seemed to indicate a strong tide running against much use of either carrot or stick to push subsidized low-income housing on any community. This reading was based particularly on the President's insistence that zoning based on economic discrimination was perfectly legal, and that he would not have the federal government be a party to "forcing integration in the suburbs."

On top of this came the Supreme Court's approval of a local referendum which banned a low-income housing project in San Jose, Calif., after finding nothing in the record to indicate the voting was "aimed at a racial minority."

Finally the White House produced the President's 8,000-word statement, which touched on all the legal and social complexities of open housing but said that he was not "announcing new policies." The press picked out for emphasis those passages that stressed—as President Nixon had done earlier—that the federal government could do very little, even if it wanted to, and that "the kinds of land use questions involved in housing site selection are essentially local in nature."

An action program. The picture flip-flopped, though, when Mitchell and Romney began deciding on specific cases. They revealed that—generalities aside—the administration would act to put teeth into the fair housing laws, using both carrot and stick.

Mitchell announced that his lawyers decided to act against Black Jack because they had found a "racial motivation" behind the zoning ordinance. That would violate the Civil Rights Act of 1968, and the 13th and 14th amendments to the Constitution. Mitchell told newsmen he would file additional cases where he found a similar racial motivation, but he didn't expect to file many.

Romney also announced a new regulation requiring all but the smallest builders and developers to use an "equal housing" logotype or slogan ("Equal Housing Opportunities") in their advertising. This will apply to all subdivisions, multifamily projects, and mobile-home parks involving 25 or more units or lots, if they make use of any FHA subsidy or insurance program.

Use of the logotype or slogan is part of a mandatory Affirmative Fair Housing Marketing Plan for a developer's sales practices. The plan is comparable to the affirmative-action hiring rules laid down for construction contractors on government work. The plan requires housing sponsors actively to seek customers of all races and to maintain non-discriminatory hiring policies for sales and rental staffs. Each FHA office is required to keep a monthly list of all projects covered by the new HUD directive.

Site ratings. In addition, Romney distributed new criteria for rating the sites on which builders propose to erect section 235 and 236 housing. The ratings—"superior, adequate, or poor"—are intended to help federal officials approve those projects that ease minority concentration.

Follow-through? Some open housing advocates applaud these administration initiatives but are skeptical about the amount of follow-through that can be expected of the FHA bureaucracy in the field. Local FHA officials have been responsive to local political conditions, and have tended to go along with local politics.

The homebuilding industry's stake in lowering suburban barriers to subsidized housing is large, however, and it is increasing. Last year, for example, units produced with the help of section 235 and 236 funds totaled 221,000—which is about 30% of the unsubsidized production, according to John Stastny, president of the National Association of Home Builders. This year, he told the Civil Rights Commission during its Washington hearings, these two programs will account for 385,000 units, or about 40% of the number of unsubsidized units.

—Don Loomis
McGraw-Hill News,
Washington

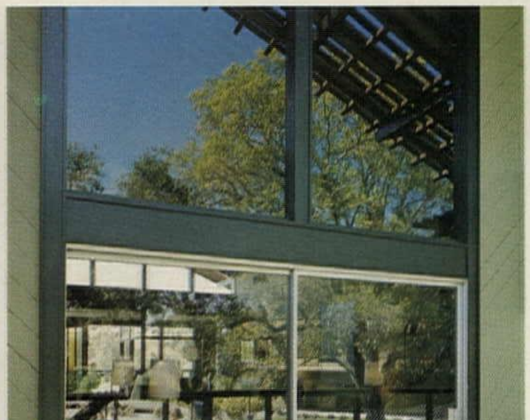
2 The front-door merchandiser. A totally glass enclosed vestibule and waiting room in an apartment building are unique design details that can be a successful front-door merchandiser.

3 The year-round pool. A retractable glass wall creates an indoor-outdoor pool; makes year-round bathing possible.

7 The spacious owner's suite. A full structural mirror wall in this townhouse bedroom doubles the spaciousness.

8 The sunlit townhouse. This entire two-story townhouse plan is designed around a glass-enclosed atrium-type courtyard. ▶

10 The dramatic stairwell. A private court turns inward to brighten this entry and stairwell, as well as inside rooms.



11 The effective environment. Glass walls overlook a private patio and pool. An effective technique for merchandising the environment.

KEY TO PHOTOS: **1, 8:** Coronado Cays, San Diego, Calif. Developers: Cedric Sanders Corp. and Signal Properties, Inc. **2, 6, 11:** Oak Creek, San Francisco, Calif. Developer: Gerson Bakar & Assoc. **3:** Sixty-01, Seattle, Wash. Developer: W-O Associates. **4, 5:** The Meadows, Los Angeles, Calif. Developer: Ring Brothers Corp. (a subsidiary of Monogram Industries, Inc.) **7:** The Bluffs, Newport Beach, Calif. Developer: George M. Holstein & Sons. **9:** L'Atriums, Dallas, Texas. Developer: Devane Clarke & Assoc. **10:** University Park/Village Three, Los Angeles, Calif. Developer: Stanley C. Swartz Co.

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PPG INDUSTRIES

Romney points out some gains in bringing housing integration to the suburbs

George Romney came late but he may have had the last word.

Critics had dominated the early phases of the Civil Rights Commission's recent hearings on the Nixon administration's racial policies.

On the eve of the hearings, the commission accused Secretary Romney's Department of Housing and Urban Development of promoting race segregation with its Section 235 mortgage-subsidy program.

When the sessions began, witnesses criticized the government's refusal to cut off funds flowing to communities that bar subsidized housing. Other critics attacked the department for lack of effort in integrating the surburbs.

Change in tenor. A new tone developed after President Nixon's statement that he would prohibit discrimination in housing but would not force communities to accept low-cost projects (NEWS, July).

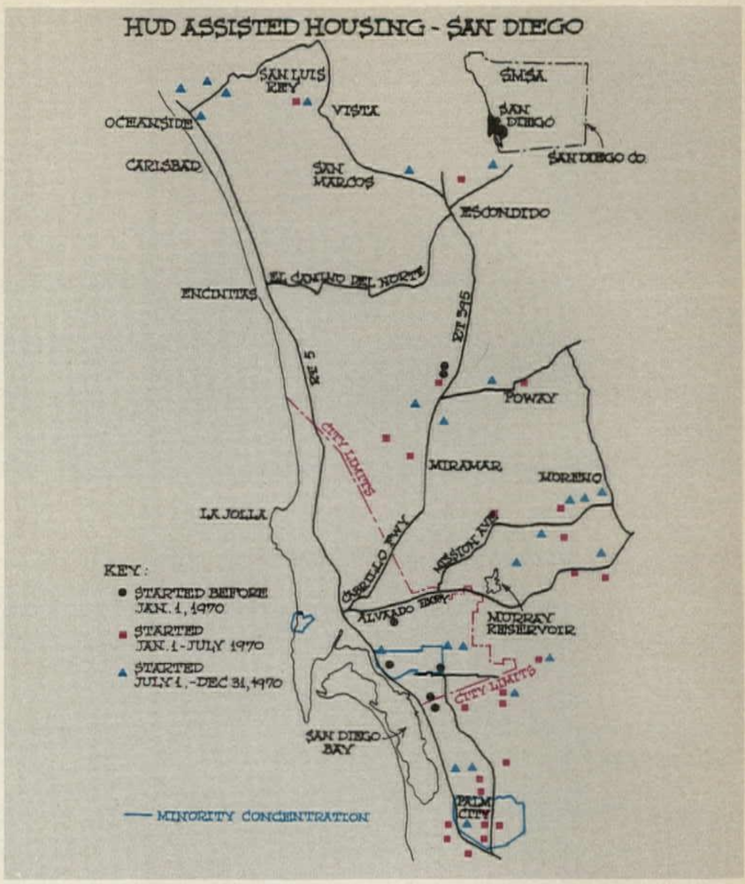
The commission's chairman, the Rev. Theodore H. Hesburgh, and vice chairman Stephen Horn both said critics had been too quick to condemn. They found much to admire in the President's statement.

Romney on policy. Romney appeared meanwhile to be toughening the official interpretation of the President's remarks.

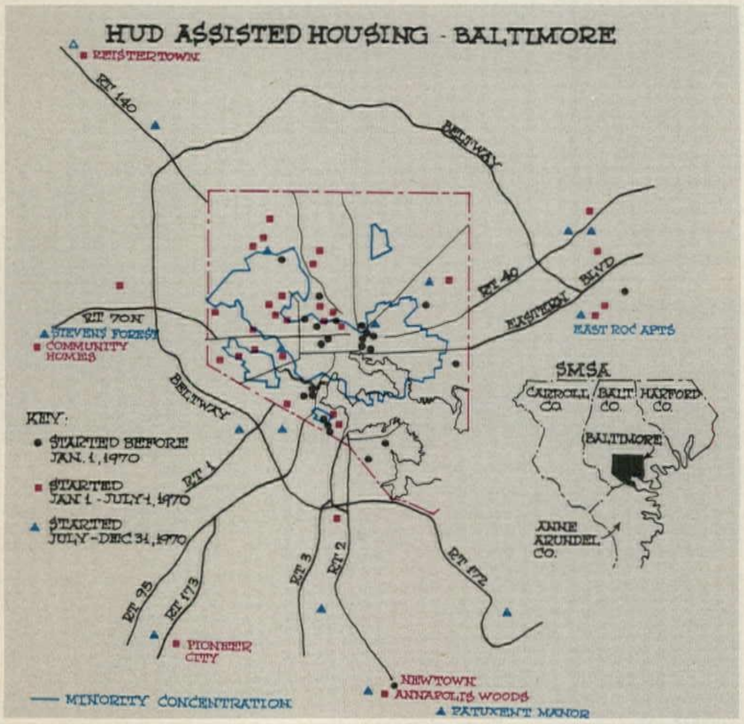
The Secretary said at a press conference it would be HUD's policy to refuse federal aid for sewers, urban renewal, and planning activity to any community rejecting subsidized housing. That warning had not appeared in the President's own statement.

Romney on results. Secretary Romney appeared before the rights panel toward the end of its hearings, and his low-key testimony cast new light on the Nixon administration's two-year-old effort to break the pattern of racial concentration in the nation's largest cities.

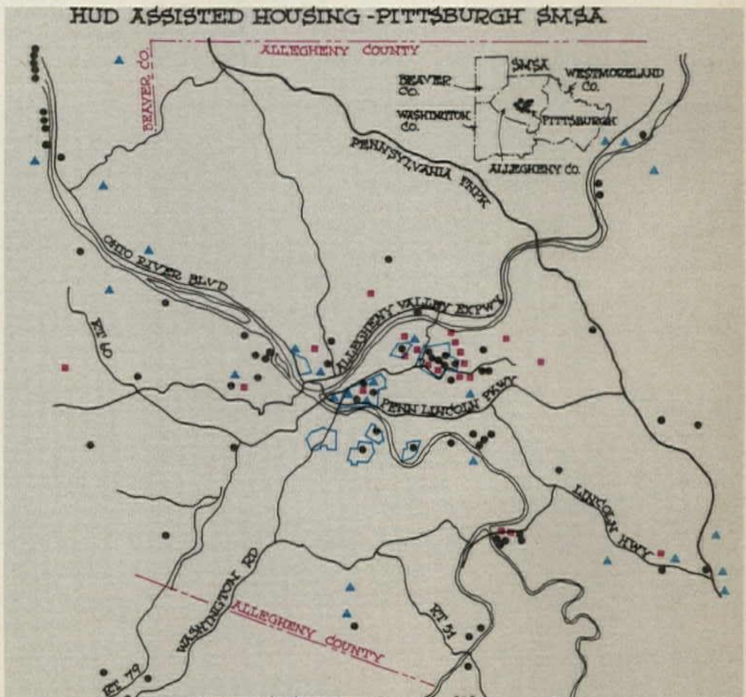
We are just beginning to see the hopeful results, Romney said, of a policy instituted in 1969 to avoid further concentration of racial minorities inside major cities. The Secretary's own testimony follows.



San Diego. "This map shows a large amount of subsidized housing located outside the city boundaries in widely scattered parts of the metropolitan area. Only eight projects were located in the city as of December 31, 1970; five existed prior to January 1, 1970, and three were added between July 1 and December 31, 1970. Prior to January 1, 1970, only three projects had been located outside the city. During the six-month period, from January 1 to July 1, 1970, 25 projects were built in outlying parts of the metropolitan area. An additional 21 projects are in the remainder of the metropolitan area.



Baltimore. "The Baltimore map shows that before January 1970, some 22 projects were built inside the city limits *(shown inside the red line)*, while only two projects were located outside the city limits. The black circles identify all subsidized housing of 20 units or more, including public housing, rent supplements, 221d3, and sections 235 and 236 and 202 elderly. During the next six-month period 20 projects were completed in the city and nine were located elsewhere in the metropolitan area, showing some progress in dispersal. Between July and December 31, 1970, only four projects were started in the city while 12 were located outside city limits.



Pittsburgh. "The metropolitan area contains a large volume of federally assisted housing. As of January 1, 1970, some 33 projects had been started inside

TO PAGE 10

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Romney reports housing output meets U.S. goals, will outrun them in '72

The brightest picture yet of the outlook for housing production has just been painted by Housing Secretary George Romney. In a 235-page report to Congress, he says that the government's goal of 26 million housing starts between 1968 and 1978 is now on schedule and soon will be ahead of the optimistic forecast set down in the Housing and Urban Development Act of 1968.

The goal is to provide a "decent home and suitable living environment for every American family" by the tenth anniversary of the act.

There is one caveat in Romney's third annual report: rising housing prices, he says, threaten the goal. The major problem now confronting the housing industry, he said, is the limit on demand created by the high cost of money, land, labor, materials, "and all other elements that affect the price and monthly payments on decent housing."

Cost rise of 78%. Romney warned that "the gap between the cost of housing and the income of the average American family that widened so precipitously during the past five years must be closed if housing needs are to be fully met." He said that between 1965 and 1970, the average cost of buying and maintaining the typical FHA-insured home increased by 78% while the median income of American families increased only 46%.

But if these increasing costs can "be brought under truly effective control," Romney thinks total housing production in calendar year 1971 will reach almost 2.5 million units, including 2 million on-site starts. Further, Romney sees the 1972 total going over 2.7 million units. At this rate, he said, the 10-year goal will be 5% ahead of schedule.

Rehabs part of count. The HUD chief made no attempt to justify the contention that 26 million starts in 10 years could solve the nation's housing needs. And he conceded that only two-thirds of the units carried in his figures are actually net additions, since an estimated 700,000 units annually are lost from the housing stock because of fire, demolition, and other causes.

HUD's Housing Goals—1973-78

Year	Total	Rehabs	Mobile Homes
1973	2,650,000	100,000	450,000
1974	2,930,000	130,000	400,000
1975	3,085,000	135,000	400,000
1976	3,060,000	135,000	360,000
1977	3,060,000	135,000	350,000
1978	2,994,000	137,000	312,000

The figures might also mislead the casual reader because they include rehabilitated units and mobile and factory homes that aren't considered on-site starts.

Still, President Nixon, who released Romney's report at the White House (on June 30), said it "raises the problems in a straightforward way so they can be aired and each of the possible solutions explored openly." The President warned, however, that housing problems are complex and "simplistic solutions will not do the job."

Gains. In the report, Romney admitted that federal efforts to ease the trend toward growing housing cost have so far been short-term and stop-gap in character. He cited progress, however, in a number of areas:

- Mortgage interest rates are down sharply from their 1970 highs, reducing payments on the typical new home by as much as $25 per month.
- The administration's efforts to stabilize wages and prices in the construction industry are beginning to slow the inflation spiral.
- Recent increases in freight rates for shipping mobile homes and modular housing have been rolled back.
- There has been some elimination of obsolete and restrictive factory labor practices, building codes, and other barriers to volume housing production.

Project Breakthrough. In the long-term, Romney said, the "solid promise" is in industrialized production techniques which he thinks have gained a "firm foothold in the housing industry." This effort is being fostered by HUD's Operation Breakthrough but it has so far captured only a tiny, but growing, fraction of annual output. Romney estimated that 8,000 industrialized units were built in 1969 but that the 1970 figure was 20,000.

But Romney said the significance of the number of units is outweighed by the changes that are beginning to occur in labor practices and building codes, because of these efforts.

Labor pact gains. Romney said a number of housing-factory labor agreements are reflecting the influence of Operation Breakthrough. He also reported that state governments are taking account of various artificial barriers to industrialized housing and are enacting statewide procedures for certifying such housing. In some cases such certification preempts local codes.

By Romney's count, seven states have passed variations of such laws and state legislatures in 11 other states have begun considering similar legislation.

Still, Romney admits, Operation Breakthrough is no panacea for the problems of the housing market. For example, he said it has brought about no reforms in patterns and practices of on-site construction labor, nor has it addressed the problems of escalating land cost. These two problems, he said, may require new legislation.

—WILLIAM HICKMAN
McGraw-Hill News,
Washington

HUD and HLBB get union label

Unionism has gained a foothold in the Department of Housing and in the Federal Home Loan Bank Board.

Employees, angered by alleged racial discrimination in promotion policies at HUD, and with the hiring of "outsiders" into high civil service posts at the FHLBB, have voted overwhelmingly to be represented in contract negotiations by the American Federation of Government Employees.

Goals. At the HUD offices, the maverick employee newpaper *Quest* says the union will bargain for "real education opportunities aimed at promotions, an end to all discrimination in hiring and promotion, an active program of career advancement, equality in parking arrangements, a day care program that employees of all levels can afford, and a real grievance procedure."

The employee vote at HUD means that management must deal with the union as the exclusive bargaining agent for 3,100 employees, and possibly 400 more.

At the Bank Board's headquarters, the union will represent some 308 employees.

Union's stand. The union's leaders claim that federal employees need a strong union to improve the civil service system. The union syas it is squarely behind the civil service program, but that there is room for improvement. This is largely the same position taken by the National Civil Service League, which has recently gone on record as supporting employees' rights to organize.

Romney cites integration gains . . . *continued*

the city limits and approximately 50 projects were scattered throughout the remainder of the four-county metropolitan area. Construction activity decreased during the next six months when 17 projects were started within the city and 5 projects were located in the area immediately outside the city. During the six-month period ending December 31, 1970, some 9 projects were started in Pittsburgh City, while 16 projects were begun in the metropolitan area.

"A number of projects are clustered in the eastern and western sections of Pittsburgh inside the city limits. This shows the first results of Project Rehab, the department's special effort to stimulate use of its assisted programs to finance the large-scale rehabilitation of absentee-owned substandard housing. In Pittsburgh, HUD and a private organization created and financed by a large number of industrial firms have been cooperating aggressively to rehabilitate substandard housing on a volume basis using the Section 236 and rent supplement programs primarily. We think it is vital that federal housing assistance programs be used to rebuild slum areas at the same time they are being used to create housing opportunities for minorities outside of the center city. Both approaches are consistent with our objective of creating freedom of housing choice for all Americans."

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New housing bills: simpler programs, 100% mortgages, free interest rates

The Senate and House Banking Committees have begun their summer rerun—on housing legislation.

Much like the television shows which repeat themselves during the July-September break, the legislation that is being considered this year is little more than a warmed-over version of proposals made in 1970.

The Nixon administration's Housing Consolidation and Simplification Act of 1971 failed to get anywhere when it had a 1970 label. But this is a non-election year, and both Senate and House legislative aides are giving it a warmer reception.

The Senate was tentatively scheduling hearings to begin at the end of July on the consolidation bill. If the banking committee's schedule prevented this, the hearings were to be backed into September. A similar schedule was in the works for the House Banking Committee.

Passage in '72. Despite the hearings, legislative aides are not optimistic about passage this year. "It's probably too late in the session," they say. "Next year is a better bet."

The administration is trying to simplify and consolidate the raft of federal housing programs into a few broad categories. The consolidation legislation would provide for just four such wide-ranging, flexible programs.

Home mortgages would be insured in two categories—unassisted and assisted. Multifamily mortgages would have a similar breakdown, and the four divisions would then replace a large number of separate existing programs.

Three existing programs covering hospitals, group practice facilities, nursing homes and intermediate care facilities would be authorized under just one mortgage insurance program for health facilities.

The Title X land development program would be retained, and the home improvement and mobile home loan programs would be maintained in simplified form.

