

Secretary Taylor

May 6, 1968

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Director, Architectural Division, FHIA in HUD, and Mr. Demmon,
Assistant Secretary for Technical Standards in HUD.

Honorable H. Ralph Taylor

Assistant Secretary
Department of Housing and Urban Development
Washington, D. C. 20410

Dear Secretary Taylor:

Sincerely yours,

Your letter of April 22 informing us of the proposed low-cost housing experiment by HUD in perhaps 20 cities having Model Cities grants is most intriguing. We definitely want you to include Atlanta on your list as one of the cities willing to cooperate in the development of innovative techniques, particularly in our extensive Model Cities area, in interest of generating increased levels and reducing construction costs of dwelling units for low-income families.

On May 2 our Housing Resources Committee adopted a Resolution recommending early selection and development for low-income housing, as soon as possible, of approximately a ten acre portion of the worst residential section of our Model Cities area, through "advance land acquisition" procedure.

We have also been approached by an Engineer, reputable local Contractor and Architect team which is anxious to obtain a site in our Model Cities area for construction of several hundred units of high density (40 units per acre) low-income housing, using a "patent applied for" concept of precast concrete general purpose angle slabs that can be cast on-site and installed with a minimum of equipment and using primarily untrained local labor.

The principal in this team, Mr. John McNamara, Engineer of Savannah, Georgia, I understand has already contacted a couple of your people in Washington about his concept - Mr. Porter Driscoll,

Secretary Taylor

Page Two

May 6, 1968 May 6, 1968

Director, Architectural Division, FHA in HUD, and Mr. Deman,
Assistant Commissioner for Technical Standards in HUD.

We hope that you will keep us advised of the progress of this housing
experiment and assure you of our desire to participate and willingness
to cooperate in this venture.

Dear Secretary Taylor:

Sincerely yours,

Your letter of April 22 informing us of the proposed low-cost
housing experiment by HUD in the area of the Bayview Model
Cities grants is most intriguing. **Ivan Allen, Jr.** Mayor
It is our hope that as one of the city's leading contractors in the
area of low-cost housing, you will cooperate in the
IAJr:fy this area, in interest of generating increased levels and
construction costs of dwelling units for low-income
families.

On May 2 our Housing Resources Committee adopted a resolution
recommending early selection and development for low-income
housing, as soon as possible, of approximately a ten acre
portion of the worst residential section of our Model Cities
area, through "advance land acquisition" procedure.

We have also been approached by an Engineer, reputable local
Contractor and Architect team which is anxious to obtain a site
in our Model Cities area for construction of several hundred units
of high density low cost low-income housing, using a
patent system for placement of precast concrete panel panels
single slabs that can be cast on-site and installed with a minimum
of equipment and using primarily unskilled local labor.

The principal in this team, Mr. John McNamara, Engineer of
Lawrenceville, Georgia, I understand has already contacted a couple
of your people in Washington about his concept - Mr. Porter Driscoll.



DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, D. C. 20410

Handwritten notes:
Summit
9/1
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OFFICE OF THE ASSISTANT SECRETARY
FOR DEMONSTRATIONS AND INTERGOVERNMENTAL RELATIONS

IN REPLY REFER TO:

APR 22 1968

Honorable Ivan Allen, Jr.
Mayor of Atlanta
Atlanta, Georgia 30303

Dear Mayor Allen:

I want to take this opportunity to inform you of what I believe is a most exciting experiment in building new housing for low- and moderate-income families within the Inner-City. Within the next several weeks, a prime contractor, most likely a joint venture of several firms, will be selected by the Department of Housing and Urban Development. This prime contractor will be expected to supervise and manage a variety of low-cost housing experiments in perhaps as many as 20 cities, most of which now have Model Cities grants. These experiments will be carried out only in cities which are willing to cooperate in the development of innovative techniques aimed at generating a higher level of housing construction for low-income families.

The prime contractor will seek out, study and evaluate new design, construction and management techniques and systems, as well as materials and components to be used in the experiments. Based on analysis and after consultation with city officials and such interested private groups as labor unions, neighborhood organizations, builders, architects, sponsors and educators, the contractor will determine the kind of housing to be built in a specific neighborhood. The goal of the overall experiment is to obtain more housing value for each dollar spent in the development of good city housing for low-income families, and to identify the obstacles to building such housing.

Where such housing is to be built within a designated model neighborhood, the experiment will be carried out in the context of the Model Cities planning and program implementation process. In any case, it seems essential that the groups mentioned above be consulted if this bold experiment is to work. Following the selection of the prime contractor, HUD will work with him to select cities which seem to have the capacity and willingness to carry out an experimental project for low-income housing. The Department will be committing not only substantial research funds in this effort, but also tens of millions of dollars of program funds from several program sources.

With the full cooperation of all who become involved in this experiment to better the nation's housing, and to make government more responsive to the most pressing housing needs, I believe that this can be a most significant step toward meeting the goal of a decent home in a suitable living environment for every American family.

Sincerely yours,

David B. Carlson, Jr.

H. Ralph Taylor
Assistant Secretary

Mr. Street

HOUSING RESOURCES COMMITTEE

ROOM 1204, CITY HALL

May 16, 1968

**Mr. Robert L. Wells, Mgr.
Lockheed Industrial Products
1250 Chattahoochee Avenue
Atlanta, Georgia 30319**

Dear Mr. Wells:

We wish to thank you for your willingness to serve on the Business Participation Panel of the Housing Resources Committee and to confirm your appointment by Mayor Allen as a member of this Committee.

We regret to lose the services of Mr. Arthur Jenkins, Director, Industrial Relations, Lockheed, who has served on this Committee since its inception, but who has suggested that your position with Lockheed would be more appropriate for representation on the Business Participation Panel than his activities.

Your experience, advice and assistance in this field will be welcomed and I am sure will be very helpful to the low and medium income housing program in Atlanta.

We have already provided you under separate cover with the following background material pertaining to this Committee and its activities.

Copy, speech by Mayor Allen, Mayor's Conference on Housing, November 15, 1966.

List of those already serving on the Committee.

Statement of broad functions of the Committee and its respective Panels.

Housing Resources Committee, "White Paper", dated May 31, 1967.

Copy of Annual Report of the Housing Resources Committee,

Summary, Status of accelerated Low-Income Housing Program, January 15, 1968.

Sincerely,

**Cecil A. Alexander, Chairman
Housing Resources Committee**

CC: Mayor Ivan Allen, Jr.

May 9, 1968

Mr. M. B. Satterfield
Executive Director
Atlanta Housing Authority
824 Hurt Building
Atlanta, Georgia 30303

Dear Satt:

I note that the Resolution adopted by the Board of Aldermen on May 6 pertaining to the Honor Farm No. 1 site authorizes that it be taken into the Thomasville Urban Renewal Project "to be developed primarily for housing for families of low and moderate income."

Under this criteria, it could conceivably be developed under the various aspects of the 221 d (3) program and housing for the elderly only.

Enclosed is a copy of a Resolution adopted by the Housing Resources Committee on May 2, calling for development of a substantial portion of the additional land to be taken into the project for "lowest income housing."

I personally support this view and request that in calling for proposals from developers for the area that the Housing Authority specify a substantial portion of the land to be developed for housing for lowest income families.

Sincerely,

Ivan Allen, Jr.
Mayor

IAJr:fy

Enclosures

RICHARD L. FULLERTON
AND ASSOCIATES

Consultants for Multi-family Housing

Telephone 436-6134
Post Office Box 7164
Atlanta, Georgia 30309

May 9, 1968

TELEPHONE 422-4479
145 NORTH MAGNOLIA AVENUE
P. O. BOX 2068
ORLANDO, FLORIDA 32802

The Honorable Ivan Allen, Jr.
Mayor of Atlanta
Georgia

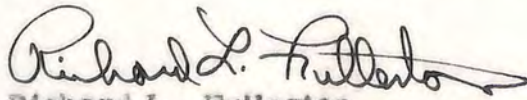
Dear Mayor Allen:

In behalf of Mr. Kahn and all who are working with us in the establishment of a comprehensive breakthrough in construction costs, I wish to express our sincerest appreciation for the time and energy you gave us this afternoon. I realize your very crowded schedule and the crisis proportions of your daily responsibilities.

As you know, the federal people, as well as all concerned citizens, are almost desperately anxious to see a price breakthrough made, so that the poor people can have the dignity of ownership without it being a total subsidy condition. To build public housing for \$17,000 per unit is not the answer. The answer can only be found in that which made America great in the first place - a frugal approach to life's many opportunities for stewardship.

We have had an earnest desire to prove the potential of our construction techniques in an urban setting. My previous letter was comprehensive in that regard. I am very sure that the federal people (beyond the regional HUD office) would be enthusiastic in their cooperation, and it is a conviction with me that Atlanta would gain much from the fact of being the place where this honest and good American thing transpired. The time crisis is upon us as it is upon everyone, so that we cannot afford to let this summer pass while only procedural affairs are cared for. We were not too late in our original presentation. We came in several weeks ago with a very serious proposition and are still as sincere as we were then.

Again, please accept my gratitude for your gracious hospitality and my pledge of continuing support in the days which face us all.


Richard L. Fullerton

RLF*jl

cc: Messrs. Kahn, Young, Scharffenberger,
✓Sweat, Alexander, Douglas, Burke, Jones,
Rapp, and Gammon

Mr. Street

Office of the Mayor

ATLANTA, GEORGIA
PHONE 522-4463

From Malcolm D. Jones,
Housing Coordinator

May 9, 1968

To: Mayor Ivan Allen, Jr.

In order to insure that a substantial portion of the Honor Farm No. 1 site be developed for housing for the lowest income families, I recommend that the attached letter be signed and sent to the Housing Authority.

Encl: Proposed letter

CITY OF ATLANTA



May 9, 1968

CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

R. EARL LANDERS, Administrative Assistant
MRS. ANN M. MOSES, Executive Secretary
DAN E. SWEAT, JR., Director of Governmental Liaison

Mr. M. B. Satterfield
Executive Director
Atlanta Housing Authority
824 Hurt Building
Atlanta, Georgia 30303

Dear Satt:

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Under this criteria, it could conceivably be developed under the various aspects of the 221 d (3) program and housing for the elderly only.

Enclosed is a copy of a Resolution adopted by the Housing Resources Committee on May 2, calling for development of a substantial portion of the additional land to be taken into the project for "lowest income housing."

I personally support this view and request that in calling for proposals from developers for the area that the Housing Authority specify a substantial portion of the land to be developed for housing for lowest income families.

Sincerely,

Ivan Allen, Jr.
Mayor

IAJr:fy

Enclosure

HOUSING FOR LOW-INCOME FAMILIES
U.S. DEPARTMENT OF HOUSING
AND URBAN DEVELOPMENT
WASHINGTON, D.C. 20410
Housing Assistance Administration

EXTRACT
Page 16

Except for a leasing program, the locality must have a Workable Program for Community Improvement approved by the Secretary of HUD and currently in effect. A Workable Program includes seven elements of accepted principles of good community development. These interact to deal with the problem of slums and blight and help to establish neighborhoods suitable for an adequate family life. (HUD publications describing Workable Program requirements are available.)

In the leasing program, the local governing body must approve use of the program in the locality. In other programs, each project must be approved by the governing body, which must also enter into a cooperation agreement with the LHA. The agreement covers such matters as tax exemption, payments in lieu of taxes, and provision of the usual municipal services.

* * *

MINUTES

HOUSING RESOURCES EXECUTIVE COMMITTEE AND LOW-INCOME HOUSING COORDINATING GROUP MEETING

May 2, 1968

The regular monthly meeting of the Housing Coordinating Group and Housing Resources Committee Executive Group was held in Committee Room 2, City Hall, May 2, 1968, at 10:00 a.m.

Copies of the invitational notices, agenda, record of those attending and reference documents are attached to the file copy of these minutes.

Chairman Cecil A. Alexander presided.

Mr. Alexander opened the meeting by asking Mr. Archer Smith to give the Committee a report on school construction. Mr. Smith presented the following two proposals:

(1) Approach the State School Building Authority about them leasing school buildings and then sub-leasing them to the City. The State could lease the premises from the developer for 30/40 years and turn them over to the City of Atlanta on a sub-lease basis. It would take a political decision by the State to re-vamp procedures to allow this. One advantage to this proposal would be that it would apply to all school systems if they so desire. (This was considered perhaps the simplest course of action.)

(2) Have a local constitutional amendment passed allowing the City School Board to enter into leases on a long term basis. This local amendment would be the more solid way and the local amendment would be easier to pass.

Mr. Alexander asked if the School Board had been approached to see which course of action they would prefer? Mr. Smith stated that they had not, officially, but the School Board would probably go along with either method. Mr. Jones suggested that the Committee authorize the Legal Panel to contact the School Board and see which they would prefer and then pursue that course. A motion was made, seconded and adopted that the Legal Panel be so authorized.

Mr. John Chapman appeared before the Committee to discuss a proposal for building low-income housing. He said housing for the lowest income families would probably need to be financed by the Federal government; that housing for medium income families could be financed through private corporations. He was suggesting dwelling units with rent range of \$70-\$80-\$90 for 1, 2 or 3 bedrooms respectively. He proposed forming a limited profit corporation, the members of which would each put up a certain amount of front money, with the intent of building developments which would produce 4-5% profit, instead of the customary 14-15% profit. He proposed using private conventional financing

entirely, with no connection with Federal assisted programs. He advised he would try to contact several private corporations about putting up money at a reasonable rate of interest and that if he got enough response from private corporations that this could be done, he would inform the Committee of the reaction he received from this idea.

Mr. Alexander commented on and referred to an article by Vincent T. Burke, in the Los Angeles Times, March 13, 1968, relating how certain Negro families in Washington had been assisted by a tiny non-profit "Home Buyers" group in obtaining home ownership without any assistance from Federal programs or organizations. (Copy of the article is attached to the file copy of these minutes.)

Mr. Persells reported to the Committee on the Honor Farm No. 1 Site proposed concept. He presented a map showing approximately 120 acres between the Federal Penitentiary and the Thomasville Urban Renewal Project that the Federal government proposes to turn over to the City for urban improvement, including housing. He explained that the portion of the property to be developed for housing and related commercial could be either turned over directly by HUD to developers, turned over to the City to put out for bids, or go to Atlanta Housing Authority for development through process of Urban Renewal. A meeting of the Aldermanic Planning and Development Committee is to be held to consider what should be done. Mr. Persells also advised that a new park area is to be developed and an Elementary School and a "Middle School" are to be constructed in the area. The question was asked about how housing could be developed in the shortest length of time. Mr. Persells responded we would be unable to start building until a street and sewer system was begun; that is the biggest delay. It was suggested that the land could be sold to a developer and he could put in the street system simultaneous with the housing development. Two choices were recommended:

(1) The City or developers could go in and put in the street and utilities at their expense of about \$270,000.00.

(2) Have streets put in by the Housing Authority as an Urban Redevelopment expense.

Mr. Persells explained that from a financial standpoint and time element, the most favorable solution would be to have the Housing Authority put in the street and sewer system at Urban Redevelopment expense, because the schools would have to be built any way, and the City would receive credit for the schools which would more than pay for the expense of putting streets and sewers in and that they could be put in while the developers were getting their plans approved by the Federal government.

Mr. Persells advised that topographical maps and surveys had already been made. He also reported that there was a small triangle of land the Federal government doesn't own; stated there were some title difficulties and the only sure way and quickest way to get clear title to the property would be condemnation proceedings through the Urban Renewal process. The Land to be developed for housing and related commercial is to be offered for sale on May 27, 1968, to developers, with proposals called for. Additional land, 17 single-family lots, is to be added to the Thomasville Urban Renewal Site for sale, with ground breaking between May 20-23. Approximately 50 acres of the 120 acre tract of land would be available for housing.

Mr. Archer Smith, made a motion that a formal resolution be drawn up that the Housing Resources Committee goes on record as urging the support of the New-Town-In-Town project concept conditioned upon a substantial portion of the project to be developed for lowest-income housing. If this condition is not met, then the Housing Resources Committee goes on record as opposed to the project as presently planned. Motion was seconded and unanimously adopted, with instructions that copies go to the Housing Authority, Mayor Ivan Allen, Jr., Members of the Board of Aldermen and to Mr. Baxter, of HUD.

Mr. Howland announced that the CACUR non-profit housing development corporation has now selected five units for rehabilitation under 221 (h) and expected to have them under way within 60 days.

