

FW 3.9:22

61462 H

UNIVERSITY OF KENTUCKY



3 0425 5156670 1

UNITED STATES HOUSING AUTHORITY

BULLETIN NO. 22 ON POLICY AND PROCEDURE

INITIAL STEPS IN TENANT SELECTION

As the planning and construction of low-rent public housing projects proceeds under the program aided by the USHA, local housing authorities are directing their attention to the selection of the families who are to occupy the new dwellings. More and more inquiries are being received concerning the formulation of tenant selection policies, selection of personnel, preparation of application forms and other problems. To answer these many and varied requests, this bulletin outlines the basic principles and steps in developing sound and workable local plans for conducting initial tenant selection. Emphasis has been placed on those factors requiring special attention before formal applications for admission can be taken or the eligibility of prospective tenants established. Forthcoming releases will deal with special aspects of this work.

The services of a field representative from the Management Review Division of the USHA, trained and experienced in tenant selection, are always available to advise and assist the local housing authority. It is believed that the services of such a representative will be most helpful at two distinct stages: first, when laying the groundwork for local tenant selection policies, and again in the selection and training of personnel and in setting up specific procedures and office practices.

The tenant selection policies and plans adopted by the local housing authority should be incorporated in the management program to be submitted to the USHA. The form and time of submission of this entire program will be covered in a separate release.

DEPOSITORY

UK LIBRARIES

INITIAL STEPS IN TENANT SELECTION

Table of Contents

	<u>Page</u>
Families to be Rehoused	1
Necessity of an Early Start	1
Placing Responsibility	2
Functions of an Advisory Committee	2
Determining the Rental Market	3
Fixing of Rents	3
Establishing Standards of Eligibility and Conditions of Occupancy	4
Maximum Income Limits for Admission	4
Lower Income Limits	5
Need for Housing	6
Occupancy Standards for Admission	8
Family Make-up	8
Family Size	9
Local Criteria for Admission	10
Methods of Reaching Prospective Tenants	12
Filing Formal Applications for Admission	14
Preparation for Active Tenant Selection	14
Selection and Training of Personnel	15
Procedures, Forms, Reference Material, etc.	15
Display Units	16
Setting up the Tenant Selection Office	17
Appendix	
Active Tenant Selection Procedure- Organization Chart	18
Definition of Terms Used in the United States Housing Act of 1937	19
Net Income	19
Net Income at the Time of Admission	20
Minor Dependent	20

FAMILIES TO BE REHOUSED

The program is specifically designed to provide decent housing for families in the lowest income brackets now forced to live under slum conditions. Such families may include a proportion of those on relief as well as those whose wage earners are engaged in either private or public employment. Thus, to comply with the provisions of the United States Housing Act, tenant selection must insure the acceptance of only families in the lowest income group who are living under definitely sub-standard housing conditions. It must also insure that the families admitted have the means to pay the project rents.

NECESSITY OF AN EARLY START

An early start in tenant selection activities is essential to insure satisfactory occupancy of a low-rent public housing project. In slum clearance developments, it is highly desirable to formulate certain tentative policies for admission to new projects even before removal of site occupants. In any event adequate attention should be given to the preliminary phases of tenant selection soon after the construction of a project gets under way. This enables the actual selection of families to begin as much as four to six months before the first portion of the project is ready for occupancy. The time necessary will, of course, vary with the size of the project, the previous experience of the local housing authority and other local conditions.

A well planned start in tenant selection is essential to accomplish these prime objectives:

- (a) Careful and thorough tenant selection at a minimum of expense.
- (b) Completion of tenant selection by the time each part of the project is ready for occupancy, thus preventing loss of income through delay in occupancy.
- (c) Development of a clear understanding of the objectives of the public housing program in the community.

To achieve these ends, the following fundamental steps must be taken by the local housing authority prior to actual tenant selection:

- (a) Responsibility for tenant selection activities must be definitely placed.
- (b) The rental market must be determined in order to confine selection to families in the lowest income group.

- (c) Rents must be definitely fixed.
- (d) Local standards of admission and conditions of occupancy which comply with the provisions of the United States Housing Act must be established.
- (e) Suitable methods must be devised for reaching eligible applicants.
- (f) Adequate preparation must be made for the early filing of formal application for admission.
- (g) Adequate preparation must be made for setting up the tenant selection office, including the selection and training of personnel; preparation of requisite procedures, instructions, forms, reference material, etc., required in this connection; establishing contacts with various local agencies, etc.

Tenant selection cannot get under way until these preliminary steps have been carefully planned and successfully completed. An early start makes possible the establishment of a pool of eligible applicants from which those families in the lowest income group can be chosen. By this means, first consideration for acceptance in a low-rent housing project is on the basis of need rather than according to the order of filing application.

