

CIRCULAR No. 5

SUBDIVISION STANDARDS

FOR THE
INSURANCE OF MORTGAGES
ON PROPERTIES LOCATED IN
UNDEVELOPED SUBDIVISIONS

TITLE II
OF THE
NATIONAL HOUSING ACT

FEDERAL
HOUSING ADMINISTRATION



JUNE 1, 1937

WASHINGTON, D. C.

**INFORMATION AVAILABLE ON TITLE II OF THE NATIONAL
HOUSING ACT**

Administrative Rules and Regulations,
Section 203
Circular No. 2—Property Standards
Administrative Rules and Regulations,
Sections 207 and 210
Circular No. 4—Operative Builders
Technical Bulletin No. 4—Principles of
Planning Small Houses
Technical Bulletin No. 5—Planning
Neighborhoods for Small Houses
Technical Bulletin No. 6—Mechanical
Equipment for The Home

This circular does not apply to "Low-Cost Housing Insurance" as covered under the provisions of Title II, section 207, of the National Housing Act.

SUBDIVISION STANDARDS

PART I

OBJECTIVES

This circular, together with Circular No. 2, "Property Standards", comprises the standards established by the Federal Housing Administration for the purpose of assuring certain qualities in improved real estate offered as security under the insured mortgage system essential to safe investment and mortgage lending. The following is quoted from the introductory section of Circular No. 2:

"The Federal Housing Administration has established standards covering the physical characteristics of property for two purposes. These purposes are clearly set forth in the National Housing Act. The first is stated in the preamble to the Act, making it in effect the guiding principle of the legislation, namely, 'to encourage improvement in housing standards and conditions.' The second appears in Section 203 and makes it mandatory upon the Administration to provide assurances that the 'project with respect to which the mortgage is executed is economically sound.'

"It is the conviction of the Administration that these purposes, far from being conflicting, are essentially one, and that from the point of view of long-term investment the qualities which produce a satisfactory social condition will provide also the best possible assurances of economic soundness."

In order that these qualities may in fact be present in the completed property, it is essential that the land itself be so planned, platted, and protected that the basic framework of the neighborhood contribute to this end. The minimum requirements and the desirable standards set forth herein are designed to aid in the accomplishment of this purpose. All such requirements and recommendations are based on these principles: (I) that the development of urban land should create neighborhoods of definite character; (II) that such neighborhoods must be in proper relationship to a reasonable consideration of the manner and extent of the expansion of the community as a whole; (III) that such neighborhoods should be designed to meet a demand for a definite type of housing accommodation within the community.

Only those neighborhoods which have qualities making for continuity and stability of use over a period of years provide the security essential for long-term mortgage investment.

The subdivision must be more than an extension of streets and blocks of houses. It should be recognizable as a distinct unit within a community, with a definite pattern and definite protection which will permit it to exist as such. It should be so designed as to give to each householder the sense of belonging to a larger unit, to give him the feeling of neighborhood identity, and to cause him to take pride in the maintenance of the neighborhood as well as in his separate property.

In other words, stability must be built into the neighborhood by providing through planning and organization those qualities which will permit its occupants to remain secure in their original satisfaction and to retain an active interest in its maintenance.

II

It is only by consistently developing areas which are ripe for use in view of an orderly extension of the urban pattern, by reorganizing subdivisions which suffer from planning and financial and legal encumbrances, and by postponing or abandoning the building up of subdivisions which are premature or plainly superfluous, that a stable realty condition can be established which will justify mortgage lending and the insurance of mortgages in new neighborhoods.

Owing to the intricate relationships which exist between new residential areas and existing neighborhoods in the real estate market as a whole, the extension of urban land uses to unplatted regions requires at all times a most careful consideration. At present this is particularly true owing to the great surplus of undeveloped or partially developed subdivisions which remain from the preceding periods of real estate expansion.

New subdivisions create either satisfactory, stable neighborhoods, or areas doomed to a blighted growth or to rapid decline. They effect an orderly expansion of the urban pattern or they burden the city with the cost of a wasteful dispersion of services and population, tending to aggravate the tax situation, to unsettle the real estate market, and to weaken the mortgage structure.