Mr. Alexander then asked Mr. Jones to explain a proposal he had been working on for accelerated low-income housing development in the Model Cities area.

Mr. Jones explained the concept and stated that a development team was very anxious to get a tract of about 10 acres for an experimental housing development to start this summer. He read a letter just received by the Mayor from Mr. H. Ralph Taylor, Assistant Secretary, HUD, proposing a HUD sponsored experimental housing project in Model Cities area in selected cities to be carried out by a prime contractor to be selected by HUD; and inquiring if Atlanta desired to cooperate? Mr. Jones explained that this tied indirectly with the proposal he has been working on; that because of multiple ownerships, it is virtually impossible for private developers to acquire land in the Model Cities area for this purpose; that therefore he has studied the area and looked at certain sites, with others, including a representative of Model Cities, and has selected two tentative sites, having badly dilapidated housing which will in all probability be demolished any way, and has marked these on a map for consideration of the Model Cities staff.

Mr. Jones proposed "advanced land acquisition" to be requested in the Model Cities area on such a site to be selected so they would get started on construction of approximately a 10 acre site as soon as possible. A motion was made, seconded and adopted that the Housing Resources Committee recommends that a suitable site be selected in the Model Cities area for accelerated development of low-income housing (preferably under the experimental housing concept) and that application be made to HUD for authority to acquire the site under the "advance land acquisition" procedures; that copies be provided the Planning and Development Committee, Mayor and Board of Aldermen and HUD.

Mr. Persells stated that he concurred and that the Housing Authority would go in soon with a request that the entire Model Cities area be placed under a GNRP so that this could be done as part of an Urban Renewal Project within the Model Cities area. He requested support of the HRC to the Planning and Development Committee, the Mayor and Board of Aldermen and to HUD on that proposal so that the "advance land acquisition" could be legally implemented. The Committee agreed to support the GNRP proposal for this purpose.

Mr. Alexander informed the Committee of ground-breaking on the first Turnkey Housing project in Atlanta on Hollywood Road, N.W. at 2:00 p.m. on May 9, 1968. All were invited; that Mayor Ivan Allen, Jr., would officially break the ground for the 202-unit development. Copies of the announcement, prepared by the Housing Authority were distributed.

It was announced that the report from the Ad Hoc Committee on Low-income Housing Analysis will not be ready and that it would be discussed at a later date.

Mr. Alexander announced that a conference will be held May 29th at the Dinkler all day, consisting of debates and discussions on legal aspects, employment, workshops, etc., on equal opportunity in housing.

Mr. Alexander explained briefly the progress made on Package Zoning.

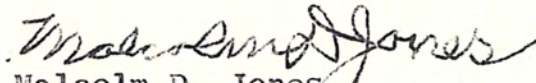
Question was asked if a formal resolution has been adopted by the HRC Executive Committee on the proposed Package Zoning Plan. The Committee was advised that such resolution had already been adopted supporting this plan. Mr. Alexander also stated it is anticipated that the plan would receive the support of numerous civic and business organizations and radio and television.

Mr. Alexander read a Press Release from HUD announcing authorization of trailers (mobile homes) for temporary housing in Urban Redevelopment projects.

Mr. Alexander also commented on the necessity for positive action soon for improvement in the NASH-BANS area, through Urban Renewal or otherwise.

The meeting adjourned at 12:00 noon.

Respectfully submitted,


Malcolm D. Jones
Housing Coordinator

Encls: As stated (with file copy only)

MINUTES

Housing Resources Executive Committee and Low-income Housing Coordinating Group Meeting

April 11, 1968

The regular monthly meeting of the Housing Resources Committee and Low-income Housing Coordinating Group was held in Committee Room 2, City Hall, at 10:00 a.m., Thursday, April 11, 1968.

Copies of invitational notices, agenda, list of those invited and attending and reference documents are attached to the file copy of these minutes.

The following Panels of the Housing Resources Committee were not represented at the meeting: Legal, Public Housing, Social Problems and Public Information.

Chairman Alexander Presided.

In opening the meeting Mr. Alexander referred to the objectives of the late Dr. Martin Luther King, Jr., and complimented Dr. Benjamin E. Mays, Co-Chairman of the Housing Resources Committee, on his eulogy address at the funeral of Dr. King.

Mr. Alexander then expressed the appreciation of the Committee for the support it is receiving in the Chamber of Commerce and called upon Mr. Curtis Driskell of the Chamber's staff who read a Resolution adopted by the Board of Directors of the Chamber of Commerce April 10, 1968 supporting proposed package zoning approach for obtaining sites for low-income housing.

Mr. Alexander then made referenc to a new assignment for the Land Committee, as indicated on the agenda, and explained interpretation by the Director of Planning on utilization of the City's recently adopted Land Use Plan, as relates to low-income housing. He then called upon Mr. Jones to comment on the Committee's support on two recent zoning petitions.

Mr. Jones explained that the Executive Committee on March 14, 1968 authorized the Housing Resources Committee to support rezoning requests in connection appropriately planned development projects which conform to the 1963 Lande Use Map and that consequently recent zoning petitions for a 15 acre tract on Jonesboro Road, S.E. for a Turnkey project and for a 99 acre tract (East Lake Golf Course No. 2) for a multiplicity of housing development types under Turnkey and 221 d (3) had both been supported by this Committee in letters to members of the Zoning Committee from Chairman Alexander and stated that Mr. Alexander appeared personally in support of both projects before the Zoning Committee at the Public Hearing; that the former site is consistent with the Land Use Plan and the latter is consistent with the Planning Director's interpretation of intended

use of the Land Use Plan; that both sites already have the essential Community Facilities or evidence that such will be provided simultaneously with the proposed development; and that both sites have been approved by the Housing Authority and have tentative approval of HUD; that action taken by the Zoning Committee was to Deny rezoning of the former site and to Defer action on the latter site.

Mr. Alexander proposed a meeting with representatives from the School Board, Planning Department and others affected such as Planning and Development Committee and Planning Board, Housing Authority and Citizenry to consider ways and means for taking zoning out of politics.

Mr. Alexander called for special report from the Legal Panel on School Construction by Developers in low-income housing projects. As the Legal Panel was not represented at the meeting the report was postponed.

At this time the Chairman recognized and welcomed Mr. Cary Hooks, newly appointed Director of FHA for Georgia. Mr. Hooks responded with assurance of FHA's continued cooperation in the low-income housing program and gave a brief report on 221 d (3) projects in Metropolitan Atlanta as follows:

11 Completed	1,352 Units
13 Under Construction	972 "
5 Commitments Issued	704 "
1 Application in process	300 "
7 Preliminary Application Stage	1,043 "

He also commented on progress being made in the Appalachian Program, which covers the area Carrolton-Rome-Dalton in Georgia. Also that progress is being made on the Rockdale project.

Mr. Alexander commented on low-income housing being developed in Gainesville and suggested that we here in Atlanta should give encouragement and assistance if possible to Gainesville and other neighboring cities to develop low-income housing, which would have a tendency to ease the burden currently being placed on Atlanta.

Dr. Sidney L. Davis, Chairman of the Housing Appeals Board, was called upon for comments. He explained the urgent need for some sources of assistance in dire hardship cases for bringing dwelling units up to standards required by the Housing Code; that to date all efforts in this direction have been unsuccessful and that the Housing Code Division has about 500 cases in this category.

Mr. T. M. Alexander, Sr., member of the Housing Appeals Board, confirmed and expanded on Dr. Davis' comments. He pointed out particularly the need for some City controls over unscrupulous, fly-by-night contractors who are not required by the City or State to meet any performance qualifications and who constantly victimize unfortunate low-income property owners.

Mayor Allen responded by stating that he has only recently called upon the Better Business Bureau to be on the outlook for this kind of so called Home Improvement Contractor and to expose the unscrupulous ones.

Mayor Allen then made reference to the Civil Rights Act recently approved by Congress and to his request to the City Attorney for report on its implication to Atlanta. He suggested that the Housing Resources Committee call upon the Board of Aldermen for:

- (1) Establishment of a City-wide Relocation Service in Atlanta; and
- (2) Re-evaluation of Zoning for the entire City, with view to providing, thru zoning, adequate space for necessary housing. He also pointed out that this may require some changes in the Land Use Plan.

Subsequently, motion was made by Mr. Winn, seconded by Dr. Mays and adopted unanimously that the Housing Resources Committee support the program proposed by Mayor Allen.

Mr. Alexander announced that implementation of the Housing Resources Committee's action would be referred to one of the Standing Panels or that an Ad Hoc Committee would be appointed to carry it out.

Mr. Alexander then referred back to comment made by Dr. Davis and Mr. T. M. Alexander, Sr. and announced that he would refer to the Legal Panel the matter of:

- (1) Extending the coverage of grants for Code Enforcement in Hardship cases.
- (2) Adoption of Code Enforcement Areas, which we should try to get designated in Atlanta.

Dr. Mays said there should be a call made for Federal legislation to make funds available to help code enforcement in hardship cases.

Dr. Henderson commented on EOA Grants of up \$2,000.00, but which he concluded are apparently limited to rural areas.

Mr. Alexander made a suggestion that Foundations in Atlanta might provide some help and made inquiry if requirements for selection of Code Enforcement areas had been simplified; apparently they have not.

Mr. Alexander then announced a special meeting for Wednesday, May 17 of principals concerned with view to determining legal implications and ways of establishing some local Code Enforcement areas whereby needy owners could qualify to receive Federal grants and loans, now authorized for Urban Renewal areas only in Atlanta.

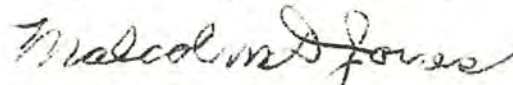
Mr. William S. Howland reported that CACUR has experienced considerable difficulty in locating suitable properties for rehabilitation under Section 221 (h) particularly in respect to the high prices being asked for existing properties in need of major repairs and the skepticism of owners in disposing of their properties to a non-profit corporation with expectation of buying them back again after rehabilitation.

Mr. Alexander announced his intention of setting up a series of Panel meetings to reorient members and establish more specific assignments and objectives.

Announcement was made of the Housing Development Corporation status, i.e., incorporation has taken place; office set aside for its use in the First National Bank Building; funds have been made available; administrative support is to come from CAP initially; now look for a Director.

The meeting adjourned at 11:05 a.m.

Respectfully submitted,



Malcolm D. Jones
Housing Coordinator

Encls: Resolution by Chamber of Commerce
Invitational notices and lists of those invited and attending
(with file copy only)

A RESOLUTION

The Atlanta Chamber of Commerce Board of Directors, through the work of the Chamber's Housing and Redevelopment Committee, has supported vigorously from the outset the efforts of the Mayor's Housing Resources Committee to relieve the city's shortage of housing for low income families.

As a result of its investigation of this problem, the Housing and Redevelopment Committee delivered to this Board in August, 1967 a report entitled "The Low-Rent Housing Gap in Atlanta," which included specific information underlining the critical nature of the housing need. This Board was informed by the report that the process of rezoning land suitable and feasible for multi-family, low-rent housing appears to be the single most difficult obstacle in the task of providing, during a five-year period, some 16,800 units of the type housing required. The Board also was made aware that available vacant land is scarce within the City of Atlanta for any use, and outlying areas have not seen fit to qualify for programs which allow construction of federally-insured housing of the type which would help meet the current need.

A resolution by this Board in September, 1967 urged immediate steps by the City of Atlanta Planning Department and the Board of Aldermen to adopt an updated land use plan, from which a new zoning ordinance could be evolved. The resolution further declared: "...Any new zoning plan adopted by the City of Atlanta should make provision for adequate land for multi-family housing and open up land for increased density of housing in all quadrants of the city, in order to serve the best interests of a changing and progressive City of Atlanta."

Since that time, diligent study has been given by the Atlanta Chamber of Commerce to a proposed "package zoning plan," the purpose of which would be to rezone simultaneously several sites of land throughout the city for development in public housing.

Be it resolved that the Atlanta Chamber of Commerce Board of Directors reiterates its position in support of dispersing multi-family housing to all quadrants of the city.

And be it further resolved that the Atlanta Chamber of Commerce Board of Directors supports the principle of the package zoning proposal as an approach well worth considering toward the efforts to alleviate this serious problem in our community.

Adopted by the Board of Directors
Atlanta Chamber of Commerce
April 10, 1968

DAN SWEAT

2:30
April 30

Decisions Necessary to Develop New-Town-In-Town Projects

1. Who will administer the project?
 - a. Direct sale by HUD to Developer.
 - b. HUD to City of Atlanta to Developer.
 - c. HUD to Atlanta Housing Authority to Developer.
2. Will disposition be for 221 (D) (3), 202 only?
3. Who builds primary streets and utilities?
 - a. Developer.
 - b. City.
 - c. Atlanta Housing Authority.
4. When are street locations to be pinned down?

Persons to be involved in these decisions?

- a. Members of the Planning, ^{and} Development Committee ^{and} Board of Aldermen.
- b. Mayor Ivan Allen
- ✓ c. Mr. John Edmunds
- ✓ d. Mr. M. B. Satterfield
- e. Mr. Edwin Stern
- f. Mr. Frank Ethridge
- ✓ g. Mr. Collier Gladdin
- h. Mr. Richard Case
- ✓ i. Atlanta Housing Authority Board of Commissioners
- ✓ j. Mr. Cecil Alexander
- ✓ k. Col. Malcolm Jones
- ✓ l. Mr. Dan Sweat
- ✓ m. Mr. Ed. Baxter

1.a. Direct Sale By HUD To Developers

1. HUD states that they would expect the City to provide the land use plan, assurances as to public facilities, review the developers proposals.
2. HUD would need Bureau of Budget approval of the method of sale and would present the proposal to sell to the Bureau prior to making the award. Each of these steps would consume a minimum of approximately 30 days or a total of 60 days on this stage.
3. Under this method the Developer would put in the streets and utilities and this cost would be reflected in rents or sales prices.
4. No non-cash credits involved.
5. Fed. Pen. to GSA to HUD is based on certain improvements (fences, etc.) which only HUD can finance.
6. Can HUD acquire the 4 non-gov't owned parcels? Leave them out?

1.a. Schedule

Direct Sale HUD to Developer

Decisions	May 1, 1968
Land Use Map	May 3, 1968
Disposition Plan	May 21, 1968
Relocation Plan	May 21, 1968
Acquisition Plan	May 21, 1968
Project Improvements Plan	May 21, 1968
Financing Plan	May 21, 1968
Submit to the Bureau of the Budget for prior approval	May 21, 1968
Approval	June 21, 1968
Select developer (advertise if necessary)	July 21, 1968
Submit to the Bureau of the Budget for concurrence	July 21, 1968
Concurrence	August 21, 1968
Execute Contract	September 1, 1968
Approval of FHA or Mortgagor of redevelopment	January 1, 1969
Start Engineering	January 1, 1969
Start Construction of Site improvements	February 1, 1969
Complete Site Improvements sufficient to begin construction of Housing	June 15, 1969

During the interim from July 21 to January 1, it will be necessary to acquire the 4 privately owned parcels, relocate the one family and demolish the structure.

1.b. Sale from Government to City to Developer

1. HUD clear with Bureau of Budget for sale direct to City - approximately 30 days.
2. City proceeds with land use plan, decisions as to provision for streets and util., determine method of sale.
3. Method ^{/ of} sale as outlined by Asst. City Atty - Tom Choyce:
 1. A resolution must be passed by the Mayor and Board of Aldermen stating that the real estate is no longer useful and necessary to the City and ordering the real estate to be sold. Formality but must be done at a regular Ald. meeting after a meeting of P & D Com.
 2. The Land Agent must cause a plat of the property to be made by a registered land surveyor. (This must be done by any agent. AHA would need about 20 days prior to closing).
 3. The Land Agent must cause an appraisal of the property to be made by the Atlanta Real Estate Board or a real estate appraiser who is a member of the American Institute of Real Estate Appraisers. The appraisal must be placed in a sealed envelope and turned over to the the Land Agent.
 4. The plat of the property along with the legal description must be submitted to the Purchasing Agent, who must advertise for bids to be submitted for the purchase of the property.
 5. All bids must be opened and read at the designated time by the Purchasing Committee. The Purchasing Committee must tabulate the bids and refer them to an Aldermanic Committee.
 6. The Committee must open the sealed appraisal and take the appraisal into consideration in determining whether or not any of the bids shall

be recommended for acceptance. This Committee must submit its
recommendation to the Mayor and Board of Aldermen for ~~final~~ ^{final} determination.

