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Jan Mayor

Program: Low Rent Public Housing

Nature and Purpose:

This program provides loans or guarantees of loans to local housing authorities to assist them in the development of safe, decent and sanitary low-rent housing projects for low-income families and others who cannot afford standard private housing.

This program also provides annual contributions to local housing authorities to assist them in achieving and maintaining the low-rent character of the projects.

This program provides direct benefits for poverty-stricken people.

This program also provides financial assistance to local housing authorities to assist them in meeting the special housing needs of the low-income elderly.

When providing accommodations designed specifically for the elderly, higher than normal Low-Rent Public Housing Program per room cost limitations are permitted. An additional contribution to the local housing authority (up to \$120 per dwelling unit per year) may be authorized.

~~This is a special program of assistance within the Low-Rent Public Housing Program that provides direct benefits to individuals in poverty groups.~~

Eligibility:

The applicant agency must be a local housing authority established by the local government, under state enabling legislation, to be eligible. The formal application must be approved by the local governing body. The Atlanta Housing Authority operates the program for the City.

Although the program is generally limited to low-income families, single persons are eligible for admission in the case of the elderly, handicapped, and those displaced by urban renewal or other governmental action.

There are only five real factors determining eligibility to live in Atlanta Public Housing:

(1) The applicant must have an address in Metropolitan Atlanta. This does not mean he must have residence for any length of time, but he must be living, upon application, somewhere in the area.

(2) The applicant may not have a net income (determined from gross reported income, employer's records, and including certain deductions for children, health, and other factors) higher than the maximums established by the Housing Authority. These are: for a family of 1 - \$3,000; 2 - \$3,400; 3 - \$3,600; 4 - \$3,800; 5 - \$4,000; 6 - \$4,300; 7 - \$4,400; 8 - \$4,500; 9 - \$4,600; 10 or more - \$4,700. These new maximum income limits were set in December, 1965, and are the first increases since the 1950's. Once eligibility has been found, families may earn more than the maximum and continue occupancy up to certain limits. These continued occupancy maximums are

Eligibility continued:

\$3,750 for one person, rising at increments of about \$300 per person, to a maximum of \$5,875 for a family of 10 or more. Every family moving into public housing must show some source of income whether it be employment, welfare or social security.

(3) Families of 10 or more must receive a special waiver from the authority to be eligible. All other families, meeting other qualifications, are eligible.

(4) Families must pass a police check as to moral character. While past convictions will not prohibit eligibility, being presently wanted for a crime will.

(5) Each family must demonstrate the physical and mental capacity to care for themselves without placing a burden upon the Housing Authority.

In addition, there are two further requirements for the elderly: (a) a doctor's health certificate; (b) a sponsor who can be called in case of death or illness. Finally, first priority in public housing goes to persons who have been displaced by government housing. Although occupancy is 99% full, space is held to a very small degree for such persons. The Housing Authority will also house persons on an emergency basis. 8 or 9 Cuban families are now being so housed.

Rents are determined upon the basis of income, source of income, family size, standard deductions, needs and other variables including the number of children under school age. The minimum rent is \$20 and rent can be as high as \$65 or more. For the elderly the average rent is \$29.00, while the minimum elderly rent in a high rise is \$25.00.

Present Utilization:

8,784 units built, 1140 units in planning, 1200 units reservation made but no planning as yet. Total funds received to date - \$63,808,000.00 for 15 projects.

Name	Units	Funds	Date Built	Race
Techwood	604	2,619,000	1936 ³	W
Clark Howell	630	3,215,000	1940	W
Capitol	815	3,634,000	1941	W (I) ⁴
Grady	616	2,490,000	1942	N
Carver	900	10,200,00	1953	N
Harris	510	6,397,000	1957	W (I)
Perry	1000	9,217,000	1955	N
Bowen	650	9,736,000	1964	N
University	675	2,523,000	1940	N
John Hope	606	2,595,000	1940	N
Egan	548	1,942,000	1941	N
Herndon	520	1,883,000	1941	N
Graves *	210	2,177,000	1965	N
Childs *	250	2,780,000	1965	W (I)
Palmer *	250	2,400,000	1966	W

* Units for the elderly only. There are 2,383 (including those in Graves, Childs, and Palmer) elderly units scattered throughout the projects.