Aid for Breakthrough. Within the seven titles of the proposed legislation, the Housing Secretary would get authority to insure advances of mortgage proceeds during construction or rehab of projects. The advances would be made to cover the cost of materials and building components that are in transit, stored off-site, or otherwise located off-site but that ultimately would become part of the mortgaged property.

This insurance is intended to assist Operation Breakthrough projects, for which many of the materials are assembled away from the building sites.

New mortgage limits. Another major change would eliminate mortgage limits for specific programs. Instead, the amount of any mortgage made under the subsidized homeownership and rental programs would be limited to no more than the "prototype cost" for similar projects and property in the area in which the mortgage was located.

The Housing Secretary would also be expected to set prototype costs for unsubsidized residential mortgages. In this case, however, the mortgage limit would be 100% above the prototype cost—"or such lower per cent in any area which the Secretary considered appropriate to prevent a diversion of mortgage credit on reasonable terms from moderate cost housing."

The prototype cost concept would take into account the secretary's annual estimate of reasonable land and site improvement costs and the construction costs of new units of various sizes and types in the area.

Free interest rate. Once again, HUD will push for a dual interest rate, a concept that became a major issue in last year's debate.

The dual system would be experimental, expiring in 1973. Mortgages could be written under the present system, with the FHA interest ceiling fixed by the Housing Secretary and discount points charged by the lender to bring his yield into accord with interest rates in the free market; or the interest rate could be negotiated freely between lender and borrower on the basis of market rates, with no discounts allowed.

Another provision of the legislation would give the secretary permanent authority to set the maximum interest rates for all insured mortgages. The rates would differ for each type of mortgage.

The secretary also would be required under the bill to adopt a uniform procedure for the acceptance of materials and products to be used in structures approved for mortgages and loans insured by HUD or FHA.

Mobile homes. Terms on home improvement and mobile home loans would be broadened under the bill. In the case of home improvement loans, the limit would be $6,500, or $15,000 if the building to be repaired includes two or more units. Maturity would be limited to seven years and 32 days.

For mobile home loans the limit would be $10,000, or $15,000 in the case of a mobile home composed of two or more modules. Top maturity for mobile home loans would be 12 years and 32 days, or 15 years and 32 days where two or more modules are concerned.

Downpayments on basic unsubsidized home loans also would be eased somewhat under the bill. Right now the lowest downpayment for an FHA loan is 3%, where the mortgage amount is $15,000. Under the proposed bill, lenders could make loans up to 100% of the first $20,000 of appraised value. After that, it would be 90% of value in excess of $20,000 and 80% in excess of $30,000.

Section 235 dispute. Another major change would add emphasis to existing housing under the subsidized programs at HUD. Section 235 homeownership subsidy loan money, now mainly used for new housing, could be diverted by as much as 30% to existing housing.

This proposal was a major subject of contention last year, when the National Association of Home Builders and National Association of Real Estate Boards argued over the percentages that new and existing housing should receive.

The proposed legislation does not specify that 30% of the funds will be used for existing housing. It says that 30% "could be" spent on such older homes.

NAHB vs. NAREB. The builders organization will again oppose the change. The builders maintain that the programs should emphasize new construction, and a spokesman for NAHB says: "We will probably suggest that 10% or 15% for existing housing is a more realistic figure."

The Realtors, on the other hand, plans to seek a change in the bill that will make it mandatory that 30% be spent for existing housing.

A Realtor spokesman says: "The 235 program as now administered is killing the market for modestly priced existing homes. The NAHB should not complain about the proposal, for it's only a discretionary power. That should be changed to direct the Secretary to spend the 30% of total subsidy funds for existing home loans."

Mortgage men's stand. Mortgage bankers also have a pet peeve in the administration's bill—the dual interest rate system. The Mortgage Bankers Assn. vigorously opposed this in the 1970 debate on the bill, and it was stricken from the legislation that did emerge from Congress last year.

The mortgage bankers will probably oppose the provision again this year, insisting as they have all along that the "no-discount" approach is unworkable in the mortgage secondary market.

One provision left out of this year's bill but that the MBA would like to see is a national exemption from usury statutes for FHA and VA loans. This was in last year's legislation.

No hurry. The various industry trade groups, which are just now beginning to jockey for position on the consolidation bill, are likely to find they have ample time to do so. Congress has so far been in no hurry to enact legislation this year.

Another important factor is that the consolidation act will be heard in conjunction with other administration and congressional housing and community development proposals —all aimed at bringing out a major omnibus housing bill, probably next year.

With the Presidential election set for 1972, the major question to be settled when the bill does eventually pass is, who will get the credit—the Republican administration or the Democratic Congress?

—ANDREW R. MANDALA
Washington


Sage yellow
Moss green
Burnt gold
Dawn white
Color-Side colors
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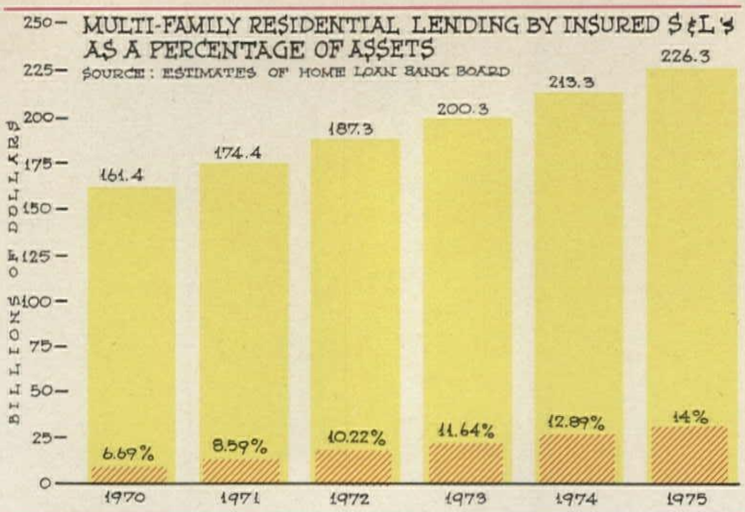
Big lender for tomorrow's apartment boom—savings and loan associations



The chairman of the Federal Home Loan Bank Board, Preston Martin, won the applause of the nation's homebuilders in January when he told the NAHB convention of his plans to expand the mortgage lending capacity of savings and loan associations.

Martin stressed that there would be new regulations governing big project loans and construction loans in general.

"We want to make the savings and loan institutions a new all-purpose lender in the real estate field to serve other markets as vigorously as they now serve the single-family home market," he said.

What Martin and his bright, young, and aggressive staff had in mind was to give the savings and loan associations the powers to compete effectively, among other things, in the growing apartment loan field.

100% increase. Savings and loans have long been tied almost exclusively to single-family house mortgaging. While this continues to take most of the S&L money, the experts—looking at the changing mix in housing—see the day when the associations will be a much bigger factor in the apartment sector.

R. Bruce Ricks, director of the office of economic research of the HLBB, now estimates that S&L lending on apartments will more than double from 1970 to 1975.

Ricks predicts that the 6.69% of assets devoted to multifamily loans by insured associations in 1970 will reach 14% of assets by 1975. He also believes single-family residential lending will have fallen from 69.58% of assets in 1970 to 46.65% by mid-decade. Assets of associations during this period, according to Ricks, will have risen from $161.4 billion to $226.3 billion *(see chart)*.

Liberal rules. To accommodate this new lending mix for associations, the Bank Board has busied itself with changing regulations. Most of the changes are liberalizing, and a good many have strong implications for apartment lending.

For instance, new regulations permit savings and loans to combine construction and permanent loans without reducrity. The Bank Board has also lengthened from 24 months to 36 months the term limit for construction loans on apartments and other big projects.

In addition, the board has increased the maximum construction loan term from two to five years in urban renewal areas for large multifamily dwellings and other large projects.

New flexibility. Commercial property loan terms have likewise been liberalized, and in another ruling the Bank Board is permitting the S&Ls to purchase loans acquired anywhere in the country up to 10% of assets, rather than 5%.

Still another major change in regulations makes it easier for S&Ls to participate in loans, including apartment loans, with other lenders. The participation rules formerly said associations had to retain 50% of loans on residential real estate. That 50% minimum holding has been reduced to just 10%—adding enormous flexibility to the participation program.

Associations have also gained wider lending territory, a privilege considered an important business asset. The normal territory was within a 100-mile radius of the main office of an association, but this has been extended to 100 miles from any branch office located in the same state as the association.

Wider lending. The changes will permit S&Ls to make more participation mortgages, since they need retain only 10% of the loan, and to make the loans over much wider territory.

The Bank Board has also ruled that participations by S&Ls need not be made exclusively with FHA-approved mortgagees, as had been the case.

The savings and loan service corporation is also being regarded as a means to increase financing for project housing. One idea in savings and loan circles in that the S&L service corporation, a wholy owned subsidiary of one or more S&Ls, would purchase land and provide a ground lease to builders. This approach would substantially reduce the builder's requirement for capital.

Apartment boom. It all adds up to a new look at housing finance by the savings and loan industry. The S&Ls are being spurred on by their regulatory agency, which foresees a change in the nation's housing mix.

Statistics show the importance of the apartment market. One-family house starts ran at an annual rate of 728,000 units in May 1970; structures with five units or more at a rate of just 433,000 units.

The one-family rate was one million units in May 1971—up about 30%. But multifamily starts had climbed to an annual rate of 710,000—an increase of better than 60% over the same figure in 1970.

To builders of apartment projects, who have often had to submit to piece-of-the-action mortgaging, the entry of savings and loans into the multifamily market may seem a welcome development. Most S&Ls are forbidden by law to make piece-of-the-action deals.

The door has now been opened by the Bank Board for associations to enter the apartment market on a much grander scale. Piece-of-the-action or not, multifamily housing finance is probably going to receive a

Economist Ricks
He charts rise in loans

Chairman Martin
He speeds apartment lending

Residential share of GNP dips again

The percentage of the gross national product allocated to residential structures fell in 1970 to its lowest postwar level since 1946.

The Board of Urban Affairs reveals in New York that the ratio dipped to 2.84% in 1970, the first time it has fallen below 3% in a quarter century.

Constant dollar figures (1958) were used to eliminate inflationary bias. Residential structures include houses, apartments, hotels, and any space in which households can be maintained, except mobile

	RESIDENTIAL STRUCTURES	GNP	RATIO
	(Billions of 1958 Dollars)		
1946	12.1	312.6	3.87
1947	15.4	309.9	4.97
1948	17.9	323.7	5.53
1949	17.4	324.1	5.37
1950	23.5	355.3	6.61
1951	19.5	383.4	5.09
1952	18.9	395.1	4.78
1953	19.6	412.8	4.75
1954	21.7	407.0	5.33
1955	25.1	438.0	5.73
1956	22.2	446.1	4.98
1957	20.2	452.5	4.46
1958	20.8	447.3	4.65
1959	24.7	475.9	5.19
1960	21.9	487.7	4.49
1961	21.6	497.2	4.34
1962	23.8	529.8	4.49
1963	24.8	551.0	4.50
1964	24.2	581.1	4.16
1965	23.8	617.8	3.85
1966	21.3	658.1	3.24
1967	20.4	675.2	3.02
1968	23.3	707.2	3.29

OFFICE OF THE CLERK

UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

P.O. Box S, Philadelphia, Pennsylvania 19105

LEGAL NOTICE

WITH RESPECT TO CLAIMS IN CONNECTION WITH PLUMBING FIXTURES

Pursuant to Rules 23(c)(2), 23(d) and 23(e) of the Federal Rules of Civil Procedure, YOU ARE HEREBY NOTIFIED:

There are now pending in this Court more than 300 related actions for treble damages for alleged violations of antitrust laws with respect to the sale of plumbing fixtures, trim, fittings and supplies. The defendants are certain plumbing fixture manufacturers, including those defined below as "Settling Defendants". Settling Defendants, while denying the alleged violations and liability on account thereof, have agreed to settle the claims of certain categories of claimants and, for the limited and exclusive purpose of effectuating such settlement, have agreed to the establishment of the temporary "Class" defined herein.

You may be a member of this Class and if so your rights may be affected by this litigation and the aforesaid settlement agreement. *This notice is not to be understood as an expression of any opinion by this Court as to the merits of any of the claims or defenses asserted by either side in this litigation or as to any amount that any claimant would receive on settlement,* but is sent for the sole purpose of informing you of the pendency of this litigation and the settlement described herein so that you may make appropriate decisions as to what steps you may wish to take in relation thereto.

1. **The Litigation.** The various complaints in this litigation generally allege conspiracies among certain manufacturers (i) to fix prices on plumbing fixtures (including bathtubs, lavatories, sinks, water closets and urinals) as well as trim, fittings, and supplies relating thereto, and (ii) to discontinue the manufacture and sale of regular (as opposed to the more expensive acid resistant) enameled cast iron plumbing fixtures. The time period of the asserted conspiracies is alleged in many of the aforesaid complaints to extend from at least 1953 to at least 1966. Recovery is sought for alleged overcharges on purchases, either directly from the manufacturer or indirectly, such as under installation contracts with contractors or from wholesalers or other distributors. In addition to the issue of liability each claimant would have to prove individual damages based on its own purchases. Defendants deny liability, contend that there was no illegal overcharge and assert that, in any event, the members of the Class are not necessarily the proper persons in the chain of distribution of any fixture entitled to recover even if liability were established. If the settlement described herein is not effectuated, and defendants prevail, members of the Class may receive no recovery whatsoever.

2. **Defendants.** The Settling Defendants consist of the following corporations: American Standard Inc., Kohler Co., Wallace-Murray Corporation, Universal-Rundle Corporation, Crane Co., Rheem Manufacturing Company, Borg-Warner Corporation, (hereinafter sometimes referred to collectively as the "full-line defendants") and Georgia Sanitary Pottery, Inc., Gerber Plumbing Fixtures Corp., Kilgore Ceramics Corp., Lawndale Industries, Inc., Ogden Corporation, Peerless Pottery, Inc. and Mansfield Sanitary, Inc., (hereinafter sometimes referred to collectively as the "short-line defendants"), and the Plumbing Fixture Manufacturers Association. In addition to the Settling Defendants, the following corporations have been named as defendants in some or all of the complaints filed in this litigation: Briggs Manufacturing Company, Graning Enameling Co., Norris Industries, Inc. and Western Pottery Company, Inc.

3. **"Claims" Defined.** The settlement described herein relates to, and the terms "Claim" and "Claims" as used herein shall mean, all present and prospective claims which relate to or arise out of any alleged violation by any and/or all of the Settling Defendants of any federal or state antitrust law, relating to any or all types, qualities, grades and compositions of plumbing fixtures, trim, fittings and/or supplies. This settlement relates to all Claims of all persons not specifically excluded in the following paragraph.

4. **The "Class".** The class to which the settlement is being offered includes, but is not limited to, all direct and indirect, past and present, owners, purchasers, and lessees of plumbing fixtures, trim, fittings and/or supplies whether acquired separately or in combination with one or more other items or services or as part of complete or incomplete structures and embraces all of those having Claims *except*:

(a) the Claims of defendants in this litigation, persons having a controlling direct or indirect financial or managerial interest in any such defendant and persons in whom any such defendant has any such interest; and

(b) the Claims of the following categories of persons to the extent they act in the capacities indicated:

(i) wholesalers, jobbers, supply houses, distributors, manufacturer's representatives and retailers, and all other persons who purchase plumbing fixtures, trim, fittings and/or supplies for resale as such (*i.e.*, not in connection with installation, construction or other services by such person) to others in the United States;

(ii) plumbers, plumbing and mechanical contractors and subcontractors;

(iii) general contractors performing for others;

(iv) purchasers or lessees of new and/or used homes or other structures (or portions thereof) from prior owners thereof; and

(v) governmental entities or public bodies supported in whole or in part by state or local government or other public funds or credit *except the claims of such governmental entities or public bodies in relation to public housing which are included in this settlement and the Class.*

By way of illustration only, and without limitation, the Class to which the settlement is being offered includes, among others, builder-owners, operative or merchant builders, developers, public housing authorities and persons who had homes or other structures built for them or renovated. On the other hand, for example, the Class *does not include* claims for plumbing fixtures contained in homes or buildings purchased or leased from a prior owner, including new homes or buildings purchased from operative or merchant builders or developers.

If you have at any time purchased or otherwise acquired an interest in the products in question in any manner (and if your Claims, or any one of them, in whole or in part, are *not* within one or more of the excluded categories described in subdivisions (a) or (b) of paragraph 4 *supra*) you will be a member of the Class *unless* you take the steps provided in this Notice to exclude yourself.

The following parties have been selected to represent the Class, and are hereinafter referred to as the "Class Representatives": the plaintiffs in *Lindy Bros. Builders, Inc. of Phila., et al. v. American Radiator & Standard Sanitary Corporation, et al.*, Civil Action No. 41774SC, presently pending in the United States District Court for the Eastern District of Pennsylvania.

5. **The Settlement.** In final settlement of all present and prospective Claims of all members of the Class, each of the Settling Defendants has agreed to pay the sum following its name (referred to herein as the "Settlement Fund"): American Standard Inc.: $9,126,750; Kohler Co.: $4,289,250; Wallace-Murray Corporation: $2,188,700; Universal-Rundle Corporation: $1,971,550; Crane Co.: $1,956,500; Rheem Manufacturing Company: $1,053,500; Borg-Warner Corporation: $913,750; Georgia Sanitary Pottery, Inc.: $85,050; Gerber Plumbing Fixtures Corp.: $302,190; Kilgore Ceramics Corp.: $211,190; Lawndale Industries, Inc.: $148,190; Ogden Corporation: $238,000; Peerless Pottery, Inc.: $183,190; Mansfield Sanitary, Inc.: $232,190.

Interest has been accruing since April 1, 1970 on those portions of the Settlement Fund payable by the full-line defendants and interest has been accruing since September 1, 1970 on those parts of the Settlement Fund payable by the short-line defendants. The interest payable by each Settling Defendant shall be calculated at the lesser rate of (a) 8% per annum or (b) the prime rate of interest as the same may be in effect from time to time during the period that any balance remains unpaid by said Settling Defendant on the portion of the Settlement Fund which said Settling Defendant has agreed to pay.

Each Settling Defendant has the option to make payment of its share of the Settlement Fund in not more than three equal annual installments, the first of which is to be made within thirty (30) days after the entry by the Court of the order approving the disbursement of the Settlement Fund.

All attorneys fees and costs allowed by the Court and all expenses of notice and administration incurred in connection with this settlement shall be deducted from the Settlement Fund.

In the event that any Class members request exclusion in the manner provided for below, any Settling Defendant which deems such exclusions to be substantial may withdraw from the settlement (and the Settlement Fund will thereupon be reduced accordingly) or, in the alternative, Settling Defendants may elect to have the Settlement Fund reduced by such amounts as may be agreed upon with the Class Representatives or which the Court may determine to be appropriate in view of the relative position of the members of the Class who have requested exclusion.

In the event that such reductions are agreed upon or determined by the Court as aforesaid *no further notice* will be given with respect thereto.

The Settlement Fund, less the deductions and reductions (if any) referred to above, shall be divided among the persons entitled thereto in proportion to the number of "units" assignable to each such person. "Units" shall be assigned on the basis of Claims arising out of purchases made during the period October 1, 1962 to September 30, 1966, with the following items entitling the purchaser to the following "units":

Item	Unit Value
Whole Bathroom (Including Bathtub)	1.0 (One)
Powder Room or Half Bathroom	.4 (Four-tenths)
Urinal or Bathtub	.6 (Six-tenths)
Water Closet, Lavatory or Sink	.2 (Two-tenths)

If you are a member of the Class and neither exclude yourself in the manner provided below nor file a proper "Sworn Statement of Claim", you will be barred from any future recovery on any Claims and *shall not receive notice* of any further proceedings, hearings, or any other matter in connection with such Claims, including the entry of final judgment dismissing with prejudice any Claims you may have as a member of the Class against any and all of the Settling Defendants.