4. City must find a way to purchase the 4 non-gov't owned parcels or leave them out.

1.b. Schedule

HUD to City of Atlanta to Developer

Decisions	May 1, 1968
Land Use Map	May 3, 1968
Disposition Plan	May 21, 1968
Acquisition Plan (4 privately owned parcels as well as Federal Land)	May 21, 1968
Relocation Plan	May 21, 1968
Project Improvements Plan	May 21, 1968
Financing Plan	May 21, 1968
Planning and Development Committee to make recommendations to the Board of Aldermen in joint session with the Finance Committee	May 27, 1968
Aldermanic Approval	June 3, 1968
Order Survey and Description	June 3, 1968
Appraisals Ordered	June 24, 1968
Advertise	June 24, 1968
Receive Bids	August 24, 1968
Board of Aldermen Approve	September 16, 1968
Contract	September 26, 1968
* Begin Construction of housing *	January 26, 1969

ENGINEERING AND SITE IMPROVEMENTS

Engineering	June 3, 1968 ***	September 16, 1968 **
Let Site Improvements Contract	July 21, 1968	November 1, 1968
Complete S.I. sufficient to begin Construction of housing	December 6, 1968	March 15, 1969*

*This date would delay the start of construction from January 26, 1969, to March 15, 1969.

** Engineering start after selection of Developer.

*** Engineering start before selection of Developer.

l.c. HUD to AHA to Developer

1. Atlanta Housing Authority would use the normal urban renewal procedure through on and "expedited" basis. The schedule is estimated on optimum time intervals as are the other schedules.
2. If the project puts in the basic streets and utilities, they would be constructed at project cost which could be more than offset by Non-cash Grant-in-Aid Credits.
3. The two major credits are for two schools: one at \$1,000,000 - 100% eligible and one at \$2,000,000 - 10 to 50% eligible.
4. Some comparatively small credits would be eligible from park, bridge, ramp and other items probably in the range of \$50-100,000.

1.c. Schedule Thomasville Amendment R-22

HUD To AHA To Developer

This schedule is prepared based on the following assumptions:

1. All decisions necessary for the submission of the application (particularly the ones applied to the method of disposition and sequence installation of site improvements) are made prior to May 1, 1968.

2. That the submission is to be made to the June 3, 1968 Aldermanic Committee.

3. That HUD holds good on their commitment to review and approve the application in 30 days.

I. <u>Part I - Part II Application</u>	1*	2*	3*
Decisions		May 1, 1968	
Land Use Map		May 3,	
Project Area Data Report		May 20,	
Disposition Plan		May 20,	
Relocation Report		May 21,	
Acquisition Plan		May 21,	
Urban Renewal Plan		May 21,	
Project Improvements Plan		May 21,	
All other sections of the application		May 21,	
Financing Plan		May 24,	
Submit to Aldermanic Finance Committee		May 27,	
Public Hearing		May 31,	
Aldermanic Approval		June 3,	
Complete Submission		June 7,	
II. <u>Execution Activities</u>			
Approval		July 8, 1968*	
Executed Loan and Grant Contract		July 15,	*
a. <u>Disposition Activities</u>			
Advertise		July 29, 1968	May 27, 1968
Receive Bids		Sept. 23,	July 27,
Identify Developer		Oct. 21,	Aug. 27,
Sign Contract		Oct. 31,	Sept. 27,
Begin Construction of housing**	January 27, 1969	April 26, 1969	Feb. 27, 1969
b. <u>Acquisition-Relocation-Demolition</u>			
Begin Acquisition		July 29, 1968	
Begin Relocation		Aug. 26,	
Complete Acquisition		Sept. 30,	
Complete Relocation		Sept. 30,	
Complete Demolition		Oct. 14,	

*Time contingent on HUD action.

**Time contingent on Development FHA action and completion of access streets.

Col. 1 contingent on pre-advertising.

c. Engineering and Site Improvements

Engineering	May 27, 1968	Oct. 21, 1968	Aug. 27, 1968
Let Site Improvements Contract	July 12, 1968	Dec. 11, 1968	Oct. 15, 1968
Complete Site Improvements Sufficient for Construction	Nov. 27,	Apr. 26, 1969	Feb. 17, 1969
Complete Site Improvements	Apr. 27, 1969	Aug. 19, 1969	June 27, 1969

- 1* Site Improvements Designated in Planning
- 2* Advertise after Loan and Grant - Site Improvements on basis of bid
- 3* Pre-Advertise - Site Improvements on basis of bid

2. Will Disposition be 221 (d) (3), 202, only?
 - a. 221 (d) (3) development would prevent any private development being financed by other FHA or conventional finance. This would prevent an extensive economic mix in this new area. However, high income families now occupy the Single Family Portion of the Thomasville Project.
 - b. To split the area between two programs will require definite boundaries for each, so that each can be appraised separately.
 - c. 221 (d) (3) would insure low and moderate income occupants.
 - d. 221 (d) (3) would require special appraisal techniques (write-down of land price).
 - e. Commercial areas must be designated regardless of other consideration for appraisal purposes.
 - f. If public housing is involved (this is at the present ruled out), this boundary would have to be delineated. (Turn key or conventional).
 - g. Can the developer be non-profit, limited dividend, Co-op, or other; or will it be limited to one.

3. Who builds primary streets and utilities?

- a. For the developer to build streets and utilities would increase the cost per dwelling unit.
- b. 221 (d) (3) might affect the decisions.
- c. Approximately $6\frac{1}{2}$ months would be required for the City or Authority to build the primary street system sufficiently to provide access. However, construction can begin prior to advertising sale of land.
- d. A developer could build the streets at his rate of need but probably no more rapidly than the City or the Authority. It would however, force scheduling of construction to be tied to street construction schedule (access). This may not be pertinent.
- e. Authority construction of the streets would cost the City approximately $\frac{1}{3}$.
- f. Bridge credits would be affected.
- g. Cost of streets and utilities estimated at \$ _____.

4. When should street locations be pinned down (involves savings of approximately $1-3\frac{1}{2}$ months)?
- a. If street is pinned down before advertising property:
 - (1) Would restrict the design of the development plan.
 - (2) Would define school and park sites so that costs and credits could be firm.
 - (3) Would save approximately $1-3\frac{1}{2}$ months.
 - b. After streets are pinned down after advertising and decision on developer:
 - (1) Would give freedom to the development plan.
 - (2) Cost and credits would not be quite as firm.
 - (3) Would delay from $1-3\frac{1}{2}$ months before construction could be started (would this be actual or would the architects use up the time anyway)?

HOUSING RESOURCES COMMITTEE

April 19, 1968

SUPPLEMENTAL MEMORANDUM:

Re Honor Farm No. 1 (Federal Pen Site)

In meeting yesterday with Housing Authority representatives, the following salient points were brought out:

1. Price of the portions to be developed for housing and related commercial will require prior determination as to nature of development, i.e., through the Housing Authority as Urban Renewal or by developers direct without the Urban Renewal procedure.

2. Mr. Persells stated he would prefer it not be under Urban Renewal.

3. Mr. Persells felt that after an Urban Renewal project reaches the Execution stage, development thereafter could be as quick through the Housing Authority as direct through private enterprise, but he would not predict how long it would take to reach the Execution stage.

4. Mr. Persells stated that Mr. Ed Baxter apparently feels that none of the land should be developed as Public Housing and that in last meeting the Mayor appeared to concur. (I assume that this does not preclude Turnkey development of at least a portion of the area). I feel that prospective developers should be encouraged to build a substantial number of units so that they could initially or subsequently be sold to the occupants and that development under both Turnkey and 221 d (3) should be advocated.

5. It was brought out by Mr. Oppenshaw that if development is not under Urban Renewal, credits for the Elementary and Junior High Schools would not be available and that credits for these two facilities would be sufficient to balance off the entire local share of the cost of an Urban Renewal project.

It also developed, however, that the Junior High School-Community Center would be a general community facility serving that whole general area of the city and not limited to the proposed development area.

6. Since the Junior High-Community Center represents 24 acres out of the entire Federal Pen Site to be dedicated, that in view of the difficulty the City is having getting low-income housing sites, particularly for Public Housing, and the fact that the School Department can get sites anywhere they are needed, that the overall needs of the City would be better served if this entire 24 acre portion, which includes some of the best land, would be developed for low-income housing.

RECOMMENDATION:

(a) That the housing and related commercial portions of the area be developed by private enterprise direct, without going through the Urban Renewal process.

(b) That the currently designated Junior High School and Community Neighborhood Center site be also developed for low-income housing.

(c) That a multiple type housing development be encouraged using both Turnkey and 221 d processes, with a substantial portion of the units designed so that they could eventually be sold to the occupants.

Respectfully submitted,



Malcolm D. Jones
Housing Coordinator

April 22, 1968

Memorandum To: Mayor Allen

From: Dan E. Sweat, Jr. *DES*
Director of Governmental Liaison

Attached are two memorandums dated April 18 and April 19 respectively, prepared by Malcolm Jones, re the Honor Farm No. 1 site and containing some specific recommendations for getting housing development started there soon.

Collier, Malcolm and I have discussed the attached and I believe are in general agreement except possibly Malcolm's recommendation that the 24 acre portion of the site, currently designated for a Junior High School-Community Center development, be converted to additional low-income housing. It appears too early yet to make such determination.

The urgency for starting development on the 15 single-family lots is to meet Federal insistence for ground breaking in May on at least a token development for low-income housing. (This would place Atlanta first on actual utilization of Federal dedicated sites for low-income housing).

The concensus of opinion now seems to be to assume that development will not be thru the Urban Renewal process. If you concur in this at this time, the following steps should be taken immediately to get the ball rolling:

a. Ask the Housing Authority to get a story or advertisement in the newspapers not later than April 28, alerting interested developers

Page 2

Memorandum To: Mayor Allen

April 22, 1968

that proposals will be called for soon and as close to May 1, 1968 as possible, for submittal within 30 days.

b. Request the Housing Authority to prepare package invitations, containing essential material, to interested developers as soon as possible (with target date of May 1) for submittal of proposals within 30 days; for starting construction within 6 months after the award; and for completing construction within 2 years from starting date.

c. Plan for review of proposals and selection of developer within 15 days after submittal of proposals.

Encls: Memos dated April 18 and April 19

HOUSING RESOURCES COMMITTEE

April 18, 1968

Memorandum:

From: Malcolm Jones

Re Honor Farm No. 1 (Federal Pen Site)

BACKGROUND

Several days ago Collier Gladin suggested that I try to get private developers interested in this site; and recently Dan Sweat asked me to work with Collier Gladin and Howard Oppenshaw in trying to expedite development of the housing portion of this site.

On April 10 I had a scheduled conference with a prospective developer for this site. Mr. Howard Oppenshaw of the Housing Authority and Mr. Dick Case of HUD participated in the conference. Subsequently I have discussed the matter with Collier Gladin and others interested in this development.

CURRENT STATUS

Title to the property is now in General Services Administration. Topographic map (2' interval) of the area has been prepared and is in hands of the Housing Authority. The State Highway Department has furnished the center-line for the Expressway and is working on slope boundary lines. However, the State Highway Department cannot accurately define and confirm the Expressway boundaries until after it holds a Public Hearing several weeks hence.

A small contiguous triangle shaped tract, acquisition of which is considered desirable for inclusion in the overall project, is owned by private interests. It could be acquired separately by the Housing Authority and its acquisition should not delay development of the land to be dedicated by the Federal Government.

Mr. Oppenshaw is now working on a tightly timed development schedule for 15 single-family lots in a portion of the area adjacent to the existing Thomasville Urban Renewal Project. This should continue and this portion should be handled separately from the remainder of the housing portion of the Federal Pen site.

DISCUSSION

Mr. Case of HUD proposes that GSA deed the Highway, School and Parks portions of the site directly to these respective Departments for planning and development, but that the Housing portion (including small commercial site to serve the project) be deeded to the Housing Authority, for subsequent processing and development under Urban Renewal. However, he concedes that these sites could be deeded by GSA to the City of Atlanta or direct to a selected developer, as is now contemplated for the other portions of the site.

All agree that the eventual award of the housing portion to a developer should be based on some form of competitive process. It also appears that the most feasible competitive procedure would be thru design proposals by prospective developers, for multiple type ^{low-income} housing.

We all also agree that such proposals could be called for by either the City or the Housing Authority, without waiting for the title to first pass from GSA.

It is my opinion, which is also shared by others, that the quickest development can be accomplished thru private developers direct, without the land being deeded first to the Housing Authority and then going thru the Urban Renewal process. At least two of the prospective developers much prefer it this way and in fact have requested it be done this way, if possible. Interfaith has specifically asked that the Mayor write directly to HUD in Washington requesting this procedure.

Any financial advantage that might be derived in development of streets and installation of utilities by the Housing Authority thru the Urban Renewal process, should be off set by the time saved and anticipated relatively low land cost of the project, if done by the developer, in conjunction with the housing development.

If necessary, the Housing Authority might be compensated for its administrative services on this project, by adding the expense involved, which should be only nominal, to the cost of the land to the developer.

Mr. Oppenshaw proposes to work up criteria to be furnished prospective developers uniformly in a package for their guidance in preparing and submitting proposals on the housing portions of the site (other than the 15 single-family lots).

The prospective developers are anxious to know what the land will cost them. They should know this in order to plan intelligently.

Mr. Gladin, Mr. Oppenshaw and I are in agreement that:

(a) As soon as Mr. Oppenshaw can package the development criteria so that all interested developers may get the same material and information as to requirements (which he is attempting to do by May 1) such can then be put out to developers for submittal of proposals within 30 days.

(b) Selection of the successful developer could then be determined within a 15 day period thereafter.

(c) Additional final development details could be worked out with the successful developer, after the award has been made.

(d) The City should reserve the right to determine traffic circulation within the project site.

RECOMMENDATIONS

1. Mr. Oppenshaw continue his tight schedule now in progress for development of the 15 single family lots, through the Housing Authority.

2. HUD be requested to determine as soon as possible and inform the City what the cost of the land will be.

3. Mr. Oppenshaw to pull to-gether as soon as possible (with target date of May 1) uniform development criteria (including cost of land and *suggested* approximate number of units by respective types desired for the remaining housing sites to be furnished interested developers.

4. The Housing Authority to call as soon as possible (target date May 1) for multiple type ^{low-income} housing development proposals, for submittal in 30 days (target date June 1).

5. Prospective developers to be informed that the Planning Department reserves the right to work out with the successful developer, traffic circulation plans within the sites, satisfactory to the City.

6. Selection of successful bidder to be determined within 15 days after submittal of proposals.

7. HUD in Washington be requested by letter from Mayor Allen to ask GSA to deliver title to the portion of the tract (other than the 15 single family lots) to be developed for Housing (and related commercial) direct to the successful developer to be determined jointly by the City-Housing Authority.

8. Successful developer be required to start physical development of these housing sites (break ground within six (6) months from date of delivery to him of title to the land.

9. Successful developer be required to agree to complete development within two (2) years from starting (breaking ground) date.

Respectfully submitted,



Malcolm D. Jones
Housing Coordinator

April 29, 1968

Mr. Leon J. Noga, Director
Public Systems Laboratory
Washington Science Center
Litton Systems, Inc.
Applied Science Division
7300 Pearl Street
Bethesda, Maryland 20014

Subject: Cooperation during performance of HUD Experimental
Housing Research and Development Program

Dear Mr. Noga:

In reply to your letter of April 19 to Mayor Ivan Allen, I am enclosing a list of key citizens and contact persons in the area of housing research and development.

I would recommend that any initial contacts by your office be with Mr. Johnny C. Johnson, Director of Model Cities Program, 535 Hill Street, Atlanta (telephone 524-8876), and Mr. Malcolm Jones, Housing Coordinator, Office of the Mayor, City of Atlanta.

They will be glad to assist you in additional contacts or the provision of any research material you might wish.

