

CITY OF ATLANTA



AKC

May 21, 1969

CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

CECIL A. ALEXANDER, Chairman
Housing Resources Committee
MALCOLM D. JONES
Housing Coordinator

MEMORANDUM

TO: Mayor Ivan Allen, Jr.

This morning I heard a rumor that the 800 unit East Lake No. 2 Public Housing project is in difficulty. I immediately called Gilbert Boggs in the Housing Authority who confirmed the report.

According to Gilbert, a Letter of Intent had been issued on the project to be produced for a given price and that now the Developer claims that the escalation of cost, particularly interest, makes it impossible to produce the project at the price stated in the Letter of Intent and has asked for more money.

HUD has apparently taken the position that the Letter of Intent is equivalent to a contract and will not up the price. The difference in price I understand is about \$1,000,000 or \$1,250 per unit.

It appears that the Developer proposed to use a patented pre-stressed concrete slab panel type of construction and the patent holder has raised his previous estimate disproportionately.

The Developer is currently attempting to revise the plans to use a different type of construction, which may not be any cheaper, since costs have risen recently in all fields since the original commitment.

Thought you should know about this. Gilbert Boggs has agreed to keep me informed of further developments.

Sincerely,

Malcolm D. Jones
Malcolm D. Jones
Housing Coordinator

MDJ/mc

cc: Mr. Cecil A. Alexander