

March 25, 1968

Mr. Ray Moore, Director of News
WSS-Television
1601 West Peachtree St., N. E.
Atlanta, Georgia 30309

Dear Ray:

Your letter of March 14 requesting material for television spots to encourage private firms, especially churches, to participate in sponsoring non-profit housing projects has not been overlooked. With everything else I have to do in this one man office, I am just now getting around to this item.

It is difficult to condense in a page or two much of what might be said to support this venture. Therefore I am enclosing some material which I consider pertinent to the issue i.e. (a) A list of churches and other non-profit groups in Atlanta which are sponsoring, or expressed interest in sponsoring, low-income housing. (b) A bulletin from Interfaith Inc. (c) A pamphlet entitled "The Church and Not-For-Profit Housing". (d) Brochure on a 221 d (3) Co-op housing project being built now in the West side of Atlanta, South of Boulder Park Drive, off Cushman Circle. This project is being sponsored by FCH (Foundation for Co-operative Housing Services Inc.) a national non-profit organization.

When you look at the prices for which these units are being sold I think you will agree with me that this provides more housing for less money than any other program in existence today.

Some other significant points which I feel are in favor of the non-profit 221 d (3) program are these: (1) The Co-op program provides for home ownership, a very desirable and stabilizing influence for medium income families. Not one of these projects has yet required foreclosure and in most cities they have been spared from riot damage. A pro-rata share of the taxes and rent on the entire project is tax deductible to the owners of co-op units. (2) The Rent Supplement program fills the monetary gap between Public Housing and rentals through private enterprise in the open market for medium income families. It also encourages construction of substantial units (better than the lowest cost units) in that maximum authorized rents, of which the tenant pays 25% of his income, are \$85 for efficiency units, \$105 for one bedroom, \$120 for two bedrooms and \$140 for three bedrooms or more. The tenant's portion of the subsidized rent fluctuates with his income and he may remain in occupancy even when his income rises to the point that he pays all of the rent with no subsidy. (3) The market interest rate and 221 d (3)

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Limited Dividend projects permit profit to be made by the sponsor, in accordance with his cash equity in the project. (4) The below market interest rate (3%) permits construction of better units for less rentals than could be obtained under conventional financing at 6-7 $\frac{1}{2}$ %. (5) Last but not least, the 221 d (3) programs keep the projects on the tax digest of the City, which is not true of Public Housing or Turnkey projects.

I hope that this material will be helpful. Please call on me if you desire further information.

Sincerely,

Malcolm D. Jones
Housing Coordinator

Encls: As Listed

cc: Mr. Dale Clark (by request)