As a condition to disbursement of the Settlement Fund, the Claims of all members of the Class who have not excluded themselves shall be the subject of final and unappealable judgments of dismissal with prejudice. However, such dismissals shall apply only to Claims against those Settling Defendants that have not previously withdrawn from the settlement and their stockholders (other than a defendant), officers, directors, agents and employees, past and present. Such dismissals shall not affect the rights of members of the Class against any other defendant; provided, however, that against any Settling Defendant which withdraws such Class member shall have no right to recover for any sales directly or indirectly made by or attributable (by formulae or otherwise) to the remaining Settling Defendants.[2]

6. **Contingencies.** This settlement is subject to certain conditions involving the resolution or disposition of the Claims specified in paragraph 4(b)(i–v) above. No Settling Defendant is required to make any payment, or otherwise complete the settlement described herein, unless and until these conditions are entirely satisfied as to it. The conditions are set forth in certain settlement agreements entered into by Settling Defendants and the Class Representatives and information concerning said agreements may be obtained from counsel of record for the Class Representatives.

NOW, THEREFORE, TAKE NOTICE:

1. If you are a member of the Class defined herein, you will be bound to look only to the Settlement Fund for relief as to any Claims you may have against Settling Defendants, and will be deemed a party to this action to be included in and bound by any judgments rendered in connection with this settlement, *unless*, on or before September 1, 1971, you file a written election to be excluded from the Class.

2. If you are a member of the Class who does not elect to be excluded and you wish to receive a share of the Settlement Fund, you must file, not later than October 1, 1971, a Sworn Statement of Claim containing an acceptable covenant not to sue or you will be forever barred from recovery for any Claims you may have. A form for such Statement, containing this covenant, may be obtained from the Clerk of this Court upon request addressed to the address set forth in paragraph 3 below.

3. Your election to be excluded from the Class, or your Sworn Statement of Claim, and all other documents to be filed of record in this litigation should be addressed to:

"Clerk
United States District Court for the
Eastern District of Pennsylvania
P. O. Box S
Philadelphia, Pennsylvania 19105".

4. If you do not elect to be excluded from the Class, you may enter an appearance through counsel if you desire, and participate in the settlement through counsel.

5. If you are a member of the Class defined herein who does not elect timely to be excluded and who does not file a Sworn Statement of Claim on or before October 1, 1971, you shall not receive notice of any further proceedings, hearings, orders, or any other matters in connection with your Claims, including the entry of final judgment dismissing with prejudice any Claim you may have against any Settling Defendant, and you shall be bound by all said proceedings, hearings, orders, or other matters.

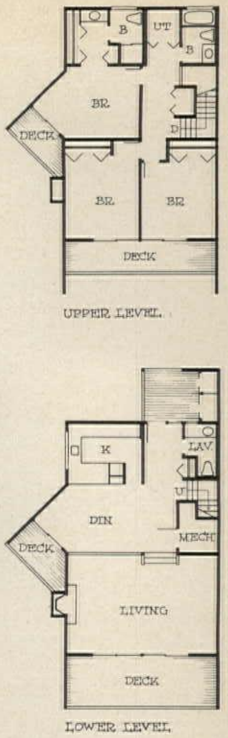
6. If you have any questions concerning the matters dealt with in this Notice which you want to raise with counsel of record for the Class Representatives, the names and addresses of said counsel will be furnished on request.

John J. Harding, Clerk

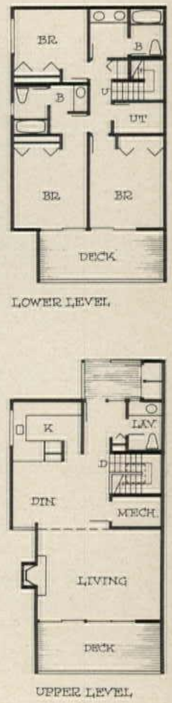
1/ *The portion of the Settlement Fund allocated to each Settling Defendant shall be reduced by the amount of money said Settling Defendant, from time to time, may advance to pay the expenses and disbursements incurred in connection with the administration of the settlement for purposes of calculating the unpaid principal upon which interest shall accrue after the date of said advancements by said Settling Defendant. The precise "prime rate(s) of interest" applicable is subject to subsequent agreement between the Class Representatives and Settling Defendants or, in the absence of agreement, the rate(s) will be determined by the Court.*

2/ *Certain formulae for attributing unidentified sales to particular defendants are set out in the Agreement among certain defendants, dated as of November 1, 1968. Information concerning this Agreement as well as copies thereof may be obtained from counsel of record for the Class Representatives.*

Uphill elevations of downhill townhouses have two-car parking pads which lead to sheltered entrance decks and outside storage.



PHOTOS: KARL H. RIEK—CALIFORNIA REDWOOD ASSN.



Downhill, view-oriented elevations feature sweeping decks. Privacy walls separate units. Plans show two of four available models.

The view from these hillside townhouses is "out-of-site" . . .

. . . which is the way it's supposed to be when you're designing a community that overlooks a mountain, a bay, and a yacht harbor.

Marina Vista is a cluster-type condominium community in Sausalito, Calif. Its contemporary two- and three-bedroom homes are sited to take maximum advantage of the variety of views in the surrounding San Francisco Bay area (some homes have four decks facing three exposures), and at the same time to preserve natural greenery of the sloping meadowland terrain.

The initial 14 units, priced at just under $50,000 (with undivided one-half interest in the lot), were quickly sold. Four of five units currently under construction also have been purchased. Eventually, the 25-acre community will have 172 homes, most of which will be built with redwood siding and trim.

The project was designed by The Bishop Company for Project Development Corp.

Living room in typical unit opens to wide deck facing the surrounding mountains.

For ten selfish reasons, Levitt Building Systems chose Sears kitchen appliances.

Here's why:

"*Quality* is what we get from Sears," says Charles Biederman of Levitt.

And with every eye in the industry focused on this revolutionary new venture into modular townhouses, quality is one thing Levitt doesn't intend to skimp on.

Yet even after 1) product quality, there are nine other good reasons why Sears kitchen appliances were the logical Levitt choice:

2. dependable service
3. product leadership
4. single source
5. value/price
6. brand recognition
7. delivery to your schedule
8. free design assistance
9. contract sales specialists
10. 85 years of customer satisfaction

"Having Sears kitchen appliances in these exciting new homes will give us a real boost when it comes to sales."

If Mr. Biederman is right, that might well be the best reason of all.

Levitt colonial townhouses are available to private developers.
Levitt Building Systems, Inc., Battle Creek, Mich. 49016.

Levitt BUILDING SYSTEMS INC.

CIRCLE 43 ON READER SERVICE CARD

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☐ send address of nearest contract sales office
☐ have contract specialist call

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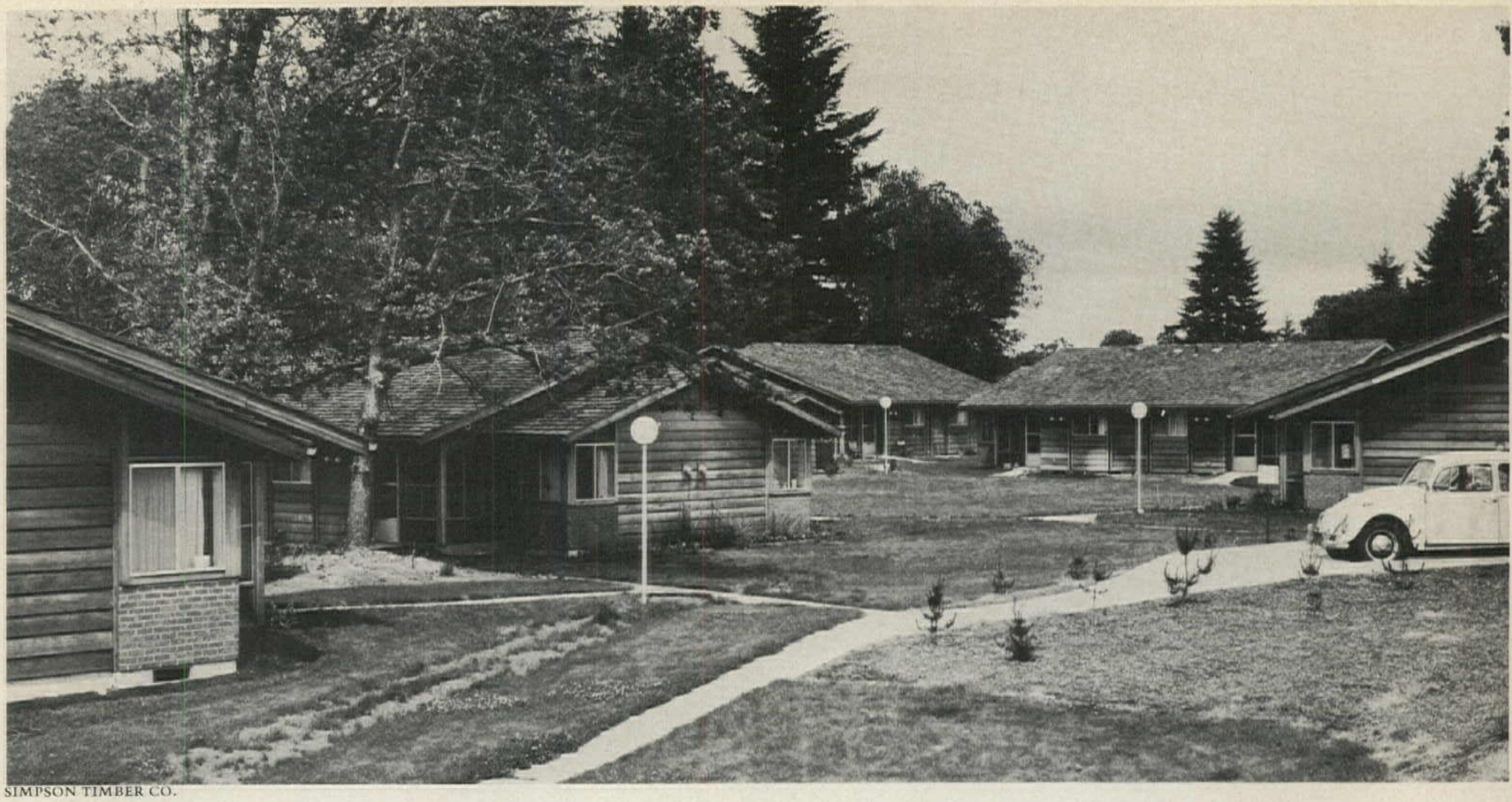
Firm ______________

Address ______________

City ______________ State ______________ Zip ______________

SEARS, ROEBUCK AND CO. DEPT. 733G
303 E. Ohio St., Chicago Illinois 60611



SIMPSON TIMBER CO.

It doesn't take forever to build public housing

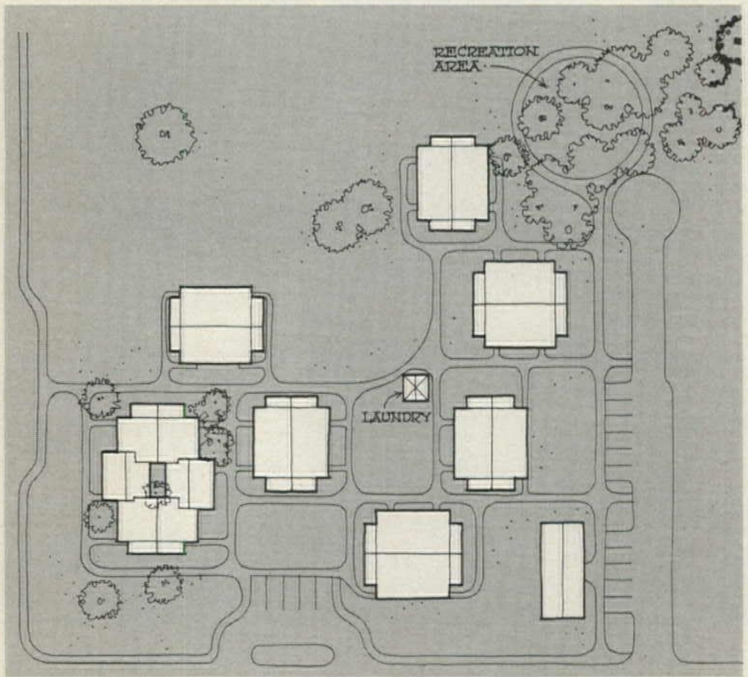
Just a year after it was conceived, this 50-unit development was completed and occupied—which probably is some sort of a record for a HUD Turnkey I project.

The reason for fast action: some astute planning by three men—builder Millard (Mike) Olson, architect Michael Rosenberg, and building materials dealer Harold Manning, who started the ball rolling after attending a meeting of Simpson Timber Co. distributors.

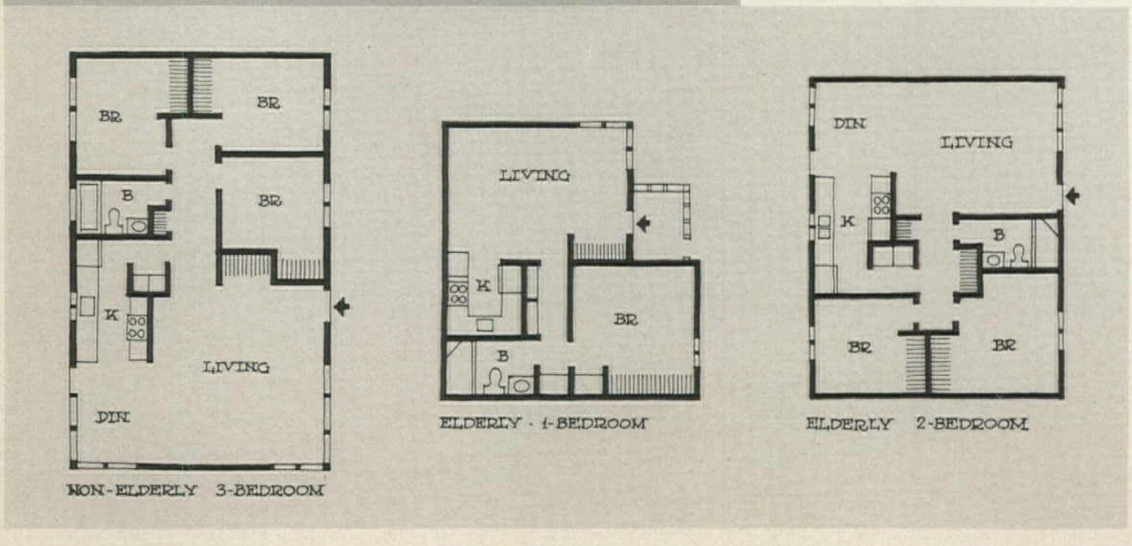
Manning knew that one of the biggest drawbacks in obtaining approval for this kind of development is the difficulty contractors have in meeting government criteria *attractively.*

So the triumverate came up with a cluster plan, designed to incorporate products Manning had seen at the meeting, and which he felt would complement the natural surroundings. The plan was accepted by the local housing authority over competitive proposals.

Veneta Villa has 30 retirement and 20 family apartments. Maximum income limits are \$3,000 for single persons and \$3,300 for couples. Extra features are a picnic and recreation area, laundry facilities, and an off-site community center. Rents include heat, appliances, water, sewerage, and garbage collection. Cost of the project, including land, was \$690,000.



Cluster plan groups sixplex and fourplex units in retirement housing section of Veneta, Ore., turnkey development built for the Lane County Housing Authority. Ten duplex units for 20 low-income families occupy the balance of the site *(not shown).* Plans below are *(from left):* three-bedroom, low-income family unit; one-bedroom retirement unit; and two-bedroom retirement unit.



"the Kingstowne as built by Frank R. Radford, Roanoke, Virginia."

The big move's to multi-family housing; that's where we come in.

This year, nearly half the housing starts will be multi-family. That's one important fact. ☐ Another fact—the Kingsberry Man can help you move into this profitable market with valuable assistance from the very beginning. ☐ For instance, he'll help you with cost estimates and with a complete market survey to assist in establishing rent structures. This information can then be used in Kingsberry's computerized multi-family feasibility analysis program which will determine if a project is financially practical. Also, he can supply you with a computerized plot plan which can be used for preliminary mortgage submission. ☐ That's not all. The Kingsberry Man offers you an extensive line of versatile styles to suit any kind of market situation. You can choose from a wide range of multi-family designs—including apartments, duplexes, and townhouses. And, of course, you can count on the manufactured excellence: standard with Kingsberry. ☐ Get the facts fast. Just mail the coupon. You'll get action in a hurry.

Nobody moves you faster than the Kingsberry Man

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Rudy A. Brown, Director-Marketing/ Dept. HH-8
61 Perimeter Park East/Atlanta, Georgia 30341/(404) 458-3241.

Please send more information on the Kingsberry program and have the Kingsberry Man call on me.

Name ______

Firm ______

No. lots I now have ready to build on ______

No. of homes ______, apts. ______ I built last year.

Address ______ Phone ______

City ______ State ______ Zip ______

"Today's rule of thumb for tomorrow's rental apartment complexes: the bigger the better"

Putting all your eggs in one basket may be disastrous in some businesses, but for apartment projects it makes sense.

Economics favor large apartment complexes; and so do the demands and desires of tenants. Big complexes are difficult to plan, finance, and sell, but to those concerned with profitable operation, bigness is a blessing from almost every standpoint.

Big apartment complexes are not only no tougher to run than small projects, they are, in fact, easier. Running a 50-unit project can involve many more frustrations than operating 500 units.

Not that bigness minimizes operating problems. What it does is make the right solutions to the problems economically feasible.

The bigger the complex, the bigger the problems. Every detail is magnified. Garbage pickup becomes a critical expense, where slight changes in scheduling can add or save hundreds of dollars a month. Misparked cars become a major headache that can only be alleviated by systematic measures like official stickers on windshields and no-nonsense tow-away programs.

Swimming-pool guests, rarely a burden in a small project, multiply to crowds in a large one. Instead of three or four extra people around the pool on weekends, there are 50 to 100, forcing managers to resort to signed passes or numbered tags to keep guests within defined limits.

Big projects entail a higher volume of re-renting. A three percent tenant turnover in a 50-unit project means one or two apartments to re-rent each month. In a 500-unit project, 3 percent means 15 re-rents per month, or one every 48 hours. That takes organized sales effort, to say nothing of an on-site staff with strong sales talent.

Big projects make sensitive tenant relations a vital responsibility. Compare the seriousness of a petition from 500 tenants with one from 50.

Big projects also create mammoth maintenance problems. Keeping laundry rooms clean in a 500-unit project is not a 10-minute job at the end of the day, but one requiring hourly attention and organized schedules. Policing parking areas takes the help of a contractor with full-scale street-sweeping equipment.

Big projects magnify operating problems, so big-project managers are forced to organize professionally whether they like it or not. It's not a question of maintaining a given profit level, but a matter of survival.

There's money for A-1 management. The beauty of big projects is that they provide the revenue that such professionalism requires. They can pay the cost of sophisticated systems and the personnel to administer them. And once organized and installed, systems and people can be made to run professionally.

A 500-unit complex generates enough income to support a highly competent on-site management staff, while a 50-unit project produces barely enough money to support a single full-time manager. A staff can be organized to operate autonomously for long periods of time, unlike the small-project manager who needs close supervision and frequent help.

The difference in quality between big-project managers and small ones is dramatic. Our apartment complexes range from 25 units to 4,000. And the only time our small-project managers meet the big ones is at annual luncheons. We don't mix them at training sessions because they have practically nothing in common as far as business is concerned.

(This, incidentally, is a distinction that many local apartment associations fail to make regarding their membership. They invite all sizes of developer/managers to attend meetings and discuss problems on an equal basis. But there is really little common ground between a small owner/landlord who lives in one of his own buildings and a multi-state owner/developer who needs a private plane to tour his complexes. Each needs his own group within the associations if meetings and discussions are to have real value.)

There's money for promotion. Besides money for strong on-site administration, big projects permit big budgets for advertising and merchandising. So while the big project requires a stronger sales effort, it also generates the wherewithal to finance the effort.

A 500-unit project, for example, can support a permanent sales center with substantial merchandising displays and furnished model apartments. It can also support a consistent advertising program not only to draw prospects when apartments are vacant, but to sustain a public-image buildup for both the apartments and the owner/developer. Some of the largest apartment developers still omit permanent sales centers in big projects, and give no importance to building up a project's name in the public eye except when there are vacancies to be filled.

