

Our concern about quality housing and its location in a quality environment becomes even more acute as we look forward to a rapid population increase between now and the turn of the century. The predicted population increase by the year 2000, according to the experts, is upwards of 60 to 100 million people.

To build homes for this number undoubtedly means going into some form of mass assembly line production like that for automobiles. But regardless of the way houses are produced—on a custom or a mass production basis—the important question for planners, architects, builders, and social scientists is whether the houses are designed and located in the best interest of those who will occupy them. Considerable innovation is called for in building homes and in developing the types of communities where they are located.

This means building new towns and cities and renovating the old. This means, also, planning and developing new types of open country areas. In sum, it means housing all Americans in a social environment that provides the best of the physical, social, and psychological worlds.

Housing Loans Lead to New Communities

ROBERT F. DUGAN and
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MOST of our American rural communities “just happened.” They grew up around a convenient country crossroad, or along a river that would provide power for a mill, or by a newly laid railroad siding.

Rayburn Hills in Polk County,

Tex., is a new breed of rural community. It was deliberately created. The site was literally hacked out of the piney forest region of eastern Texas.

But Rayburn Hills is not to be confused with such other “new” towns as Reston, Va., and Columbia, Md., which were designed for future populations of 50,000 to 100,000 people with homes selling from \$30,000 to \$150,000.

Nor is Rayburn Hills the brainchild of a social engineer or a bigtime real estate developer.

Rayburn Hills is a modest little community of about 150 low-income families and their homes averaged less than \$10,000. It is the creation of the rural credit service of the U.S. Department of Agriculture in cooperation with one of the Nation’s largest corporations.

This is the story of that creation.

In July of 1968, U.S. Plywood-Champion Papers Inc. purchased a 200,000-acre timber stand in Polk County, Tex. The deal included a “company” town called Camden of some 600 inhabitants, with 300 homes—many of them dilapidated and vacant. Negro and white families lived in segregated areas and most of the black families had no indoor plumbing.

U.S. Plywood-Champion wanted to get out of the “company town” business, but the company needed these families to work in its large modern sawmill and it wanted the families to have decent, modern homes, at a cost they could afford.

In their search to find an answer to the problem, company officials were told about the Farmers Home Administration, which had a rural housing loan program for low and moderate income families.

They visited with George Dean, county supervisor for Farmers Home at Groveton, Tex.

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The idea of Rayburn Hills was born in his office that day.

U.S. Plywood-Champion executives agreed to develop a 117-acre tract of its timberland just south of the town of Corrigan, Tex., about 8 miles from the company town of Camden. The tract was laid out in four blocks of half-acre lots, with water and sewer facilities, asphalt streets and street lights.

The company also agreed to deed these lots to the new residents over a 3-year period. In all, U.S. Plywood-Champion invested more than \$800,000 in development of the Rayburn Hills site.

For its part, the Farmers Home Administration agreed to provide credit financing for construction of new homes for those families with reasonable repayment ability.

By the time the community is completed, Farmers Home will have provided housing loans for around 100 families. Most of these will be individual homes costing between \$8,000 and \$10,000 each with monthly payments ranging from \$55 to \$70. In addition, FHA financed a 36-family rental housing unit with a loan of \$252,750.

Rayburn Hills is now a subdivision of the town of Corrigan, a community of some 1,500 population. Both communities profit from the annexation because it increases the tax base and eases the per capita burden of providing the basic community services that modern communities must have.

Creation of Rayburn Hills and its annexation to Corrigan produced an unexpected plus for the entire community. It attracted the attention of a second large corporation—Georgia-Pacific—which is constructing a large paper product plant and will provide employment for another 150 families.

Rayburn Hills is not an isolated, atypical case of the Federal Government working effectively with private enterprise to expand the employment opportunities and upgrade the quality of living of rural families.

Since fiscal 1970, when the rural housing loan program of the Farmers Home Administration was greatly expanded, the agency has pursued a persistent policy of working with hundreds of private companies in the home building trades, developers, realtors, and industries interested in locating in rural areas.