The manner in which new neighborhoods are formed and the qualities which, through skill and foresight, they are made to possess have, therefore, vital bearing upon the future character of our cities, upon the whole trend of urban realty mortgage financing, and consequently upon the mutual mortgage insurance system.

In establishing a system for the insurance of mortgages, the Federal Housing Administration must take cognizance of any condition which produces unusual risk in real estate investment and mortgage lending. On the other hand, it must not discourage desirable urban expansion. Therefore, while it cannot promiscuously insure mortgages in new areas, it may, by the erection of reasonable safeguards, assist in the development of areas which both are needed to care for increasing population or changing modes of living and are so located and planned as to offer the prospect of continuing desirability for residential purposes.

III

It is only those neighborhoods where families may obtain reasonable standards of comfort and amenity and permanent protection and value, within the limits of their capacity to pay, that provide a field for secure investment.

A neighborhood must be developed with a definite market in view. Not only must the land improvements and the dwellings be designed in proper relationship to the buying power of that market, but they must be designed so as to provide a type of accommodation definitely suited to the group of the population to which the development is intended to appeal. They must, in the amount and character of the land assigned to each property, the character of the utilities and street improvements, and the size, arrangement, and construction of the dwellings, involve a maintenance burden, carefully adapted to the income and the manner of living of the intended occupants.

The Administration does not propose to regulate subdividing throughout the country, nor to set up stereotyped patterns of land development. It does, however, insist upon the observance of rational principles of development in those areas in which insured mortgages are desired, principles which have been proved by experience and which apply with equal force to neighborhoods for wage earners as they do to those for the higher income groups.

Such principles are embodied in the requirements and recommendations outlined in this circular. They are intended to guide operative builders and developers in preparing for the market undeveloped subdivisions and partially developed residential areas, and to aid the Administration in the examination for the insurance of mortgages upon properties in such areas. It is hoped that they will in some measure aid in producing an even real estate market and in preventing alike the booms and collapses of past experience; that they will direct mortgage lending to the more desirable areas; and that they will increase the volume of financing available for sound dwelling projects.

PART II

MINIMUM REQUIREMENTS

The following minimum requirements are the standards that must be met by all subdivisions submitted as suitable sites for homes financed under the Federal Housing Administration's Insured Mortgage Plan.

The MINIMUM REQUIREMENTS define fundamental principles and apply generally throughout the country.

However, due to climatic conditions and local customs, certain minor differences of interpretation are permitted where the local interpretations comply with acceptable sound subdivision development. The degree to which such variations from the general principles are permitted is limited to minor factors and the essential objectives of the minimum requirements may not be modified under any circumstances.

The eight basic minimum requirements are presented as follows:

201. CONVINCING EVIDENCE OF A HEALTHY DEMAND.

THERE SHALL BE CONVINCING EVIDENCE OF A HEALTHY AND CONTINUING DEMAND FOR HOMES OF THE TYPE CONTEMPLATED IN THE LOCATION PROPOSED AND AT THE PRICES ASKED.

This requirement is of first importance and is based on general experience that untimely subdivision development does not succeed. It results in haphazard city growth and serious financial loss to home buyers, mortgage lenders, and land developers.

It is the opinion of the Administration that a stable condition which justifies mortgage lending and the insurance of mortgages in undeveloped subdivisions can only be secured by developing areas which are ripe for use and by postponing or abandoning subdivision projects which are premature or superfluous.

202. APPROPRIATE SURROUNDINGS AND TOPOGRAPHY.

THE SUBDIVISION SITE SHALL BE PLAINLY SUITABLE FOR THE TYPE OF RESIDENTIAL DEVELOPMENT CONTEMPLATED. IT SHALL HAVE NO SERIOUS HAZARDS SUCH AS SMOKE, FOG, NOXIOUS ODORS, NUISANCE INDUSTRIES, POSSIBILITY OF SUBSIDENCE, OR THE PROBABILITY OF FLOODS. IT SHALL NOT BE UNATTRACTIVE TO THE AVERAGE, REASONABLE PROSPECTIVE RESIDENT ON ACCOUNT OF THE EXISTENCE OF ANY HAZARD OR ANY OTHER OBJECTIONABLE FEATURE.