There's money for amenities. Big projects permit many other forms of built-in merchandising. There is adequate income to support full-scale recreation centers, including tennis courts and health spas. There is enough for elaborate landscaping and aquascaping. And, apart from games and scenery, big projects make it feasible to offer more practical attractions like professional security guards. An average apartment complex can't afford a competent guard—even for eight hours a night—without at least 500 units to amortize the expense.

Another attraction for large-project tenants is preventive maintenance and on-schedule repair work. Upkeep for 500 units can't be approached at random. Small details like light bulbs are major cost items that have to be watched and controlled systematically.

Big projects do cause problems from the development standpoint. Big projects need big sites, which are not easy to find in strong rental areas. They also require big loans and big investors to buy them.

One way to surmount the loan problem is through lender consortiums. Our company recently acquired \$9.5 million in long-term financing from a consortium of four savings and loan companies. Dealing with four boards of directors and legal staffs wasn't simple, but it produced the money.

We also hope to make large apartment complexes feasible for virtually any investor by means of investment funds distributed through a large investment house in units of \$1,000.

Small apartment projects can continue to find tenants where demand is strong, i.e., near large metropolitan areas or in specialized markets like vacation resorts and retirement centers. The small mom-and-pop building with the tiny but immaculate swimming pool in the center can still be a money-maker—but only for mom and pop. For the owner/developer with ambitions of building a professional apartment business, small projects can turn out to be more trouble than they're worth.

H. CLARKE WELLS, MARKETING VICE PRESIDENT, L. B. NELSON CORP., PALO ALTO, CALIF.

"Decorating the lower-cost model takes special know-how. You really have to understand your market"

A new trend seems to be emerging in model home and apartment interior design and merchandising—budget decorating. And it makes good sense.

Builders, attempting to meet the growing demand for moderately priced shelter have learned that it takes more than a low price to make the sale. Merchandising still is vital.

But how, the stymied builder asks, do you effectively market the moderately priced home or rental unit, yet keep merchandising costs from going sky high?

One obvious answer is to establish a sensible budget, then demand realistic, imaginative, interior treatments that reflect the price range you're dealing with. Of course, this means that furnishings may not be top-of-the-line. So, design creativity and skill becomes all-important.

What it really boils down to is this: the decorator must work harder to achieve the desired results: fresh interiors that still get the buyer involved.

For example, our new division, CEI Designs, draws on an inventory of basic room designs that can be economically tailored to a builder's budgetary requirements. This new service enables us to reduce decorating costs by making certain that materials and furnishings are in keeping with the buyer's taste—and budget.

For example, just as $6-per-sq.-yd. carpeting doesn't belong in a $60,000 home, conversely, carpeting costing $15 per sq. yd. shouldn't be displayed in a $20,000 home. It's a contrivance that might come back to haunt both the builder and the decorator because the buyer cannot identify with the home.

One of the main principles in designing interiors for lower-priced homes is to know your sources. You've got to be able to find a $2.95 roll of wallpaper for the kitchen instead of a roll costing $16.95, and still get the same uplifting feeling of freshness.

Or, for something a little different, you can use panels of wallpaper to liven up a length of wall. With the right paper, you're giving prospective buyers or renters a clever idea that tends to involve them with your model units. And you're doing more than saving yourself $14 for a roll of wallpaper. You're providing honest decorating.

You have to catch the prospect's eye. So, always keep the profile of your customer uppermost in mind. You wouldn't put a baby grand piano in the living room of a low-to-moderately-priced home. With a limited area, you probably don't have the space. Moreover, the mass buying public can't identify with the piano.

As for fabric sources, you can find materials for bedspreads, curtains, and wallcoverings at the same place your prospective buyer shops—J. C. Penney's or those discount fabric stores which have unusually good materials at super-budget prices. But, again, don't forget to use a lot of bright ideas such as quilting the material covering the headboards in little girls' rooms or on a window valance.

When it comes to windows, stay away from the heavy, expensive draperies which are obviously a costly and misleading extra for homes in this price range.

Considerable savings can be realized in selection and use of furnishings. Young marrieds, for example, are responding well these days to wicker furniture. Once banished to the patio, wicker chairs, tables, even basket-trunks now are at home in any room—even the living room. Wicker is attractive either in its natural state or painted in bright, cheery colors.

Contemporary and traditional furnishings can be found at reasonable prices if you're willing to take the time to look. Keep in mind that you don't need originals such as Herman Miller lounge chairs. Furniture makers, like smart dressmakers, waste little time rushing excellent replicas of hot selling furniture to market.

Just as important, check out all new furniture lines and keep abreast of new styles and trends. One good source for ideas is the budget decorating magazines. Most of your prospects cannot afford to emulate the ideas in publications like *House Beautiful* or *House & Garden.* They can, however, reproduce many of the ideas they find in *Family Circle, Woman's Day,* or any of the decorating magazines that serve up page after page of design tips for families with limited funds.

While I have long maintained that color should be used with restraint, here is one price range where you can splash on bright shades—carefully—without offending the buyer. Why? Because, again, the younger person considering a low-priced home usually reacts favorably to strong colors—as long as you don't bathe him in them.

While I am totally opposed to painted ceilings (as well as mirrored ceilings), I do suggest one wall out of four be painted in a strong color to give depth and to break monotony. Painted shutters on bedroom windows are a comparatively inexpensive way of adding an intimate look to a master bedroom.

Apart from furnishings, wallpapers, and carpetings, the other items that eat up a budget and therefore require selective choosing are accessories, including lamps. A tall, willowy floor lamp, for example, is in itself a piece of furniture which doesn't detract from limited space.

What about accessories? This is the one area most taxing to the decorator's imagination. Again, look to the past for conversation-sparking items such as an old gasoline can or even an old milk can (the kind you find at dairies) which serve as excellent vases or interesting objets d'art.

The popularity of the eclectic look will continue for many years so don't ever bypass a second-hand store without peeking in to look for a bargain. A church pew sawed in half makes an excellent breakfast nook when a table is added. A little polish and the luster springs back to life.

Since your lower budget probably will preclude the use of good paintings (which, again most young marrieds cannot initially afford anyway) consider such unusual framings as a flag or a colorful "peace sign." A handsome throw rug or bright carpet remnant makes an attractive and conversational wall covering. The old time movie posters (circa 1940) strike a responsive chord in the buyer's mind when framed in a set of three and placed in a family room.

One of the least expensive but most effective decorating techniques, particularly for the low-priced home, is the use of plants; live plants preferably. Greenery atones for a multitude of sins, particularly the absence of numerous pieces of furniture normally found in higher priced models. What's more, plants hide ugly corners or can screen an awkwardly placed window.

But don't just place plants in the entry hall or other areas where most people expect to find them. Let them sprout in the kitchen, bathroom, and particularly in the master bedroom to give it a tropical "come with me to the casbah" feeling.

Even the plant containers can be integrated into the decorating scheme. And you can mix or match moods by using clay pottery containers in even the most formal living room, or copper or brass pots in the kitchen. The latter should be home for some potted herbs, not only to add decoration, but to provide a homey smell. The buyer will practically taste fresh herbs cooking.

CAROLE EICHEN, CAROLE EICHEN INTERIORS INC., FULLERTON, CALIF.

So who needs corners in a drawer? We rounded ours for easier cleaning. This is just one example of the imagination that goes into Glenwood cabinets by Kitchen Kompact. That's why our cabinets are found in more kitchens across the country. Of course you can depend on quality construction and a finish that will give years of maintenance-free use. Glenwood cabinets will fit in a modular system which presents no fitting problems.

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LETTERS

Mobiles vs. modulars

H&H: As a developer of mobile home parks who has also worked with modulars, I have no axe to grind, but am annoyed at a number of distortions in your April article ["It's time to take the low-price market back from the mobiles"].

1) The reason for the fancy prices quoted your shoppers for mobile homes was the lack of adequate competition in the areas surveyed. Where spaces are at a premium, it's a sellers' market. However, where spaces are plentiful, one can buy a 12'x60' home for a total price of $6,200 or less including all normal extras.

2) The greatest disservice you have done your readers is your analysis of the costs of carrying a modular home. First, you indicate a total sales price of $12,700. Did you forget the cost of the foundation, survey, hookups, walks, etc.? In our part of the country these run to $4,500, including a full cellar and garage. Add that to your $12,700 and you get $15,900 minimum. Now what about the builder's overhead and profit? When you add it all up, you are close to $20,000—if you can find an improved lot for $3,000. We can't. In our market, you cannot sell the cheapest acceptable modular for under $23,000. And then taxes are $70, not $25, a month. The cost to the homeowner is over $220 a month with minimum down payments and a 30-year mortgage—a far cry from your $122.

Modulars make sense for today and for the future, but *they cannot be compared to mobile homes.* The mobile home serves a different economic market: families earning under $10,000 a year who cannot qualify for the cheapest conventional home or for subsidies, and who still want a "home"—not an apartment. Until an alternative is found, mobile home demand will increase; and the sooner responsible industry leaders join in fighting for more zoning for mobile home parks, the better off our industry will be.

JEROLD L. AXELROD, vice president
Pickwick Organization Inc.
Plainview, N.Y.

To take reader Axelrod's points in order:

The biggest mobile markets are around major metro areas like those H&H *checked for its story. Further, if mobile dealers are boosting prices $1,500 where the traffic will bear it, it bespeaks ill of the so-called low-cost aspects of the mobile.*

The prices we quoted for modulars included profit. The $3,000 for land included piers and hookups. Garages and basements are as unnecessary for modulars as they are for mobiles.

Our point is that mobiles are not a good buy for low-income families. Sales prices mean nothing; all that counts is down-payment, monthly payment, and depreciation. The modular's down-payment should be comparable to the mobile's, and its monthly costs and depreciation, considerably less—ED.

Banking reform

H&H: Your June editorial would probably have been less susceptible to debate if the last paragraph had been eliminated.

I doubt that many authorities are really as concerned over the division of a builder's profits with the lender as they are over the diversion of funds by national lenders from the home financing field to the investment market—principally apartments—where "kickers" are available.

In view of the sharp acceleration of demands for equity participations, plus the virtually unlimited scope of investment opportunities made possible by the one bank holding-company plan and through the wholly owned subsidiaries of other institutions that can and do make investments that the parent company could not make itself, it is rather surprising to me that the government had not taken positive action before now.

WALTER J. GILL, Realtor
Newark, N.J.

Plastics

H&H: Our compliments on your article on plastics [April].

Over the years we have handled a variety of plastics accounts and are all too aware of the lack of knowledge—even to the point of confusion—as to what the different materials can and cannot do. Much of this stems, I think, from the failure of companies to tie tradenames to generic terms and to educate their markets as your article has done.

LAURA E. MORRISON
Morrison-Gottlieb Inc.
New York City

Equal employment

H&H: We are very pleased with the factual way in which you described our equal employment opportunity program, our training programs, and our minority group involvement [May].

We have already received a number of inquiries from other builders who want to visit with us and review our affirmative action activities.

STANLEY ROTHENFELD,
president
Building Systems Inc.
Cleveland, Ohio

HOUSE & HOME *is pleased that our coverage of* BSI*'s program is spurring more equal opportunity activity. Another such program is discussed in this issue, beginning on page 78 —ED.*

The builder and the architect

They're finally beginning to work together, but even more cooperation is essential for the years ahead

If the rental projects on pages 60 through 77 prove anything, it's that the homebuilding industry and the architectural profession have finally learned to work together, to their mutual benefit. The projects are not only well designed, they are successsful where it really counts—in the marketplace.

It seems incredible that this partnership should have taken so long to jell. There has been a crying need for better design and planning ever since the post-war housing boom got under way, and a housing volume that one year topped the two-million mark should have been a veritable gold mine for the architectural profession.

But it didn't work out that way. The builder too often found the architect overly expensive, ignorant of cost and marketing procedures for development housing and generally hard to work with; the architect, for his part, complained that the homebuilder was unappreciative of good design, hence apt to make arbitrary changes and unwilling to pay adequate architectural fees.

The clincher, of course, was that the builder really didn't need the architect for most jobs. His wife or his brother-in-law could lift a plan out of a book or magazine and rework it to fit the local market. His engineer was perfectly capable of laying out a run-of-the-mill grid or curvilinear site plan. And if local regulations called for an architect's stamp, there was always a local architect who would check the plans and provide it.

What changed this situation was the multifamily boom. Apartment and townhouse projects are usually much too complex for even the talented layman, so the architect became a necessity. Subsequently, developers found that when a good architect was allowed real freedom to design, he could come up with a project that was not only good looking, but also had more than the usual market appeal.

With multifamily housing now almost half the total market, the architectural profession is firmly established in homebuilding, and mutually acceptable ways of working together are the rule rather than the exception. Which means that it's time to start looking ahead to the next set of problems that can—or have already—cropped up.

At this stage of the game, two particular ones should be mentioned:

On the builder/developer side, there is the possibility of reverting to stereotypes. The boom in fourplexes (H&H, July) and other forms of attached single-family housing is bringing the small repetitive unit back into the picture. Some builders, angling to save an architectural fee, may feel that once they have a basic design, all they need to do is have their brothers-in-law rearrange the units for the next project.

The trouble is, it is this very arranging of units on the land that is the essence of a good project. Done badly, the result can be a cluster version of the cookie-cutter look of the '50s. Further, a builder who keeps repeating one design deprives himself of the constant upgrading of design that a good architectural firm can provide.

On the architect side, there is a serious shortage of firms that are experienced in both structures and land planning. As buildings become more standardized—and this seems inevitable, particularly with the advent of the modular—land becomes more and more the most important area of design. There is a growing need not only for architects who can work with land, but for architects who understand its municipal and ecological aspects, and can persuade local planning boards of their merits.

To put it another way, if planned unit developments are going to be the projects of the future—as seems likely—we're going to need a lot more firms capable of designing them.

If the need for continuing cooperation between builders and architects is great, so are the opportunitites it offers. For the builder it can mean a better and more competitive product; for the architect it can mean increased participation in an industry that promises a booming decade.

MAXWELL C. HUNTOON JR.

She's having a ball. So are the other preschoolers on the following pages. And while they're playing, they're learning in...

DAY CARE CENTERS

...a new marketing tool for apartment builders

CALIFORNIA HAS THEM. Texas has them. Minnesota has them. Washington, D.C. has them. In fact, day care centers are cropping up in family apartments and townhouse projects all over the country—and in every price range.

Basically, the day care center is the newest amenity being used by builders to lure prospects—the young marrieds with pre-school-age children who want more than a "baby-sitting" service. It's a place where children develop their creative talents through programs based on the theory that learning ability begins way before the age a child normally enters school.

Builders who provide them (or plan to) consider day care centers one of the most effective merchandising tools since the recreation center with its swimming pool, clubhouse or what-have-you—particularly for tough rental market areas.

"If we don't put in a day care center, we think we'll lose a large portion of our potential market." So speaks George Deffet, president of Deffet Co., whose 591-unit Hunting Creek apartment complex is being planned for Columbus, Ohio.

He's echoed by a host of other builders:

"A vital part of our amenities program," Ralph Chase, AndTex Corp., San Jose, Calif.

"A tremendous marketing tool," James Brady, administrator of sales, Village Green, Staten Island, N.Y.

"One of the best selling features we have for working mothers," Wayne Duddlesten, Wayne Duddlesten Interests, Houston, Tex.

More and more builders are talking that way because more and more tenants (and potential tenants) are demanding some sort of child-care service as part of the rental-project package.

The demand is broad-based

It crops up not only in low- and middle-income projects where many mothers hold jobs, but also in upper-income communities where many mothers have time on their hands.

For the working mother, the day care center can be an economic necessity. To hold a job, she must have a place for her child to go during the day, often for as long as 12 hours. This is particularly so for families living in low-income, rent-subsidized developments like Williamson & Co.'s Allen Temple apartments in Atlanta. This 221d3 complex has some 1,500 children, about 90 of whom are enrolled in the project's center.

And for mothers in the predominately black Park Southern apartments in Washington, D.C. (another 221d3 project), the day care center is a blessing; it's the only reason they can afford the $70-$90 monthly rent, according to Polinger-Crawford Co.

For the non-working mother, the day care center is a luxury. Unless she has a place for her child, she's not free to enjoy

the variety of amenities offered by her community. Case in point: Meadowood, a 492-unit luxury garden apartment project in Fairington, Ga. (a suburb of Atlanta). Here, only about five percent of the mothers work. But, thanks to the project's day care center, mothers of some 40 children are free to enjoy the project's other amenities—golf, tennis, horseback riding, etc.

And, at Valley West in San Jose, Calif., mothers enjoying facilities in the development's recreational building can keep an eye on their children via the closed-circuit TV in the building's child care center.

While it's true that the needs of both working and non-working mothers could be met by a "sitting" service, today's young mother—whatever her economic status—is no longer satisfied by just a place to park her child. She, herself, is generally better educated; she's tuned in on Sesame Street and preschool educational programs in general. She's aware of her child's early achievement potential, and wants to make sure it has every opportunity to develop.

So, she's demanding something more sophisticated than a sitting service. And a lot of builders are listening.

Deffet, for example, is planning a 75-child center for his one-to-three bedroom apartment project, which he expects will house some 300 to 400 children. Deffet rates a day care center as an amenity second, perhaps, to "lots of green space."

AndTex planned its 46-child center at Valley West because "we thought it would be a good rental gimmick," says Ralph Chase. The center had six enrollees when it opened; then quickly jumped up to 16.

Next fall, a day care center is expected to be launched concurrently with a 400-unit second section of Village Green in Staten Island (H&H, Oct. '70). "Nobody else in the area has one," says James Brady, "and we think it will sell townhouses." The development is a joint venture of Loew's Corp. and J. H. Snyder Corp.

The value of a day care center was proven to Wayne Duddlesten Interests through their experience at Afton Village. Shortly after the 834-unit, one-to-four-bedroom community opened late in 1969, a professional day care center operator, seeing the potential in such a large family community, opened a center across the street from Afton, and gave residents of the project first call. The nearby center has proven to be such a strong selling point for Afton, that Duddlesten is selling a piece of land adjoining its new 550-unit Kempwood Village to a professional operator who will build a center to the builder's specs.

Some builders see day care centers as a source of profit

U.S. Financial Co. of California is a prime example. It recently got into the family market with two large projects in the San Diego area, and is currently planning two more with day care centers that will open next January.

So strong is the company's commitment to the concept that it now has a child care subsidiary, Early Achievement Centers of San Diego.

EAC operates a $400,000 school at the 403-unit Sunflower garden apartment project in Santa Ana (*photos, this and subsequent pages*). The project—a joint venture between U.S. Financial and the Buccola Co.—is renting as fast as units can be built, and credit for this, at least in some measure, is laid to the EAC.

Says John Halverson, president of U.S. Financial: "We see the Early Achievement Center as a business opportunity compatible with our other activities which range across the entire field of shelter and shelter-related services. We see a market for EACs resulting from higher densities of dwelling units, and the increasing incidence of working mothers."

Halverson's faith in the idea extends beyond California: he has plans for a nationwide network of EACs.

Although other builders agree that the centers can be a source of additional revenue—albeit on a smaller scale—they don't all agree on who should run them.

That's the big question. Should it be directly by the project owner or management? Should it be through an arrangement with a professional day care center operator? Or, should it be by a group of tenants?

Most builders prefer to work with a pro

The reason: they've got enough problems without getting into the educational business. This isn't their bailiwick—and they're the first to admit it. So, they draw up a contract with a professional organization that rents or buys space for a center.

Lease arrangements: Some just lease a site. For example, Bill Watt, general manager of multifamily for Irvine Co., is negotiating with several day care firms.

One completed deal is a land lease for a ¾-acre site at Park West, an 820-unit complex in University Park, part of a new town near Santa Ana in Orange County. Under lease terms, the day care firm will build its own center, and pay Irvine 7% of the land value—or about $2,800 per year.

More commonly, leases involve completed facilities. And, here, there's a variety of approaches.

Scott Hudgens Co. of Atlanta gets a flat rental, plus a percentage of the operator's profits. The deal for its Arrowhead Village facility in suburban Jonesboro calls for Apple Tree Day Schools to pay a yearly rental of $16,200 for the 10,400-sq.-ft. facility, plus a percentage of profits after the first two year's of operation—expected to be about $4,000. The center—a separate building, fenced-in, with its own parking area—is part of a complex that includes a shopping center and 416 townhouses renting from $135 to $255 per month.

