

HOUSING RESOURCES COMMITTEE

February 7, 1968

An Analysis of Atlanta's Low-income Housing Program  
and Proposed Procedures for Its Improvement

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Although the most recent report (copy attached) of the Housing Resources Committee on the status of the Low-income Housing Program shows good progress to date, the cream has already been skimmed from the initial potential and prospects for the future of the program look extremely dim.

This analysis is lengthy but is justified by the gravity of the current situation and the necessity for adequately explaining each of the features proposed herein.

There is no need to dwell here on the major problem areas involved such as neighborhood objections, zoning, Federal policy, funding, etc., as we all are quite familiar with them. The resulting effect however is very disturbing.

Substantial land promoters, developers, and builders on whom we must rely for actual developments are losing interest in the program and are directing their major efforts elsewhere and in other fields not involved with the difficulties encountered locally in attempted production of low-income housing. Without their continued active participation it will be extremely difficult to meet the already established goals for the program (and it now appears that even these goals may not be adequate).

Our policy to date has been to follow prevailing established procedures by depending on the land promoters and developers to select the sites, take options on the land, attempt to get it rezoned if required and then develop the site. This procedure places the entire initiative on private enterprise and leaves in their hands primary responsibility for overcoming neighborhood objections and political resistance. This is good, if it works, but frequently it does not work. This also habitually places the City in a vulnerable defensive and embarrassing position, if the efforts of private enterprise do not succeed, and discourages other developers. This is happening entirely too often for continuation of a healthy progressive program which is sorely needed in Atlanta.



Instance after instance can be cited where the above has occurred. Some of the more prominent specific cases which have suffered or failed under this policy are: Browntown, Butler Street YMCA, Sewell Road, Browns Mill Road, Empire Drive, Golfview, Wilson Mill Road, East Lake #2 and Wellswood Apartments sites. (The last one was considered under the leasing program.)

In fact, most of the 8,266 units proposed, which did not materialize (see Note A of Low-income Housing Inventory Report of January 15) can be attributed to strong objections from one or more groups under our current private enterprise sponsored, hit or miss, development procedure.

The availability of land, one of the critical elements, which can be obtained at prices developers can afford to pay and still make a profit from their venture, is rapidly becoming a vital issue within the City limits of Atlanta. This factor alone is primarily responsible for the lack of current development in single family sales housing for low and moderate income families, although there is a great demand and substantial market for this category of housing in Atlanta.

The rapid growth of the City and phenomenal rate of new construction is fast limiting the desirable sites on which low-income housing can be located in Atlanta, from both an economic and public relations standpoint.

It is evident that in the past the procedure of letting nature take its course by depending entirely on private enterprise to initiate proposed locations for low-income housing and then carry the ball on obtaining the necessary approvals and zoning changes, is not adequate to insure success of the Low-income Housing Program. This is particularly true of Turnkey sites for Public Housing.

A few specific examples clearly illustrate this:

(a) Attempted rezoning of the Browntown site for 450 units under the Turnkey program has been delayed until July 1, 1968 for further consideration at that time as to positive provisions for the timely construction of essential community facilities, one of which is an Elementary School to be built on the project to serve it and another anticipated low-income housing project in the same general area. In anticipation of the rezoning it was understood that the School Department would place this school in top priority on its proposed bond issue for the Spring of 1968. However, since the rezoning last fall did not go through when expected and has been definitely delayed until at least July 1968, the School Department has now changed its priorities so as to accommodate those projects which are already definitely approved, under construction or where plans for early



development are actually progressing satisfactorily. This change in the School Department's position is justified and understandable. However, as far as this particular school is concerned, it does not bring the Browntown site any nearer to fruition. It is also likely that plans for improved sewer facilities for this area will not have as high priority as would have been the case, if the proposed zoning had already been approved.

(b) A similar situation also applies to the Butler Street YMCA site on Hollywood Road in the same general area and which is equally dependent on the proposed Elementary School discussed above and improved sewer facilities.

(c) The Sewell Road project is a typical example of an excellently planned and designed Turnkey project for Public Housing which was well located and adequately isolated and screened, but which went "by the board" as a result of pressure of public opinion from the neighborhood.

(d) Another instance is the requested rezoning for a proposed 221 d (3) project on an excellent site on Wilson Mill Road, immediately across from a developed City park, and where other adequate community facilities exist. It received an adverse recommendation from the Planning Board, supported by a recommendation of the Planning staff, because of anticipated objection from residents of the neighborhood.

(e) One well known out of town developer, highly recommended by FHA, after having to give up three proposed developments in DeKalb County because of DeKalb's lapse of its Workable Program, subsequently filed applications with FHA for three substantial projects in Atlanta under the 221 d (3) program. All three applications were later withdrawn. It is understood that two were withdrawn because of neighborhood resentment, which he experienced early, and anticipated rezoning difficulties. The third proposed project, for which the site was already zoned appropriately, was given up primarily because of high land costs and partially because of anticipated neighborhood resentment, plus economic problems encountered in trying to design and develop a creditable project which would overcome the other difficulties.