The type of soil, the water level, the drainage conditions and the existence of woods, steep grades or rock formations, and other factors which will have a direct bearing on the cost of developing a sub-

division may limit its adaptability for residential use and its salability under prevailing market conditions. This is especially true where low-priced homes, or where garden homes, or subsistence homes are contemplated.

✓ 203. ACCESSIBILITY TO SCHOOLS, EMPLOYMENT, SHOPPING, AND RECREATIONAL CENTERS.

THE SUBDIVISION SHALL BE ACCESSIBLE BY HIGHWAY OR BY PUBLIC TRANSPORTATION AT REASONABLE COST AND WITH REASONABLE EXPENDITURE OF TIME TO PLACES OF EMPLOYMENT, SCHOOLS, AND SHOPPING CENTERS.

Appropriate, adequate, and conveniently accessible shopping centers and schools shall exist or they shall be definitely in prospect for the income group for which the subdivision is designed. The appropriateness and adequacy will vary with the locality and the type of occupancy contemplated.

Employment centers must be reasonably accessible. Small differences in railway or bus fares often impair the chance of success of an otherwise desirable subdivision. This is especially true in developments for low-priced homes.

✓ 204. SUITABLE UTILITIES AND STREET IMPROVEMENTS.

PUBLIC OR PRIVATE UTILITIES AND STREET IMPROVEMENTS APPROPRIATE AND NECESSARY TO THE NEIGHBORHOOD SHALL BE PROVIDED. THE EXTENT OF THE UTILITIES AND THE METHOD OF CONSTRUCTION AND INSTALLATION SHALL CONFORM TO ALL APPLICABLE LAWS, ORDINANCES, AND REGULATIONS.

Adequate provision shall be made for water supply, sewage disposal, and street improvements. While varying climate, customs, and conditions make it necessary and desirable to interpret differently the following requirements, the objectives, and principles, cited below, must be met.

✓ (a) WATER.

THERE MUST BE DEFINITE ASSURANCE OF AN ADEQUATE SUPPLY OF PURE WATER AT REASONABLE RATES.

If public water mains are available at reasonable cost, connections must be made. If the water is furnished by a private or by a community organization rather than from public mains, the financial standing of the organization must be sufficient to give reasonable assurance of continuous operation and service. There must be evidence that the rates will be reasonable and that the water system will be suitably maintained. It is advisable to have a private or community water system

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planned and constructed in such a manner that it may be connected to the public mains when they are extended.

A water supply from individual wells will be considered satisfactory only in those instances where the lots are generous in size, the water pure, the supply adequate, and the construction and location of the wells certified as satisfactory by the health authority having jurisdiction. The approval of the health authority shall take into consideration and cover the conditions and hazards which can reasonably be expected to exist when the subdivision is completely built up.

Property Standards covering the manner in which wells must be constructed and inspected have been established for each State by the Federal Housing Administration and are contained in Part VI of Circular No. 2.

✓(b) SEWAGE DISPOSAL.

THERE SHALL BE MEANS OF DISPOSING OF DOMESTIC SEWAGE IN A SANITARY AND UNOBJECTIONABLE MANNER WHICH FULLY MEETS THE APPROVAL OF THE LOCAL AND STATE HEALTH AUTHORITIES.

If public sewer lines are available at reasonable cost, connections must be made. Extension of the sewer line will also be required, where the cost of extending the city sewers is not greater per lot than the cost of a properly designed septic tank and tile disposal field.

Where public sewer mains are not installed or readily available, properly located and constructed septic tanks and tile disposal fields approved by the proper public health authority may be used. If the soil is heavy and the drainage is poor, septic tanks or cesspools may become a real hazard.

In some cases, if approved by the health authorities, the effluent from individual septic tanks can be emptied into a covered public drainage system and thus decrease the danger of contamination which is present when the effluent is drained on the individual lot. The approval of the method of sewage disposal (by the health authorities) shall take into consideration and cover the conditions and hazards which can reasonably be expected to exist when the subdivision is completely built up with homes.

Property Standards covering the manner in which sewage disposal systems must be constructed and inspected have been set up for each State by the Federal Housing Administration and are contained in Part VI of Circular No. 2.

✓ (c) STREET IMPROVEMENTS.

STREETS MUST BE GRADED AND SURFACED IN SUCH MANNER AS TO PROVIDE SAFE AND CONVENIENT ACCESS TO ALL DWELLINGS AT ALL TIMES.