PLACING RESPONSIBILITY

Definite responsibility for initiating this part of the program should be placed with one professionally qualified person several months before commencing the actual selection of families. If tenant selection activities for a number of projects are to be centralized, this would be a staff member of the local housing authority responsible to the person in charge of all phases of management. Otherwise these duties should be delegated to the project housing manager at a very early stage and later assigned to the member of his immediate staff charged with the supervision of tenant selection. In the case of slum clearance projects it is highly desirable that the person directly responsible for tenant selection should be identified with or in close touch with relocation activities.

FUNCTIONS OF AN ADVISORY COMMITTEE

It is also desirable for the local housing authority to appoint a special advisory committee to assist in the formulation of sound policies and procedures for tenant selection. In fact, where slum clearance projects are involved, there are many advantages in appointing this

committee before undertaking the relocation of site occupants. Such a committee may be comprised of one or two members of the local housing authority and the best professional workers available in the community representing local agencies primarily concerned with problems of low-income families from various angles. If wisely chosen this committee can exert a far-reaching influence in interpreting the housing program to the community as a whole and later on, the same committee or a smaller subcommittee, may constitute a board to review and to approve admissions to the project in accordance with the policies established.

DETERMINING THE RENTAL MARKET

An analysis of reliable local data on family sizes, incomes, rents paid, occupations, etc., of families living in areas of substandard housing is indispensable to sound plans for tenant selection. First, it will serve as a guide in fixing the project rents "within the financial reach of families of low income." It will also provide a factual basis for establishing the potential pool of prospective tenants for the project at the lowest feasible income level. In many cities, such information will be available from surveys now under way or being planned in connection with real property inventories to supplement data submitted earlier to the USHA.

FIXING OF RENTS

While this bulletin is not intended as a guide in establishing rents, it should be emphasized that it is imperative to set management policies and maintenance standards which will result in the lowest feasible operating budgets and rents. No greater challenge to the judgment and ingenuity of every local authority and its staff arises. Every possible economy must be found and assured by adoption of a carefully considered management program.

Early determination of the complete management program and early approval of final operating budgets and rents well within the reach of families in the lowest income group - these are absolute prerequisites to plans for tenant selection. The rents to be paid for dwellings in any project must be fixed definitely before other activities preliminary to tenant selection can proceed. Most important among these preliminary steps are the establishment and approval by resolution of the local authority of the standards of eligibility for admission followed by the release of suitable publicity.

In order to rehouse large families in the lowest income group, differences in rent charges between dwelling units of different size should be as small as appear to be practicable. This marked departure from

usual commercial practice, namely small differentials for each additional bedroom, is essential in rehousing families in the lowest income group. It is consistent with the basic objectives of a public housing program and recognizes the fact that large families generally have no higher incomes than small families.

The question of differentials in rentals for dwelling units of the same size, whether they are in the same project or in different projects in the same locality, and whether such differentials, if any, should be invariably based on concrete differences in quality or facilities provided, is perhaps the main question of rent policy on which the USHA is not yet prepared to make recommendations.

ESTABLISHING STANDARDS OF ELIGIBILITY AND CONDITIONS OF OCCUPANCY

Criteria governing eligibility for admission must first of all insure compliance with the legal provisions of the United States Housing Act and the local law. To carry out the spirit as well as the letter of the law certain basic criteria with respect to occupancy standards and other factors are also essential. In addition, specific policies pertaining to a number of local considerations must be set up. Local policies should obviate possibilities of favoritism or partiality in tenant selection. Until all criteria are formulated and approved, formal applications cannot be taken, nor inquiries concerning standards of admission satisfactorily answered.

In the case of slum clearance projects, it is distinctly advantageous to formulate tentative, if not final, policies for admission even before site occupants are relocated. Not only is this important in order to know how many of the site occupants may be eligible for admission to the new project, but it may have a direct bearing on immediate relocation plans for some families.

Maximum Income Limits For Admission

Statutory maximum income limits for admission are established by the United States Housing Act as follows:*

"The dwelling in low-rent housing as defined in the Act shall be available solely for families whose net income at the time of admission does not exceed five times the

* Some local laws set the maximum income limits at five times the rent, regardless of family size. If the maximum income limits set by local law are below the statutory maximum limits set by the United States Housing Act, in the case of families with 3 or more minor dependents, the local law is controlling on the local housing authority.

rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families, except that in the case of families with three or more minor dependents, such ratio shall not exceed six to one." **

The USHA, for the sake of convenience, uses the term "statutory rental value" to mean "the rental (including the value or cost to them of heat, light, water, and cooking fuel) of the dwellings to be furnished such families".

Thus the upper income limits established by the Act will vary according to the statutory rental value and consequently according to the rents fixed for dwelling units of different size. The rent differentials, if any, established for units of the same size will also affect these limits.