1. Unless otherwise noted, structures are 2 or 3 stories high and do not have hall ways.
2. A high-rise with hall ways.
3. It is interesting to note that in 1941 about 550 units cost 2 million dollars; today 2 million will not build half that many units.
4. This means that the project is predominantly white with a small amount of integration. When (I) is not shown it indicates the project is 100% of the indicated race.

Program: Low Rent Public Housing, "Turnkey" Method

Nature and Purpose:

This is a new technique for the provision of public housing which permits a private developer or builder to deal with a local housing authority in essentially the same way as he is accustomed to deal with his private clients. Under this system, called the "turnkey" approach, a developer who has a site or an option, or can obtain one, may approach the Atlanta Housing Authority with a proposal to build in accordance with plans and specifications prepared by his own architect and to a standard of good design, quality and workmanship. In the event that the developer's proposal is acceptable to the Housing Authority, the parties will enter into a contract under which the Housing Authority agrees to purchase the completed building. This contract will be backed by the Housing Assistance Administration's financial assistance commitment to the Housing Authority, and it will enable the developer to secure commercial construction financing in his usual way.

It is anticipated that the developer will be working with architects, contractors and subcontractors of his own choice and will bring to the Housing Authority the benefits of his experience and know-how in producing the desired housing and related facilities and amenities.

The housing should be suitable, well-designed, and well-constructed, able to stand hard wear for at least 40 years, be designed for economical administration and maintenance, be produced in the most efficient and economical manner, and be located in neighborhoods that will provide a healthful and decent environment and on sites acceptable to the Housing Authority and HAA for low-rent housing. It will be necessary for the developer and the Housing Authority to discuss in general terms the types and sizes (number of bedrooms) of the housing and facilities to be developed. The developer should consult with the Housing Authority from time to time during the course of his planning to insure the acceptance of his plans when they are developed.

In order to promote smaller publicly-owned developments, especially to enable low-income families to live in the same environment with families or individuals of higher income and possibly under arrangements whereby the tenants and the property are not specifically identified as being public or private. For these reasons developers are encouraged to propose sites considered to be too large for exclusively public housing to plan combined private-public developments which will benefit both the low-income tenants subsidized by the HAA through the Housing Authority and the tenants of the developer who may be low, middle, or higher income, depending on financing and economic feasibility. Such a combination could also include cooperative or condominium housing.

Eligibility:

Private developers who have sites or options on sites should contact the Atlanta Housing Authority.

Present Utilization:

None. This should be an excellent means through which to construct in a shorter length of time the 1,200 units for which the Atlanta Housing Authority presently has a reservation.

Program: FHA 221 Mortgage Insurance for Low and Moderate Priced Homes.

Nature and Purpose:

A program of mortgage insurance to assist private industry for the construction or rehabilitation of individual sales housing, and for the purchase and repair of new or existing multi-family units (up to 4-family units) that are to be sold or rented to low-income families.

The program provides housing for families displaced by urban renewal or other government action. Also for families with low or moderate incomes and elderly or handicapped persons.

FHA does not grant mortgage insurance directly to the contractor. Instead upon approach by a contractor, and following approval as to property standards, location, need, etc., the FHA issues a commitment to the contractor to issue 221 mortgage insurance to the buyers of the homes once they are built. The contractor then finances his operations as normal on the private market.

221 mortgage insurance is also available for non-new construction when an individual is buying a house and rehabilitating it to live in. The same eligibilities and down payments apply.

Normally, the FHA mortgage insurance will be for all costs. However, if construction has started on the house before the 221 insurance was received, the mortgage insured cannot be for more than 90% of value. Additionally, if the borrower is not to be an owner-occupier (for example, a person renting housing or multi-family units), or if he is refinancing the property, the mortgage cannot be more than 85% of the amount insurable for an owner-occupier, or 85% of the property value, whichever is less.