Where traffic hazards warrant, there shall be suitably constructed sidewalks. Street curbs or gutters shall be installed wherever the topography or drainage conditions are such that damage may be done and a hazard created through the wash or seepage of surface water. Where local practice or a particular hazard requires it, storm drains, fire hydrants, and street lighting shall be provided.

It is highly desirable that the method of construction and the extent and kind of the improvements shall be such as to meet the requirement of the local governmental unit having jurisdiction and be acceptable for dedication to and maintenance by it.

205. COMPLIANCE WITH ZONING REGULATIONS AND PROVISIONS OF ADEQUATE DEED RESTRICTIONS.

THE SUBDIVISION SHALL COMPLY WITH THE PROVISIONS OF EXISTING ZONING REGULATIONS AND SHALL BE PROTECTED BY APPROPRIATE AND RECORDED DEED RESTRICTIONS.

(a) ZONING.

CAREFULLY COMPILED ZONING REGULATIONS ARE EFFECTIVE, IF PROPERLY ENFORCED BECAUSE THEY NOT ONLY CONTROL THE SUBJECT SUBDIVISION BUT ALSO THE SURROUNDING AREA. Zoning regulations do not, in general, provide the complete protection necessary to make certain that the subdivision will develop into a homogeneous, desirable neighborhood, therefore the additional protection provided by deed restrictions is necessary.

(b) DEED RESTRICTIONS.

WELL-DRAWN AND PROPERLY RECORDED DEED RESTRICTIONS AID IN ESTABLISHING THE CHARACTER OF THE NEIGHBORHOOD AND IN ESTABLISHING AND MAINTAINING VALUES THROUGH CONTROL OF THE USE OF THE LAND AND THE TYPE AND LOCATION OF THE STRUCTURES, OCCUPANCY, AND MANY OTHER FACTORS. They help to maintain a stable market condition in an area; and they assure the purchaser that his investment will not be jeopardized by thoughtlessness or selfishness on the part of his neighbor.

The deed restrictions shall be a prior covenant to any mortgage on the land, shall be binding on both the seller and the buyer and shall apply to all the lots in the plat. They shall

be filed and recorded and shall contain provisions to control at least the factors listed below:

- ✓ (1) ALLOCATIONS OF DEFINITE AREAS FOR SPECIFIC USES such as single family houses, other residential uses, parks, and commercial areas. *500 lots*
- ✓ (2) REGULATION OF THE PLACEMENT OF BUILDINGS so as to provide adequate light and air by reasonable setbacks, adequate side yards, and other means.
- (3) CONTROL OF MINIMUM LOT SIZE AND PROHIBITION OF THE RESUBDIVISION OF LOTS into undesirable small units.
- ✓ (4) PROHIBITION OF THE ERECTION OF MORE THAN ONE DWELLING PER LOT.
- ✓ (5) CONTROL OF THE DESIGN of all buildings preferably through a requirement for their approval by a qualified and representative committee either appointed or elected and through an appropriate size limitation.
- (6) PROHIBITION OF NUISANCES and undesirable uses or buildings such as stables, pig pens, temporary dwellings, and outside toilets.
- 2 (7) APPROPRIATE PROVISIONS FOR ENFORCEMENT OF DEED RESTRICTIONS by property owners, through process of law, for a period of at least 25 years. Enforcement through reversion is not desirable. Provisions for extension or modification of restrictions may be provided at their expiration through vote of two-thirds of the property owners.

✓ It is desirable to seek counsel to assure that the restrictions, as written, comply with the laws of the jurisdiction. —

206. CONFORMING TO PLANNING REGULATIONS.

WHENEVER THE SUBDIVISION, OR ANY PART OF IT, FALLS WITHIN THE JURISDICTION OF A CITY, COUNTY, OR REGIONAL PLAN OR OF SUBDIVISION OR PLATTING REGULATIONS OR STATE LAWS, THE DESIGN AND DEVELOPMENT SHALL COMPLY WITH SUCH PLANS, REGULATIONS, AND LAWS.

A well-studied city or regional plan provides for the future growth of the city, its traffic and recreational needs, and is a major factor in establishing and maintaining real estate values.

✓ 207. SUITABILITY OF SUBDIVISION PLAN.