Every effort should be made to confine selection to an income group below the statutory maximum income limits. To facilitate reaching such an income group "local maximum limits for admission" lower than the statutory limits should generally be adopted. As has been previously pointed out an analysis of reliable local survey data on family sizes, incomes, rents paid, occupations, etc. of families living in areas of substandard housing is indispensable in establishing such limits.

Lacking such surveys, these maximum limits may be based upon factual information available locally on family incomes or wage levels in representative occupations in which wage earners of low income are engaged.

If there are insufficient data upon which to base such local maximum limits, the local authority may tentatively reach a decision not to admit any family whose income exceeds an arbitrary figure below the statutory limit until such time as sufficient applications have been received and analyzed to arrive at a satisfactory basis for establishing "local maximum limits for admission".

Regardless of the local maximum limits established, in selecting tenants from a pool of eligible applicant families, preference should always be given to those having the lowest annual net incomes.

Lower Income Limits

No satisfactory scale of minimum income limits can be established as an arbitrary basis for determining the adequacy of family income for admission to a low-rent housing project. Therefore each application must be carefully considered on an individual basis.

** For an interpretation of the terms "net income", "net income at the time of admission," and "minor dependents", see Appendix.

It should be recognized that in rehousing families of very low income, the proportion of income paid for rent may frequently exceed accepted family budget standards at a so-called "health and decency" level of living. However, there appears to be no justification for denying the benefits of good housing to such families merely because their limited incomes preclude an adequate level of living for other necessities.

Inasmuch as low income families generally lack sufficient funds to maintain an adequate scale of living for food, clothing and other essentials as well as insufficient means to obtain decent housing, the amount paid for "rental plus related costs" should not be increased but preferably decreased as a result of rehousing. Nevertheless local authorities may find it necessary in some instances to admit families whose "rental plus related costs" is somewhat increased by moving into the project. Such increases should be permitted only when the incomes of such families are equal to or greater than the average income of other eligible applicant families of the same size.

"Rental plus related costs" means the value or cost to the family of rental, heat, light, water, cooking fuel, refrigeration, and transportation. Careful consideration must be given to avoid increases in the total of such expenses, including transportation. For instance, if transportation costs will be materially decreased, other costs may be somewhat increased without reducing the family scale of living.

Therefore, in addition to fulfilling other standards of eligibility, a careful study of the economic circumstances of each family is necessary to establish the fact that decent housing is not provided at the sacrifice of other essentials. Such a study must take into account also the steadiness of family income, the past rent-paying record of the family, the extent and type of indebtedness, if any, as well as the family's record in discharging financial obligations. The cost of furnishing a home, even with bare necessities, must also be taken into account in the case of families living in furnished rooms or in other doubled-up arrangements. The economic factors must be studied with particular thoroughness when families are found to be paying unduly excessive proportions of their limited incomes for rent. As a safeguard in this connection local authorities may find it advisable to establish an arbitrary bottom income limit below which an application for a dwelling unit will not even be accepted.

Need for Housing

Criteria by means of which physical need for housing can be determined must be based on local conditions. This need is best measured by the use of a carefully developed scoring system. Such a system sets up

the factors to be considered in determining the degree of substandard housing and assigns a numerical value to each of these factors. It should be so devised as to measure accurately and objectively the extent of housing need. Thus, if one major factor or a sufficient combination of minor factors exists to reveal that housing conditions are unsafe, insanitary, overcrowded or detrimental to the morals of the occupants, the applicant family is eligible for admission.

Moreover, in tenant selection, preference should be given to families living under substandard housing conditions most injurious to health and safety as shown by the scoring system. By this means tenant selection for newly constructed projects facilitates the effective closing, or the compulsory repair of unsafe or insanitary dwellings in the locality.

In defining substandard housing and in developing a local housing score, consideration should be given to the factors outlined below.

If present dwelling of the family is in need of major repairs or extensive minor repairs to overcome hazards to person, health or well-being.

If the dwelling unit lacks one or more of the following:

- Running water
- Inside private toilet
- Inside private bath or shower
- Adequate and safe heating facilities
- Adequate private cooking facilities,
including sink
- Natural light and adequate ventilation
- Adequate and safe artificial lighting
facilities

If space and room arrangements are detrimental to family privacy, health and morals.

If fire hazards exist.

If the family is living under overcrowded conditions. (A dwelling shall be considered overcrowded when it does not conform to the maximum occupancy standards established for the project. See recommendations for maximum occupancy limits).

If the family is living under "doubled-up" housing conditions. (Two or more families sharing a dwelling primarily designed for single family occupancy).

If the family dwelling unit is located in a neighborhood where -

Many buildings are abandoned or in need of major repairs, or demolition.

Industrial nuisances obtain; i.e., excessive noise, smoke, noxious odors, etc., from factories, restaurants, etc.

