

March 25, 1968

MEMORANDUM

To: Mayor Ivan Allen, Jr.

Mr. Cecil A. Alexander, Chairman  
Housing Resources Committee

Mr. Charles A. Mueller of Charles A. Mueller Companies, Jonesboro, came in to see me last week relative to utilization of houses for the City's Low-income Housing Program which are being condemned and sold in connection with expansion of the Atlanta Airport.

Mr. Mueller has proposed that these houses be bid in, as currently being done, moved into the City of Atlanta, placed on new foundations on either existing single family lots or in small Subdivisions on appropriately zoned and priced raw land, completely rehabilitated and then sold under FHA 20-year insured mortgages, on which FHA is apparently willing to cooperate.

These houses could thus provide home ownership for medium income families, or better homes than can be built today for higher costs. There are apparently several hundred of these houses available or to become available soon, consisting mostly of houses in the \$10 - 18 thousand class having 2-3 bedrooms with 800-1000 square feet of liveable floor area.

A number of these houses are reported to have recently been moved to Griffin, reerected and financed through FHA insured mortgages in a manner similar to this proposal.

FHA makes three inspections of each house i.e. (1) Appraisal inspection of the house before removal and inspection of the lot on which it is to go; (2) Footings and foundations on which the house is to be erected; and (3) Final inspection after complete rehabilitation.

Mr. Mueller's rough estimate of approximate top cost involved runs something like this:

Initial Cost	\$ 1,500
Moving Cost	500
Lot (Improved)	2,000
Foundation and Rehabilitation	3,000
FHA fees, taps and closing costs	500
Builder's overhead and profit	2,000
Total Selling Price	\$ 9,500

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Mr. Mueller advises that he is able, willing and ready to inter into this operation either on his own or preferably in connection with the City of Atlanta or a non-profit corporation, to purchase the houses, procure the sites and advance the interim construction money, if the City is interested and provided he can obtain in advance the City's blessing on this general idea and assurance of the City's cooperation on the undertaking.

This proposal seems to have considerable merit and its execution appears feasible. Any positive advantage to be derived from this proposal will require quick action as many of the houses are being sold now.

Recommendations:

(1) That this office be authorized to encourage Mr. Mueller to pursue this proposal promptly and vigorously.

(2) That the Land Department and the Building Department be requested to cooperate with Mr. Mueller on this project.

(3) That the newly created Non-profit Housing Development Corporation be requested to take this on in cooperation with Mr. Mueller, as its initial project, for erection of these houses on existing vacant single family lots, many of which now exist in the core area of the City and on appropriately located and suitably zoned undeveloped land.

Sincerely,

Malcolm D. Jones  
Housing Coordinator

cc: Mr. Dan E. Sweat, Jr.