Sincerely yours,

Dan Sweat

DS:fy

Mr. Cecil A. Alexander, Chairman
Housing Resources Committee
Finch, Alexander, Barnes, Rothschild & Paschal
10th Floor - Standard Federal Building
44 Broad Street, N. W.
Atlanta, Georgia 30303

Mr. Archer D. Smith, III, Attorney
Harmon and Thackston
1944 National Bank of Georgia Building
Atlanta, Georgia

Dr. Edwin Harrison, President
Georgia Institute of Technology
225 North Avenue, N. W.
Atlanta, Georgia 30313

Mr. Moreland Smith, Director
Urban Planning Project
Southern Regional Council, Inc.
5 Forsyth Street, N. W.
Atlanta, Georgia 30303

Mr. Robert C. Watkins
Morton Road at Statebridge
RFD # 0
Alpharetta, Georgia

Mr. Lee Burge, President
Retail Credit Company
P. O. Box 4081
Atlanta, Georgia 30302

Mr. A. B. Padgett, Trust Officer
Trust Company of Georgia
P. O. Box 4418
Atlanta, Georgia 30302

Mr. Hamilton Douglas, Jr., Attorney
National Bank of Georgia Building
Atlanta, Georgia

Mr. John Wilson, President
Horne-Wilson Company
163 Peters Street, S. W.
Atlanta, Georgia 30313

Mr. Edwin L. Sterne, Chairman
Atlanta Housing Authority
639 Trust Company of Georgia Building
Atlanta, Georgia 30303

Mr. Clarence D. Coleman
Regional Director
National Urban League
136 Marietta Street, N. W.
Atlanta, Georgia 30303

Mr. Charles F. Palmer, President
Palmer, Inc.
Palmer Building
41 Marietta Street
Atlanta, Georgia 30303

Mr. Jim E. Land
Chief Engineer for Georgia
Southern Bell Telephone and Telegraph Company
805 Peachtree Street, N. E.
Atlanta, Georgia 30308

Dr. Vivian Henderson, President
Clark College
240 Chestnut Street, S. W.
Atlanta, Georgia 30314

Mr. Duane Beck, Executive Director
Community Council of the Atlanta Area, Inc.
100 Glenn Building
Atlanta, Georgia 30303

Dean William S. Jackson
School of Social Work
Atlanta University
223 Chestnut Street, S. W.
Atlanta, Georgia 30314

Mr. William C. Bartholomay
Chairman and President
Atlanta Braves
P. O. Box 14064
Atlanta, Georgia 30312

Mr. Dale Clark
Director of Public Affairs
WAGA-TV
1551 Briarcliff Road, N. E.
Atlanta, Georgia 30306

Mr. Ray Moore
News Director
WSB-TV
1601 West Peachtree Street, N. E.
Atlanta, Georgia 30309

Col. Malcolm D. Jones
Housing Coordinator
Office of the Mayor
1204 City Hall
Atlanta, Georgia 30303

Mr. W. W. Gates
Consultant
Housing Resources Committee
1204 City Hall
Atlanta, Georgia 30303

Mr. George W. Kennedy, Chairman
Housing and Redevelopment Committee
Chamber of Commerce
1300 Commerce Building
Atlanta, Georgia 30301

Mr. Johnny C. Johnson, Director
Model Cities Program
565 Hill Street
Atlanta, Georgia 30312

CITY OF ATLANTA



CITY HALL ATLANTA, GA. 30303

Tel. 522-4463 Area Code 404

IVAN ALLEN, JR., MAYOR

R. EARL LANDERS, Administrative Assistant
MRS. ANN M. MOSES, Executive Secretary
DAN E. SWEAT, JR., Director of Governmental Liaison

April 22, 1968

*For
I will dictate
answer*

MEMORANDUM

To: Col. Malcolm Jones

From: Dan Sweat *DS*

Could you furnish me with a list of the key citizens and people which is requested in this letter from Litton Systems, Inc.

I believe I would want them to start with you and try to keep this in the area of our Housing Resources Committee.

DS:fy

April 19, 1968

Honorable Ivan Allen, Jr.
Mayor of the City of Atlanta
Atlanta, Georgia

Subject: Co-operation during performance of HUD Experimental
Housing Research and Development Program

Dear Mayor Allen:

On March 14, 1968 the Department of Housing and Urban Development solicited proposals for Concept Design and Execution of an "In City" Experimental Housing Research and Development Program. It is planned that the effort will be concentrated in a large number of Model Cities.

By May 1, 1968 it is expected that a Contractor will be selected who will be expected to accomplish an intensive analysis in depth of the Model Cities by June 15, 1968, prior to the actual development of experimental housing programs.

In a prior letter to you dated 12-14-67, Litton advised you of its desire to participate in Model Cities efforts. As further expression of interest, Litton Industries has assembled what it considers to be an outstanding team of planners, architects, builders, etc., to perform on this complex system job.

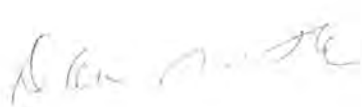
The purpose of this letter is to solicit your support in establishing contacts with key citizens in your city. A letter from you defining principal contacts is deeply appreciated.

Very truly yours,



Leon J. Noga, Director
Public Systems Laboratory
Washington Science Center

LJN/cep



October 17, 1967

HOUSING RESOURCES COMMITTEE

✓ Mr. Cecil A. Alexander, Chairman
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Finch, Alexander, Barnes, Rothschild, and Paschal, Architects
10th Floor Standard Federal Building
44 Broad Street, N. W.
Atlanta, Georgia 30303

Dr. Sanford S. Atwood, Co-Chairman
Housing Resources Committee
President, Emory University
Atlanta, Georgia 30322

Dr. Benjamin E. Mays, Co-Chairman
Housing Resources Committee
President Emeritus, Morehouse College
3316 Pamlico Dr. S. W.
Atlanta, Georgia 30311

PANELS

LEGAL

Mr. Charles L. Weltner, Attorney
The First National Bank, Suite 2943
2 Peachtree Street
Atlanta, Georgia 30303

Mr. Donald Hollowell, Regional Director
Equal Employment Opportunity Commission
1776 Peachtree Street, N. W.
Atlanta, Georgia 30309

Honorable Luther Alverson, Judge
Fulton County Superior Court
136 Pryor Street, S. W.
Atlanta, Georgia 30303

✓ Mr. Archer D. Smith III, Attorney
Harmon and Thackston
1944 National Bank of Georgia Bldg.
Atlanta, Georgia

Chairman

Mr. Norman L. Underwood, Attorney
Sanders, Hester and Holley
1001 Commerce Building
Atlanta, Georgia

CONSTRUCTION AND DESIGN

✓ Dr. Edwin Harrison, President
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225 North Avenue, N. W.
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Chairman

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Atlanta, Georgia 30313

✓ Mr. Moreland Smith, Director
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Southern Regional Council, Inc.
5 Forsyth Street, N. W.
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Vice-Chairman

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Morris Brown College
673 Hunter Street, N. W.
Atlanta, Georgia 30314

Mr. Henry F. Alexander, Builder
2439 Fernleaf Court, N. W.
Atlanta, Georgia 30318

Mr. James Moore, President
Atlanta Labor Council
15 Peachtree Street, N. E.
Room 208
Atlanta, Georgia 30303

✓ *Mr. Rold C. Watkins*
Morton Road at Statebridge
RFD #2, Alpharetta, Ga.

FINANCE AND NON-PROFIT FUNDS

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223 Chestnut Street, S. W.
Atlanta, Georgia 30314

✓ Mr. Lee Burge, President
Retail Credit Company
P. O. Box 4081
Atlanta, Georgia 30302

Chairman

Mr. Butler T. Henderson
Morehouse College
223 Chestnut Street, S. W.
Atlanta, Georgia 30314

FINANCE AND NON-PROFIT FUNDS (continued)

Mr. Mills B. Lane, Jr., President
The Citizens and Southern National Bank
P. O. Box 4899
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Mr. Joseph Earle Birnie, President
The National Bank of Georgia
Peachtree at Five Points
Atlanta, Georgia 30303

Mr. Augustus H. Sterne, President
The Trust Company of Georgia
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Atlanta, Georgia 30303

Mr. Gordon Jones, President
The Fulton National Bank
P. O. Box 4387
Atlanta, Georgia 30302

Vice-Chairman

✓ Mr. A. B. Padgett, Trust Officer
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Atlanta, Georgia 30302

✓ Mr. Hamilton Douglas, Jr., Attorney
National Bank of Georgia Building
Atlanta, Georgia

Rev. William Holmes Borders, Pastor
Wheat Street Baptist Church
1426 Mozley Drive, S. W.
Atlanta, Georgia

~~Dr. Rufus Clement, President
Atlanta University
223 Chestnut Street, S. W.
Atlanta, Georgia 30314~~

Deceased

✓ Mr. John Wilson, President
Horne-Wilson Company
163 Peters Street, S. W.
Atlanta, Georgia 30313

Mr. Albert Love
Executive Vice President
The McCall Corporation
P. O. Box 1000
Doraville, Georgia 30040

Mr. Scott Houston, Jr., Executive Director
Wesley Woods Apartments
P. O. Box 15468
Atlanta, Georgia 30333

PUBLIC HOUSING

✓ Mr. Edwin L. Sterne, Chairman
Housing Authority of the City of Atlanta
639 Trust Company of Georgia Building
Atlanta, Georgia 30303

Dr. Albert† Manley, President
Spelman College
350 Leonard Street, S. W.
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Mr. Leonard Reinch, President
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✓ Mr. Clarence D. Coleman, Regional Director Chairman
National Urban League
136 Marietta Street, N. W., Suite 242
Atlanta, Georgia 30303

✓ Mr. Charles F. Palmer, President
Palmer, Inc., Palmer Building
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Atlanta, Georgia 30303

LAND ACQUISITION

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Atlanta, Georgia 30302

Mr. Clayton R. Yates, President
Yates-Milton Stores
228 Auburn Avenue, N. E.
Atlanta, Georgia 30303

✓ Mr. Jim E. Land
Chief Engineer for Georgia
Southern Bell Telephone & Telegraph Company
805 Peachtree Street, N. E.
Atlanta, Georgia 30308

✓ Dr. Vivian Henderson, President Acting Chairman
Clark College
240 Chestnut Street, S. W.
Atlanta, Georgia 30314

LAND ACQUISITION (continued)

Mr. J. A. Alston, President
Empire Real Estate Board
Alston Realty Co.
195 A Auburn Ave. N. E.
Atlanta, Georgia 30303

Mr. Stewart Wight
Wight, Couch & Ward
15 Peachtree Bldg., Room 822
Atlanta, Georgia 30303

SOCIAL PROBLEMS

✓ Mr. Duane Beck, Executive Director
Community Council of the Atlanta Area, Inc.
1000 Glenn Building
Atlanta, Georgia 30303

Mrs. Sujette Crank, Social Director
Neighborhood Services, E.O.A., Inc.
101 Marietta Street
Atlanta, Georgia 30303

Dr. Tobe Johnson
Professor of Political Science
Morehouse College
223 Chestnut Street, S. W.
Atlanta, Georgia 30314

✓ Dean William S. Jackson
School of Social Work
Atlanta University
223 Chestnut Street, S. W.
Atlanta, Georgia 30314

Chairman

Mr. Erwin Stevens, Chairman
Citizens Central Advisory Committee, E.O.A.
799 Parsons Street, S. W.
Atlanta, Georgia 30314

Mr. Lewis Genker, Attorney
2045 Manchester, N. E.
Atlanta, Georgia 30309

BUSINESS PARTICIPATION

Mr. Virgil Milton
3626 Tuxedo Road, N. W.
Atlanta, Georgia 30305

Chairman

Mr. Edward L. Simon, Auditor
Atlanta Life Insurance Company
1148 Auburn Avenue, N. E.
Atlanta, Georgia 30303

Vice-Chairman

~~Mr. Harlee Branch, President
The Southern Company
3390 Peachtree Road, N. E.
Atlanta, Georgia 30305~~ *Resigned*

Mr. C. Arthur Jenkins
Director, Industrial Relations
Lockheed Company
Marietta, Georgia 30060

Mr. Rolland Maxwell, President
Davison's Department Stores
180 Peachtree Street, N. W.
Atlanta, Georgia 30303

✓ *Wm. C. Bartholomew
Chairman & President
Atlanta Braves
P.O. Box 14064 Atlanta, Ga. 30312*

PUBLIC INFORMATION

Mr. James L. Townsend
Townsend and Associates
1014 Healey Bldg.
Atlanta, Georgia

✓ Mr. Dale Clark
Director of Public Affairs
WAGA-TV
1551 Briarcliff Road, N. E.
Atlanta, Georgia 30306

Chairman

✓ Mr. Ray Moore
News Director
WSB-TV
1601 West Peachtree Street, N. E.
Atlanta, Georgia 30309

Mr. Jim Wood
News Director, WAOK
110 Edgewood Avenue, N. E.
Atlanta, Georgia 30303

Vice-Chairman

STAFF

ROOM 1204, CITY HALL

Tel. 522-4463, Ext. 430

- ✓ Malcolm D. Jones, Director
- ✓ W. W. Gates, Consultant
- ~~Mrs. Sharon Crawford, Secretary~~

RICHARD L. FULLERTON

AND ASSOCIATES

Consultants for Multi-family Housing

April 25, 1968

TELEPHONE 872-6089
1222 PEACHTREE ROAD, N. E.
P. O. BOX 7164
ATLANTA, GEORGIA 30309

TELEPHONE 422-4479
145 NORTH MAGNOLIA AVENUE
P. O. BOX 2068
ORLANDO, FLORIDA 32802

The Honorable Ivan Allen, Jr., Mayor
The City of Atlanta
City Hall
Atlanta, Georgia

Dear Mayor Allen:

For several weeks I have been in conferences with the very excellent staff of your Housing Resources Committee and of the Housing Authority with reference to a major innovation we are undertaking for the provision of low cost housing in urban areas. Please accept my sincere expression of gratitude for their courtesies and their very astute attention to the matters brought before them.

I am working in behalf of a well capitalized group which controls the patents by which a major breakthrough in construction costs can be achieved. To oversimplify, it is our intention to not merely "pre-fabricate" but to actually manufacture housing units and deliver them to the site almost intact. The patents have to do with a method of preforming fibreglass so that the necessary structural characteristics can be built into the building components on a mass production basis. The automobile industry is turning out a much more complicated product than the housing industry at enormously lower costs. Machine work and mass production techniques are the obvious answer. Our thinking is not unique in this regard, but the group I represent does control rigid patents and unusual abilities in the necessary fields so that we are sure that we can move forward.

I am writing now with reference to the "Honor Farm" land that is currently under consideration by your offices. Obviously there is an overwhelming need for low cost housing to be built in Atlanta. You all have faced this issue squarely and I am confident that adequate solutions to the many problems will quickly be found.

April 25, 1968

Mr. Edward H. Baxter
Regional Administrator
Department of Housing and
Urban Development
645 Peachtree-Seventh Building
Atlanta, Georgia 30323

Dear Mr. Baxter:

With this letter I transmit an explanation of the need to convert open-space park land in the Thomasville Urban Renewal Project, GA R-22, to single family use.

Enclosed are original and two copies of the documentation required by Page 7 of Chapter 5 of the "Open-Space Land Program Guide."

I will appreciate you giving urgent consideration to this action so that we may meet the May 20 target date for beginning construction of the first unit on the Federal Prison surplus property.

Sincerely yours,

Ivan Allen, Jr.
Mayor

IAJr:fy

Enclosures

Mayor Ivan Allen, Jr. - 2 - April 25, 1968

Because of the innovative character of our operation, we are desirous of proving our case in an urban setting as contrasted with the usual subdivision effort. To accomplish a cost reduction in a rural area is not as significant as to accomplish the same savings in the heart of a city like Atlanta. These are days of careful experimentation in everything having to do with human relations, and we mean to perform a significant social service in the process of making the revolutionary changes in construction techniques that will mass produce the dwelling units.

I am sure that regulations require a competitive setting for the disposition of the Federal Penitentiary land, but, by the same token, the Federal Government, as you know, is almost desperately anxious to see cost savings accomplished that will make it possible for low and middle income people to afford new homes without the onus of massive financial subsidy. This we propose to do and for this reason we earnestly request the privilege of using the Honor Farm land in the massive experiment for which we are now tooling up.

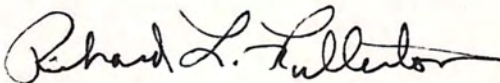
We are looking at various factory sites for rent inside the Atlanta city limits and, naturally, are anxious that the land we will use for the actual subdivision will be in close proximity. The nature of the manufacturing process will not require a great many already trained people. This works another advantage for the urban setting. We will be able to give unskilled workers the modest training necessary to manufacture and fabricate the components. As we see it then, our program for using the Honor Farm land will provide three immediate benefits. First, it will enlarge the housing inventory at very reasonable cost to the tenant and to whatever agency is charged with subsidizing the tenant rent or purchase. Second, it will provide employment for a significant number of semi-skilled and unskilled people in Atlanta. Third, the experimentation will naturally have geographic significance so that my favorite city can be known as having continued in its course of leadership with regard to national urban problems.