THE SUBDIVISION PLAN MUST BE SUITABLE FOR THE SITE AND APPROPRIATE FOR THE USE INTENDED.

Subdivision layouts are not acceptable if they adversely affect the appeal and marketability of the properties or unnecessarily add to the cost of making the land ready for use.

208. SOUND PROGRAM WITH RESPECT TO MORTGAGE AND TAX INDEBTEDNESS.

THE DEBT FOR WHICH THE SUBDIVISION IS SECURITY, WHETHER MORTGAGES, TAXES, OR ASSESSMENTS, SHALL BE REASONABLE IN AMOUNT. WHERE THERE ARE DELINQUENT TAXES OR OTHER ENCUMBRANCES A PROGRAM SHALL BE SET UP WHICH WILL PROVIDE FUNDS FOR REGULAR DEBT PAYMENTS IN AMOUNTS SUFFICIENT TO AMORTIZE THE DEBT IN A REASONABLE PERIOD OF TIME.

The assessments and taxes to which the property is liable shall be suitable to the type of development contemplated. Improvements should be installed either by the developer and included in the lot price or put in by the local municipality and the cost assessed over a period of years. If improvements are to be paid for in yearly installments, it should be clearly stated in the sales agreement. If property is sold with the understanding that certain improvements will be made by the developer, either a proper proportion of the sales price should be set aside in a trust account for this purpose, or the developer should furnish a bond guaranteeing the fulfillment of his agreement.

PART III

DEFINITIONS

✓ 301. UNDEVELOPED SUBDIVISION.

An Undeveloped Subdivision is defined as a tract of unimproved land which it is proposed to subdivide into smaller parcels and to market as an area predominantly for residential purposes, or a subdivision or portion of a subdivision, either old or new, in which a few houses may exist, which is in such a state of development and unified control as to make practicable major changes in layout, restrictions, or other features.

PART IV**DESIRABLE STANDARDS**

An attractive, promising subdivision will generally exceed the Minimum Requirements which define the lowest level of quality eligible as security for insured mortgages. Here are suggested desirable standards, the attainment of which should result in subdivisions organized to meet the demand and planned and protected so as to produce well integrated, harmonious and stable neighborhoods. Many of these standards suggest merely a more careful study and closer adaptation of the minimum requirements to the subdivision. Such neighborhoods not only provide relatively better mortgage security but greatly enhance the protection of the borrower's equity. Technical Bulletin No. 5, "Planning Neighborhoods for Small Houses", covers in greater detail many of these Desirable Standards.

401. MEASURING AND MEETING THE DEMAND.

The premature, unwise, and purely speculative platting of land that in the past has resulted in losses of hundreds of millions of dollars to purchasers and investors can be avoided through a careful study of the housing needs of the community. Not all subdivision activity has been of this character and there have been excellent examples of orderly, controlled absorption of new land into use and of wisely controlled marketing of new residential areas. In most communities today there is an active and demonstrated demand for homes in certain price ranges and the wise operator will arrange to meet this market instead of risking time and capital on a class of property for which the need is limited or in which the demand is being met rapidly.

Demand may be measured in a number of ways. It may be forecast by evidence of an increasing permanent population growth. It may be indicated by the lack of available dwellings for the class of people for which the new subdivision is intended.

An estimate of demand may be obtained from statistics covering employment, wage scales, city growth, obsolescence of existing structures, percentage of vacant homes, and numbers of dwellings built in recent years and their cost range.

The competition from existing or possible future developments should also be considered when attempting to measure the demand for properties in any particular location.

402. SUITABILITY OF THE SITE.

The greatest care should be taken in selecting a site which has the maximum advantages. Too frequently, a developer endeavors to find a use for a piece of land instead of carefully ascertaining the housing needs of the community and then securing land that will meet that need. The type of property which is suitable to the need and demand should be kept clearly in mind.

(a) LOCATION.

In practically every community there are districts which because of natural conditions, railroads, transportation, improvements or local customs are best adapted for specific land uses such as high priced homes, workers' homes, multi-family dwellings, or for industry. These districts are continually changing. They are never static. The successful operator must carefully study the trends and select land that lies in proper relation to them. A development that is forced is usually not a sound development. The land should be ripe for the use to which the developer intends to put it. Land bought solely because it is cheap is seldom a good investment.