For example, in Alcolu, S.C., the Georgia-Pacific Co. was planning to close down its big Clarendon County sawmill operation because of lack of adequate, decent housing. Closing the plant would have cost 160 workers their jobs.

A concerned citizens committee came to the Farmers Home Administration and the agency proceeded to process loans for low-income housing for the workers. The committee found a local contractor willing to invest in land set aside for the housing project by the lumber corporation. Because housing in great numbers was needed, the contractor worked out a deal with a private firm in Alabama which manufactured prefabricated housing.

As a result of this rural housing project in Alcolu, Georgia-Pacific not only kept the sawmill open but expanded its operations.

Similar rural housing projects under the rural housing loan program have been arranged with companies such as Weyerhaeuser. Some are large projects involving as many as 250 homes. But others are more modest local programs of a dozen family units which are constructed under the USDA agency's new "conditional commitment" authorization.

Conditional commitment enables a builder to plan an enclave of up to 15 new homes, with reasonable assurance that the Farmers Home Administration will be willing to finance their purchase, when completed, by eligible rural families who apply.

Under this plan, builders are able to advertise their homes for sale, and to encourage prospects by indicating that financing may be available.

With the use of another concept,



Top, prefab house is assembled in Alcolu, S.C. Above, section of all-electric paneled kitchen. Right, these youngsters can forget leaky roof, drafty bedroom, and smokey wood-stove when they move into modern, brick-veneer home (below).



builders also may "package" applications for rural housing loans. They assist potential borrowers in filling out all necessary forms and accompany the families to the local Farmers Home Administration office to file applications.

These new tools are designed to smooth the way for expansion of the rural housing program, the most rapidly growing phase of USDA's rural credit service.

With the national goal of a decent home for every American family still far from attainment, this expansion of the rural housing effort will be a key element in housing progress in the years just ahead.

The concern of private industry, and the close cooperation between the public and private sectors, as symbolized by the community of Rayburn Hills, provides optimistic evidence that the decade of the seventies will see important new breakthroughs toward attaining that vital national goal.

outmoded housing unit every 210 seconds, day and night, 365 days a year, over the next 30 years. In 1970, we provided housing at 90 percent of this pace.

Our population, rural and urban, may rise by 100 million, to a total of 300 million by the year 2000. Thus, some 33 million new families will need a place to live. But we already face a housing crisis without population increase. A census survey in 1968 showed that nationally, 5 million occupied housing units were substandard. Some lacked plumbing, others were so dilapidated they endangered the health, safety, or well-being of the families living in them.

As required by the Housing and Urban Development Act of 1968, Federal agencies have extensively analyzed our nation's housing needs and goals and the prospects for meeting them. In light of their findings, HUD Secretary George Romney suggests that the construction and rehabilitation of some 26 million housing units over the next 10 years—including 6 million publicly subsidized for families with low and moderate income—is the minimum level acceptable as national policy.

Louis D. Malotky, housing director of the Farmers Home Administration of the U.S. Department of Agriculture, estimates that if we are to adequately house the 100 million population increase expected by the year 2000—and at the same time, upgrade existing substandard dwellings, replace the houses that would be lost, destroyed, worn out, or abandoned during this 30-year period—we will need as many houses as were occupied in 1970: about 63 million units.

About 1.4 million conventionally built homes and 400,000 mobile homes were built in 1970, some 7 percent fewer housing units than in

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Helping People Buy Homes

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IT's 1980, and John, age 45, is looking for a four-bedroom home for his wife and three children. It's 1990, and Harry, just out of college and recently married, needs an apartment. It's the year 2000—the turn of the century—and Joe, age 40 and the head of a six-member household, must be able to rent a large house at modest cost.

If our Nation is to meet their needs and provide the millions of other American families with decent shelter, we must produce one new housing unit every 15 seconds and rehabilitate an