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*Internal Organization of Housing
Authorities*

NAHO'S ANNUAL MEETING

Cleveland, Ohio, November 18, 19, 20, 1937

REPORT OF ROUNDTABLE DISCUSSION:

INTERNAL ORGANIZATION AND STAFFING OF LOCAL AUTHORITIES

Chairman: George Gove, Secretary, New York State Board of Housing

Reporter: T. T. McCrosky, Executive Officer, Municipal Housing Authority of the City of Yonkers

Early in the discussion it became quite apparent to your reporter that the group was not only interested in finding a solution to the problems of housing organization but also finding the correct solution. Thus they were not like the individual who kept little notes in his diary. He wrote down, "Last night drank Scotch and soda. Feel terrible." The next day he wrote, "Last night drank Rye and soda. Feel miserable." A week later there was still another note, "Last night drank brandy and soda. Feel awful. Soda is common factor. Henceforth cut out soda."

Clear Objective

Mr. John Ihlder, Executive Officer, Alley Dwelling Authority, District of Columbia, opened the discussion by stressing the importance of local authorities keeping in mind the following three fundamental points:

1. That the purpose of slum clearance and low cost housing is a social purpose designed to raise living standards.
2. That the method of financing must be economically sound.
3. That the Authority must consider housing as an integral part of community life.

Suggested Staff

Mr. Ihlder pointed out that a housing authority is a government investing agency and not a spending agency. He expressed his conviction that welfare functions, playgrounds, recreation facilities, etc., should not be maintained out of rents but should

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be an annual charge upon the proper municipal department. ^{m.m.c} In this way, the Authority can have a small staff.

Mr. Ihlder recommended the following staff personnel:

1. A responsible director to carry out the policies and decisions of the Housing Authority.
2. An assistant executive to oversee the general functions and running of the office.
3. A buyer of real estate who would keep informed as to local market conditions and watch for opportunities to obtain properties of the right kind.
4. An architect with the ability to make the most with the least money.
5. A legal advisor able to inform the Authority as to what it can do.
6. A housing manager combining practical real estate management sense with firmness, tact, and patience.
7. A job superintendent to oversee construction on behalf of the Authority.
8. An accountant.
9. Necessary secretaries and stenographers.

Attention was called to the fact that Mr. Langdon Post is re-organizing the staff of the New York City Housing Authority to handle the problems of managing two projects and that this staff will be under civil service.

An Approach

Mr. Robinson of the Public Administration Service, Chicago, stressed the importance of the Housing Authority being a policy forming board and that purely administrative functions should be performed by its staff. He pointed out that in new government activities, there is a tendency to start with the law and to organize downward, first setting up a governing board and obtaining a director and gradually adding staff as they seem to be necessary. He suggested instead that organization should be upward. First, all the functions, duties and needs that must be performed should be written down. Then they should be grouped under appropriate headings. A qualified

man should be obtained for each of the groups. After that, like groups should be combined under a proper supervisory head, etc.

He pointed out that this ideal type of organization can be modified to fit legal limitations and practical needs. He recommended that there be a clear written statement of the division of functions between the board members of the Authority and its executive officers. He suggested that after specifications have been written for each staff position, the Authority should recruit men from as wide a field as possible and not confine its selection to people personally known to members of the board. He recommended that personnel be finally chosen on the basis of judgment, combined with some form of test, such as intelligence and aptitude tests. He agreed with Mr. Ihlder that many functions entering into the work of the Housing Authority can very well be farmed out to other government departments, such as the city plan commission and the recreation department. Accounting should be handled in such a way as to be a constructive administrative aid, not merely a necessary form of routine. He recommended that authorities should organize in such a way that their staff can be expanded without complicating problems of jurisdiction.

From a Technical Director

Mr. Ackerman submitted his suggestions by letter. First, he believed that Housing Authorities should not assume a broad program of welfare activities and further should not have to gather basic facts and data. In Mr. Ackerman's opinion these needs should be handled by other government agencies. He recommended that the welfare activities of the Housing Authorities should be confined to providing houses and operating them under simple owner and tenant relationships. He stated that we cannot load the cost of extensive social welfare activities upon the rents obtained from operation of projects.

Mr. Ackerman pointed out that the members of Housing Authorities may or may not possess practical experience in the work of housing. He recommended that staff members should be chosen on the basis of their technical ability determined by examina-

tions that would measure their full range of qualifications. He favored civil service examinations or their equivalent. He advocated small administrative staffs of competent persons able to be given authority as well as responsibility.

Authority Members

The group discussion went to considerable length on the question of whether the members of Housing Authorities should have special technical qualifications related to housing; whether they should be engineers, architects, contractors, real estate men, lawyers; or whether it is best to select broad-minded laymen, able to reach sound conclusions on matters of policy but not necessarily possessing technical qualifications.