Congested streets (pushcarts, street markets, other traffic dangers, etc.) and dumps are found.

Demoralizing social influences exist; i.e., gambling establishments, hangouts, or other center of vice and crime; or where there is a high incidence of juvenile delinquency.

Suitable play space for children is lacking.

If violations of any local health and sanitary regulations, tenement and housing laws, etc., not specified above exist.

Paying too much for rent for decent accommodations has sometimes been considered a factor equivalent to living under substandard housing conditions. While the problem this presents to many families of low income is fully recognized, the present program does not contemplate rehousing such families.

Occupancy Standards for Admission

Family makeup

Admission shall be confined exclusively to a natural family or to a cohesive family group which may include:

- (a) Dependent relatives or other dependents clearly established as an inherent part of the family group.
- (b) Working adults known to have regularly lived as an inherent part of the family group, whose earnings are an integral part of the family income and whose resources are available for use in meeting family expense.

A natural or a cohesive family group may not be comprised of or include:

- (a) Two distinct family groups.

- (b) Lodgers or transient paying guests.
- (c) A synthetic household composed of unrelated working adults.
- (d) A person living alone.

Family Size

To avoid overcrowding and at the same time to extend the benefits of low-rent housing to the greatest number of persons, it will be necessary to establish occupancy limits for admission to each size dwelling unit.

The number of persons to occupy any unit should normally be based upon the assumption that each full bedroom will be occupied by two persons, that each small bedroom will be occupied by one person, and that the living room will not be used for sleeping. A small bedroom is one which is designed to accommodate only one person.

To facilitate the taking of applications and the selection of tenants, it is suggested that a table similar to the following be set up as a guide, modified according to the types of units in the particular project:

<u>Type of Unit</u>		<u>Maximum Limits</u>	<u>Minimum Limits</u>
Living-Bedroom		2 Persons	2 Persons
1 Bedroom	- 1 Full	2 "	2 "
2 Bedrooms	- 1 Full 1 Small	3 "	2 "
	- 2 Full	4 "	3 "
3 Bedrooms	- 1 Full 2 Small	4 "	4 "
	- 2 Full 1 Small	5 "	4 "
	- 3 Full	6 "	5 "
4 Bedroom	- 2 Full 2 Small	6 "	5 "
	- 3 Full 1 Small	7 "	6 "
	- 4 Full	8 "	7 "

Significance need not always be attached to the family's statement at the time of filing application concerning the size of the dwelling unit desired. Frequently guidance is necessary to point out to the family its real needs. In assigning dwelling units, maximum occupancy (without the use of the living room for sleeping) should be the objective except where this is precluded by age, sex or special needs. For example, a family comprised of parents, a son 13 and a daughter 11 will require three bedrooms; whereas with two children of the same sex, two full bedrooms would be adequate.

As indicated above, regular use of the living room for sleeping purposes is not recommended. It presents distinctly undesirable features and interferes with the use of this room for normal family group life. This is an especially important consideration in families with adolescent or older children or in large family due to the greater and more varied demands made upon living room space.

Nevertheless it may be necessary in certain cases to admit families who plan to use the living room for sleeping for not more than one person. However, in no event should this be permitted where the living room is designed as a combination living room and kitchen, or where it is necessary to pass through it to reach the bathroom or an exterior entrance. Under no circumstances can the living room be considered satisfactory for sleeping purposes for a child, an elderly person or someone in poor health. It would therefore seem advisable to restrict its use for sleeping to an occasional overnight guest or for use by a member of the family in case of illness.

Experience in PWA Housing Division projects has shown that it is inadvisable to omit consideration of children less than two years of age in establishing occupancy limits, or to count two children under two years of age as one person. Failure to count these children in estimating family size soon leads to problems of overcrowding, making it necessary for the family to move within a short time if occupancy standards are to be maintained. Observation has also shown that even though the baby's crib may be kept in the parents' bedroom for a temporary period, space requirements for special equipment for a very young child are greater than such requirements for older children.

Local Criteria for Admission

Each local housing authority will find it necessary to establish certain local policies prior to tenant selection. Experience has shown that failure to establish such policies before tenant selection is initiated may result in considerable confusion and inconsistency both in public relations and in dealing with individual applications. For example, clearly defined local policies regarding preferential consideration for individual families of the following types should be established in advance:

- (a) Former site occupants.
- (b) Families with children.
- (c) Proximity of family to source of employment and/or school.

The program definitely favors acceptance of families in each of these groups if found to qualify to all other standards of admission. If the project has been designed with dwelling units suited to accommodate exceptionally large families this factor should also be taken into account.

Decisions for or against factors such as the following must also be determined at the time of establishing local policies:

- (a) Requirements for citizenship or first papers, if any.
- (b) Requirements, if any, as to length of residence in the locality or under substandard housing conditions.
- (c) Limitations, if any, to be placed on the acceptance of families with savings and other assets and the nature of such limitations.