The foregoing are typical illustrations why previous used and long established procedure is not working adequately for the Low-income Housing Program.

The success of this program is as important to the future well being of Atlanta as the School, Sewer, Traffic, or Parks programs and should be approached with the same considerate deliberation and coordinated planning as has been found necessary and which is currently being pursued in other City programs.



After careful consideration of the foregoing factors and based on experience with low-income housing in Atlanta for several years, it appears that some new procedures are practical and would be helpful. However, diligent effort will continue to be made under the current procedure, until it is changed.

Recommend that the following additional procedures be adopted as soon as possible:

1. Written recommendation from the Mayor to the local Director of FHA that the maximum limits for FHA mortgage insurance under the 221 d (2) program in the Atlanta area be increased from the current \$12,500 to \$15,000; to compensate for increased cost of land and construction since the present ceiling was established several years ago.

(This should provide additional flexibility and incentive to builders to construct and market single family sales housing in Atlanta under the 221 d (2) program. Activity in this field has been quite dormant since the Low-income Housing Program started. It is one of the most needed categories, for which there is a strong demand and adequate market. Home ownership should be encouraged whenever possible, as it is one of the most stabilizing factors for low and moderate income families).

2. To supplement the above, adopt an additional Single Family Dwelling Zoning District in Atlanta, to permit erection of dwellings having a minimum of 720 square feet floor area, on minimum size lots of 5,000 square feet and with minimum frontage of 50'. Similar proposals have been previously made to the Administrative Assistant and to the Director of Planning.

(This would permit an increase of 50% in current density of the 221 variety house for which the currently applicable R-5 zoning district requires 7,500 square feet of lot area, 810 square feet minimum floor area and a minimum frontage of 60'. This additional zoning district would provide ample land area for houses in this category and in the price range of the 221 d (2) program).

3. Request HUD to modify its current FHA policy by permitting mortgage insurance under its FHA 221 insured mortgage program in areas which do not now have certified Workable Programs, when such developments will serve to alleviate unsatisfactory and overcrowded housing conditions in areas such as Atlanta which do have certified Workable Programs in effect.

(Although the purpose of the current restrictive Federal policy in those areas was well intentioned and expected to serve as an incentive to those areas to establish



Workable Programs, the actual results have boomeranged by excluding construction under this type financing from neighboring areas (which incidentally are apparently desirous of having it excluded) and thereby placing increased low-income housing burdens on communities, such as Atlanta, which do have Workable Programs).

4. Modify the current Zoning Ordinance to permit structural changes in non-conforming residential dwellings in other zoning districts, when necessary in order to meet requirements of the Housing Code.

(This is not permitted now and serves to perpetuate unsatisfactory and sub-standard housing conditions in many areas of the City, which in the past have been prematurely zoned for uses other than residential and which will probably continue to be so used for the foreseeable future. In many of these areas improvement is stagnating because of the fact that existing residential buildings cannot be structurally altered and if demolished another can not be built in its place, plus the past difficulty of obtaining financing in these areas for housing improvements, due partially to the zoning restrictions, and of the problem of private enterprise in assembling tracts in these areas of sufficient size and price to justify substantial development).

5. As a companion measure to the above, eliminate from the Housing Code Enforcement Map and Policy and Procedure Guide all so called "Clearance - Code Enforcement" Area classification and place all of these areas in top priority for strict Housing Code Enforcement on a house-by-house basis, except where formal application has been submitted for a Federal assisted project for the area or other planned development is eminent.

( Although some modification was made during 1967 in Housing Code Enforcement policy, the current policy in these areas of which there are many in the City, for practical purposes is still essentially one of containment, in that Code Enforcement in these areas consists of:

- (a) Placard where warranted and seek demolition
- (b) Correct hazards
- (c) Reduce overcrowding
- (d) Vacate unfit units
- (e) Clean up premises

Under existing policy, there is no specific requirement or priority in these areas, which contain much of the worst housing in the City, for bringing all dwelling units into strict compliance with the Housing Code.)



(Furthermore, the theory of clearing such areas through Housing Code Enforcement is a fallacy and is a long drawn out, impracticable as well as unprofitable procedure, in that the Housing Code is not, and never was intended to be, a punitive or clearance weapon, but rather a tool to encourage, improvement and with which to maintain good standard housing conditions throughout the entire City. The so called "Clearance-Code Enforcement" areas are extremely difficult to operate in and have been generally neglected in interest of obtaining more compliances in less difficult areas where violations are less serious and compliance is much easier to obtain. Early improvement of substandard conditions in existing housing in these worst areas would materially relieve the long range burden on the Housing Resources Committee of providing adequate new standard units for many low-income families, for which the existing housing in many instances in these areas could be made adequate.)