We are already into the basic site design; we propose single family and multi-family detached units in addition to a modest highrise for the elderly and whatever shopping center would be feasible. We will utilize our fibreglass materials and techniques in all of the construction in whatever degree the particular structure makes possible.

Mayor Ivan Allen, Jr. - 3 - April 25, 1968

With such a program, the first question is always "when?". The machinery with which we will manufacture our prototype models is already assembled and will be shipped to Atlanta as soon as we have the factory site ready. The larger machinery will be purchased and brought into operation as needed. We are counting our time in weeks and will produce upwards of five hundred housing units during our testing.

We will anxiously await the outcome of Tuesday's meeting, and will consider it a privilege to work with your people in the service of the citizens of Atlanta.



Richard L. Fullerton

RLF*jl

cc: Mr. Dan Sweat
Director of Government Liaison
City of Atlanta

Mr. Cecil Alexander, Chairman
Housing Resources Committee
City of Atlanta

Senator Paul Douglas, Chairman
President's Committee on Urban Problems
Washington, D. C.

Mr. William O. Burke, Director
Industry Division
Georgia Department of Industry and Trade

Mr. George T. Scharffenberger, President
City Investing Company
New York City

Mr. David E. Kahn
New York City

DISCUSSION

Mr. Case of HUD proposes that GSA deed the Highway, School and Parks portions of the site directly to those respective Departments for planning and development, but that the Housing portion (including small commercial site to serve the project) be deeded to the Housing Authority, for subsequent processing and development under Urban Renewal. However, he concedes that these sites could be deeded by GSA to the City of Atlanta or direct to a selected developer, as is now contemplated for the other portions of the site.

All agree that the eventual award of the housing portion to a developer should be based on some form of competitive process. It also appears that the most feasible competitive procedure would be thru design proposals by prospective developers, for multiple type ^{low-income} housing.

We all also agree that such proposals could be called for by either the City or the Housing Authority, without waiting for the title to first pass from GSA.

It is my opinion, which is also shared by others, that the quickest development can be accomplished thru private developers direct, without the land being deeded first to the Housing Authority and then going thru the Urban Renewal process. At least two of the prospective developers much prefer it this way and in fact have requested it be done this way, if possible. Interfaith has specifically asked that the Mayor write directly to HUD in Washington requesting this procedure.

Any financial advantage that might be derived in development of streets and installation of utilities by the Housing Authority thru the Urban Renewal process, should be off set by the time saved and anticipated relatively low land cost of the project, if done by the developer, in conjunction with the housing development.

If necessary, the Housing Authority might be compensated for its administrative services on this project, by adding the expense involved, which should be only nominal, to the cost of the land to the developer.

Mr. Oppenshaw proposes to work up criteria to be furnished prospective developers uniformly in a package for their guidance in preparing and submitting proposals on the housing portions of the site (other than the 15 single-family lots).

The prospective developers are anxious to know what the land will cost them. They should know this in order to plan intelligently.

Mr. Gladin, Mr. Oppenshaw and I are in agreement that:

(a) As soon as Mr. Oppenshaw can package the development criteria so that all interested developers may get the same material and information as to requirements (which he is attempting to do by May 1) such can then be put out to developers for submittal of proposals within 30 days.

(b) Selection of the successful developer could then be determined within a 15 day period thereafter.

(c) Additional final development details could be worked out with the successful developer, after the award has been made.

(d) The City should reserve the right to determine traffic circulation within the project site.

RECOMMENDATIONS

1. Mr. Oppenshaw continue his tight schedule now in progress for development of the 15 single-family lots, through the Housing Authority.

2. HUD be requested to determine as soon as possible and inform the City what the cost of the land will be.

3. Mr. Oppenshaw to pull to-gether as soon as possible (with target date of May 1) uniform development criteria (including cost of land and *suggested* approximate number of units by respective types desired for the remaining housing sites to be furnished interested developers.

4. The Housing Authority to call as soon as possible (target date May 1) for multiple type ^{low-income} housing development proposals, for submittal in 30 days (target date June 1).

5. Prospective developers to be informed that the Planning Department reserves the right to work out with the successful developer, traffic circulation plans within the sites, satisfactory to the City.

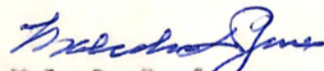
6. Selection of successful bidder to be determined within 15 days after submittal of proposals.

7. HUD in Washington be requested by letter from Mayor Allen to ask OSA to deliver title to the portion of the tract (other than the 15 single family lots) to be developed for Housing (and related commercial) direct to the successful developer to be determined jointly by the City-Housing Authority.

8. Successful developer be required to start physical development of these housing sites (break ground within six (6) months from date of delivery to him of title to the land.

9. Successful developer be required to agree to complete development within two (2) years from starting (breaking ground) date.

Respectfully submitted,



Malcolm D. Jones
Housing Coordinator

Don Sneed

HOUSING RESOURCES COMMITTEE

April 19, 1968

SUPPLEMENTAL MEMORANDUM:

Re Honor Farm No. 1 (Federal Pen Site)

In meeting yesterday with Housing Authority representatives, the following salient points were brought out:

1. Price of the portions to be developed for housing and related commercial will require prior determination as to nature of development, i.e., through the Housing Authority as Urban Renewal or by developers direct without the Urban Renewal procedure.

2. Mr. Persells stated he would prefer it not be under Urban Renewal.

3. Mr. Persells felt that after an Urban Renewal project reaches the Execution stage, development thereafter could be as quick through the Housing Authority as direct through private enterprise, but he would not predict how long it would take to reach the Execution stage.

4. Mr. Persells stated that Mr. Ed Baxter apparently feels that none of the land should be developed as Public Housing and that in last meeting the Mayor appeared to concur. (I assume that this does not preclude Turnkey development of at least a portion of the area). I feel that prospective developers should be encouraged to build a substantial number of units so that they could initially or subsequently be sold to the occupants and that development under both Turnkey and 221 d (3) should be advocated.

5. It was brought out by Mr. Oppenshaw that if development is not under Urban Renewal, credits for the Elementary and Junior High Schools would not be available and that credits for these two facilities would be sufficient to balance off the entire local share of the cost of an Urban Renewal project.

It also developed, however, that the Junior High School-Community Center would be a general community facility serving that whole general area of the city and not limited to the proposed development area.

6. Since the Junior High-Community Center represents 24 acres out of the entire Federal Pen Site to be dedicated, that in view of the difficulty the City is having getting low-income housing sites, particularly for Public Housing, and the fact that the School Department can get sites anywhere they are needed, that the overall needs of the City would be better served if this entire 24 acre portion, which includes some of the best land, would be developed for low-income housing.

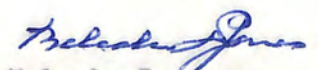
RECOMMENDATION:

(a) That the housing and related commercial portions of the area be developed by private enterprise direct, without going through the Urban Renewal process.

(b) That the currently designated Junior High School and Community Neighborhood Center site be also developed for low-income housing.

(c) That a multiple type housing development be encouraged using both Turnkey and 221 d processes, with a substantial portion of the units designed so that they could eventually be sold to the occupants.

Respectfully submitted,


Malcolm D. Jones
Housing Coordinator

Don Sreat

SHEETZ AND BRADFIELD / ARCHITECTS / INCORPORATED / A. I. A.

ATLANTA, GEORGIA 30309 • 74 FOURTEENTH STREET, N. E. • TELEPHONE 892-8722 • AREA CODE 404

Please address all correspondence to: P. O. Box 7988 • Atlanta, Georgia 30309

April 19th, 1968.

Mr. Lester Persells,
Housing Authority of the City of Atlanta,
824 Hurt Building,
Atlanta, Georgia 30303.

Dear Mr. Persells:

We understand that you will have renewal land for sale in the Thomasville Federal Penitentiary area for multi-family housing.

Please let us express our interest and intention of submitting a bid for either the 221(d)(3) F.H.A. Program or the Turnkey H.A.A. Program.

Will you please provide to us a prospectus and the necessary bid documents for all sites that will be available for multi-family housing.

Very truly yours,

SHEETZ AND BRADFIELD/ARCHITECTS/INCORPORATED/A.I.A.

Francis B. Sheetz, Jr., A.I.A.

copy to: Mr. Gilbert Boggs
Mr. Malcolm Jones ✓
Mr. Ernest Tharpe
Mr. James F. Kirkpatrick

fbs/gk

Don Sweet

GEORGIA INSTITUTE OF TECHNOLOGY
ATLANTA, GEORGIA 30332

OFFICE OF THE PRESIDENT

April 17, 1968

Mr. Cecil Alexander
Chairman
Housing Resources Committee
City Hall
Atlanta, Georgia

Dear Mr. Alexander:

I am writing in response to your request for an evaluation of the presentation made to the Construction and Design Subcommittee of the Housing Resources Committee by Mr. McNamara on Tuesday, March 26. You will recall that this was a presentation of a new concept for the fabrication of residential units.

This concept involved pouring on site, by use of vacuum forms, concrete elements of a standardized nature which would become elements of multi-family residential buildings. The standardized elements could be varied from job to job and from unit to unit in such a way as to make them adaptable to the needs of various sites and architectural plans.

It is my opinion, as Chairman of the Construction and Design Subcommittee, and that of those with whom I have talked who were present at this slide presentation, that the concept is a good one but that it is at this point in time only a concept and not a proven plan. It is my opinion that Mr. McNamara should find a developer who is willing to develop this idea on an actual building project involving a number of multi-family units. If such a developer can be found, this may well be an excellent concept to utilize in the model city program as it does represent one innovation in the field of attempting to provide low income housing. The model city program should be considered because of a necessity for requiring a reasonable sized tract of land in order to build enough units to analyze the validity of Mr. McNamara's proposed technique. It is, after all, an experimental project and one which is yet to be proven in the field.

There are many possible applications of pre-fabricated elements within these units which should be explored, but which may be restricted at this time by various codes. If maximum saving is to be attained in this kind of project, the use of prefabricated fixtures and materials must be allowed subject to carefully drawn requirements.

Mr. Cecil Alexander
page 2.

In summary, it is our belief that this is a good concept but that it is only a concept at this time and that it does require actual construction of a number of units in order to properly evaluate the technique on any objective basis.

Sincerely yours,

Edwin D. Harrison
President

EDH:lhs

cc: Colonel Malcolm Jones ✓
Mr. Moreland Smith
Mr. Bob Winn

J. H. A. YOUNG
2406 So. PROSPECT AV.
CHAMPAIGN, ILL. 61820
TEL. AREA CODE 217-356-1258

ORIGINATOR & DEVELOPER OF
THE PRESSURIFORM FIBERGLASS PROCESS.

Katharine Brunwell Crawford
Consultant

Richard L. Fullerton & Assoc.
Box 7164
Atlanta, Ga 30309

Patents
&
Pressuriform
+ 12 years
experience in
Fiberglass
Development
owned
by our
family

David E. Kahn
56 E 80th NY City -
S. N. Goldsmid -
DIRECTOR of 1st Nat Bank -
of Oklahoma City, Okla -
Chairman of Board
A. C. F. Wrigley of Detroit -

Dan -

These are the people who were with
Richard L. Fullerton - 4-15-68

Fibre glass housing

WJG

NATIONAL COMMISSION ON URBAN PROBLEMS

ROOM 640, 806 15TH ST. N. W., WASHINGTON, D. C. 20005

CU-8-68

Contact: Walter Rybeck

Phone: 202/382-2068

FOR RELEASE

Sunday

September 1, 1968

SEVEN-CITY STUDY PINPOINTS HOUSING PLIGHT OF LARGE POOR FAMILIES

Public and private housing have failed by a large margin to meet the needs of large poor families, according to a study prepared for the National Commission on Urban Problems and released today.

"The finding of a shortage of some 71,000 dwelling units affecting almost 70 percent of the large poor families in seven major cities is not just another statistic," said Commission Chairman Paul H. Douglas. "The number of children affected by this gap in these cities alone is computed to be approximately one-third of a million." (See p. 19.)

The seven cities studied were Washington, Philadelphia, New Orleans, St. Louis, Richmond, Denver and San Francisco. They were selected because, in these places, detailed income data by family size could be correlated with available housing supply information. Walter Smart, Walter Rybeck and Howard E. Shuman of the Commission staff prepared the report, "THE LARGE POOR FAMILY--A HOUSING GAP."

The shortage of 71,000 units was figured after including as available for occupancy 12,000 units which the seven cities indicated were merely planned. When only the current available inventory is counted, the shortage is more than 83,000 units and affects 80 percent of the large poor families. Poor families are defined in the study as those who with 25 percent of family income cannot afford decent private housing. The inventory available to them is necessarily the housing supplied under various subsidy programs.

What is the gap? The study (1) finds the minimum income required to afford standard or decent housing in each city as determined by the local redevelopment agency, (2) calculates the number of large families below that income level, and (3) totals the number of existing and planned standard housing units suitable for large families under all housing programs. In essence, the gap is the difference between (2) and (3), between need and supply.

In the seven cities (see Table 3, p. 15) there were 103,464 large families with insufficient income to afford standard housing. Available and planned housing left a gap of 71,162--a shortage affecting 68.8 percent of these families.

The five- and six-member families numbered 63,728. The gap in their case was 40,026 units--a shortage affecting 62.8 percent of these families.

The seven- and eight-member families numbered 26,225. The gap in their case was 19,237 units--a shortage affecting 73.4 percent of these families.

The nine- and ten-member families numbered 9,558. The gap in their case was 8,148 units--a shortage affecting 85.2 percent of these families.

The very large families of 11 or more members numbered 3,953. The gap in their case was 3,751 units--a shortage affecting 94.9 percent of them.

As family size increases, the number of families goes down sharply, the size of the gap rises significantly, and the number of children affected by each unit of housing shortage increases. The report further shows the high percentage of non-whites affected by the large poor family housing gap (pp. 17-18).

The authors cite a number of legislative and administrative factors that have tended to discourage the building of subsidized housing suitable for large families. (See pp. 21-28.)

Mr. Douglas said, "I was very pleased to find provisions in the new Housing and Urban Development Act of 1968 which, in part, move in the direction of easing some of the housing problems faced by large poor families."

Note to Correspondents: The authors will hold a press conference on the report (for Sunday release) at 10 a.m. Friday, August 30, in Room 10211, tenth floor, of the New Executive Office Building, 17th & H Streets, N.W. Advance copies available on request.

PUBLICATIONS - NATIONAL COMMISSION ON URBAN PROBLEMS - AUGUST 1968

1. The Commission hearings cover all topics assigned to the Commission and many related current issues. The complete set of five volumes has been at the printers for many months but only those listed are available at this time.
2. Background studies undertaken by the Commission staff and consultants, in preparation for the Commission's report to the President and to Congress, resulted in several dozen research papers, many of which it was felt would be of public interest. Research reports that are published do not necessarily carry the endorsement of the Commission.
3. The Commission's own report, carrying out the Congressional and White House mandates, will be the final category of publication.

Order Form and Summary of Publications to Date

Requests are being handled without charge.

Single copies only, please. Bulk orders cannot be filled because of limited supplies. (Exception: reprints of Research Report No. 1 have been made available by the Joint Economic Committee of Congress.)

The Hearings are also available for purchase from "Superintendent of Documents, Government Printing Office, Washington, D.C. 20402."

To avoid errors and hasten mailing, check publication you wish to receive and PRINT CLEARLY in the address blank.