Normally, the maximum mortgage term is 30 years. However, it can be increased to 40 years when:

- (a) in the case of a displaced family, the FHA determines the mortgagor cannot make the required payments on a shorter-term mortgage,
- (b) in the case of other mortgagors, the mortgagor is the owner-occupant and the FHA determines he can't make the necessary payments in a shorter-term mortgage, provided the house was approved by FHA or VA before, and inspected during, construction.

Normally, builders have sold homes at a price allowing for the maximum mortgage to cover the purchase price. Therefore, the average purchase price would normally be the maximum mortgage to cover the purchase price. Therefore, the average purchase price would normally be the maximum mortgage plus \$200 for certified buyers or plus 3% for others.

In Atlanta the maximum mortgage has risen as the national maximum has risen. However, as the maximum mortgage in

Nature and Purpose continued:

1958 was \$11,000 and today it is \$12,500, the average purchase price can be said to have been from about \$11,200 to \$12,700 for certified buyers and from about \$11,330 to \$12,850 for other buyers.

It should be noted that mortgages on the multi-family rental housing or homes rented under this program are all at the established FHA interest rate (5 3/4%) and that on this housing there are no income limitations on occupants as there are on the below-market interest rate housing under 221(d)(3).

Eligibility:

Priority is given to families who are qualified on credit, family-related by blood, and certified by the U.R.A. as being displaced by governmental action. These persons can pay a minimum \$200 down payment. Other persons who are not families but are over 62 years of age or physically handicapped can, if otherwise qualified, qualify for the minimum \$200 down payment, or \$400 for a two-family dwelling, \$600 for three, \$800 for four. All other persons, if they are families or over 62 or handicapped are eligible for 221 home mortgage insurance but only for single family units, but they must pay down 3% of the total acquisition cost of the home -- which would be about \$375.00 today as the maximum mortgage insurable in Atlanta under 221 is \$12,500. Non-certified families are allowed to purchase 221 housing because, although the program is intended for displaced persons, the FHA desires to see all units, constructed with FHA encouragement under 221, purchased.

Present Utilization:

From 1935 through 1965, 3,831 home mortgages have been issued under this program at a value of \$37,991,450. In 1965, 252 home mortgages were insured for construction under 221 at a value of \$2,565,900 (these figures included in 1935-65 total above). In 1965, 69 home mortgages were proposed for construction, but as of January 1966, not constructed, for a total of \$769,000 (not included in 1936-65 total above). These totals include 221 new sales housing, homes bought and rehabilitated under 221, and homes bought and rehabilitated by a non-occupant under 221. These figures are for the standard Metropolitan Atlanta area. There has not been any market-rate 221 mortgage insurance for multi-family housing (up to 4-family units) in Atlanta as of January, 1966.

Program: FHA 221(d)(3) Mortgage Insurance At Below
Market Rate Interest For Rental and Cooperative
Housing For Families of Low and Moderate Income

Nature and Purpose:

There are a number of families whose incomes are too high for public housing, but not high enough to compete for adequate housing in the private market. Some of these families have been forced into the market because of urban renewal or other governmental action.

To help these families obtain housing at prices they can afford, the Federal Housing Administration insures mortgages on special terms under the provisions of Section 221(d)(3) of the National Housing Act.

To keep the rents within the means of the people for whom the housing is intended, the Act authorizes a mortgage interest rate below the current market rate on FHA-insured mortgages.

Priorities for occupancy are given to families displaced by governmental action. Other families whose incomes are within the limits established by FHA also can qualify for occupancy, as can single elderly or handicapped persons.

Proposed new construction, and existing properties requiring rehabilitation, with five or more units may be eligible for mortgage insurance.

A mortgage insured under Section 221(d)(3) may carry a market interest rate (at the present time not more than $5\frac{1}{4}$ percent), or a below-market rate.

Under these provisions, the interest rate during construction may be as high as the established FHA maximum interest rate at the time of construction. Upon final endorsement of the loan, the interest rate will be lowered to 3 percent. FHA waives the mortgage insurance premium of $\frac{1}{2}$ percent for projects with this low interest rate.