It is highly desirable to keep the number of such restrictive policies to a minimum and their ultimate effect of these policies should be carefully weighed before final decisions are reached. For example, the resources available in a small savings account may provide the sole means of furnishing the new home to the applicant now occupying furnished quarters. Further, inquiry into the cause for a short period of residence at the address given at the time of filing application may reveal a sound reason for moving; yet setting an arbitrary policy with respect to length of residence at a given address would automatically exclude such families as ineligible.

In addition to the foregoing, certain factors pertaining to the nature of the tenant group as a whole must be fully considered and tentative policies established concerning the following points:

- (a) In localities where rent allowances for families on pensions and those on direct or work relief make it possible to accept applications from such families, a policy as to the approximate number to be admitted should be established in advance. It must be borne in mind that local authorities will not want to rehouse too high a proportion of relief tenants because the program is not intended for emergency relief, but is primarily a permanent program to meet the needs of low-income families whose wage earners are engaged in private industry and public employment.
- (b) In certain communities it may be necessary to establish a policy as to the proportion of different occupational groups to be rehoused in a project. This needs to be considered only if sources of employment from which applications are drawn are seasonal or extremely fluctuating in

character. In these circumstances this is an important consideration to insure stability of the tenant group and of the project income by minimizing problems of turnover and arrears. It may also be found inadvisable to accept a large number of families engaged by a single employer.

- (c) In projects designed to rehouse different racial or nationality groups, the ratio of each to be admitted should be predicated upon existing local conditions and needs. Where special or mixed population groups are to be tenants of a project, the full cooperation of representatives of agencies familiar with the problems of such groups should be enlisted in establishing tenant selection policies.

Obviously, policies with respect to factors such as the above are subject to review and revision contingent upon facts which may emerge in the actual process of tenant selection.

METHODS OF REACHING PROSPECTIVE TENANTS

The degree of success achieved in reaching eligible applicants will depend largely upon the efforts made and the means employed to obtain applications from families in the lowest income brackets. It should be borne in mind that the first families to file applications are not necessarily those most likely to qualify for admission. Therefore, every effort should be made to reach eligible families who may be slow to recognize their opportunities by reason of timidity, lack of information or illiteracy. This task will be considerably easier if a solid groundwork of education and information has been built up in the course of developing the project, with organizations and individuals as widely representative as possible of the prospective tenants. Such cooperation is virtually indispensable in slum clearance projects or where a special racial or nationality group is to be rehoused.

As soon as applications can be accepted contacts must be established with representatives of agencies who are in constant touch with families living in slum areas. Among these are social agencies such as clinic and health centers, family service and child care agencies, community centers and others; also churches and schools. In addition, it may be desirable to contact labor unions, employers and fraternal organizations. Informal talks to various groups of potential applicants provide an excellent means of arousing interest in the new project.

The build-up of a close working relationship with the local press, including foreign language newspapers, serves the two-fold purpose of creating an informed and sympathetic viewpoint toward public housing, and providing a means for the dissemination of specific information concerning the local project. Radio talks are another medium for reaching prospective tenants.

In addition to newspaper releases, simple and attractive printed folders or mimeographed sheets clearly stating the project rents and eligibility requirements in terms that will be readily understood, are invaluable in stimulating applications. As soon as rents are fixed and policies of admission established such material should be prepared in large enough quantities to permit widespread distribution through the proper channels.

Past experience has shown that unfavorable attitudes to a local project, or to the public housing movement in general, have frequently been the result of misunderstandings on the part of the public concerning rent charges and eligibility requirements. Premature announcements of dwelling rents before they have been definitely fixed should be avoided as the actual rent schedule may be either higher or lower than the anticipated charges.

Failure to receive applications from many eligible families has also resulted from misleading publicity. For example, through error, the maximum income limits for admission have sometimes been quoted as the minimum income requirements. To avoid creating false impressions in the minds of the general public regarding the income group to be served, it is recommended that the first publicity issued relative to the income limitations for admission be expressed in terms of the anticipated average income of all the families to live in the project. In short, on a project in which the local maximum income limits for admission may vary from \$800 for a two-person family to \$1,000 for a six-person family and the anticipated average income of all families in the project is estimated to be approximately \$750, it is suggested that the initial publicity state that the project will serve families with incomes in the neighborhood of \$750. In case publicity is necessary to discourage application by families with incomes exceeding the local maximum limits, some reference may be later made to these maximum limits, but at such time it will also be advisable to restate the anticipated average income of all families.

