

SUBJECT: ADDENDUM
DEVELOPMENT COMPETITION ON FEDERAL SURPLUS
LAND TO MEET CRITICAL NEEDS
GA. R-22 - THOMASVILLE URBAN REDEVELOPMENT AREA

Dear Sir:

This letter constitutes an Addendum to an Invitation to Buy and Develop land in the Thomasville Urban Redevelopment Area, Project Georgia R-22, dated June 10, 1968. The Offering is an invitation to bid on a development competition encompassing approximately 96 acres of Federal Surplus Land lying in two parcels designated BB-1 and CC-1. The Offering states that proposals will be opened September 5, 1968. The opening date is hereby changed to OCTOBER 24, 1968 at 10:00 A. M. at the offices of the Atlanta Housing Authority, 824 Hurt Building, Atlanta, Georgia, 30303.

The Housing Act of 1968 contains provisions which prospective Redevelopers may wish to use in this competition. It is anticipated that most of the pertinent details concerning this Act, and particularly Sections 235 and 236, will be known within the next few weeks. It is anticipated also that the supplemental Appropriations Act, funding the new Sections, will be passed on or before October 1. We are announcing the new bid opening date of October 24, 1968, to provide an opportunity for Redevelopers to submit proposals based on the possibilities provided in the new Housing Act.

During the past several weeks a number of prospective Redevelopers have asked questions, the answers to which we believe should have general circulation. These answers are to be considered Addenda to the Offering, and are as follows:

(1) The price for the land offered has been questioned. In clarification, we point out that it is our desire that the Redeveloper should have the most complete freedom possible in his approach to land use. Some commercial land will be necessary to serve the convenience needs of the immediate neighborhood. We have limited this to six acres. Part of this six acres may be utilized for service stations located near the on and off ramps of the Lakewood Extension Freeway, which use would increase the value of the commercial land greatly. The commercial usage should be subordinate to the shopping center to be built at the corner of Moreland Avenue and McDonough Boulevard.

It is our belief, shared by FHA, that the land for lowest income housing should be included in housing development costs at the lowest possible value in order to achieve the lowest possible rents or sales prices. For that reason, we have stipulated that this land would be accepted by FHA at a maximum value of \$4,500 per acre for Section 221 d(3), Section 235 and Section 236 developments. The remaining residential land might be acceptable for mortgages under other programs, including conventional financing, at a somewhat higher value.

When the foregoing considerations are lumped together, we arrived at an average price per acre of \$7,650. We believe that the Redeveloper and his advisers should be able to allocate values to individual portions for each portion. We realize that this (average price of \$7,650) approach to the sale of land will mean that the Redeveloper will need more than usual capital since he will buy residential land prior to the purchase and development of the commercial land. It is our hope that this disadvantage will be outweighed by the many advantages gained by having complete freedom to develop land uses for the total area.

(2) The Offering requires development of 300 dwelling units available to the lowest income families. The wording "lowest income families" is deliberate, and is in contrast to the words "low-rent public housing". It is our belief that the use of Section 221 d(3) in its various applications, Section 235 and/or Section 236, together with use of the Rent Supplement Program, can provide for many of these families. It may be that

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Some quantity of low-rent public housing may be found necessary. Each prospective Redeveloper should analyze this phase of the development in order properly to arrive at a solution. It is our hope that no low-rent public housing will be necessary to meet this goal of the development. However, if public housing, either Turn-key or preferably Leased, is considered necessary, it should not exceed 50% of the 300 dwellings. } ?

Our analysis of the low-rent public housing situation in Atlanta, as it concerns high-rise for elderly, leads us to the conclusion that this type of public housing would not be acceptable in this development. We do not, however, rule out high-rise for one and two person families financed through other programs. } ?

- (3) After the bid opening, all proposals will be delivered to a Jury composed of nationally recognized authorities in the field of housing. The Jury is being supplied with the same information as that supplied to prospective Redevelopers. This Jury will review all proposals and will select the successful proposal to recommend to the Housing Authority Board of Commissioners for the award.
- (4) It should be apparent from the foregoing that the criteria for judging the proposals will be based solely on the written information which has been supplied both to the prospective Redevelopers and to the Jury. The types of questions, therefore, that our staff is prepared to answer relate to the methods of submitting proposals rather than to the contents of the proposals.

Sincerely yours,

M. B. Satterfield
M. B. Satterfield
Executive Director

MBS:hcn

SHEETZ AND BRADFIELD
ARCHITECTS/INC./AIA

AUG 29 1968

ATLANTA, GEORGIA