(b) SOIL AND TOPOGRAPHY.

The attractiveness and physical appeal of the subdivision as well as the cost of preparing the land for occupancy depends to a great extent on the soil and topography. Fairly level, well drained farm land lends itself best to lower priced developments where the cost of installing improvements must be held to the minimum. Steep hillsides, rocky shale soil, or heavily wooded areas are expensive to develop for low-priced homes.

Rolling land with patches of woods and broken slopes lends itself to a picturesque development of higher priced homes where the increase in the cost of installing improvements is warranted.

Land on which water stands should be viewed with suspicion for it may cost thousands of dollars to fill and install a drainage system that will fit it for use, and even then there may be wet cellars in the spring or in times of heavy rain.

403. ACCESSIBILITY AND CONVENIENCES.

While it is highly desirable in low-priced developments to be within easy walking distance of employment centers and schools, it may not be possible, especially in our larger cities, to find suitable

raw land so located. It is, therefore, usually necessary to rely on some method of transportation to such points. The adequacy of the transportation and the accessibility of the property must be judged from the standpoint of the use to which the subdivision is to be put. For example, homes for steel workers employed on night shifts may have to be very close to the mills, but homes for office workers may be located much farther from the place of employment.

Because of almost universal automobile ownership, even in the lower income group, and because of facilities for collecting children by school buses, subdivisions may now be located at greater distances from employment and schools than was the case a few years ago. Employment centers and schools, therefore, may sometimes be considered readily accessible although located several miles from the subdivision.

Retail stores and recreation areas for the lower priced homes should be within walking distance. In developments for higher priced dwellings where two cars are customary, the proximity of such features, while desirable, is not a necessary requirement.

404. STREET IMPROVEMENTS AND UTILITIES.

(a) PAVING, WALKS, AND CURBS.

Obviously, all streets need not be designed or improved to care for through or heavy traffic. Paving for minor residential streets bearing purely local traffic may sometimes, if local regulations permit, be of inexpensive material and, depending upon the character of the neighborhood, walks, and curbs, may be omitted in some instances. Where there are five or more houses per acre, walks will usually be found necessary to protect pedestrians from traffic. The minimum walk width should be four feet.

The surfaced portion of minor streets should be at least 18 feet in width, thus providing for the easy passage of two vehicles. In addition to this surfaced strip, it is desirable to have the road bed graded to a sufficient width to accommodate the parking of cars.

(b) STREET TREES AND PLANTING.

The planting of hardy shade trees along the rights of way and in parks and play areas adds greatly to the livability of any subdivision. Restrained, carefully-placed plantings of flowering shrubs and low hedges about the dwellings increase their charm and marketability. Care should be taken to keep high shrubbery well back from the corners of streets so as not to obstruct the view of approaching traffic.

✓(c) **STORM WATER SEWER.**

A storm water system including gutters, catch basins, drainage lines, and culverts is frequently necessary in rolling or hilly country to prevent damage to property from wash.

✓(d) **FIRE PROTECTION.**

Organized fire protection is highly desirable. This may best be secured by a well organized public department together with fire hydrants and an adequate water supply.

—(e) **PUBLIC SERVICES.**

Street lighting, police protection, garbage removal, snow removal, all are added provisions which are highly desirable and often, depending on the location of the subdivision, absolute essentials.

✓(f) **LOCATION OF UTILITIES.**

It is considered good practice to locate sewer and water mains in the streets and to provide a strip for the location of electric and telephone lines at the rear of the lots. A three to five foot easement along the rear lot line is usually sufficient for this purpose. Locating telephone and electric lines in this manner has the advantage of keeping unsightly poles off the street. In some higher priced subdivisions the poles are entirely eliminated by placing all electrical lines in underground conduits.

✓ **405. EXCESSIVE IMPROVEMENTS.**

An excessive provision for improvements as well as inadequate improvements must be guarded against. In many developments the burden of expensive and extravagant improvements has been so great that the resulting assessments have retarded the growth and often caused the failure of the development.

406. ZONING REGULATIONS AND DEED RESTRICTIONS.

Although the Federal Housing Administration is in sympathy with and in favor of carefully studied zoning regulations, there are certain shortcomings that occur so frequently in such regulations that a developer should not necessarily feel that, because his property is in a zoned area, it is adequately protected.