For public agencies, cooperatives (including investor-sponsored), and non-profit sponsors, mortgages on new construction may not exceed the replacement cost of the project; on rehabilitation projects, the estimated cost of rehabilitation plus the value of the project before rehabilitation; or if refinancing is involved, the estimated cost of rehabilitation plus the amount required to refinance the out-standing indebtedness. For limited-distribution mortgagors, mortgages may not exceed 90 percent of these amounts.

The mortgage on any project is further limited by such factors as family income limits established by the FHA, and debt service considerations.

Nature and Purpose continued

The maximum mortgage term is 40 years or three quarters of the FHA estimate of the remaining economic life of the property, whichever is less. The maximum mortgage amount is \$12,500,000. The mortgage on any project is limited by construction costs and median income figures established by FHA for the area. Information regarding these limitations for a particular area may be obtained from the local FHA insuring office.

Public and private limited distribution projects: If advances are to be insured during construction two percent of the original principal amount of the mortgage will be required as working capital. This fund must be deposited with the mortgagee by the mortgagor and must come from sources other than mortgage proceeds.

Private nonprofit projects: An allowance of two percent to make the project operational, in lieu of working capital, may be included in the mortgage.

With respect to rent, carrying charges, and occupancy requirements, FHA controls will be maintained until the insured mortgage is paid in full. To prevent early refinancing and release of FHA controls, full or partial pre-payment of the insured mortgage without approval of the FHA Commissioner is prohibited, except that limited distribution mortgagors may pay in full after 20 years from the date of final endorsement without such approval.

All housing financed under the program must operate in accordance with regulations as to rentals, charges, methods of operation and occupancy requirements set forth by the FHA.

Occupancy is limited to families and to elderly or handicapped individuals of low and moderate income, with preference being given to displacees.

Projects may be sold only with the prior approval of FHA and subject to prescribed conditions.

Eligibility:

Projects may be developed by public agencies (except local housing authorities that obtain their funds exclusively for public housing from the Federal Government) or by co-operatives (including investor-sponsored), private nonprofit corporations or associations, or limited distribution corporations, or other mortgagors approved by the FHA Commissioner.

A nonprofit mortgagor is a corporation or association organized for purposes other than the making of profit for itself or persons identified with it and found by FHA to be in no manner controlled by or under the direction of persons or firms seeking to derive profit from it.

Eligibility continued

A builder-seller mortgagor is a special type of limited distribution mortgagor organized to build or rehabilitate a project and sell it, immediately upon completion, to a private nonprofit organization at the certified cost of the project.

A public mortgagor is a Federal instrumentality, a State or its political subdivision, or an instrumentality of a State or of its political subdivision, which certifies that it is not receiving financial assistance exclusively for public housing from the Federal Government and which is acceptable to the FHA.

A limited distribution mortgagor is a corporation restricted as to distribution of income by the laws of the State of its incorporation (or by FHA) - or a trust, partnership, association, individual, or other entity restricted by law or by the FHA as to distributions of income - formed exclusively for the purpose of providing housing and regulated as to rents, charges, rate of return, and operating methods in a manner satisfactory to the FHA.

A cooperative mortgagor is a nonprofit cooperative ownership housing corporation approved by FHA. Permanent occupancy is restricted to the members, and eligibility and transfers of membership are subject to FHA controls.

An investor-sponsor mortgagor is a special type of limited distribution mortgagor organized to build or rehabilitate a project and transfer it to a cooperative. If the project is not sold to a cooperative within two years after completion, the investor sponsor will operate it as a limited distribution corporation, for the purposes authorized.

To live in these low rent projects, families must be making less than \$5,250 per year. It should be noted that these income limitations do not apply to regular 221 housing.

This is a maximum income limitation which varies by family size. There is no absolute minimum but a minimum net income after taxes and obligations, which varies by the type of apartment involved and the types of obligations outstanding, is required.