(The financial burden or even hardship, on the owners of these properties for bringing them in to compliance with the Housing Code would be no greater than it is now and has been in other areas of the City, where the Code is being strictly enforced on a house-by-house basis.)

6. Modify existing local building codes to permit erection of prefab residential construction, to include preassembled plumbing, electrical, and heat facilities, when it has been determined that the materials and workmanship are satisfactory and can be inspected during assembly at the factory.

(The application of assembly line procedures and techniques to mass production of low-income housing is as essential today as the assembly line procedure has been to the automobile, major electrical appliances, prefabricated kitchen cabinets and other similar products, if we are going to meet the current day's needs in low-income housing.)

7. Encourage prompt formation of a Non-profit Housing Development Corporation, having a city-wide scope of operation, to assist development of low-income housing. Such a corporation could provide much needed seed money on a loan basis to local neighborhood non-profit sponsors; bank land for future low-income housing projects; and lend technical and other assistance in promotion of low-income housing developments.

(The formation of such a corporation is well under way through the efforts of the Finance and Non-profit Funds Panel of the Housing Resources Committee. This corporation is much needed in Atlanta now. A revolving fund in the neighborhood



of 1-1½ million dollars could probably be procured through loans of perhaps ten year duration from Private Enterprise at low interest rates, with principal repayable as available. This money would serve to finance activities of the Corporation on a revolving basis, in a manner similar to procedure which is being successfully used in Hartford, Connecticut and several other cities.)

8. And almost last but not least, recommend that suitable sites be carefully selected jointly by the Housing Resources Committee and the Planning Department, in all four geographical quadrants of the City (not necessarily equal distribution) sufficient in number and size to bring the current Low-income Housing Program up to 20,000 units; that each of these sites be earmarked for Public Housing under the Turnkey or conventional program, housing under the FHA 221 insured mortgage program or conventionally financed similar priced construction; and that special effort be made to rezone these sites simultaneously in one package; with the help of wide-spread, well placed and carefully selected public support and on the condition that low-income housing will eventually be constructed on these sites when adequate community facilities will be available. The plan should include several areas for a reasonable number of single family sales houses.

(It is believed that this approach can be successful, if careful attention is given to selecting sites which will serve the intended purpose, but which are most likely to be the least controversial (omitting those which are obviously likely to arouse strong community resentment). This procedure has recently been resorted to in New Orleans for Public Housing, after site selection by private enterprise failed. This would spread the locations and not concentrate the bulk of such housing on two or three sites which are likely to be particularly controversial, and on which it would not be wise to concentrate large numbers of low-income families, even if appropriate zoning could be obtained.)

(There are sufficient sites in the former category. Many of these sites, if appropriately developed, would excellently serve the needs of low-income families and at the same time would materially improve the areas involved. In several instances these are areas in which low-income families already reside and will probably continue to do so for a long time, but in which current densities can be increased and the environment improved.)

(Still, other areas to be considered should be those located where nice well planned low-income housing developments would improve the area, should promote a minimum of criticism from the residents of the community and locations that are not likely to be developed in the near future for better or higher use.



In some instances however, this will require modification of current policies and thinking of some planners as to zoning classifications for such locations, by permitting a mixture of uses in the general areas involved rather than continuation of all single family Residential or all Industrial or Commercial as the case may be.)

9. When the proposed rezoning of suggested sites is accomplished, then concentrate on coordination of all Departments and Agencies involved in planning for the proposed developments to provide necessary Community facilities simultaneously with scheduled development of the low-income housing. This is possible and offers the best opportunity for getting what is needed in the nature of Community Facilities at the time it is needed to serve the proposed developments. Two good examples of where such coordination efforts have recently worked successfully are:

(a) The arrangements made for extension of Cleveland Avenue to serve the proposed Golfview development project; and

(b) The compromise recently worked out satisfactorily between the developers and the Water Pollution Control Division for sewer service at an extremely early date for the proposed Bankhead Highway Turnkey project.

10. In order to speed up development on land in Urban Renewal projects sold to developers, recommend that the period allowed between award on bids and beginning of actual construction be reduced from the current permissive time of one year. It appears that 6-9 months should be ample.

(Examples of disturbing delay are the Ebenezer Baptist Church project and, to a somewhat lesser degree, the Rockdale project; whereas planning for the Friendship Baptist Church project is much further along, which illustrates that others could do likewise.)

All of the above explained procedures are believed to be feasible and if adopted should insure completion of the established goals in the Low-income Housing Program within the time allotted and with a minimum of difficulty and disagreement between those involved in accomplishing the Program.