The ease with which zoning regulations can be changed in some communities weakens them as a protective measure.

It is seldom that zoning regulations restrict residential areas to single family use or regulate lot sizes. Therefore, it is clear that zoning regulations seldom provide the full protection that a neigh-

borhood needs to assure its homogeneous development, and that the additional protection provided by appropriate blanket deed restrictions is necessary.

(a) **EXCESSIVE BUSINESS FRONTAGE.**

Many studies have been made by city planners and civic organizations to determine the percentage of area that should be assigned to retail stores and other local service businesses. Fifty feet of store front for each one hundred people served has been frequently estimated as the proper percentage. A distance of a half mile between residences and retail service stores is not considered excessive. It is seldom, however, that zoning maps reflect these findings and in most cities many more miles of frontage have been allocated to store and business uses than can be economically absorbed. The result is long, blighted, and unoccupied strips along our main traffic ways. Such unoccupied and blighted strips very definitely affect the residential values in their vicinity. Because business frontage usually commands a higher speculative price than residential frontage, there is always a strong incentive to set aside an excessive amount of land for such purposes. This short-sighted policy results in vacant lots and abandoned stores and, because of this condition, a decrease in the desirability and value of nearby residential lots.

(b) **DEED RESTRICTIONS.**

In addition to the deed restrictions listed in Part II, Minimum Requirements, developers will frequently find it desirable to establish definite standards of architectural design and the type and quality of construction. They will also desire to control the erection of signs, fences and hedges and other matters.

407. CITY AND REGIONAL PLANS.

The Federal Housing Administration is in sympathy with the movement which has led to the establishment of planning commissions and the development of city and regional plans. While it is required that land developers follow the regulations laid down in such plans, it is highly desirable also that they follow the intent and spirit of the plan.

408. SUBDIVISION DESIGN.

Good subdivision design does not consist of the haphazard cutting up of acreage into the maximum number of small lots. It involves the adjustment and coordination of streets, various types and sizes

of lots, parks, playgrounds, and commercial districts into a satisfactory and complete plan. Such a plan will not only provide the necessary social and aesthetic factors but will assure the maximum number of saleable lots and the minimum cost of installing the improvements that are consistent with decent living.

In planning any subdivision the developer should be guided in the plotting of the property by these considerations:-

✓ (a) The advice and assistance of a qualified subdivision planner will be effective in solving the many technical problems in connection with the plotting and improving of a subdivision.

✓ (b) The city or regional plan should be followed and suitable and generous provisions should be made for the extension of important thoroughfares. *Frederic St.*

(c) Minor residential streets should be designed so as to discourage through traffic, arranged so that the traffic flows toward the thoroughfares and that, as far as practical, the streets intersect at right angles thus eliminating wasteful, pointed lots, and traffic dangers.

✓ (d) As far as practical, the streets should follow the contour of the land.

— (e) Neighborhood store and local commercial sites should be set aside at important intersections and at suitable intervals with generous provision for the parking of cars.

✓ (f) In general, block lengths should not be less than 600 feet nor more than 1,000 feet in length, thus eliminating unnecessary cross streets; permanent cross walks should be provided mid-way when longer blocks are used.

✓ (g) With the exception of row or group houses, lots should tend toward greater width and less depth. They preferably should be not less than 50 feet in width and not deeper than two and one-half times the width.

(h) Rugged broken areas or low land, expensive to develop as home sites, should be dedicated as parks and suitable areas should be set aside for recreational purposes and playgrounds.

(i) Where advisable, appropriate sites for schools, churches, and other community buildings should be provided.

✓ (j) The lot lines should be perpendicular to the streets and corner lots should be generous in width.

✓ (k) Where desirable, the advisability of grouping houses on dead-end streets, or culs-de-sac, thus avoiding noise and traffic hazard, should be considered.

- (l) Where practical, parks, playgrounds, or community gardens should be developed in the interior of the wide blocks.
- (m) With the exception of culs-de-sac, the dedicated widths of residential streets should be a minimum of 50 feet and turns should be provided on dead-end streets or culs-de-sac having a radius of at least 30 feet.
- (n) Alleys, 20 feet in width, should be provided to service row dwellings and commercial areas and, where advisable, multi-family dwellings but they should not be provided in residential blocks of detached homes.