In most instances shelter rent should be quoted only in general publicity and for the purpose of comparing project rents with rents for substandard dwellings. To obviate tenant misunderstanding and resultant problems, rent schedules and prices quoted to applicants on specific units should be the actual charge for the dwelling, that is shelter rent plus utility charge. It is equally important when so quoting rents to state concurrently what utilities are furnished. This will permit accurate comparisons between the project rents for dwelling units of varying size and the present housing costs of applicant families.

If such precautions are taken in preparing statements for release, the number of applications from ineligible families will be cut down considerably and applications from eligible families stimulated. This will not only greatly facilitate the entire process of tenant selection, but will have the effect of greatly reducing the costs involved.

FILING FORMAL APPLICATIONS FOR ADMISSION

Simultaneous with the release of publicity, provision should be made for the filing of formal applications for admission. A carefully planned application form will be required based on local tenant selection policies. This form should be designed to record all facts essential to determine the eligibility of the applicant, as well as additional information required to verify these facts. A sample application form with instructions for its use will be furnished by the USHA as a separate release. Early taking of applications may call for a small temporary application office. There are many advantages in having this office centrally located and easily accessible to all parts of the city. It may also serve as an application office for more than one project. One or more members of the tenant selection staff, or of the management staff, should be on hand at this office at all times, to give reliable and satisfactory answers to inquiries concerning policies of admission, and to take applications from families wishing to file them.

In this connection it should be stressed that application taking is not merely a clerical job. To secure full and accurate information during an initial interview requires judgment and the skill of a trained interviewer. Assuming interviewers to be so qualified, they should have full authority to inform applicants found to be definitely ineligible for admission, to this effect at the time of the interviewer. In such cases the application should be completed to the point of showing the causes for ineligibility and kept as a permanent record. The applicant should always be given the specific reason or reasons for ineligibility and should go away feeling that he has been accorded fair and courteous treatment. Not only will this method be more satisfactory to the applicant, but by such means much clerical work as well as other procedures incidental to a complete verification -- both costly and time consuming -- will be obviated.

The importance of first contacts with prospective tenants and others should not be minimized, as these can have a far-reaching effect on the attitudes developed in the community toward the management of the project.

PREPARATION FOR ACTIVE TENANT SELECTION

In addition to the steps discussed in the preceding sections of this bulletin, there are other activities of a highly diversified character that must be given attention before the set-up for tenant selection can be considered complete. The services of a representative of the USHA may be found especially valuable in connection with these phases of the work.

Selection and Training of Personnel

Careful staff selection is requisite, and thorough job training indispensable to obtain satisfactory results in tenant selection. The necessary experience and educational qualifications of staff members will vary according to the duties to be performed and the degree of responsibility to be assumed by each. The number will be dependent upon the size of the project and the length of time allowed for tenant selection activities. It may sometimes be possible to secure the services of qualified personnel for tenant selection on a temporary basis through special arrangements with local social agencies. On the other hand, there are many advantages in utilizing the services of personnel who have had the benefit of prior experience in relocation work. This makes for continuity of objectives and methods in all phases of the local program relating to the families to be rehoused.

Successful results in office interviews, home visits, and a final review of applications will call for professional training and demonstrated ability on the part of staff members. However, irrespective of background, special job training will be required. A subsequent release will discuss in detail the qualifications and training of tenant selection personnel.

Procedures, Forms, Reference Material, Etc.

A manual of initial tenant selection procedure will be required by each local housing authority giving detailed instructions for the handling of an application from the time it is received through all the steps until its ultimate disposition. (See organization chart illustrating those steps in appendix). This will serve as a basis for training the staff and for constant reference in carrying on the work. A specimen manual of standard procedure for initial tenant selection and renting containing sample copies of requisite forms and form letters to serve as a guide to local housing authorities is scheduled for release in June 1939.

Maps which show areas of substandard housing in a given community will prove a useful tool in tenant selection, to indicate whether applications are being drawn from families living under slum conditions. An address card file system listing actual substandard dwellings may also provide a valuable reference if sufficient data are available locally to warrant setting up such a file. Information from up-to-date housing surveys and current housing records of various city departments may form the nucleus for it. If based on reliable sources of information, this file, or some other means of referring to such facts, to be determined locally, may prove a great time saver.

Through the central social service exchange or bureau serving as a clearing agency to the majority of social agencies in many communities,

arrangements should be made for obtaining data on agencies' contacts with each applicant family. It should be borne in mind that many families of low income have contacts with social agencies. Consequently, knowledge of such active or past contacts provides an essential means of verifying pertinent facts concerning the eligibility of these applicants. Inasmuch as the records of social agencies are confidential, the original contact with the exchange requesting such cooperation, as well as later follow-up contacts necessary with specific agencies, must be made by a qualified professional member of the staff.