Mr. Alvin of Covington, Kentucky, pointed out that the Kentucky law expressly prohibits the appointment of technical men as members of the Housing Authority.

Mr. Robinson stated his preference for a board composed of men possessing social consciousness and common sense rather than expert knowledge.

Mr. Dobbs of Camden, New Jersey, pointed out that the New Jersey legislature is expected shortly to adopt a bill authorizing the creation of municipal housing authorities. He anticipates that within two months 10 or 15 authorities may be appointed. He raised the question as to whether this conference might adopt a recommendation as to the type of men who should be appointed as members of these authorities.

It was pointed out that it is difficult to lay down hard and fast qualifications, especially as many of the most valuable members of honorary boards acquire their value and ability gradually after appointment.

The point was raised that Housing Authorities might become subject to criticism if their members were drawn too largely from welfare activities on the ground that they might not be competent to make technical decisions. It was generally agreed, in the discussion, that the Housing Authority, regardless of its membership, should be fundamentally a policy determining board. Further the consensus was that it would be

rash to set up definite stipulations as to who should serve on an authority, because rigid standards might rule out just the men particularly needed in a community.

Mr. McCrosky suggested the advantage of having a very close tie between the city planning board and the Housing Authority.

Staff and Fee Employees

Miss Schoell of the Philadelphia Housing Authority asked for an expression of opinion as to whether the authority should employ technical experts as a salaried staff or whether it should retain outside experts on a fee or commission basis.

Mr. Gove recommended that architectural design should be done by outside firms but that the permanent staff should include an architect, competent to judge the merits of different plans and designs and advise the authority.

Mr. Towne of the Pittsburgh Planning Commission recommended that the Housing Authority should keep its permanent administrative staff small and employ outside assistants on a fee basis so as to hold down overhead costs.

Executive Director

Mr. Carr of the Delaware County (Indiana) Authority stressed the primary importance of securing a very capable executive director and this view was fully supported by the other members of the group. Mr. Gove recommended having on the staff of the Authority a qualified engineer, fully familiar with the construction field, a man who can talk to contractors and knows the work. The staff, in his opinion, should also include an architect able to judge plans prepared by outside architectural firms and familiar with the whole field of construction materials. The staff would also necessarily include an accountant.

Mr. Gove suggested the probability that eventually there may be a substantially uniform system of accounts established for all housing authorities. He reiterated the point that the staff should be technically equipped in the housing field and competent to take advantage of every trend that will bring down the cost of construction. He recommended that although architectural services should be provided by

outside firms, inspection should be done by staff members of the housing authorities. He pointed out that NAHO is able to bring to new Authorities a breadth of experience that will make it possible for them to avoid many of the pitfalls and errors that have been made in the past.

Working Funds

The group discussed methods for financing the cost of an adequate staff. Mr. McCrosky suggested that services provided on a fee basis, such as architects, appraisers, and legal counsel, were properly a part of the capital cost of the project; that services forming an essential part of the management, maintenance and operation should properly be charged to rents; and that salaried staff engaged in supervising plans and construction and gathering data might be considered an appropriate charge against municipal taxes.

Mr. Towne expressed the view that all expenses of a housing authority should be chargeable either to the capital cost of projects or to the rents, but not to municipal taxes.

Mr. Levy, who has been connected with rural federal housing, advocated the assumption of a substantial part of the running costs of the housing authorities by city governments, to be paid out of taxes.

Mr. Robinson recommended that staff salaries of Housing Authorities should not be included in the city budgets, but that cities should instead make a flat annual appropriation to their housing authorities, thus avoiding a tendency to expand the number and cost of staff.

Mr. Gove pointed out that the New York State Housing Board makes an annual charge of 1/20 of one per cent of the capital cost of limited-dividend projects after they are in operation. This charge pays the continuing cost of supervision by the State Housing Board.

There was no mention at any time in the discussion of staffing municipal housing authorities with Works Progress Administration personnel. I think it was the tacit

understanding that the Works Progress Administration is necessarily a somewhat temporary organization and that in laying our plans for the future work of housing authorities, not only for this year but for the next and the one after, we must think in terms of permanent staff.

Summary

The general consensus of the group was that housing authorities should confine themselves to minimum, adequate salaried staff; that special services should be contracted for on a fee basis; that authorities should not assume the annual burden of performing functions that can equally well be handled by other constituted city departments; and, finally, that the local housing authority members should constitute a policy forming group, leaving to their salaried staff the full responsibility for administration.

(Note: Section headings added and a few very minor changes made in punctuation and wording. No substantial changes or additions to Report as read at General Session, Saturday morning, November 20, 1937. C.W.)