Priorities are given to families certified by U.R.A. as displaced by government action. For individuals to be eligible, they also must have sufficient financial capacity and be blood-related (except for persons over 62 or the handicapped). There are no minimum income limits, but each family must pass a credit check to show they can afford the housing.

Present Utilization:

A total of 16 projects, providing 2,071 units have been built, are under construction, or in planning in Metropolitan Atlanta. Those projects, status and rental ranges and income limitations follow:

OccupiedWheat Street Gardens

323 Irwin Street, N.E.

Sponsor: Church Homes, Inc. (Private, nonprofit)

280 units - \$2,975,000 - Opened 1965

Rental Housing

Income Limits: 2 persons - \$5,650
 3 & 4 - 6,650
 5 & 6 - 7,650

All 2 bedroom apartments, unfurnished, light, gas and telephone additional.

Rents: Upstairs - \$69.50 month
 Downstairs - 72.50 month

Allen Temple Apartments # 1

11 Allen Temple Court, N.W.

Sponsor: Allen Temple Church (Private, nonprofit)

150 units (10 buildings, 15 units each), financing not yet closed - Opened December, 1965.

Rental Housing

Income Limits: 2 persons - \$5,250
 3 & 4 - 6,650
 5 & 6 - 7,150
 7 or more - 8,500

2 and 3 bedroom apartments, unfurnished. Light, gas and telephone additional.

Rents: 2 bedroom on terrace \$62.00 month
 2 bedroom 1st and 2nd fl. 65.00
 3 bedroom on terrace 72.50
 3 bedroom 1st and 2nd fl. 75.00

Eastwyck Village

2892 Eastwyck Circle, Decatur

Sponsor: FCH Company, Inc. (Foundation for Cooperative Housing, Stanford, Conn.) (Private, nonprofit)

6 sections, 441 units - \$5,373,400 - Opened 1965

Cooperative Housing

Income Limits: 1 person \$4,650 (must be over 62 years)
 2 5,650
 3 & 4 6,650
 5 & 6 7,650
 7 or more 8,650

Eastwyck Village continued

Furnished apartments. Water, sewerage and garbage are \$3.70 additional.

Payments:

1 bedroom	\$53.00 month
2 bedroom	69.00 month
2 bedroom, 1½ baths, basement	- \$79.00 month
3 bedroom	77.00
3 bedroom, 1½ baths, basement	84.00
4 bedrooms, 1½ baths, basement	94.00

Under ConstructionAllen Temple Apartments # 2

11 Allen Temple Court, N.W.

Sponsor: Allen Temple Church (Private, nonprofit)

225 units, completion early 1967

Rental Housing

Income Limits: Same as Allen Temple Apartments # 1

Rents: Same as Allen Temple Apartments # 1

Cambridge Square

3061 Oakdale Road, Doraville, Georgia

Sponsor: FCH Company, Inc. (Private, nonprofit)

134 units - completion March 1967

124 units - completion September, 1967

Cooperative Housing

Income Limits:	1 person	\$4,350 (must be over 62 years)
	2	5,250
	3 & 4	6,200
	5 & 6	7,150
	7 or more	8,050

Unfurnished apartments. Water, sewerage and garbage are an additional \$3.70 charge

Payments:	1 bedroom	\$58.00
	2 bedroom	69.00
	2 bedroom, 1½ bath, basement	79.00
	3 bedroom	79.00
	3 bedroom, 1½ bath, basement	86.00
	4 bedroom, 1½ bath, basement	97.00

In Planning or discussion:Wheat Street Gardens (addition)

323 Irwin Street, N.E.

Sponsor: Church Homes, Inc. (Private, nonprofit)

240 units in planning, construction to start spring 1967

(will probably be mostly 3 bedroom apartments)

Rental housing.

In Planning or discussion continued

College Plaza

97 units in planning, commitment issued (but, because rent values were too low, might be reconsidered), no construction plans yet.

Ballard Heights

84 units in planning, no formal application yet

Halycon

200 units in planning, no formal application yet

Park West

96 units in planning, no formal application yet