- HEARINGS BEFORE THE NATIONAL COMMISSION ON URBAN PROBLEMS, Vol. 1. Baltimore, New Haven, Boston, Pittsburgh. Major topics-- urban renewal, rehabilitation, housing codes, financing and insuring in blighted areas, property taxation, land values. Indexed, 361 pp. (Our supply almost exhausted.)
- HEARINGS, Vol. 2. Los Angeles, San Francisco. Major topics--land-use regulation, building codes and technology, urban design, governing metropolitan areas, housing low-income families. Indexed, 493 pp.
- HEARINGS, Vol 3. Denver, Atlanta, Houston, Fort Worth-Arlington-Dallas, Miami. Major topics--metropolitan housing patterns, public housing, new housing subsidies, zoning, building and housing codes, urban finance, government consolidation. Indexed, 386 pp.
- Research Report No. 1, IMPACT OF THE PROPERTY TAX, by Dick Netzer. Measures the tax burden on housing, examines intrametropolitan tax differentials that stimulate exclusionary practices and unsound development; scores faulty assessment practices; proposes reforms and alternatives; 62 pp.
- Research Report No. 2, PROBLEMS OF ZONING AND LAND-USE REGULATION, by the American Society of Planning Officials. Finds land-use controls often exclude low-income minority families from certain urban areas; claims zoning may exert less influence on development patterns than utility extensions, land speculation, highway locations; includes views of 28 experts; 80 pp.
- Research Report No. 3, THE CHALLENGE OF AMERICA'S METROPOLITAN POPULATION OUTLOOK--1960 TO 1985, by Patricia Leavey Hodge and Philip M. Hauser. Projects urban expansion with biggest growth in suburban rings; further racial concentration of whites in suburbs and nonwhites in central cities; marked increase in growth of young labor force (ages 15-44); 90 pp. (Commission supply exhausted. Praeger, 111 4th Ave., N.Y., N.Y., reprinting for sale. Government may reprint.)
- Research Report No. 4, THE LARGE POOR FAMILY--A HOUSING GAP, by Walter Smart, Walter Rybeck, Howard E. Shuman. Study of seven cities (Washington, Philadelphia, New Orleans, St. Louis, Richmond, Denver, San Francisco) finds poor families of five or more persons neglected in public programs; measures shortage; cites restrictions inhibiting supply of larger dwelling units; 28 pp.

NAME _____
ORGANIZATION _____
STREET _____
CITY, STATE, ZIP _____

CITY OF ATLANTA

AUGUST 2, 1968



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

I am appearing before you as Chairman of the Housing Resources Committee of the City of Atlanta. In November 1966, we were charged by the Mayor to assist by all means possible the construction of 16,800 units of low and moderate income housing units. These units were to serve as relocation for persons to be moved by urban renewal, new roads, schools, and other government action.

As of May 15 we stood as follows:

Units completed	2,031
Under construction	5,108
In planning	<u>7,151</u>
Total in sight	14,290

Of this 16,800, 9,576 were to be public housing -- 3,906 of these are in some stage of completion, 658 have been leased, and 372 are being negotiated. This means that 4,640 more units are needed by 1971.

In the F.H.A. programs for low to moderate incomes, we are running ahead by 3,165 units. It is then in the area of public housing, the most needed and the most difficult to find land for, that we need help.

In addition to the replacement housing we need, the total requirement for low and moderate units as compiled by the City Planning Department is 31,400. Thus even if we complete the 16,800 units, we are still 14,600 units short of our total needs.

It is no news to you that this program is controversial. White and black, rich and poor, people in government and out, good guys and bad guys, say either, "we need it, but put it somewhere else." or "don't put anymore of it anywhere" And our proposals are themselves controversial, open to misinterpretation and exploitation. But this Committee feels that our requests are justified in terms of the successful completion of this program--and we did not join this committee to fail.

The question has been raised concerning the inability of the people of Atlanta to stand the tax burden of carrying out the program. It should not be forgotten that over 7,000 of these units will, in fact, be tax producing and will present no additional burden on Atlanta's taxpayers. Even Public Housing makes payment to the City in lieu of taxes. All pay, even if at a reduced rate. It is well known that slums absorb an inordinate amount of taxes in the extra police protection, fire protection and sanitary services. When we eliminate slums we also eliminate considerable profitless drain of tax dollars. The Housing program will presumably put over \$170,000,000.00 in construction costs into Atlanta's economy during construction; jobs will be created during construction and long after in management and maintenance. We submit that the net effect on the City will be increased tax yield and substantial improvement in the overall economy.

The point was also made that if we enforce the laws against overcrowding, the people would have no place to go but Fulton and

DeKalb County. We approve of the enforcement of the law, but challenge the assumption of knowing where the displaced would go. If history repeats, they will stay as close by as possible and "block bust" adjoining neighborhoods, unless a definite program is set up to relocate them.

One of the T.V. stations warned us that you would want several questions answered today. They are good questions--we believe we have good answers.

1. Why don't we look for sites already zoned for apartments?

ANSWER: We have--the developers have--the areas now zoned for apartments of all kinds amount to 455 acres and of this more than three-fourths have been tried and found wanting. Zoning isn't the only criteria. The site selected must be priced right, it must satisfy H.U.D., the Atlanta Housing Authority, F.H.A., schools must be available, utilities must be in, terrain must be feasible and so on.

2. What is to prevent prices on rezoned land from soaring?

ANSWER: The more land available, the lower the prices should be.

3. Is the housing being built being used by displaced Atlanta people or is it making Atlanta a dumping ground for the poor?

ANSWER: We acknowledge this possibility and have taken the following steps:

1. We recommended to the Atlanta Housing Authority and they have required one year residency for acceptance in public housing.

Recent figures, however, show that the people who want public housing are our own Atlantans.

From November 1, 1967 to June 30, 1968, the Atlanta Housing Authority received 2,903 applications. Of these only 141 were from persons in Atlanta less than six months, whose applications were rejected.

2. This Committee has brought into being a metropolitan oriented non-profit fund for promoting projects throughout the metropolitan area
3. This committee has encouraged the creation of the Inter-Faith Housing Group, a non-profit group of churches seeking to build housing throughout the area.
4. We have supported and encouraged such organizations as SWAP which have encouraged the stabilization of neighborhoods in transition.
5. We have encouraged the construction of upper income housing in the central city and the preservation of existing neighborhoods.
6. We are moving to organize a state-wide low cost housing group.

Yet it would seem that your fears and ours are not valid. First of all as noted above, the Atlanta Housing Authority figures indicate that there is only a small influx of poor seeking housing. Secondly, we cite the following figure from Sales Management- a publication that many businesses and planning bodies rely on.

Their figures indicate that low income families are on the decline in the City limits of Atlanta and higher income on the rise.

<u>YEAR</u>	<u>INCOME LEVEL</u>	<u>PERCENTAGE</u>
1966	3,000 or less	23.7%
1967	3,000 or less	20.9%
1966	10,000 or more	22.9%
1967	10,000 or more	26.9%

The poor families dropped 2.8% and the \$10,000.00 or better increased 4%.

The Atlanta Constitution, in discussing a similar effect in the metropolitan area says, "Last year's increase of some 13,500 in number of households here also may have influenced the unusual trends, particularly if most of them represent migrants moving into relatively well paid jobs here."

We do not know what part housing plays in attracting poor people to Atlanta, but we are convinced that jobs, schools, community services, and the racial relations here, as contrasted with the rural areas, attract far more than housing.

If we want to stop the poor who do come to Atlanta we should also stop the Forward Atlanta program, the efforts of the local businessmen to find jobs for the hard-core unemployed, the Community Chest and

let race relations deteriorate. In short, stop every effort of these last years that is making Atlanta great in our own eyes and across the nation.

One thing we do need to do is to move on rapidly with the NASH-BANS and other urban renewal projects. The problem with this program is not that we are building too much housing (the need is there with or without clearance projects) but that we are lagging in our slum clearance efforts.

We are vigorously opposed to any slowing down of this program while such places as Vine City, Lightnin', Plunkett Town, Summerhill, Mechanicsville, and severe overcrowding even in the better areas exists.

In order to help this program and, we believe, benefit the entire city, we are asking the Mayor and Board of Aldermen to take the following actions.

1. We request the Mayor to appoint either an existing committee or a new committee to assume the responsibility for the housing program in the Board.

We do not believe you are "the bad guys"--we want and need your assistance.

2. Revise the Building Code for the City of Atlanta at least to

allow experimental housing to be built in the Model Cities Area.

It has been made clear to us that such action is needed if Atlanta is to qualify in the Model Cities experimental housing programs.

3. Revise the ordinance governing non-conforming use of land to allow structural repairs to dwelling units.

We understand that the Planning Commission has this under consideration. We urge haste in this matter to allow the enforcement of the Housing Code in areas of non-conforming use.

4. Accelerate the urban renewal program particularly in the NASH-BANS , Vine City area, and others outside of the Model Cities area which is moving.

As long as the horrible conditions in some of these areas exists, we are asking for trouble--we are inhumane and we are not a great city.

5. Authorize the Atlanta Housing Authority to ask for 2,000 additional units of public housing.

The present allocations are used up and developers are being turned away.

As stated above, 4,640 additional units are needed to complete the program.

We recommend that a substantial part of this housing should be built by the Authority itself so that it can select sites.

6. Finally, we request that a revised District Zoning Map be adopted. This map should be based on the new land use map of the city after careful review of that map.

As a part of this map, we ask that sufficient land be zoned to more than meet the requirements of this program both in low cost single family dwellings and in multi-family units.

We further suggest that the District Zoning Map be updated on a periodic basis, say every four years.

The last rezoning of the City was done in 1954. As you gentlemen well know, the map is now seriously inadequate and the City is constantly being rezoned by individuals seeking changes. This method keeps the City in constant turmoil (one group has even opened a liquor store to raise money to fight rezoning.) This method undermines property values in adjacent areas and causes people to oppose all zoning because there is not certainty that changes will not continue. You gentlemen and the Planning Department should, we believe, control zoning by positive action rather than react to individual requests.

Furthermore, our Workable Program requires that the Zoning Map be updated periodically.

The scattering of relatively small sites throughout the City will prevent large concentrations of public housing with all its attendant problems. It will further allow people to live near their work. The vast pile-up of people transferring buses in the center of Atlanta is clear indication that many live miles from their jobs in the northeast and northwest. Not only would housing close to jobs aid the employee and employer, it also would cut down appreciably on traffic.

We are not proposing specific areas at this time. These should be carefully selected by the Planning Department, the Aldermen, the Housing Authority, and, we hope, the Housing Resources Committee. We assume that the total changes would be spread before the public in open hearing.

We do not believe that it is feasible as has been suggested that, before any more housing is built, those sections of the city where housing does not exist must be brought up to all other areas. The land at the necessary price is just not available.

Furthermore, we have indications that efforts will be made to use this rezoning to "get even" with one part of the city or another.

Gentlemen, we developed this program because we do acknowledge that, due to the location of open, less expensive land, the developers have

sort out areas to the West, East, Southeast and Southwest. We ask this rezoning, a difficult task for you, because we believe that it is right, that it is healthy for the City, and it is a real effort not to strain the resources of a particular area of the City. But we do not believe for a moment that we can equalize low income housing or any other city function throughout the city. This is, however a sincere effort to alleviate but not immediately cure an imbalance. We urge you to proceed.

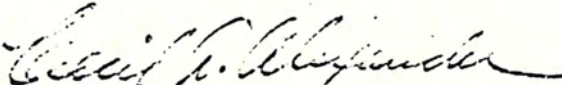
These, then are our requests:

1. A committee of the Aldermen concerned with housing.
2. Revised Building Code.
3. Revised Non-Conforming Use Ordinance.
4. Stepped-up urban renewal.
5. 2,000 more public housing units.
6. Updated District Zoning Map including areas for low income housing.

Gentlemen, we are in the middle of a new revolution that makes the old industrial revolution look like a footnote in history. People, American immigrants, are moving from the rural areas into our urban centers. They come at a time when we are beset with problems.

The poor and uneducated people already in our cities are ill-equipped to compete.

We have built a totally artificial culture. No longer can a man chop down logs and build himself a cabin. He must have the skills and knowledge to trade for this house. We created this society and it will not go away. It's like this--either we house our poor or we have within our midsts, if not in this generation, then certainly in the next, an alienated people ready to grasp by force what we would not provide when there was yet time.


Cecil A. Alexander, Chairman
Housing Resources Committee

WARE, STERNE & GRIFFIN
ATTORNEYS AT LAW
SUITE 639 TRUST COMPANY OF GEORGIA BUILDING
ATLANTA, GEORGIA 30303

HENRY H. WARE, JR.
EDWIN L. STERNE
WILLIAM W. GRIFFIN
ROBERT F. LYLE
JOHN P. RABUN, JR.
RALPH S. FORCE
ALTON H. HOPKINS
JOHN W. AKRIDGE, JR.
MICHAEL L. SELLERS

April 22, 1968

TELEPHONE 525-5591

*To
Daw Street*

Mayor Ivan Allen, Jr.
City Hall
Atlanta, Georgia 30303

Dear Ivan:

After our discussion last week at lunch, I met with Mr. Satterfield, Executive Director of the Atlanta Housing Authority, and Les Persells, his assistant, and discussed the whole matter with them at length.

While I am sure you recognize that there are some delays which are beyond our control, nevertheless, I would like for the Housing Authority to do everything possible not only to avoid delays on its own account but to keep after the others with whom we have to deal, such as the Federal Government, architects, City Planning Department, etc., to try to move things along as speedily as possible.

With this in mind Mr. Satterfield tells me this morning that he has employed Col. James B. Miller, a retired Army Colonel, as Production Coordinator for the Housing Authority. His duties will be specifically to try to cut red tape, break log jams and move things along both within and without the Housing Authority.

I hope, too, that Col. Miller will make periodic reports, copies of which will be sent to you and others interested, so that we may see and keep up with any lags in these matters.

With kindest regards, I am

Sincerely,

Edwin L. Sterne

Edwin L. Sterne

ELS:ms
cc: Mr. Cecil Alexander
cc: Mr. M. B. Satterfield

CITY OF ATLANTA

HOUSING RESOURCES COMMITTEE

Room 1204, City Hall

April 29, 1968

Alderman G. Everett Millican
Alderman Rodney M. Cook
Mr. Dan E. Sweat, Jr.
Mr. Jim Crawford
Mr. Collier B. Gladin
Mr. Lester A. Persells
Mr. Edwin L. Sterne
Mr. Cary S. Hooks
Dr. John W. Letson
Mr. A. B. Padgett
Mr. Jim Parham
Mr. Johnny C. Johnson
Mr. George W. Kennedy
Mr. James B. Pilcher
Dr. Sidney L. Davis

Gentlemen:

The next meeting of this Coordinating Group, for the purpose of getting together, comparing notes and exchanging ideas in interest of expediting the Low-income Housing Program through effective coordination, will be held Thursday, May 2, at 10:00 a.m., in Committee Room 2, City Hall.

This will be another joint meeting with the Executive Group of the Housing Resources Committee.

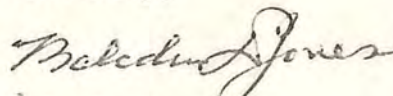
The several previous meetings of this group have been very stimulating and helpful to the Low-income Housing Program.

We are now working on a plan for making more land available for low-income housing, which we propose to explain at this meeting and for which we need and solicit your support.

Mr. Cecil A. Alexander, Chairman, Housing Resources Committee, and I hope that you will be able to attend this meeting, as your participation is very helpful in furthering the progress of the Low-income Housing Program.

A return addressed postal card is enclosed for your convenience in informing us whether you plan to attend the May 2 meeting.

Sincerely,



Malcolm D. Jones
Housing Coordinator

Encl: Postal Card



OK

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

CITY OF ATLANTA



HOUSING RESOURCES COMMITTEE

Room 1204, City Hall

April 29, 1968

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

Dear Housing Resources Committee Member:

The regular monthly meeting of the Executive Group of the Housing Resources Committee for May 1968 will be held as scheduled, Thursday, May 2, at 10:00 a.m., in Committee Room 2, City Hall.

This will be another joint meeting with the Coordination Group composed of Heads of Departments and Agencies whose activities relate to Low-income Housing.

We are working on a plan for making more land available for low-income housing, which we propose to explain at this meeting and which will need your support.

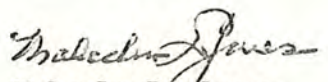
Please consider the functions of your panel and be prepared to offer specific proposals for making concrete contributions to the program.

Chairman Alexander proposes scheduling a special re-orientation meeting soon with the complete membership of each Panel of the HRC.

We hope that you will be able to attend this meeting. Please reserve the date on your calendar.

A return addressed postal card is enclosed for your convenience in advising us whether you will be able to attend the May 2 meeting.

Sincerely,


Malcolm D. Jones
Housing Coordinator

Encl: Postal Card

Hon. Dan. P. Sargent Jr.

GENERAL SUMMARY

HOUSING AND URBAN DEVELOPMENT ACT OF 1968 Public Law 90-448, approved August 1, 1968

Housing goal - declaration of policy

The Congress affirms in the 1968 Act the national goal of "a decent home and a suitable living environment for every American family" (as stated in the Housing Act of 1949). It states further that the highest priority should be given to meeting the housing needs of those families for which the national goal has not become a reality, and that there should be the fullest practicable utilization, in administration of Federal housing programs, of the resources and capabilities of private enterprise and self-help techniques.