Arnold Johns, owner-operator of Apple Tree, says he also will work with builders on a 10-12%-of-the-gross basis. He charges $18-$20 a week per child for full-time care (7:30 A.M. to 6:00 P.M.) and takes in children from surrounding areas—not just a single project.

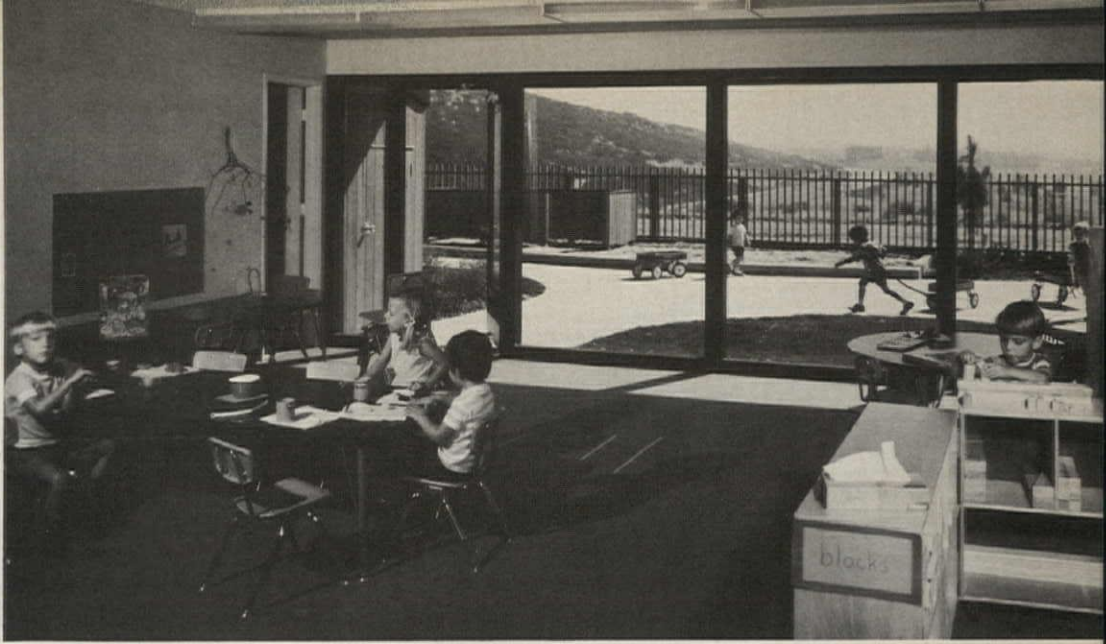
Devane Clarke and Environmental Research Associates, two builders from the Dallas area, have arrangements with Children's World that are unlike most. The professional operator pays them $8-$10 per month for each child.

The day care center at Clarke's L'Atrium project at Arlington (*photo and plan, right*) has a 94-pupil capacity. Environmental Research's center is built for 80 children.

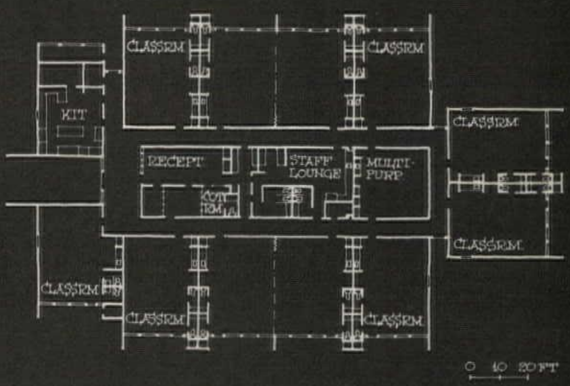
The latter company was approached by Children's World when its Plano del Sol apartments were under construction. The center's operator submitted plans for a center to be located in one apartment building. Four units were converted to Children's World specs at a cost of under $5,000. The conversion entailed removal of some walls and installation of additional toilets.

Sales arrangements: This is the approach used by Avco Corp. in California and Jenard Gross Investments of Texas. Both have sold land to professional operators who will build their own day care centers.

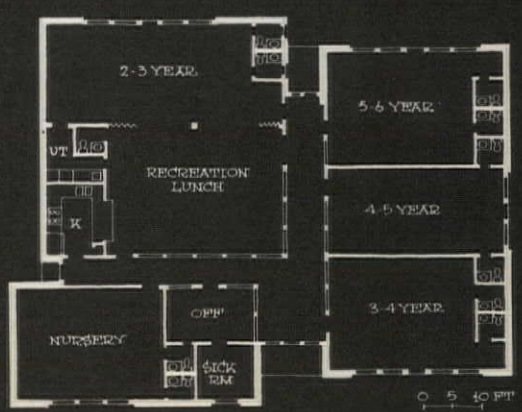
Avco recently sold about an acre of land to Tustin County Day Schools of Tustin, Calif., which is building five or six bunga-



Large facility, set up to handle 220 children at Santa Ana, Calif., is run by Early Achievement Centers, a subsidiary of U.S. Financial (*see p. 56*). The central core—for staff operations—is surrounded by a kitchen and 11 classrooms, each with two lavatories. Both kitchen and classrooms open to an outdoor play area, which includes a garden for studying plant growth. Toys used in the center are of the educational variety. Dan Salerno, AIA, designed this center, as well as two other types: portable classrooms for semi-permanent operation, and modular centers which can be enlarged when more space is needed.



Smaller facility, for 94 preschoolers in Arlington, Tex., is leased to a professional operator (*see left*) by Devane Clarke. His architects, Craycroft-Lacy and Associates, designed the building to complement the architecture of Clarke's apartments. Classrooms are set up for varying age groups, and each has its own lavatories. Other facilities include: a nursery and a community room off the kitchen, which is used as a lunchroom and for recreational activities.



lows to match the family units in Avco's Rancho Bernardo. The bungalows will contain about 5,000 sq. ft.—enough to handle from 140 to 160 preschoolers.

"We wanted to retain the park-like appearance of the project, says Bill Haige of the operating company. "That's why we're building bungalows rather than one large center."

In Houston, National Child Care Centers is building 2,400-sq.-ft. centers on land purchased from Jenard Gross to serve two middle-income apartment projects—one of 341 units and the other with 409 units. Plans also are afoot for a similar deal involving a 650 middle-income St. Petersburg, Fla., project.

Dealing with a professional operator relieves a builder of a major headache: coping with a multitude of state and local requirements involved in day care center operation.

These requirements vary from state-to-state and generally involve such diverse departments as health, education, welfare, and sanitation, as well as local zoning boards, building inspectors, and fire and safety marshals.

All but three states (Louisiana, North Carolina, and Mississippi) require a license to operate a day care center, according to Day Care and Child Development Council of America. However, six states (Arizona, Delaware, Hawaii, Missouri, Oklahoma, Washington) don't require a license if you operate an educational facility.*

But some builders want to get into the business directly

Two examples: Shelter Development Corp. of Minneapolis and Val-West Properties Inc. of San Jose, Calif.

"We do it ourselves because we already have a lot of social workers in our organization. They set up the centers, and we manage them," says Bob Boisclair, vice-president of Shelter Development.

The company operates facilities in Seward East and Seward West, twin towers of 640 units, and at Skyline Towers, with 506 units. Through its building operations, Shelter Development will be constructing another center in Minneapolis—this to be a part of a large educational complex within Cedar-Riverside, the nation's first new town "in-town" development. The center will serve 1,200 apartments with rents ranging from low to luxury.

Val-West Properties operates its own day care center at Valley West, a new 1,400-unit project with 684 family-apartments.

The 1,600-sq.-ft. center (there's also a 4,000-sq.-ft. outdoor playground) occupies one wing of the project's fully-staffed recreation building. The wing is sealed off from the rest of the building, and has only one entrance (this to satisfy special code requirements where facilities for children are involved). Since the cost of preparing this wing was included in overall outlays for the entire building—about \$16 per sq. ft.—and financed in the total mortgage, there's no way for management to pinpoint its exact expenses in building the center. But they believe that a separate building would have run about the same—or perhaps up to \$2 per sq. ft. higher. Playground equipment includes a geodisic dome, climbing trees, walk-through pipes—all designed to test the imagination of the young child.

Because the center has only been open since April, yearly operating costs are not available. But a rough budget for expenses includes about \$2,300 per month in staff salaries and about \$60 per month per child for food. Costs for heat, light, and other services are included in the budget for running the entire building.

Initial outlays for cots, tables, and chairs for 46 children were \$1,500 and approximately \$500 was spent on small toys and other items for the 10 original enrollees. The rather informal curriculum stresses craft-work. There are no formal lessons, but a group-talk about numbers, and story reading. Charges are \$20 per week for the first child in the family, \$17 for others. For half-days, the charge is \$11.50.

A third, but not too-prevalent way, to operate a center is to let tenants run it themselves.

It's handled that way at Americana Park, an apartment project in Adelphi, Md., formerly owned and managed by Carl Freeman and Associates.

"The wives came to us," reports William Berry, Freeman's senior vice-president. "They wanted a day care center, so we gave them the second story of the project's recreation building along with some furniture. They took care of the licensing and hired their own teachers. We didn't make any money from them—didn't expect to."

The center has been continued by the new manager—R.E.C. Management Company. The only charge to the tenants is a maintenance fee to cover utilities, etc.

If you're going to build a center, there are rules-of-thumb to keep in mind

"They eat up space," one builder said in talking about the centers. And, he's correct. Generally, codes call for from 30 to 35 sq. ft. of indoor space for each child—plus an outdoor playground. So you have to have a good idea in advance as to how many children you're planning for.

Inside you'll have to provide:

Cooking facilities: children must be given at least one hot meal per day, plus morning and afternoon snacks.

Lavatory facilities: most codes require at least one toilet for every six to eight children. Fewer basins usually are specified. Lavatories, as well as kitchens, are subject to regular inspection.

Staff facilites: Separate lavatory, office, and lounge areas should be provided.

Safety equipment: Fire alarms and a fire extinguisher or sprinkler system and heavy insulation of the heating plant generally are requisites.

You'll also have to devote special attention to lighting, ventilation, heating and cooling, and sound control. Too little light, a stuffy or cold atmosphere are distracting to children. Sound deadening materials may be needed if the center is in a building where noise could penetrate into living quarters or other areas.

This latter point brings up another question. Where's the best place to put a center? To some degree, the answer lies in timing—whether you plan the center while your project is being designed or whether the decision comes after the project is under way.

The design stage: It's the ideal time since you can fit the center into your overall plan. Devane Clarke knew early in the game that he wanted day care centers for his L'Atrium projects. So he instructed his architect, Craycroft-Lacy and Associates, to set aside one corner in the site plans for the centers. The first completed center has a 94-pupil capacity and opened with 25 full-time and drop-in children.

The building stage: In order to compete in the tough Atlanta market, Security Management decided to include a center while construction was under way at its Bingham Courts project. About 3,300 sq. ft. of unassigned basement space in one building was fitted out for a center. Work included addition of electrical outlets, more plumbing, and additional bathroom facilities. Acoustical tile ceilings were installed to absorb noise; masonry walls got a coat of sand paint; carpeting, a range, and a dishwasher were added. While work was under way, Security contracted with American Child Care Center to operate the center.

Wherever you build your center, keep in mind that color and design are important for a facility that's planned for children. Brooklyn architect Harry Simmons thinks too many builders try to get by with low-budget designs—box-like structures lacking color, visual interest, and adequate equipment. Simmons, who's working on six centers for community groups, likes to provide areas where visiting mothers can help supervise their children; he also says there can never be enough wall storage and built-ins.

A final word of advice comes from a woman staff-member of a builder organization whose children (now 10, 8, and 5) attended day care centers in several areas of the country. She says:

"There's a wide difference in the kind of services offered by professional center operators, so you should check each operation carefully. Many early centers were no more than glorified sitting services, providing nothing more than unorganized play.

"The better centers, which are on the increase, teach preschoolers how to get along with other children, and foster their creative talents—even to making use of such everyday materials as marshmallows and macaroni.

"And, since many dedicated teachers are joining the staffs of the better operations, standards are on the uprise.

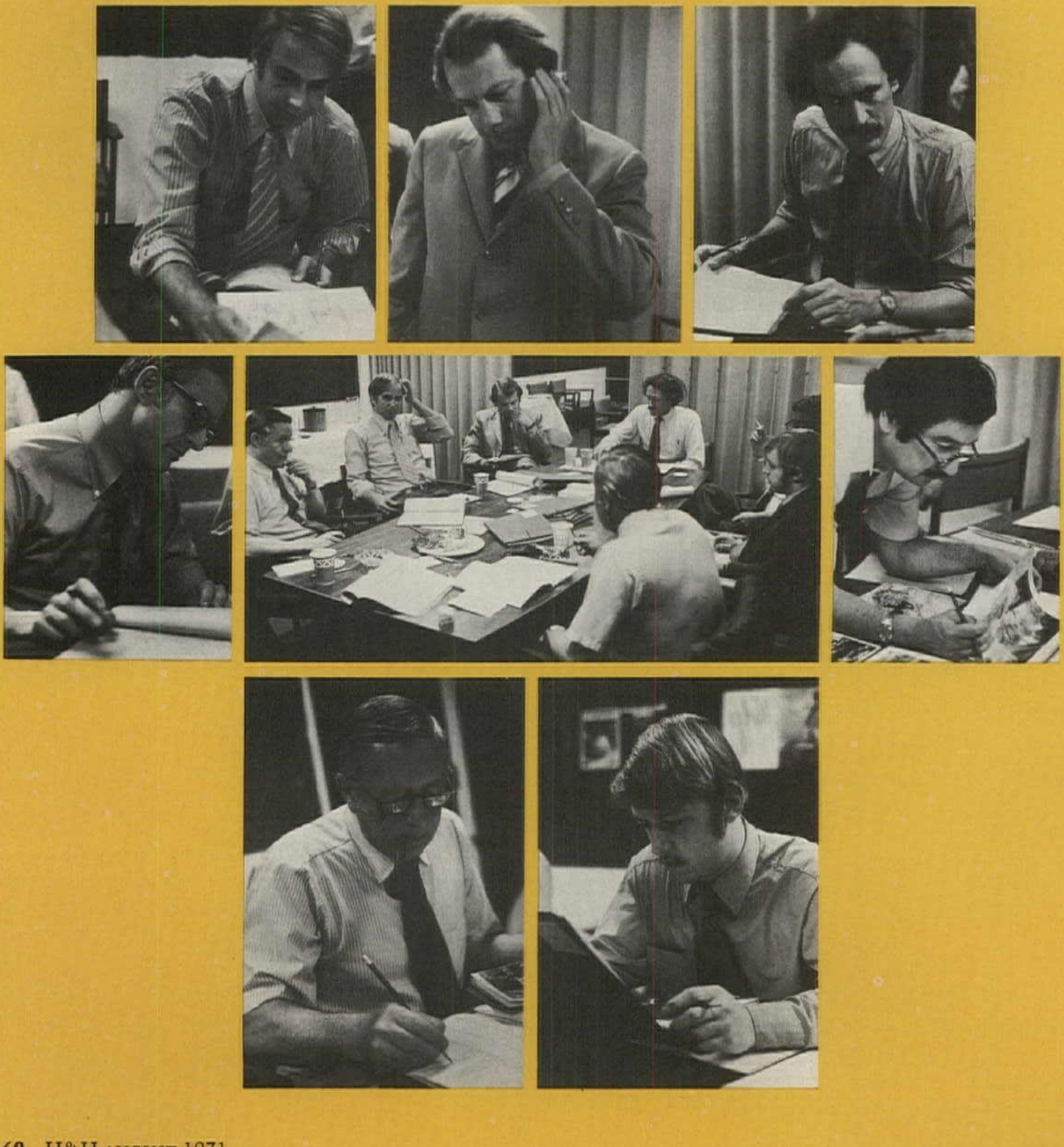
"So, unless a builder is planning to staff his own operation, or let his tenants handle arrangements, he should research the question thoroughly before signing any agreement."

**According to Day Care and Child Development Council, information on licensing (and in some cases names of licensed professional operators) is available from Health Departments in Arizona, Connecticut, District of Columbia, Kansas, Maryland, Massachusetts, and New Mexico. In New Jersey, contact the State Education Department. In all other states, the Welfare Department has jurisdiction.*

Seven award-winning rental projects

In the eyes of the seven-man jury shown below, the projects on the next 17 pages were noteworthy for their planning and design excellence. In the eyes of the renting public they are apparently very good places to live as well, because all have proven to be fast renters. So it can be hopefully concluded that the gap between good architecture and marketability—traditionally a wide one—is beginning to get narrower.

The jury was especially impressed by the two subsidy projects that end this article. The fact that their market is assured did not deter either builder or architect from seeking—and attaining—top-quality design.



Jury for the Homes for Better Living Awards Program, sponsored by The American Institute of Architects in cooperation with House & Home *and* American Home, *includes, reading clockwise from top left: Marvin Goody, AIA, Boston; Jerry Wells, AIA, Ithaca; Tim Prentice, AIA, New York; George Rockrise, AIA, San Francisco; George Konz, architectural student, Pratt Institute, Brooklyn; Max Okun, developer, Kansas City; and Maxwell C. Huntoon Jr., senior editor,* House & Home.

PHOTOS: DAVID HIRSCH

AWARD OF MERIT

Architect:
Sauer and DeVito
Builder:
Frank N. Smith Associates
Owner:
Spring Pond Development Corp.
Location:
Painted Post, N.Y.

An exurban apartment project poses some special problems. It must be designed to fit in with its bucolic surroundings, and it must avoid at all costs any feeling of city living.

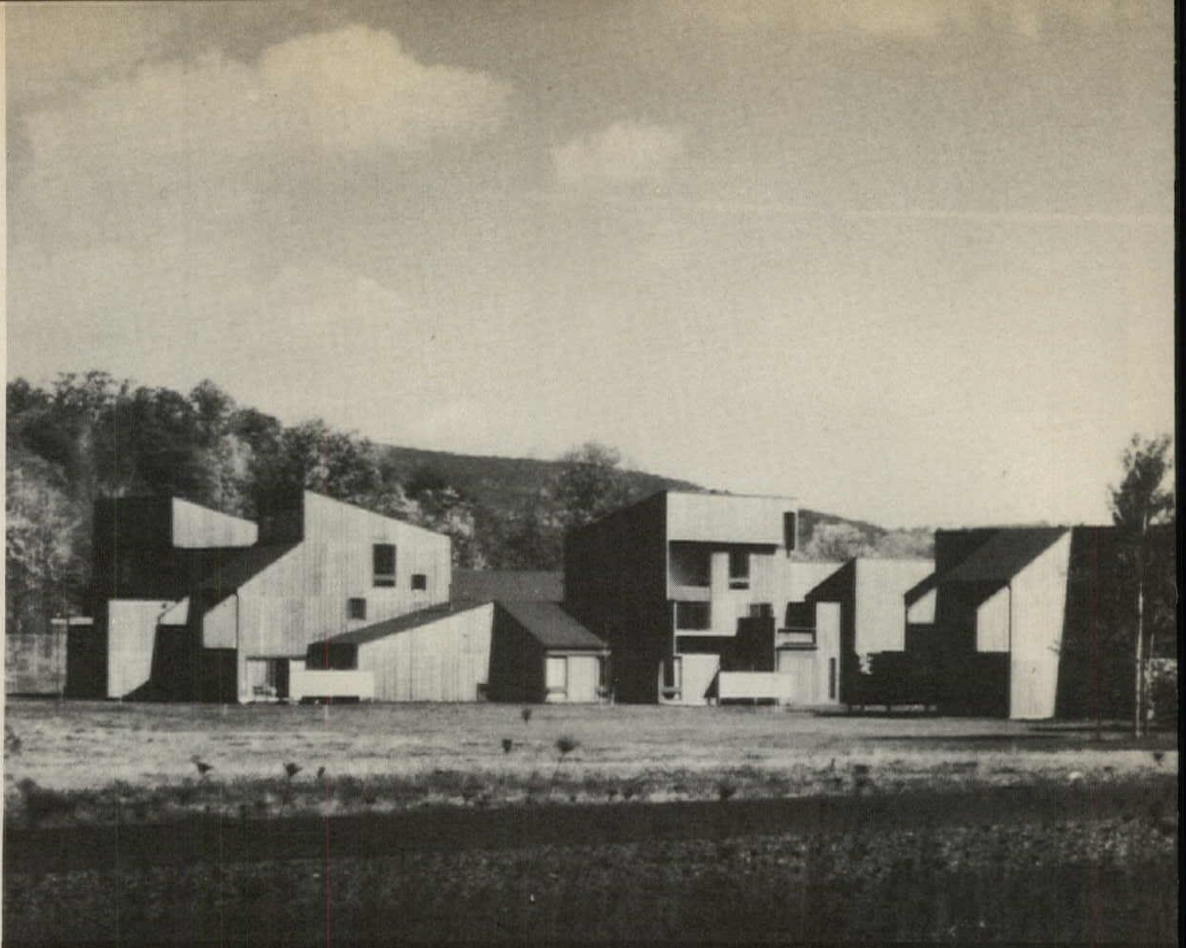
The project shown here and on the next two pages fills the bill admirably on all counts. As the photo above shows, it creates a neighborhood feeling without any sense of crowding; its interiors, like the one at right, are both open and unstereotyped; and it is evident from the pictures on the next two pages that it blends comfortably with its site.