409. FINANCIAL SOUNDNESS.

The financial strength of the developer should be sufficient to provide for all necessary street and utility improvements for the lots being offered for sale together with sufficient working capital to market the subdivision. It is recommended that improvements be installed section by section as the demand warrants rather than for large areas that may take several years to absorb.

If there is a blanket mortgage on the vacant land it must be subject to the restrictions and the due date should be extended, if necessary, for a reasonable period and the release provisions equitably adjusted to guard against the throttling of the development through disproportionate mortgage payments from lot sales.

If there is a large percentage of delinquent purchase contracts, a plan should be set up, through agreement with the subdivider, by means of which such contracts will be restored to good standing or if this is impractical the lots should be repossessed.

410. SPECULATIVE SALE OF LOTS DISCOURAGED.

The object of the Federal Housing Administration's subdivision analysis is to encourage the creation of stable and attractive residential neighborhoods. It seeks to discourage speculative lot sales.

Only such subdivisions as are offered with a definite neighborhood building program will be considered. Developers and operative builders are to be encouraged in the type of enterprise which results in economy of construction, consistency in design, and stability of the community.

PART V**CORRECTING DEFECTS IN EXISTING DEVELOPMENTS**

The presence in the United States of numerous partially developed residential areas and subdivisions that have not been absorbed into general use causes a serious but not insoluble situation. In many cases the possibilities offered by these existing developments permit of a plan for their rehabilitation which when completed will assure a sound development.

Listed below are some of the methods that are being used to bring existing subdivisions up to a standard that will assure the development of good, stable neighborhoods:

- (a) Where a subdivider is still in control, he may redesign and reorganize the subdivision or a part of it on a new and sounder basis by filing an amended plat with the consent of the requisite number of lot owners.
- (b) Where an appreciable number of lots have been sold and strong control is lacking it is sometimes possible to effect a liquidation under which equity and contract holders are bought out and single control reestablished.
- (c) A public agency, such as a city planning commission, or the owners themselves, may initiate and carry through a voluntary replotting arrangement by an exchange of lots.
- (d) Where it is necessary to record new restrictions the consent of all the existing property owners in a subdivision is not always necessary. Frequently, only those owners in the area directly affected need agree to the new restrictions. However, both sides of a street should have similar restrictions and they should apply at least for the full length of a block.
- (e) Where it is extremely difficult or impossible to impose or to change the deed restrictions because of widely scattered ownership, it is sometimes possible, through cooperation with the city or county, to rezone the area in which the subdivision is located and thus provide to some degree the neighborhood protection that was previously lacking.
- (f) The removal of temporary buildings or shacks and the repair of existing buildings may correct what would otherwise be a blight on the proposed re-development.
- (g) The acquisition of an attractive new approach to a property, the dedication of a park, the grading and surfacing of streets or the installation of water mains or sewers, or the temporary operation of a bus line until public transportation can be ar-

ranged are frequently all that is needed to stimulate sales in a previously dormant development.

- (h) Frequently sales can be stimulated and the character of a subdivision established and improved through the construction of several suitable homes so grouped as to form the nucleus of a neighborhood.

PART VI

SUBDIVISION ANALYSIS AND CONSULTATION

Subdivision developers or operative builders are invited to submit their projects to the local Insuring Offices of this Administration. It is particularly desirable that projects be submitted when they are in their initial or early stages of development when alterations in plan, restrictions, etc., can be easily made. This is especially important where it is proposed to develop new areas or where large volume construction projects are being considered.

The Administration will, upon submission of the information requested, be glad through consultation and suggestion to analyze the proposed development and outline the methods which, if followed, will raise the subdivision to a standard which will assure a sounder neighborhood.

Developers who wish this assistance are requested to fill out Form FHA No. 2084 and submit it, with the listed exhibits, to the local Insuring Office.

The Administration emphasizes the fact that these suggestions are made only to be of assistance to the developer and that in no event shall they be construed to bind the Administration to make a commitment to insure a mortgage. The Federal Housing Administration gives commitments only upon application for the insurance of mortgages on individual residential properties when submitted by an approved mortgagee.