Opportunities for training and employment for lower income persons

The Secretary of Housing and Urban Development is directed, in administering housing programs for low-income families, to require -

1. that opportunities for training and employment arising in connection with the planning, construction, rehabilitation, and operation of housing under the programs be given to lower income persons residing in the area of the housing; and
2. that to the greatest extent feasible contracts for work pursuant to the housing programs shall, where appropriate, be awarded to business concerns located in or owned in substantial part by persons residing in the area of the housing.

Improved design in Government housing programs

The Congress commends the Department of HUD for its recent efforts to improve architectural standards, but declares that in the administration of housing programs which assist in the provision of housing for low and moderate income families, emphasis shall be given to encouraging good design as an essential component of the housing.

Improvement of program administration

The Secretary is directed to make a report to the Banking and Currency Committees early in calendar years 1969 and 1970 identifying specific areas of program administration and management which require improvement. The reports shall describe actions taken and proposed to make improvements and recommend legislation needed to accomplish the improvements.

TITLE I - LOWER INCOME HOUSINGHomeownership for lower income families

A new program (sec. 235 of the National Housing Act) is authorized to provide Federal assistance to homeownership by lower income families (including membership in a cooperative). Under the new program, the Secretary of HUD may enter into contracts to make periodic payments to lenders who make FHA-insured home mortgage loans to these families. The payments will be in an amount necessary to make up the difference between 20 percent of the family's monthly income and the required monthly payment under the mortgage for principal, interest, taxes, insurance, and mortgage insurance premium. In no case, however, can the payment on a mortgage exceed the difference between the required payment under the mortgage for principal, interest, and mortgage insurance premium and the payment that would be required for principal and interest if the mortgage bore an interest rate of 1 percent. The amount of the payment on each mortgage will vary according to the income of the homeowner. The family's income is required to be recertified at least every 2 years and appropriate adjustments made in the assistance payment to reflect any changes.

The assistance payment is available for a purchaser having an income, at the time of his initial occupancy, not in excess of 135 percent of the maximum income limits that can be established in the area for initial occupancy in public housing. However, up to 20 percent of the funds authorized in appropriation acts for the program can be used to assist families with incomes above these limits but which are not in excess of 90 percent of the income limits for occupancy in a section 221(d)(3) below-market interest rate housing project.

In calculating the income of the homeowner for the purpose of determining eligibility as well as the amount on which the 20 percent computation will be made, there will be deducted \$300 for each minor child who is a member of the homeowner's immediate family and living with him. Also, income of minors will not be included in the homeowner's income for this computation.

The amount of a home mortgage can not exceed \$15,000 (\$17,500 in high cost areas). These limits are increased to \$17,500 (\$20,000 in high cost areas for families with five or more members. The same limits apply to cooperative and condominium units.

The minimum downpayment is \$200 for families with incomes up to 135 percent of the maximum income limits that can be established in the area for initial occupancy in public housing and 3 percent in other cases.

A homeowner is to be given the opportunity, to the maximum extent feasible, to contribute the value of his labor as equity in the dwelling.

The Secretary is authorized to provide budget, debt management, and related counseling services to homeowners who purchase homes under the new section 235 program.

The housing, with a few limited exceptions, must be new or substantially rehabilitated housing, except that up to 25 percent of the amount of contracts authorized to be made before July 1, 1969 can apply to existing housing, with this percentage decreasing to 15 percent the following year, and 10 percent the third year.

The aggregate amount of contracts to make payments can not exceed amounts approved in appropriation Acts. The payments pursuant to the contracts can not exceed \$75 million per annum prior to July 1, 1969. This amount is increased by \$100 million on July 1, 1969, and by \$125 million on July 1, 1970. A reasonable portion of the contract authority is to be transferred from time to time to the Secretary of Agriculture for use in rural areas and small towns.

In addition to the foregoing provisions, a mortgage executed by a nonprofit organization or a public body or agency can be insured where it finances the purchase (and rehabilitation if necessary) of housing in viable, or potentially viable, areas for resale to lower income families. The housing must include at least four or more one-family dwellings (or two-family dwellings, one unit of which is to be occupied by the owner), or at least four or more one-family units in a condominium project, in the cases where rehabilitation is involved. The individual mortgages given to finance the resale of the housing to lower income families will also be insured by FHA and assistance payments made on behalf of the purchasers.

221 (h) Program

The 221 (h) program is changed to allow the Secretary to reduce the interest rate on a home purchaser's mortgage under the program to as low as 1 percent where the purchaser's income justifies, with periodic adjustments between 1 and 3 percent to reflect changes in the homeowner's income. Under this program nonprofit mortgagors purchase and rehabilitate housing with FHA insured mortgages and resell it to low-income families.

The limit on the aggregate amount of mortgages that can be insured and outstanding at any one time under the program is increased from \$20 million to \$50 million.

New FHA credit assistance for homeownership

FHA mortgage insurance is authorized (under a new Sec. 237 of the National Housing Act) for families of low and moderate income who, through the incentive of homeownership and counseling assistance, appear to be able to achieve homeownership but who, for reasons of credit history, irregular income patterns caused by seasonal employment, or other factors, are unable to meet the credit requirements generally applicable for the purchase of a home under the regular FHA mortgage insurance program.

A mortgage must meet the basic requirements under one of the various FHA home mortgage programs. The credit and income requirements of the particular program do not apply, however, and the principal obligation of the mortgage can not exceed \$15,000 (\$17,500 in high-cost areas). However, if the limit on the amount of a mortgage is lower under a particular program, the lower limit is applicable.

The monthly payments, combined with local real estate taxes on the property, will not exceed 25 percent of the home purchaser's income, computed over the previous year or the previous 3 years, whichever is higher. The interest rates and mortgage insurance premiums are the same as under the program involved for other mortgagors.

The Secretary of HUD is authorized to provide debt management and related counseling services to mortgagors whose mortgages are insured under these new more liberal provisions. He can also provide counseling to otherwise eligible families who lack a downpayment on a home in order to help them to save money for a downpayment.

The aggregate balance of mortgages insured under these new provisions can not exceed at any one time \$200 million.

Mortgage insurance for housing in declining areas

Mortgage insurance is authorized, under any of FHA's mortgage insurance programs, for the purchase, repair, rehabilitation, or construction of housing located in older, declining urban areas without regard to the normal requirements of the particular program if FHA finds that (1) the area is reasonably viable, giving consideration to the need for providing adequate housing for families of low and moderate incomes in the area, and (2) the property is an acceptable risk in view of this consideration.

Special Risk Insurance Fund

A new Special Risk Insurance Fund is established which is not intended to be actuarially sound and out of which claims will be paid on mortgages insured under the several new special mortgage insurance programs for housing for low or moderate income families. A \$5 million advance from the general insurance fund is authorized to initiate the new Special Risk Fund. Appropriations are authorized to cover any losses sustained by the new fund.

Condominium and cooperative ownership for low and moderate income families
Rental housing projects financed with below-market interest rate
FHA 221(d)(3) mortgages are permitted to be converted to cooperative or
condominium ownership.

A low or moderate income purchaser can purchase an individual family unit and an undivided interest in the common areas and facilities of a project at a price not in excess of the appraised value of the property and with a mortgage bearing the below-market interest rate then in effect. At least a 3 percent downpayment will be required, which can be applied in whole or in part toward closing costs.

A cooperative, with membership open only to low and moderate income families meeting income limits prescribed for 221(d)(3) below-market interest rate projects, can purchase a 221(d)(3) project for an amount not exceeding the appraised value of the property for continued use as a cooperative. The insured mortgage can bear the below-market interest rate in effect at the time the commitment to insure the mortgage is issued.

Assistance to nonprofit sponsors of low and moderate income housing
The Secretary of HUD is authorized to provide technical assistance with respect to the construction, rehabilitation, and operation of low and moderate income housing to nonprofit organizations. The Secretary can also make 80-percent, interest-free loans to nonprofit sponsors of such housing to cover certain preconstruction costs under Federally-assisted programs.

The Low and Moderate Income Sponsor Fund is established for the purpose of making the loans with an authorization for appropriations of \$7.5 million for fiscal year 1969 and \$10 million for fiscal year 1970. The Fund will be a revolving fund and repayments of loans will be deposited in the Fund.

National Homeownership Foundation
The National Homeownership Foundation is created to carry out a continuing program of encouraging private and public organizations to provide increased homeownership and housing opportunities in urban and rural areas for lower income families.

The Foundation is authorized to make grants and loans (not otherwise available from Federal sources) to such organizations to help defray organizational and administrative expenses, necessary preconstruction costs, and the cost of counselling or similar services to lower income families for whom housing is being provided. The Foundation can also provide technical assistance to the organizations.

Appropriations up to \$10 million are authorized. The Foundation can also use donated funds.

The Foundation is to be administered by an 18-member Board of Directors. Fifteen members are to be appointed by the President. The Secretary of HUD, the Secretary of Agriculture and the Director of OEO are the other three members. The board will appoint an executive director as its executive officer.

New technologies - housing for lower income families

The Secretary of HUD is directed to institute a program under which qualified public and private organizations will submit plans for the development of housing for lower income families, using new and advanced technologies, on Federal land which has been made available for that purpose, or on other land which is suitable.

The Secretary will approve up to 5 plans which are submitted to him under the program. He will consider (among other things) the potential of the technology employed and the ability of the organization submitting the plan to produce at least 1,000 dwelling units a year utilizing that technology.

The Secretary is directed to seek to achieve the construction of at least 1,000 dwelling units a year over a 5-year period for each of the various types of technologies proposed in the plans approved. He is required to report at the earliest practicable date with respect to the projects assisted, together with his recommendations.

Mortgages financing the projects are authorized to be insured under the FHA experimental housing program.

Study of insurance protection for homeowners

The Secretary of HUD, in cooperation with the private insurance industry, is authorized to develop a plan for establishing an insurance program to enable homeowners to meet their monthly mortgage payments in times of personal economic adversity. The Secretary is required to report his actions and recommendations within 6 months following enactment of the law.

National Advisory Commission on Low-Income Housing

A National Advisory Commission on Low-Income Housing is established to undertake a comprehensive study and investigate the resources and capabilities in the public and private sectors of the economy which may be used to fulfill more completely the objectives of the national goal of "a decent home and a suitable living environment for every American family".

The Commission is directed to submit to the President and the Congress an interim report with respect to its findings and recommendations not later than July 1, 1969, and a final report not later than July 1, 1970.

TITLE II - RENTAL HOUSING FOR LOWER INCOME FAMILIES

A new program of Federal assistance to rental and cooperative housing for lower income families is authorized by adding a new section 236 to the National Housing Act. The assistance is in the form of periodic payments to the mortgagee financing the housing to reduce the mortgagor's interest costs on a market rate FHA-insured project mortgage.

The interest reduction payments will reduce payments on the project mortgage from that required for principal, interest, and mortgage insurance premium on a market rate mortgage to that required for principal and interest on a mortgage bearing an interest rate of 1 percent.

The interest reduction payments will reduce rentals to a basic charge, and a tenant or cooperative member will either pay the basic charge or such greater amount as represents 25 percent of his income, but not in excess of the charges which would be necessary without any interest reduction payments. Incomes of tenants will be reexamined at least every 2 years for the purpose of adjusting rentals. Rental charges collected by the project owner in excess of the basic charges are to be returned to the Secretary for deposit in a revolving fund for the purpose of making other interest reduction payments.

Tenants of these projects who pay less than the fair market rental charge for their units will generally have to have incomes, at the time of the initial rent-up of the projects, not in excess of 135 percent of the maximum income limits that can be established in the area for initial occupancy in public housing dwellings. However, up to 20 percent of the contract funds authorized in appropriation acts may be made available for projects in which some or all of the units will be occupied, at the time of the initial rent-up, by tenants whose incomes exceed the above limit but do not exceed 90 percent of the income limits for occupancy of section 221(d)(3) below-market interest rate rental housing.

In determining income for the purpose of eligibility as well as the amount of rent to be paid a \$300 deduction is permitted for each minor person in the family and any income of such minor is not counted.

To qualify for mortgage insurance under the new program, a mortgagor must be a nonprofit organization, a cooperative, or a limited dividend entity of the types permitted under the FHA section 221(d)(3) rental housing program. The mortgage limitations with respect to maximum mortgage amount are the same as for mortgages insured under the (d)(3) program. Interest reduction payments can also be made with respect to State-aided rental housing projects approved for receiving the benefits of the program prior to completion of construction or rehabilitation of the projects.

Contracts for assistance payments are authorized, subject to approval in appropriation acts, in the amount of \$75 million annually prior to July 1, 1969. This amount is increased by \$100 million on July 1, 1969, and by \$125 million on July 1, 1970. A reasonable portion of this authority is to be transferred to the Secretary of Agriculture for use in rural areas and small towns.

A project financed under the new program can include such nondwelling facilities as the Secretary deems adequate and appropriate to serve the occupants of the project and the surrounding neighborhood, as long as the project is predominantly residential and any nondwelling facilities contribute to the economic feasibility of the project. Where a project is designed primarily for occupancy by the elderly or handicapped it can include related facilities for their use, such as dining, work, recreation, and health facilities.

With approval of the Secretary of HUD a mortgagor can sell the individual dwelling units to lower income purchasers and these purchasers are eligible for assistance payments under the provisions of the new homeownership program.

A cooperative or private nonprofit corporation or association can purchase a project from a limited dividend mortgagor and finance the purchase with a mortgage insured under the program.

Projects for low and moderate income families financed under the below marked 221(d)(3) program can be transferred, prior to final endorsement for FHA insurance, to the new rental housing interest reduction program.

Projects for the elderly or handicapped approved for direct loans can be refinanced under the new interest reduction program at any time up to, or a reasonable time after, project completion.

Rent supplement payments may be provided for tenants in projects financed under the new program, but no more than 20 percent of the units in any one project can receive rent supplement assistance.

Rent supplements

The authority for rent supplement contracts (subject to approval in appropriation acts) is increased by \$40 million on July 1, 1969, and by \$100 million on July 1, 1970.

State-aided projects are made eligible for rent supplements if the projects are approved for this benefit prior to completion of construction or rehabilitation.

In determining the income of any tenant for the purposes of the rent supplement program, \$300 may be deducted for each minor person who is a member of the immediate family of the tenant and living with the tenant, and the earnings of any such minor person shall not be included in the income of the tenant.

Low-rent public housing

Authority for annual contributions to low-rent public housing is increased by \$100 million on enactment of the law, and by \$150 million on July 1, 1969, and July 1, 1970.

The Secretary of HUD is authorized to make grants to local housing authorities to assist in financing tenant services for tenants of public housing. Appropriations for the grants are authorized up to \$15 million for fiscal year 1969, and \$30 million for fiscal 1970.

Preference is to be given to programs providing for maximum tenant participation in the development and operation of tenant services. Tenant services include: counseling on household management, housekeeping, budgeting, money management, child care, and similar matters; advice as to resources for job training and placement, education, welfare, health, and other community services; services which are directly related to meeting tenant needs and providing a wholesome living environment; and referral to appropriate agencies when necessary for the provision of such services.

Public housing assistance is permitted for Indian families who live on or adjacent to their farmland.

High-rise public housing projects for families with children are prohibited except where the Secretary of HUD determines that there is no practical alternative.

The Secretary is prohibited from prescribing limitations on the types or categories of structures or dwelling units (other than those provided in the law) which can be leased under the public housing, section 23 leasing program.

An additional annual subsidy of \$120 is authorized for public housing units occupied by large families or families with very low incomes.

Local housing authorities are permitted to purchase structures leased under the Section 23 program for the purpose of reselling the structure to the tenants, or to a group of tenants occupying units aggregating in value at least 80 percent of the structure's value. The purchase can be on such terms and conditions as may be necessary to enable the tenants involved to make their purchases without undue financial hardship.

TITLE III - FEDERAL HOUSING ADMINISTRATION INSURANCE OPERATIONS

Perfecting and liberalizing changes are made in a number of existing FHA mortgage insurance programs. In addition:

FHA is authorized to -

insure loans to homeowners to finance the purchase of fee simple title to property on which their homes are located where the homeowner has only a leasehold interest in the land;

insure 90 percent supplemental loans to finance improvements and additions to FHA multifamily projects (including nursing homes and group practice facilities);

insure supplementary rehabilitation loans to housing cooperatives which purchased war housing covered by an uninsured mortgage;

permit the cost of nursing home equipment to be included in an insured nursing home mortgage; and

insure mortgages on new seasonal homes.