Eventually there will be 256 rental units on the project's 28 acres. To date, the first section of 108 units is completed and almost rented out.

TO NEXT PAGE

The great variety of forms shown here in the project's first section serves two purposes: it breaks up the flatness of the site, and it gives a more or less casual flavor that is far more at home in the rural setting than a constantly repeated facade would be.

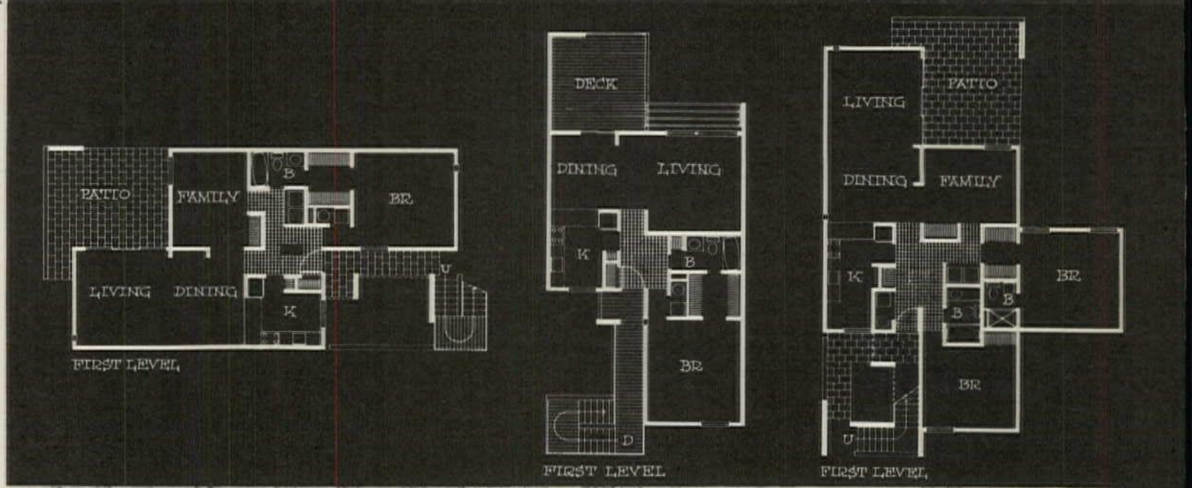
Despite the apparent irregularity, only three building designs are used throughout the project. This allows a high degree of construction efficiency.



PHOTOS: DAVID HIRSCH

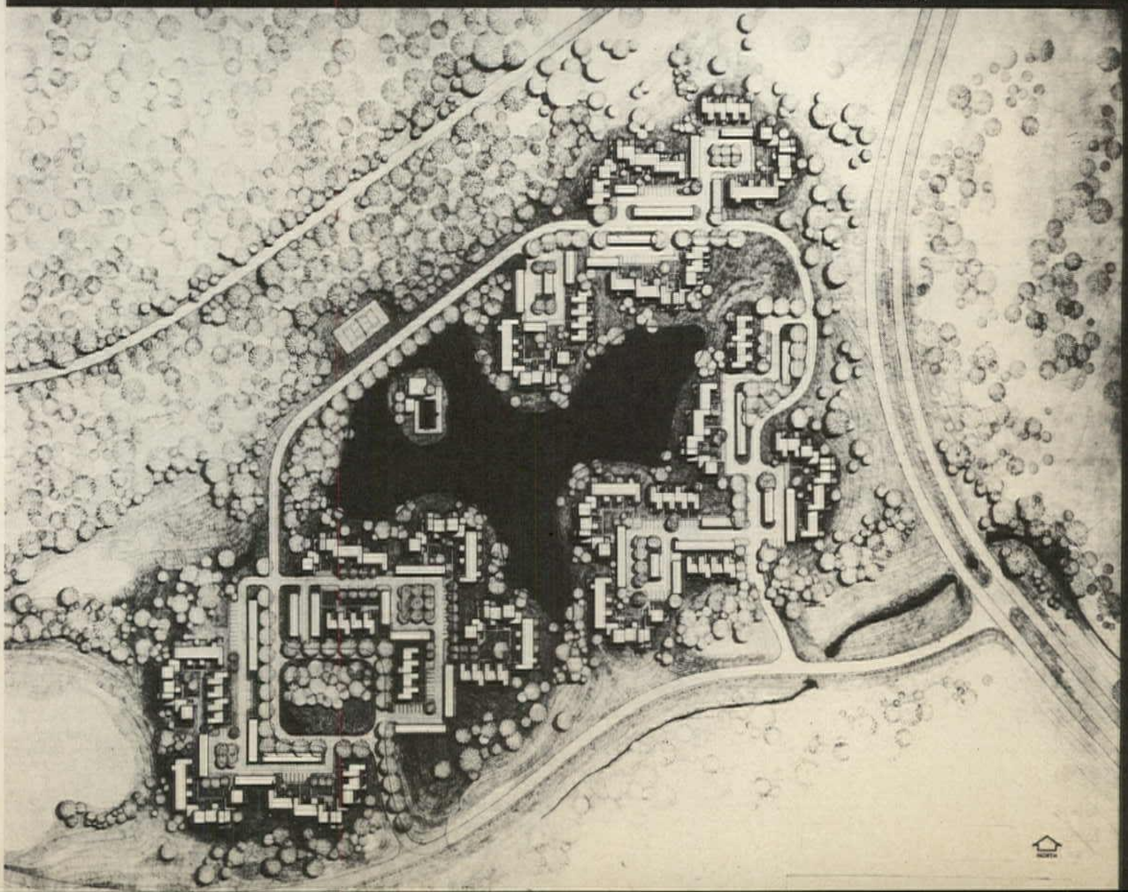
The project comprises six units, shown at right; three are one-story units and three are townhouses. Most popular unit has been the one-story, second from left; more will be built in the project's next phase.

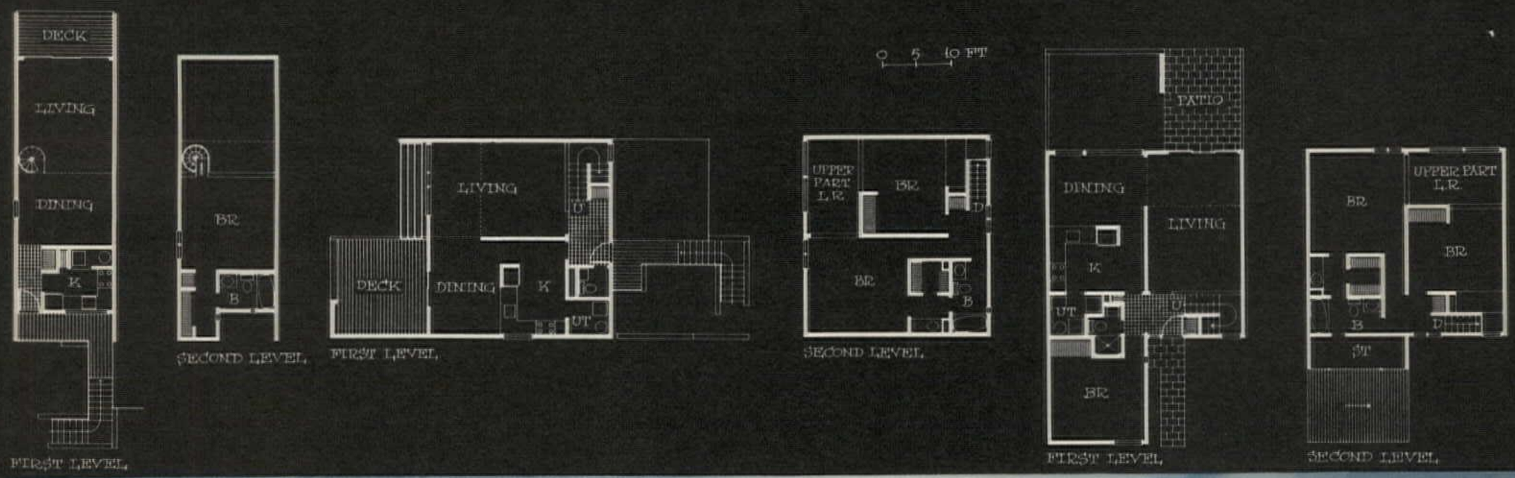
Slowest renter is the two-bedroom apartment, third from left; it is the only unit that is not yet rented out. Rents range from $150 for the one-bedroom unit to $275 for the three-bedroom townhouse shown at far right.



The site plan at right shows the entire project; the first section of 108 units in 10 buildings is at the lower left of the plan. The pond in the center is completed and stocked with fish.

The picture on the facing page shows the center court of a typical cluster. While the shapes create variety, the board-and-batten siding, all in the same color, maintains an overall sense of unity. ■

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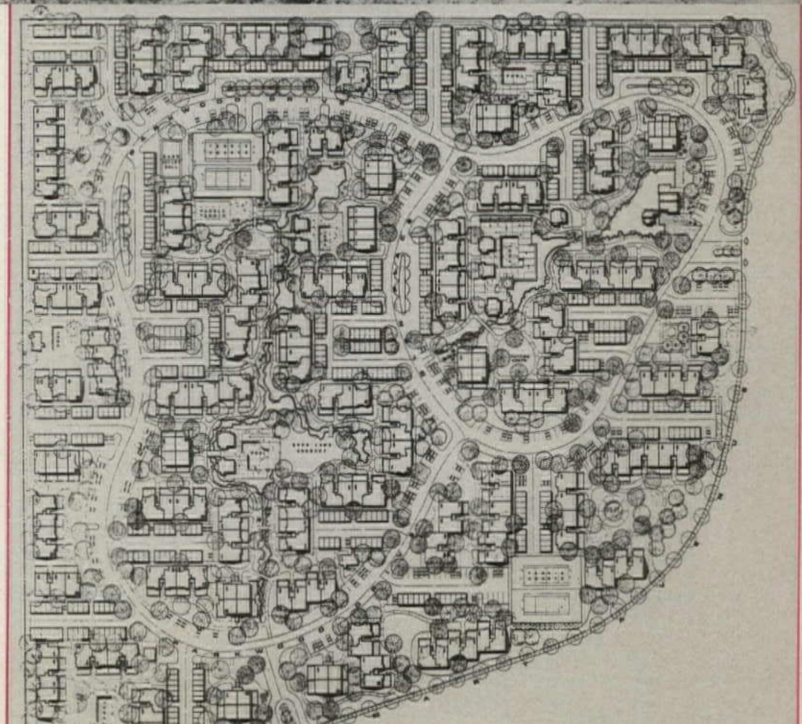
PHOTOS: THOMAS A. ABELS

AWARD OF MERIT

Architect:
Donald Sandy Jr.
James A. Babcock
Builder/owner:
Avery Construction Co.
Location:
Cupertino, California

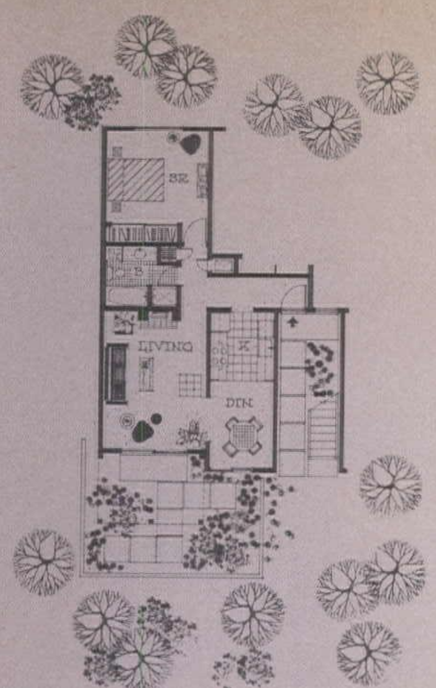
Where the project on the preceding pages is exurban in character, this one is decidedly suburban. In a market where the typical apartment community is built to a density of 25 units per acre and up, this one is just 16 per acre. The spaces between its buildings are heavily grassed. And a number of man-made streams cut through the center of the site, as the photos and site plan here show. The formula seems to work. The first phase of 196 units is complete and almost rented out, and the second phase of 162 has just opened. Further, while other rental projects in the area have had to cut rent to keep apartments filled, this project's range—$170 to $350—has remained unchanged.

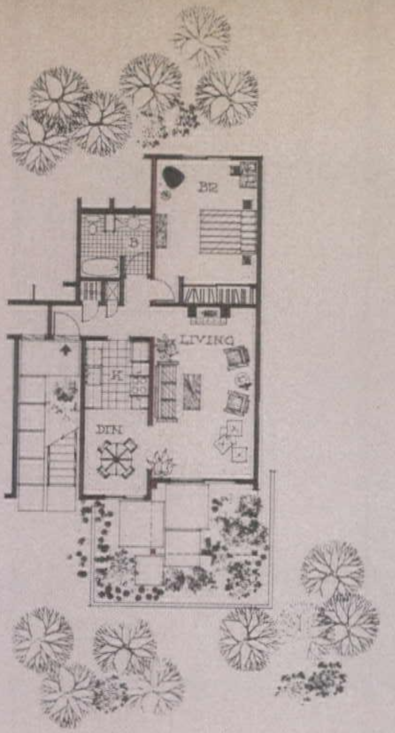


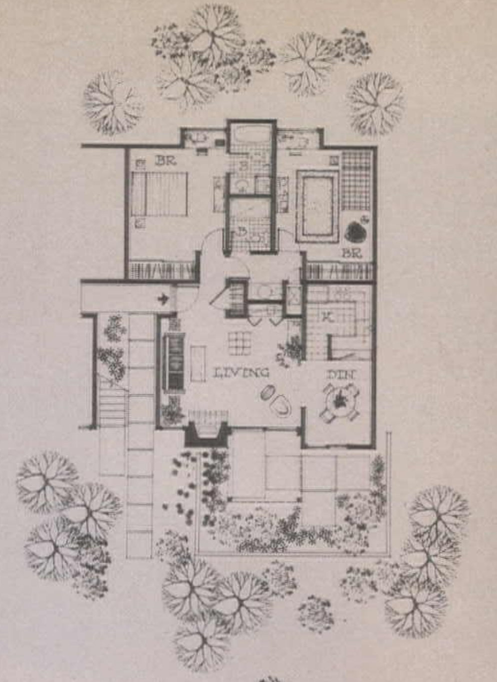
Waterways with small fountains are the key environmental feature of the project. The area where the rental office is located (above and left) *is treated like a dock, with heavy pilings and chains between them. the project manager's apartment is located immediately adjacent to the office.*

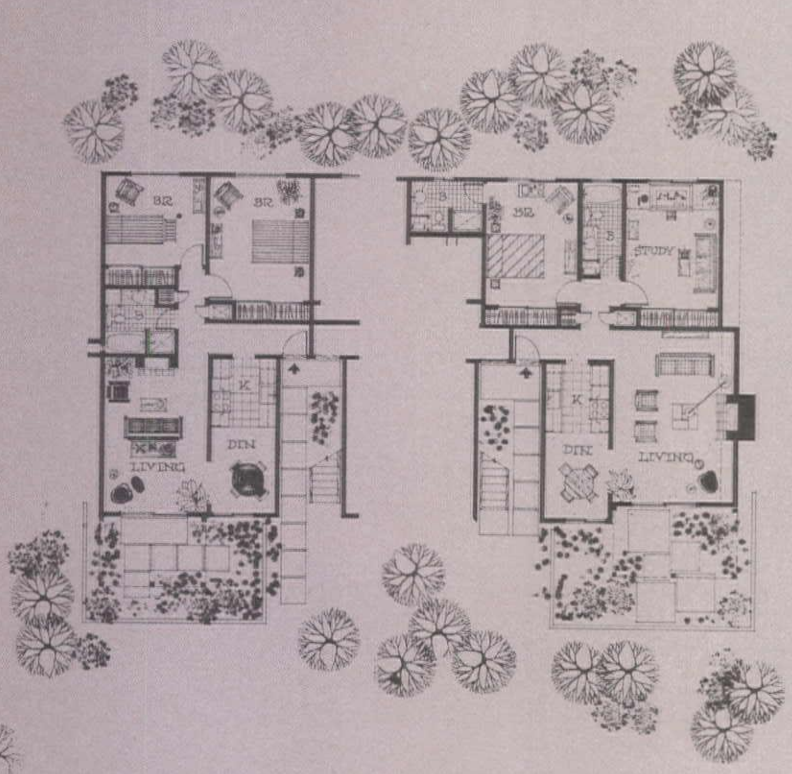
Landscaping is heavy throughout the project. It is evidenced most spectacularly by more than 100 pine trees—some of them over 60 ft. tall and averaging better than 40 ft. One of them is visible at the far side of the photo at left.