A decision must be arrived at locally concerning the advisability of using established commercial credit bureaus as a medium for verifying the rent-paying record of the family and its discharge of financial obligations. Undue emphasis should not be attached to the use of such reports, however, and where other sources for verifying these facts exist, the additional expense incurred by use of a commercial service may be obviated. It is questionable if the credit report should ever be used for the purpose of checking family income, and in no case should such a service be relied upon as the sole means of verifying income. Satisfactory use of a commercial credit bureau involves the preparation of an outline of the specific information desired. This is best accomplished by providing the agency with a special report form and other definite instructions. A clear understanding must be reached which will insure that the source of inquiry is held in strict confidence. Experience has shown, for example, that in some cases representatives of credit agencies have made direct contacts with applicant families to secure information for compiling their reports, and also that landlord-tenant relationships have been jeopardized.

A family budget guide is another tool which may be used to advantage in family selection. Such budget material applicable to the requirements of low-income families must be developed by trained home economists and others, based on a knowledge of local living conditions and costs. Assistance in setting up such budget schedules in a manner that will be practical for use in tenant selection may be secured from a qualified representative of the USHA.

Display Units

When the project is sufficiently completed to permit inspection, it is highly desirable to have one or more typical dwelling units open to the public. The value of such visits will be greatly enhanced if the units on display are furnished, so that prospective tenants and other visitors will be able to visualize the dwellings as they will look when actually occupied.

However, the type of display undertaken should be very carefully planned to discourage rather than to encourage new purchases. If developed during the period of initial tenant selection, such displays will


tend to deter families from incurring heavy indebtedness for goods purchased on the installment plan. To accomplish this end second hand furniture should be utilized for the most part, combined with such new items as may be made or purchased at a very low cost. A model apartment of this type to take the place of the usual commercial display, supplemented by the services of a trained consultant to assist individual families in their problems of home furnishings, serves a worth while educational purpose not only to tenants, but to the community as a whole. It also tends to promote the natural integration of community and project interests at the very outset. Home economists and other specialists working in various professional capacities in allied fields will be found more than willing to cooperate and, in some cases, will assume complete responsibility for the direction of such an undertaking.

Concrete suggestions with respect to the principles to be observed in setting up such demonstrations, and the types of local agencies equipped to offer such services are obtainable from the Management Review Division of the USHA.

Setting up the Tenant Selection Office

The space requirements for the initial tenant selection office, exclusive of regular management office space, are of course dependent upon the size of the tenant selection staff and will vary from one project to another according to the number of units to be rented and the time allotted to this work. Sufficient office space should be provided to accommodate a number of applicants at the same time without crowding. Space requirements should also consider, insofar as possible, the factor of privacy in taking applications.

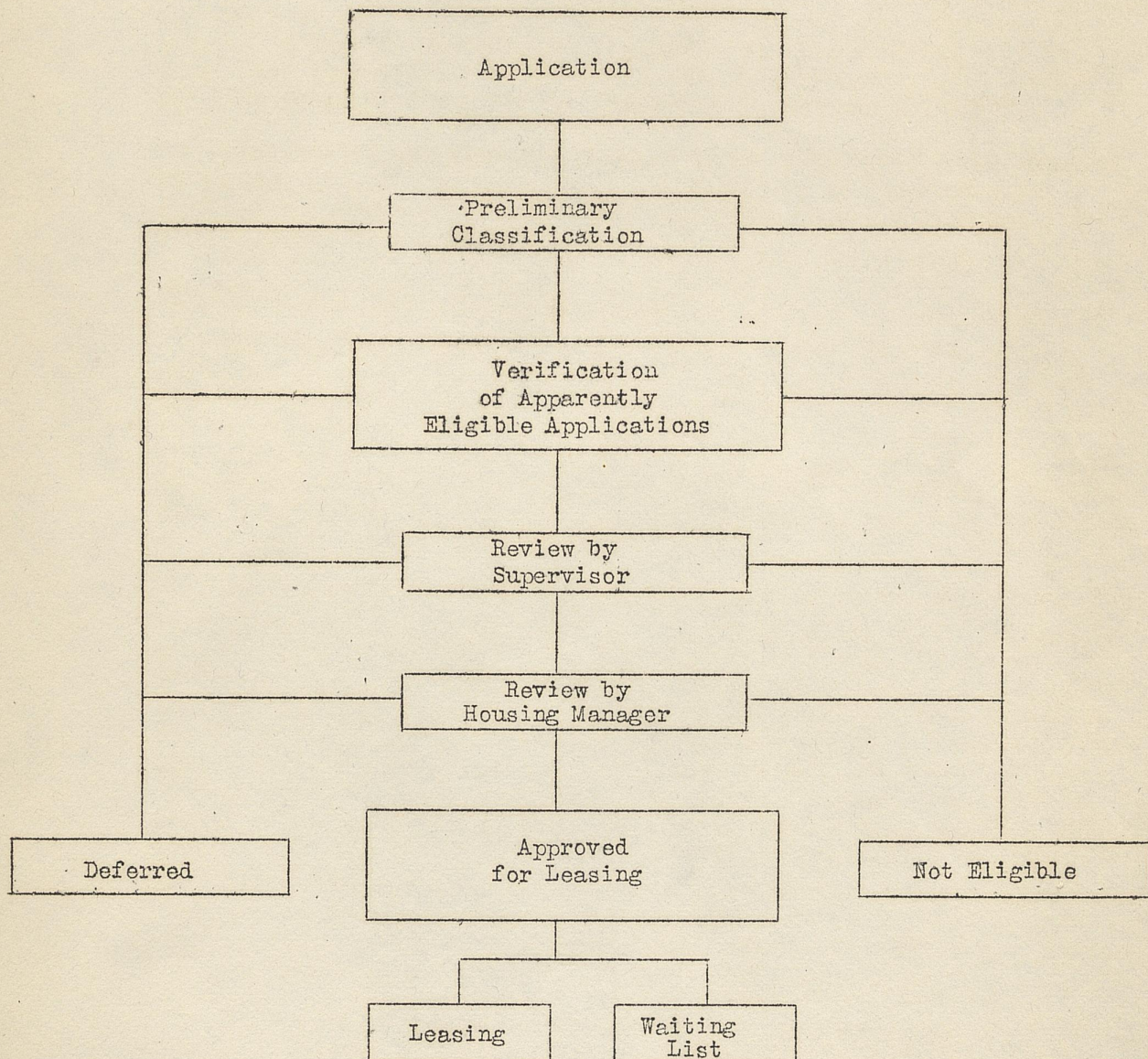
Since office equipment for initial tenant selection activities will be required for only a temporary period, every effort should be made to keep the cost of equipment to a minimum. It is frequently possible to borrow the necessary number of desks, chairs, file cabinets, etc., from another municipal department. If this is not possible, such furniture may be rented or purchased second-hand for the period of time required. Arrangements for telephone and lights must be made and other services, such as drinking water, towel service, office cleaning, etc., planned for in advance. Requisite forms must be on hand, office supplies assembled and information signs conspicuously posted to show the location of the offices.