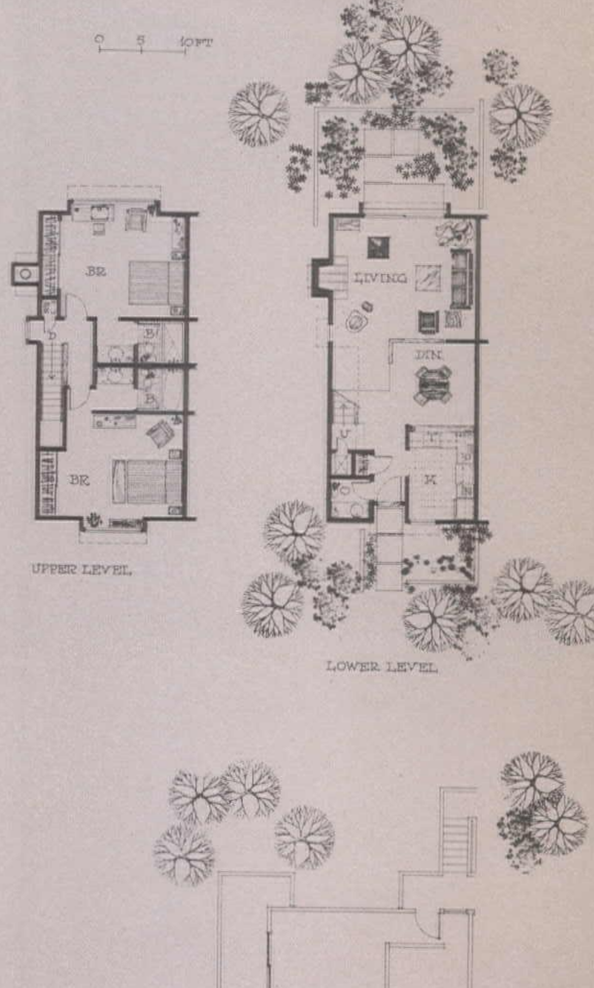
TO NEXT PAGE



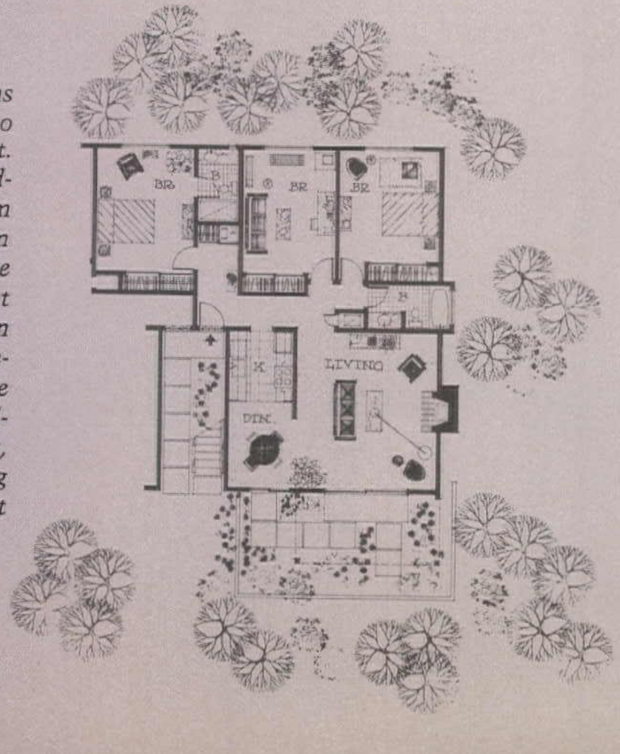


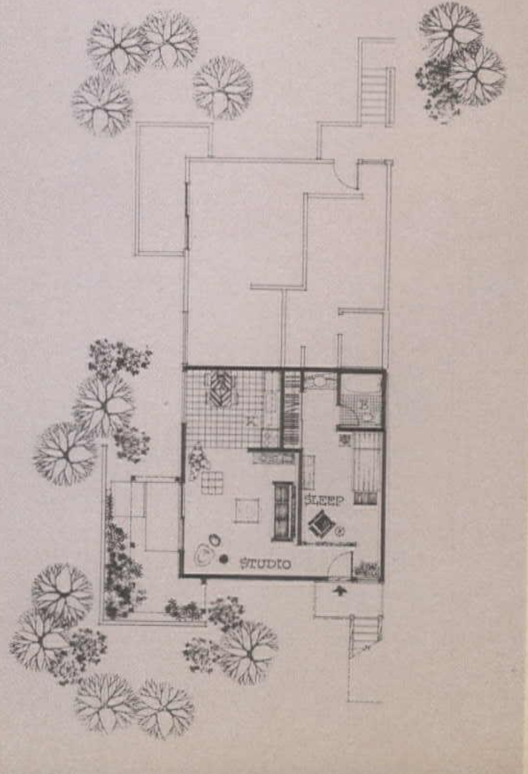






Range of apartment units runs from a studio, far right, to a three-bedroom unit, at right. In between are two one-bedroom and two two-bedroom units, plus a two-bedroom townhouse. In a market where two-bedroom units are most popular and have therefore been somewhat overbuilt, the one-bedroom units have proved the fastest renters. The three-bedroom unit has been slowest, and is the only one still showing vacancies in the project's first section.





PHOTOS: THOMAS A. ABELS

One of the pool areas is shown in the photo above. It includes a full-size pool, therapeutic pool, and a sauna in the small building at left. There will ultimately be seven swimming and two therapeutic pools, plus four tennis courts scattered through the site. There will be no single major recreation area; the idea is that small, "low-density" recreation areas are more in keeping with the suburban quality of the project.

Much of the project's recreation is on a private scale, hence all units have ample outdoor living facilities. In the building shown at left, the ground-floor apartments have fenced patios, the second-floor units have generous balconies. ■

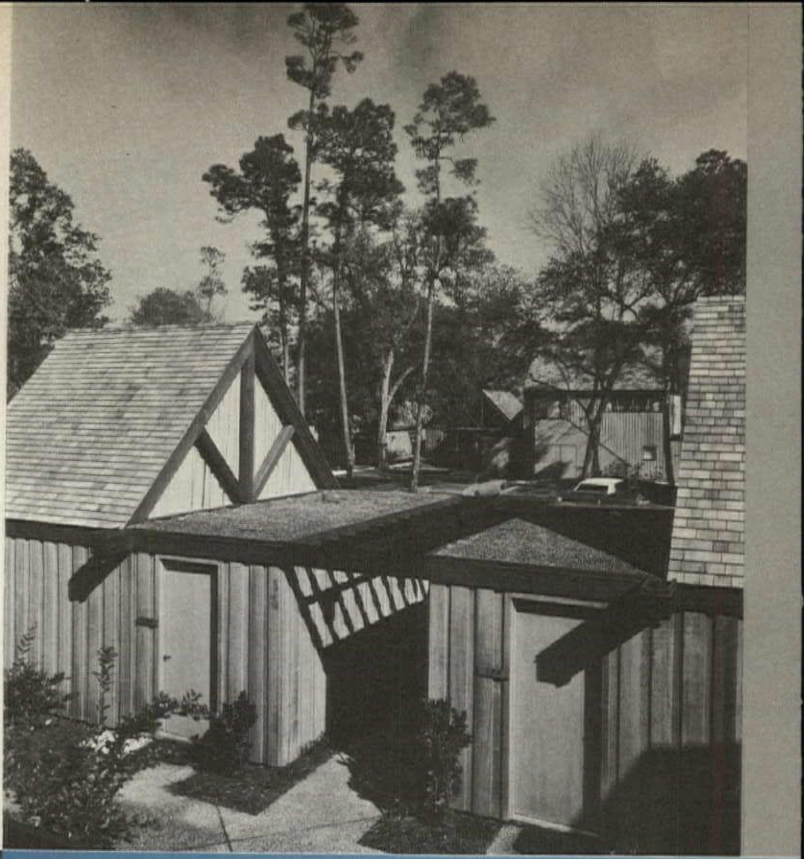
AWARD OF MERIT

Architect:
Copelin and Lee
Builder:
Robert Graves Construction Co.
Owner:
Palmetto Dunes Resort Inc.
Location:
Hilton Head Island, S.C.

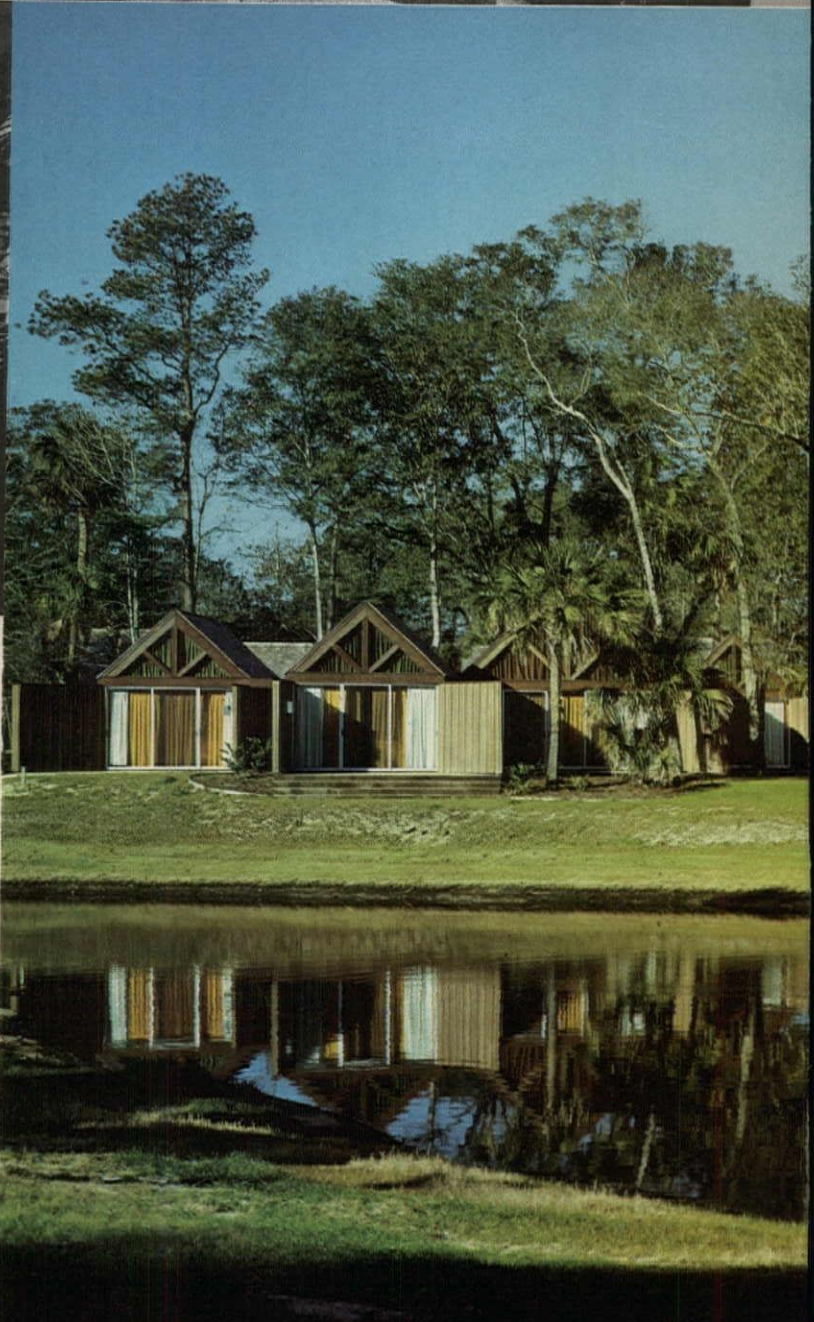
As the first units in a 2,000-acre resort project, these so-called "golf-club villas" have a special role to play. First, they must provide highly flexible rentals that allow people to rent anything from one bedroom to a full house; and second, they must eventually be salable as condominiums.

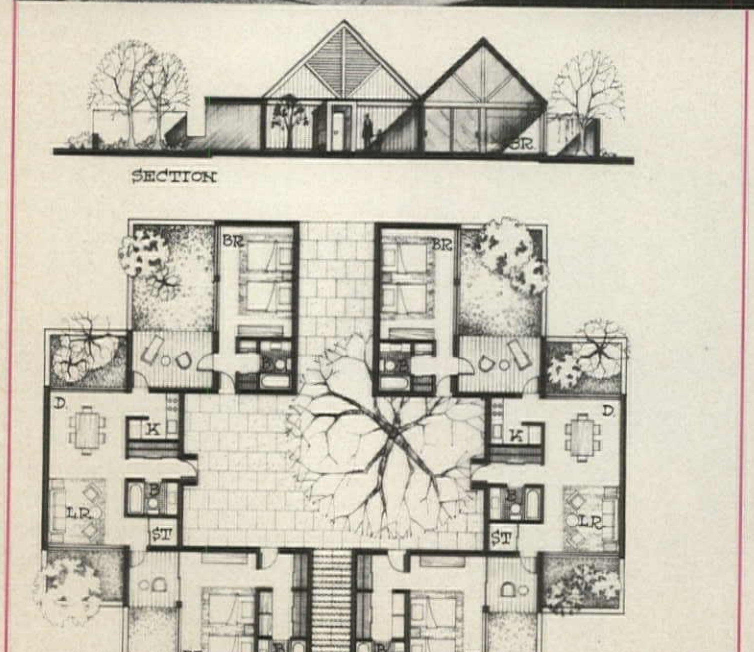
This dual problem has been solved with both one-story units, shown here and on the facing page, and two-story units, on the next two pages.

Most of one-story units are grouped two buildings to a cluster (plan, below). Living areas and bedrooms are connected, but arranged so that each can be rented separately. Rentals range from $25 a day (including meals) for one bedroom to $186 for a living unit and three other bedrooms.



PHOTOS: JOSEPH MOLITOR

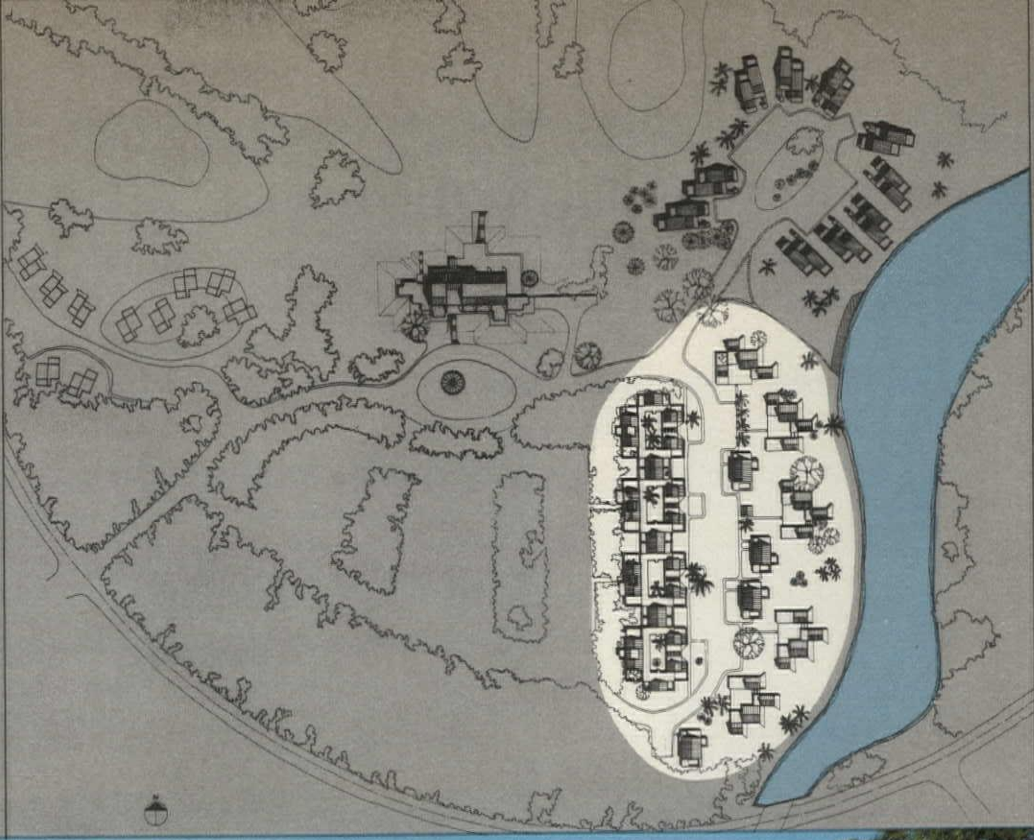


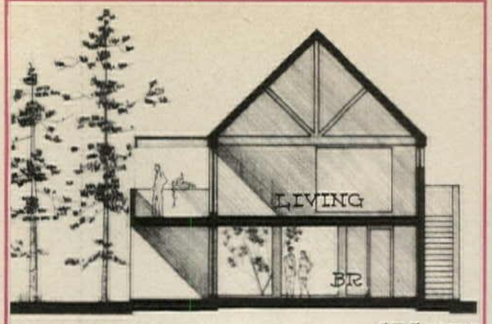


The land plan at right shows the location of the golf-course villas in relation to the golf club itself, at center. A creek runs in front of the buildings.

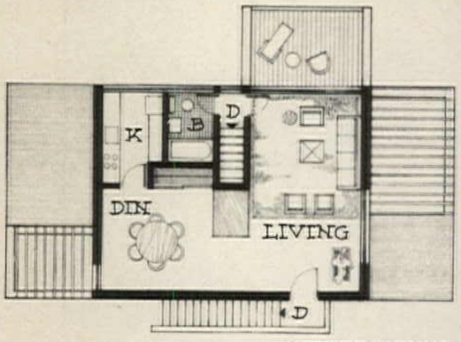
The picture below is taken from across the creek. The one-story units closest to the water differ from those shown on the facing page in that each cluster has one living area rather than two. Each unit has three bedrooms attached to it. Two of the two-story units can be seen in the trees at right.

TO NEXT PAGE

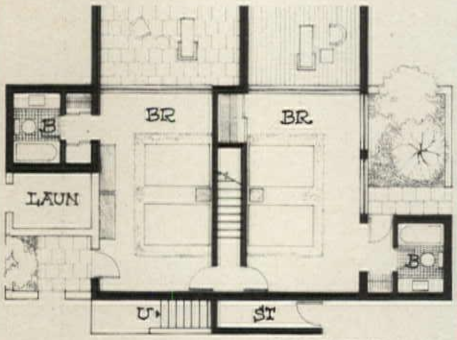




SECTION

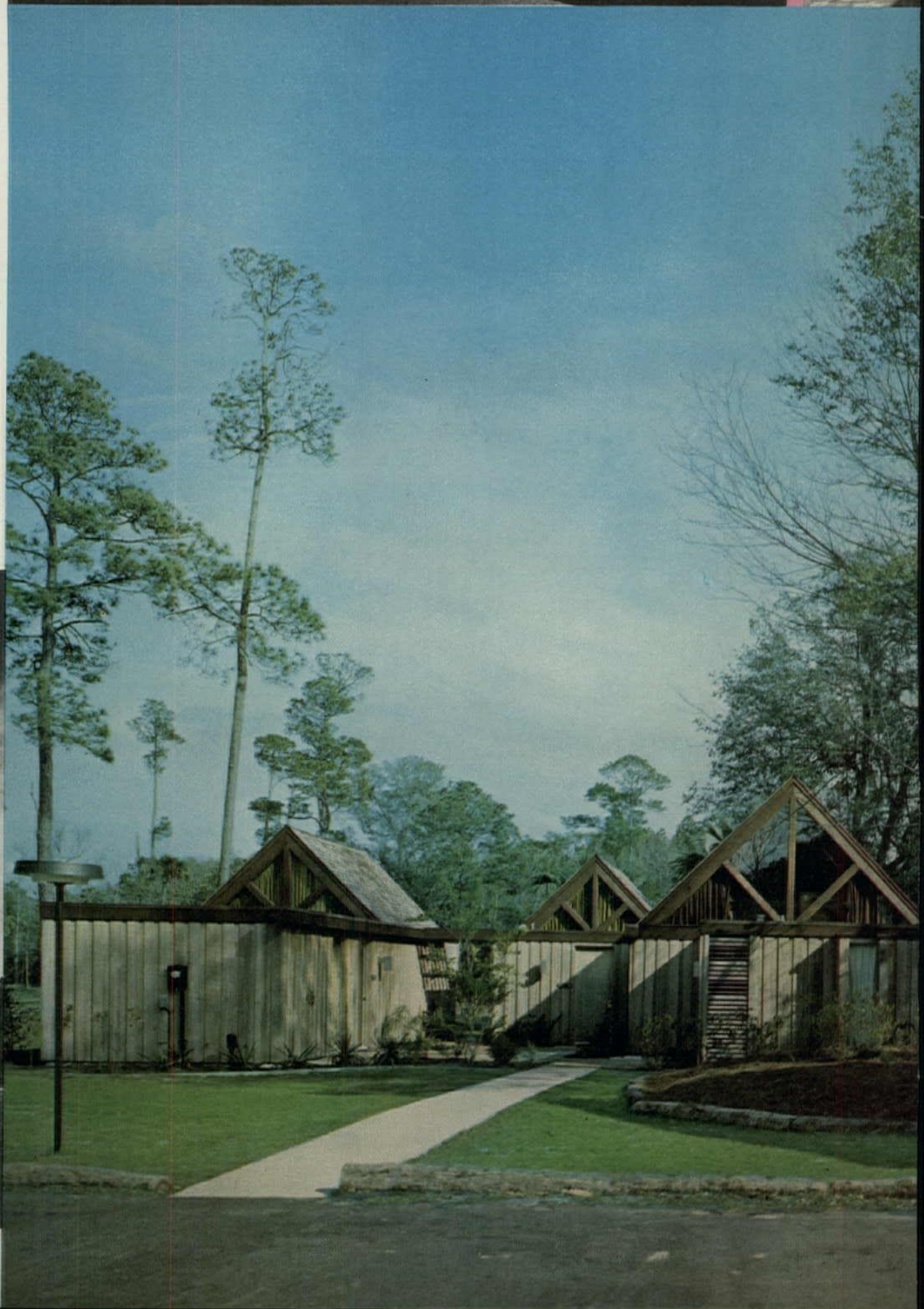


UPPER LEVEL



LOWER LEVEL

An upside-down floor plan in the two-story unit puts the living area on the top floor with an outside stairway, so it can be used together with or separately from the two first-floor bedroom units.



The three photos, reading from left to right, show 1) one of the two lower-level bedrooms, which opens into an enclosed patio; 2) the upstairs living room with a balcony opening off it, and 3) the dining room and kitchen area, with a sleeping balcony above.

It is evident from the photo at left that the basic design of the villas works equally well with either one- or two-story units. The extended first-floor section of the two-story unit at right contains a bath at the far end, a utility and clothes-hanging yard in the center, and a private entrance at the near end. Thus the bedroom can function as a separate apartment, entered from this entrance, or as part of the whole building, entered from the inside stair. ■

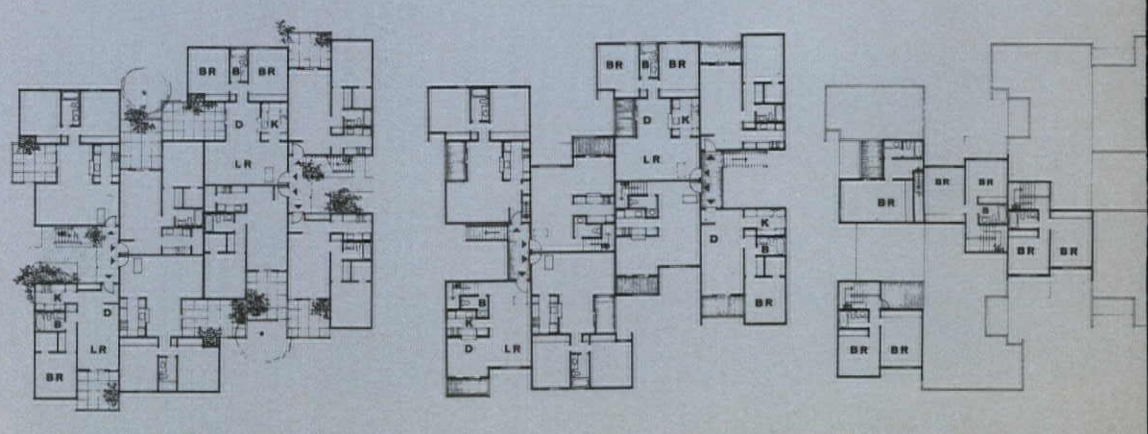
MORLEY BAER

AWARD OF MERIT

Architect:
John Louis Field, Bull, Field, Volkmann, Stockwell
Builder/Owner:
Systech Financial Corp.
Location:
Concord, Calif.

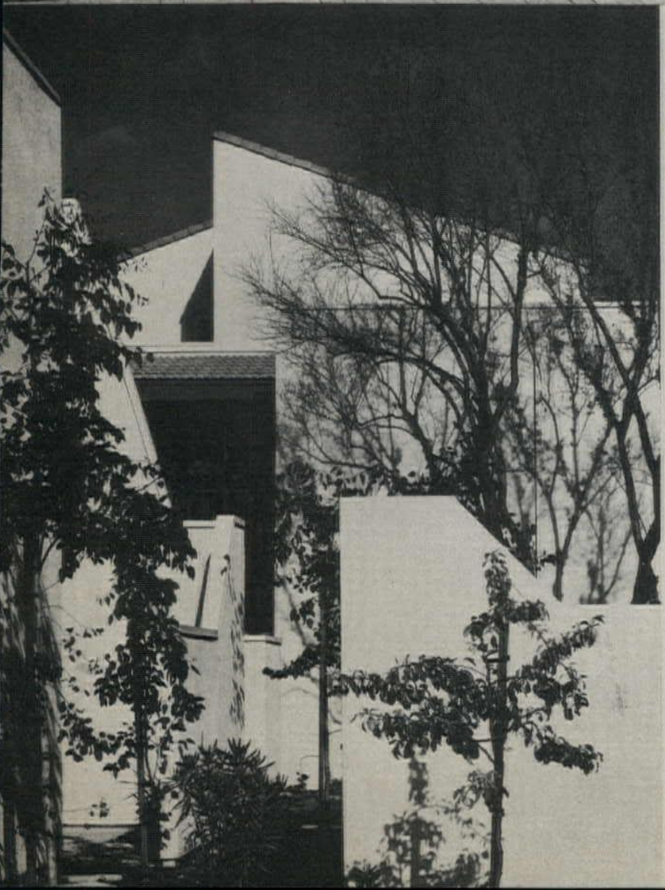
Density need not look dense. This project has 148 units on 5. 3 acres—28 units per acre. But thanks to 1) a site plan that weaves walkways and courts through the project and 2) building facades broken up so as to avoid any feeling of massiveness, the overall feeling is one of small scale rather than crowding.

One basic building design is used all through the project.

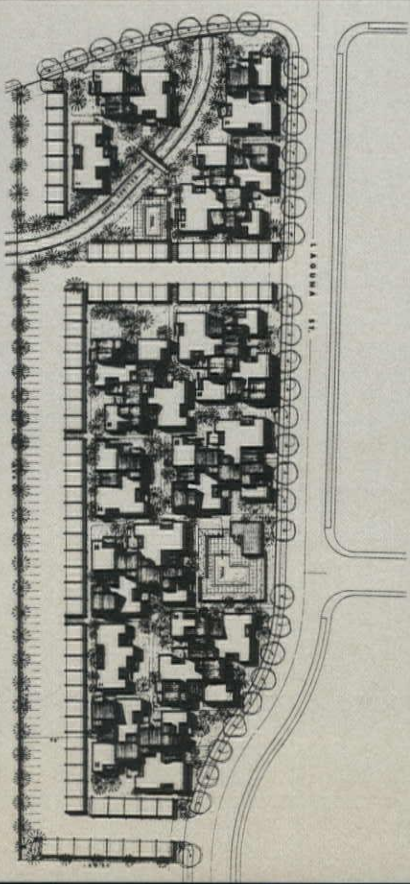


Floor plans of a typical building are shown at right. There are two entrance areas in each building like the one pictured above. Note the great privacy, both indoors and on patios, that the design makes possible.

JEREMIAH O. BRAGSTAD



MORLEY BAER



A building has 16 units, or it can be built as half a building with eight units. Typically, the ground floor has all one-story units (plans, facing page), while the second floor has a mixture of one-story and townhouse units. The location of the townhouses in each building can be varied, which provides great variety in the project's facades. ■

PHOTOS: MARSHALL SCHULTZ

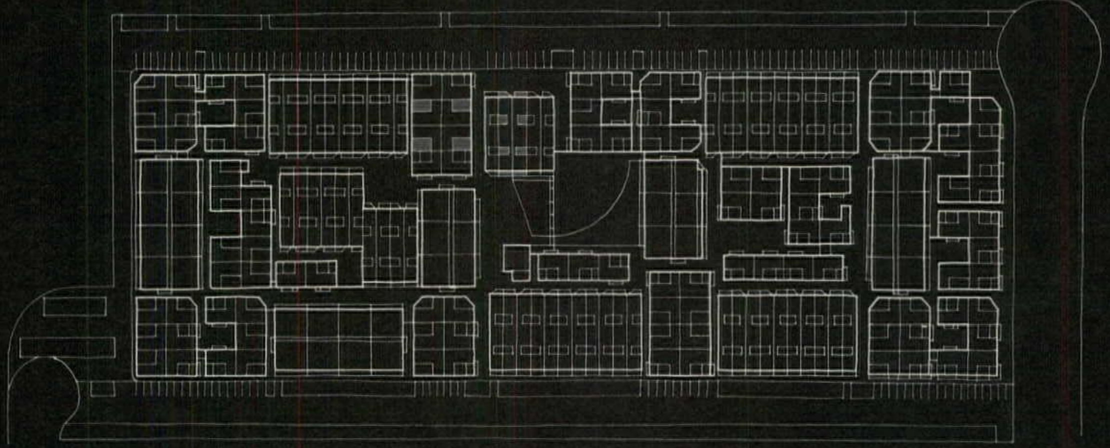
HONOR AWARD

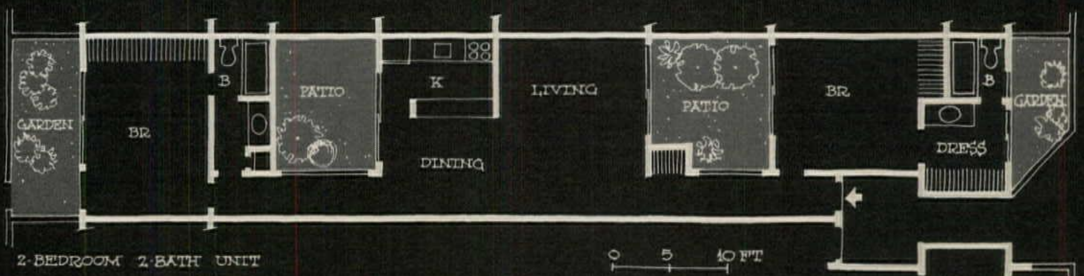
Architect:
Backen, Arrigoni & Ross
Builder/Owner:
Leadership Housing Systems
Location:
Tustin, Calif.

Though its design is certainly contemporary, this project has its roots in the past. The narrow walkways between buildings, like the one in the photo at right, and the paved courtyards in the picture on the facing page, are reminiscent of old Mediterranean towns. And the two-bedroom apartments, shown in the plan at the bottom of the page, are not far removed from the railroad flats built in many American cities around the turn of the century.

In terms of living, however, the project is entirely up to date. In particular, the long (94 ft.), skinny two-bedroom units with four private outdoor areas, have been enormously popular. With two baths they rent for up to $214; a one-and-a-half bath version rents for up to $194. And a more conventionally shaped one-bedroom unit, shown in plan at the bottom of the opposite page, rents for up to $154.

There are 300 units on the project's 11.9 acres—a density of 25 units per acre. The units range in size from 850 sq. ft. to 1, 040 sq. ft. ■





1-BEDROOM UNIT

HONOR AWARD

Architect:
Daniel, Mann, Johnson & Mendenhall
Builder:
Hawaiian Dredging & Construction Co. Ltd.
Owner:
Clarence T. C. Ching Foundation
Location:
Honolulu

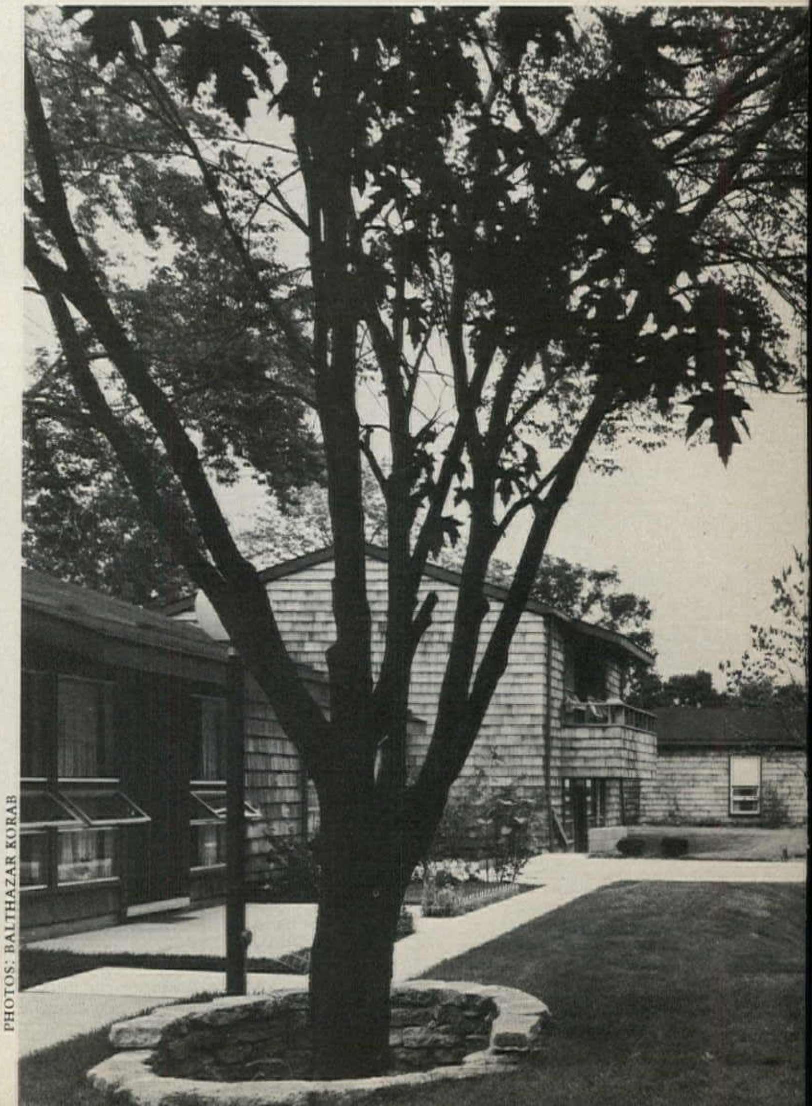
This is an 822-unit project in Honolulu built as subsidy housing for families with incomes too high for public housing, but too low for existing FHA programs. The buildings are three-story, with single-level units on the bottom floor and two-story units on the upper floors. Staircases to the upper-level units are thrust well out in front of the buildings, helping maintain the privacy of the bottom units. All construction is masonry, with prestressed concrete slabs.

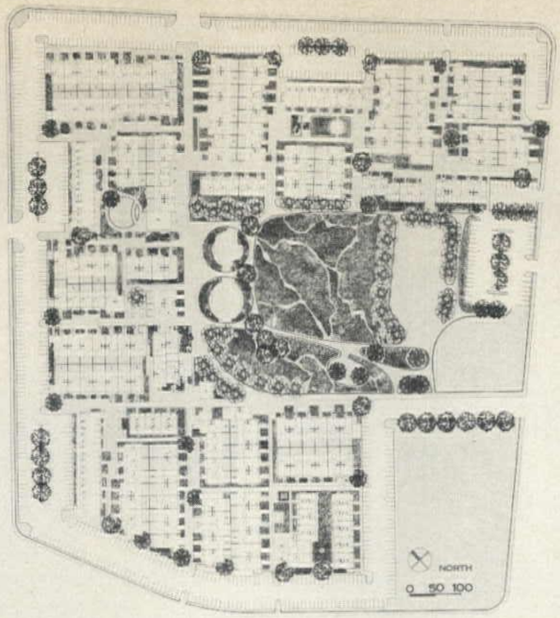
HONOR AWARD

Architect:
William Kessler & Associates
Builder:
Holtzman & Silverman Construction Co.
Owner:
Housing Commission, City of Wayne
Location:
Wayne, Mich.

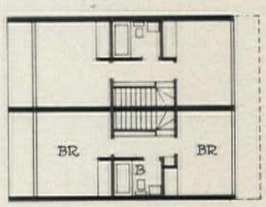
This handsome little project—40 units on 1.7 acres—provides low-rent housing for the elderly in a small Michigan city. The units rent for from $38 to $71, depending on the tenant's ability to pay. Each unit has one bedroom. The majority are built on grade, and the rest, as shown in the photos. below and at right, are built either a half-story above, or a half-story below grade. The lower units have patio areas, the upper units have balconies off living rooms.

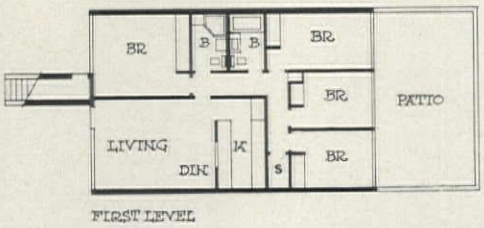
PHOTOS: BALTHAZAR KORAB

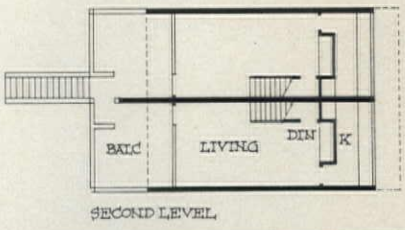


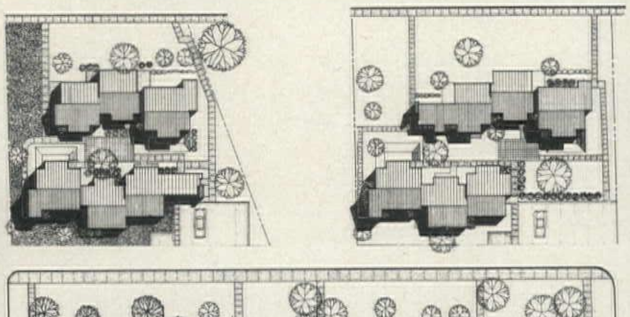


Apartment units range in size from one to four bedrooms, and in rentals from $77 to $146. Shown below are a four-bedroom, lower-level unit, and a pair of two-bedroom, upper-level townhouses. As the land plan at left shows, parking—one space per resident—is around the perimeter of the project. There are nine neighborhood courts through the project's 19½ acres, plus a large park in the center. Also, all units have either ground-floor patios or upper-level balconies. ■

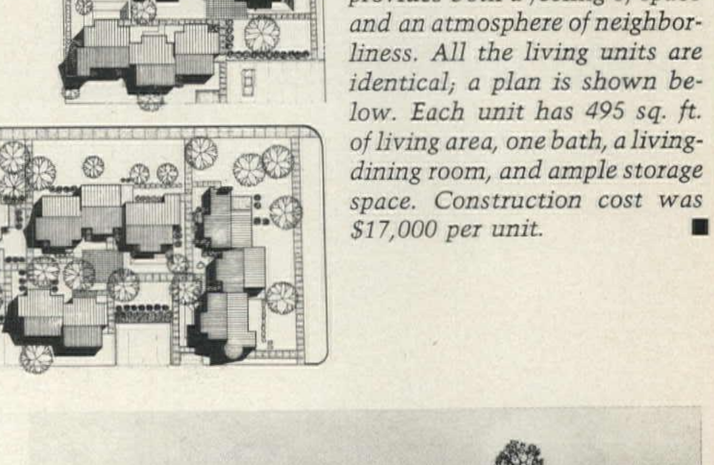








The site plan at left shows a tight grouping of buildings, with rows facing each other across center court areas. This provides both a feeling of space and an atmosphere of neighborliness. All the living units are identical; a plan is shown below. Each unit has 495 sq. ft. of living area, one bath, a living-dining room, and ample storage space. Construction cost was $17,000 per unit. ■



Builder Okun with JOBS '70 trainees

I'M TRAINING INEXPERIENCED LABOR INEXPENSIVELY

So says veteran apartment builder Max Okun as he poses for a photo along with the disadvantaged, unskilled men he's teaching to construct garden apartments.

The men are working in a Kansas City suburb under a federally funded trainee program called JOBS '70.

The program was begun in early 1968 by President Johnson, continued by President Nixon. It is funded by the Department of Labor, sponsored by the National Alliance of Businessmen, and open to all employers *(see box, p. 81, for details)*.

Okun views the JOBS '70 as a builder's bonanza for two reasons:

No-cost training: "Uncle Sam foots the training bill," Okun points out. His predetermined allotment comes to $1.45 an hour per trainee for expenses. (The training program runs 793 hours.)

Low-cost labor: The government pays half the unskilled worker's hourly wage while he learns. Thus, while Okun gives the trainees $5 an hour—the going rate in Kansas City under the Davis-Bacon Act*—he gets back $2.50 for every hour worked. Okun says, however, that his labor costs have turned out to be even lower than $2.50 an hour as had been expected.

There is also a non-financial reason why Okun signed on for JOBS '70:

Okun sizes up JOBS '70 as a great way for builders in a community in a right-to-work state* to band together to turn unskilled men into skilled construction workers. The result, he predicts, will be a vast pool of men who are in no way connected with the unions. Eventually, Okun hopes, the unions will lose some of their monopolistic clout.

Okun is one of several builders throughout the United States currently engaged in the JOBS '70 program. Others range from giant Boise Cascade Corp. to tiny Turtle Mountain Builders of Belcourt, N.D. Boise has trained nearly 700 disadvantaged men in the past 18 months—most of them in the industrialized housing sector. But Boise recently launched an on-site program in Indianapolis. Turtle Mountain is just starting its program to train 15 disavantaged Indians.

All of the 19 trainees in the Okun program are poor men who have bounced from one low-paying job to another—with large unemployment gaps in between. Most had

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* Since JOBS '70 is government funded, Okun must pay the trainees the prevailing union wage even though he runs a non-union shop. Once the trainees have ended their program, however, Okun may offer them the going non-union wage.

* Kansas is one of 19 right-to-work states. The others: Alabama, Arizona, Arkansas, Nevada, North Carolina, North Dakota, South Carolina, South Dakota, Tennessee, Texas, Utah, Virginia, and Wyoming.