NATHAN STRAUS,
Administrator.

May 1, 1939.

Appendix

Active Tenant Selection ProcedureOrganization Chart

Definition of Terms Used in
the United States Housing Act of 1937

Net Income

The net income of a family applying for admission to, or residing in, a dwelling unit in a project means the aggregate income, in whatever form received, of all members of such family, less allowable deductions as defined below. Aggregate income shall include:

- (a) All wages, salaries, commissions, fees, tips, earnings from work relief, and other compensation for personal services, including the cash value of any compensation in kind such as meals or food provided to domestics and hotel workers.
- (b) Net profits from the operation of a business.
- (c) Pensions.
- (d) Unemployment compensation or Social Security benefits.
- (e) Relief payments in cash, and the cash value of relief allowances in kind.
- (f) Alimony or other contributions or gifts toward the support of the family.
- (g) Interest and dividends from bank deposits and from investments, if any, and income from insurance policies. (These items are not as a rule applicable to low-income families).
- (h) All other income from any and all sources whatsoever.

Deductions from aggregate income to determine net family income may be made for:

- (a) A reasonable amount actually paid for the support of a person or persons who are not to reside with the family, but for whose support one or more of the members of the family are legally responsible; e.g., alimony, payments toward the support of a minor dependent in an institution, etc.
- (b) Deductions required by law to be made from wages, salaries, or other compensation for personal services, either in private or public employment; e.g., Social Security taxes, payments to government retirement funds, etc.
- (c) Special expenses in connection with employment for which no reimbursement is made by employer; (Such deductions do not include usual transportation costs to and from work or any ordinary expenses which the majority of wage earners must make.)

No deductions may be made for voluntary payments to pension funds or for insurance, payments on bills and garnishments, payments on installment purchases, the repayment of loans, or interest and finance charges on such items.

Net Income at the Time of Admission

Net income at the time of admission means the amount of the family's net income for the twelve calendar months next preceding the date of application adjusted to reflect the anticipated net income of the family for the twelve calendar months next succeeding the anticipated date of admission. The application to be signed by the applicant shall contain a statement as to the family's actual net income for the twelve calendar months next preceding the date of the application and any changes in amount which the applicant anticipates for the twelve calendar months next succeeding the anticipated date of admission. The determination of the amount of net income at the time of admission shall be made by the local authority. Such determination shall be made as close to the actual date of admission as is possible; during the period of initial occupancy of the project, such determination shall be made not more than four months prior to the actual date of admission; after the period of initial occupancy such determination shall be made not more than two months prior to the actual date of admission.

Minor Dependent

A minor dependent is a member of a family under 18 years of age who is dependent upon the family net income in whole or in part for support.