The Title I home improvement loan insurance program is changed by -

1. raising the limit on the amount of a loan from \$3,500 to \$5,000,
2. raising the maximum maturity from 5 years and 32 days to 7 years and 32 days, and
3. increasing the maximum financing charge to \$5.50 discount per \$100 of the first \$2,500 plus \$4.50 in excess of \$2,500 (now \$5 and \$4, respectively).

Mortgages financing the purchase of housing rehabilitated by local public agencies in urban renewal areas is authorized to be insured by FHA under the existing 220 and 221 (d) (3) programs as well as under the new section 236 program providing for interest reduction payments.

The maximum mortgage amount under section 203 (1) for homes in outlying, semirural and rural areas is increased from ~~\$10,000~~ to \$13,500.

\$12,500

TITLE IV - GUARANTEES FOR FINANCING NEW COMMUNITY LAND DEVELOPMENT
("New Communities Act of 1968")

Title IV, the "New Communities Act of 1968", provides additional Federal assistance to new communities. It is designed to enlist new sources of private capital in their development.

The Secretary of HUD is authorized to guarantee obligations issued on the bond market by private developers to help finance the land acquisition and land development costs of new communities.

The obligations guaranteed for a new community may not exceed the lesser of (a) 80 percent of the Secretary's estimate of the value of the property upon completion of the land development, or (b) the sum of 75 percent of the Secretary's estimate of the value of the land before development plus 90 percent of his estimate of the actual cost of the land development, or (c) \$50 million.

The aggregate amount of outstanding principal obligations that may be guaranteed is limited to \$250 million.

To be eligible for a guarantee or commitment to guarantee the Secretary must determine that -

1. the proposed new community will be economically feasible and will contribute to the orderly development of the area of which it is a part;
2. there is a practicable plan for financing the new community and for marketing the land which represents an acceptable financial risk to the United States;
3. there is a sound internal development plan for the new community which has received all required State or local government approvals, and is acceptable to the Secretary as contributing to good living conditions in the area and including a proper balance of housing for families of low and moderate income; and
4. the internal development plan is consistent with comprehensive planning for the area which meets criteria established by the Secretary.

The Secretary is authorized to establish a revolving fund for the guaranty program which will be comprised of (1) receipts from fees and charges, (2) other receipts, and (3) such sums, authorized to be appropriated, as may be required.

The Secretary is also authorized to make supplementary grants to State and local public bodies and agencies for water and sewer facilities and open space assisted by grants under the Housing and Urban Development Act of 1965 or the Consolidated Farmers' Home Administration Act, and the Housing Act of 1961. The Secretary must determine that the supplementary grants are desirable for carrying out a new community development project, and that a substantial number of housing units for low and moderate income persons is to be made available through the project.

The supplementary grant cannot exceed 20 percent of the cost of the facility and the total Federal grant is limited to 80 percent of facility cost. Appropriations for supplementary grants are authorized up to \$5 million for fiscal year 1969, and up to \$25 million for fiscal year 1970.

TITLE V - URBAN RENEWAL

Neighborhood Development Programs

The Secretary of HUD is authorized to provide financial assistance for neighborhood development programs, a new approach to urban renewal which will facilitate more rapid rehabilitation and redevelopment of blighted areas on an effective scale. A neighborhood development program consists of urban renewal project undertakings and activities in one or more urban renewal areas that are planned and carried out on the basis of annual increments. Financing is based on the amount of loan and grant funds needed to carry out the activities planned during a 12-month period in each of the urban renewal areas contained in a community's program. If funds are available and a community's program is acceptable to the Secretary, a community can receive financial assistance based on its need for subsequent annual increments of the program.

The Redevelopment Land Agency of the District of Columbia is given authority to plan and undertake neighborhood development programs.

Increase in authorization of grants

The authorization for urban renewal grants is increased by \$1.4 billion on July 1, 1969. In addition, the authorization for urban renewal grants for projects in model cities areas is increased by \$350 million.

Rehabilitation grants

The limit on the amount of a rehabilitation grant to a low-income homeowner is increased from \$1,500 to \$3,000 and the grant is made available for rehabilitation of real property in addition to the dwelling itself.

Rehabilitation grants are authorized to be made to low-income homeowners for repairs and improvements of dwellings outside urban renewal and code enforcement areas -

1. where the dwellings are in areas certified by the local governing body as containing a substantial number of structures in need of rehabilitation,

2. if the locality has in effect a workable program for community improvement, and
3. the area is definitely planned for rehabilitation or code enforcement within a reasonable time, and the repairs to be assisted are consistent with the plan for rehabilitation or code enforcement.

The Secretary of HUD is also authorized to make rehabilitation grants to low-income homeowners whose property has been determined, after an inspection pursuant to an approved statewide property insurance plan, to be uninsurable because of physical hazards. The grant may be made only to rehabilitate the property to the extent that the Secretary determines necessary to make it meet reasonable underwriting standards imposed by the statewide plan.

Rehabilitation loans

The rehabilitation loan program has been broadened in the same manner as the rehabilitation grant program with respect to properties located outside urban renewal and code enforcement areas and those found to be uninsurable.

The amount authorized to be appropriated for each fiscal year is increased from \$100 million to \$150 million and the program is extended to June 30, 1973 (in lieu of the previous expiration date of October 1, 1969).

Eligibility for residential rehabilitation loans is limited to persons whose annual income is within the locally applicable income limits for the section 221 (d) (3) below-market interest rate program.

Limit on LPA rehabilitation in urban renewal areas

The previous limits on the acquisition and rehabilitation of residential properties by local renewal agencies are removed. Under prior law, an LPA could acquire and rehabilitate for demonstration purposes no more than 100 units or 5 percent of the total residential units in an urban renewal area, whichever is lesser.

Disposition of property for low and moderate income housing

Land in an urban renewal area is authorized to be leased (in addition to being sold as previously provided) for low or moderate income housing at a price consistent with the use for that purpose. A builder is permitted to purchase the land at the write-down price for low or moderate income sales housing. Under this provision land can also be made available at the write-down price for housing assisted under the 221(h) program, and the new interest reduction payment programs authorized by the Act for homeownership and multifamily housing.

Grants for low and moderate income housing in open land projects

Grants are authorized for open land urban renewal projects where the land is to be disposed of for low and moderate income housing. Previously, open land projects were not eligible for grants. The grant may be for

two-thirds of the difference between the proceeds from any land disposed of at its value for low or moderate income housing and the proceeds which would have been realized if the land had been disposed of at its fair value without regard to its special use.

Demolition grants - rat harborages

The Demolition Grant Program is expanded to permit grants for the demolition of structures which are rat harborages or potential rat harborages.

Use of air rights sites for educational facilities

Air-rights urban renewal projects, and the construction of necessary foundations and platforms in any type project, are authorized for the development of educational facilities. As in the case of industrial development, an air-rights project and the construction of foundations and platforms would only be available for educational facilities if the area is unsuitable for low or moderate income housing purposes.

Low and moderate income housing in residential urban renewal areas

A majority of the total number of housing units in a community's residential urban renewal projects which receive Federal recognition after August 1, 1968 must be for low and moderate income families or individuals, with at least 20% of such total for low income families or individuals. The Secretary may waive the 20% requirement to the extent that the units are not needed in the community.

Workable program requirements in case of Indian tribes

An additional period of time, until January 1, 1970, is provided for Indian tribes, bands, or nations to adopt and carry out minimum standards housing codes for workable program certification.

Interim assistance for blighted areas

The Secretary of HUD is authorized to contract to make grants aggregating up to \$15 million a year to cities or counties to assist them in taking interim steps to alleviate harmful conditions in slum or blighted areas of communities which are planned for substantial clearance, rehabilitation, or federally assisted code enforcement in the near future, but which need some immediate public action until permanent action can be taken.

The Secretary is required to encourage employment of unemployed or under-employed residents of an assisted area in carrying out the activities to be assisted.

Grants may not exceed two-thirds of the cost of planning and carrying out an interim assistance program, except that three-fourths grants can be made to any community with a population of 50,000 or less.

A community has to have an approved workable program for community improvement to qualify for assistance, and relocation assistance and payments will be available.

Relocation Payments

Relocation adjustment payments are broadened to permit payments of up to \$500 per year, for a 2-year period. Such payments have been heretofore limited to a maximum of \$500 payable over a 5 month period.

A new payment is authorized for a displaced owner-occupant of residential property to enable him to purchase a replacement dwelling. The payment, which cannot exceed \$1,000, is the difference between the average price for an adequate replacement home and the acquisition price of his former home.

TITLE VI - URBAN PLANNING AND FACILITIES

Comprehensive planning

The section 701 planning assistance grant program is extensively revised. The Secretary of HUD is ~~not~~ authorized to make comprehensive planning grants to State planning agencies for assistance to "district" planning agencies for rural and other nonmetropolitan areas. Consultation with the Secretary of Agriculture is required prior to approval of any district planning grants. The Secretary of Agriculture and, when appropriate, the Secretary of Commerce may provide technical assistance in connection with the establishment of districts and the carrying out of planning by them. Such district planning may not be aimed at assisting businesses to relocate from one area to another.

Other new provisions authorize direct planning grants to Indian tribal planning councils or other bodies for planning on Indian reservations; to regional and district councils of government as well as those organized on a metropolitan basis; to regional commissions and economic development districts established under the Public Works and Economic Development Act of 1965; to cities, without regard to population, within metropolitan areas for planning which is part of metropolitan planning; and to official Government planning agencies for areas where rapid urbanization is expected as a result of a new community development assisted under title IV of this act. The Secretary is required to consult with the Secretary of Commerce before making any planning grant which includes any part of an economic development district.

The definition of comprehensive planning is broadened to include planning for the provision of governmental services and for the development and utilization of human and natural resources. The inclusion of a housing element is required as part of the preparation of comprehensive land use plans. The use of private consultants, where their professional services are deemed appropriate by the assisted governments, is added to the stated purposes of the program.

The authorization of appropriations for grants is increased by \$35 million for fiscal year 1969 (including \$20 million earmarked for district planning) and by \$125 million (including \$10 million for district planning) beginning fiscal year 1970. It is also provided that an additional \$10 million of section 701 appropriations is to be available for study, research and demonstration projects.

Planned areawide development

Supplementary grants (designed to encourage areawide planning) are authorized for Federally-assisted projects in all multijurisdictional areas (not just metropolitan areas as previously provided) such as the rural planning districts proposed to be assisted with comprehensive planning grants under the comprehensive planning provisions of the law. Unused authorizations for appropriations for supplementary grants for fiscal year 1967 and 1968 are made available through fiscal year 1970.

Advance Acquisition of land

The advance acquisition of land program is extensively revised. Among the more significant changes is a broadening of the definition of eligible land from land "planned to be utilized in connection with the future construction of public works and facilities" to "land planned to be utilized in the future for public purposes". Grants can also be made for the imputed interest cost when a public body does not use borrowed funds to acquire the land. Authority is given the Secretary to extend the requirement that the land must be used for its proposed purpose within five years if he deems a longer period necessary due to unusual circumstances and so advises the Banking and Currency Committees of the Congress. It is also provided that assistance under this program will not render a project ineligible for other Federal assistance programs and that the cost of land acquired with assistance under this program will not be an ineligible project cost in such other programs.

Water and sewer facilities program

The interim planning requirements under the basic water and sewer facilities grant program is extended to October 1, 1969. It is also provided that in administering the program, to the greatest extent practicable, new job opportunities shall be provided for unemployed or underemployed persons.

Authorizations -- water and sewer, neighborhood facilities, and advance acquisition of land programs.

The authorization for appropriations for these three programs is extended to permit the appropriation, for fiscal year 1970, of any funds authorized but not appropriated prior to that time. Also, an additional \$150 million for fiscal year 1969 and \$115 million for fiscal year 1970 are authorized to be appropriated for the water and sewer facilities grant program.

Open space land program

The contract authorization of \$310 million for grants under the open space land program is changed to a \$310 million authorization of appropriations prior to July 1, 1969, with \$150 million in additional appropriations authorized for fiscal year 1970. The limit on the amount of the funds that can be used for studies and publishing of information is increased from \$50,000 to \$125,000 per year.

Feasibility studies - public works planning advances

It is made clear that the Secretary of HUD has authority to make advances for feasibility studies under the public works planning advances program.

TITLE VII - URBAN MASS TRANSPORTATION

Authorization

The authorization of appropriations for grants and other assistance to urban mass transportation is increased by \$190 million for fiscal year 1970. The amount of funds which can be used for research, development, and demonstration projects is increased by \$6 million, commencing July 1, 1968, and the statutory limit on the funds available for this purpose is removed, commencing July 1, 1969.

Emergency program extended

The emergency mass transportation capital grant program expiration date is extended from November 1, 1968 to July 1, 1970.

Definition

The definition of "mass transportation" in the Urban Mass Transportation Act of 1964 is amended to allow greater flexibility and opportunity for application of new concepts and systems.

Non federal share of net project cost

Not more than half of the non-federal share of the net project cost of a mass transportation project is permitted to be paid from private sources, except in certain cases of demonstrated fiscal inability. Any public or private transit system funds provided for the non-Federal share must be solely from undistributed cash surpluses, replacement or depreciation funds or reserves available in cash, or new capital.

TITLE VIII - SECONDARY MORTGAGE MARKET

The existing Federal National Mortgage Association (FNMA) is directed to be partitioned into two separate corporations. One will be a Government sponsored private corporation, to be known as the Federal National Mortgage Association (FNMA), to operate the secondary mortgage market operations. The other will remain in the Government and continue to operate the special assistance functions for special Federally-aided housing programs, and the management and liquidating functions of the old FNMA. The new corporation will be known as the Government National Mortgage Association (GNMA).

FNMA is authorized to issue and sell securities backed by a portion of its mortgage portfolio, with GNMA guaranteeing payment on such securities. GNMA can also guarantee similar securities issued by other private issuers where they are backed by FHA, VA, and some Farmers Home Administration mortgages or loans.

The special assistance authorization of FNMA (now GNMA) is increased by \$500 million on July 1, 1969.

The provisions of this title will become effective after a date, no more than 120 days following its enactment, established by the Secretary of HUD. The Secretary has established this date as September 1, 1968.

Provisions are made with respect to the capital stock of FNMA and its board of directors during a transitional period. The transitional period will end when 1/3 of the FNMA common stock is owned by persons or organizations in the mortgage lending, home building, real estate or related businesses, but not sooner than May 1, 1970, nor later than May 1, 1973. The majority of FNMA's board of directors are to be appointed by the Secretary of HUD during the transitional period. The President of FNMA during this period will be appointed by the President of the United States and confirmed by the Senate. One of the Secretary's appointees to the Board will be the President.

After the transitional period FNMA will be governed by a 15-member board of directors, five of whom will be appointed by the President of the United States.

The new FNMA will be subject to the general regulatory control of the Secretary of HUD, who also must approve the issuance of all stocks and other obligations by FNMA and may require it to allocate a reasonable portion of its mortgage purchases to mortgages in low and moderate income housing.

TITLE IX - NATIONAL HOUSING PARTNERSHIPS

A national housing partnership is to be created for the purpose of securing the participation of private investors in programs and projects to provide housing for low and moderate income families.

Initially, a federally chartered, privately funded corporation will be organized under the District of Columbia Business Corporation Act. The corporation in turn will organize the National partnership under the D.C. Uniform Limited Partnership Act.

The corporation will serve as the general partner and managing agent of the National partnership and each of its stockholders can be limited partners. It will provide the staff and expertise for the Partnership in organizing and planning project undertakings in which the partnership has an interest, and receive a fee for such services.

Both the corporation and the National partnership are authorized to engage in a broad range of activities appropriate to the provision of housing and related facilities primarily for low or moderate income families, with or without the use of Federal programs, and may enter into and participate in all forms of partnerships and associations. The National

partnership is expected to form partnership ventures with local investors for the purpose of building low and moderate income housing projects throughout the nation. Normally, it will be a limited partner in such undertakings, with an interest of not more than 25% of the aggregate initial equity investment for the project.

The President will appoint the incorporators of the corporation and 3 of the 15 members of the board of directors. The incorporators will serve as the initial board of directors and arrange for the initial offering of shares of stock in the corporation and interests in the National partnership.

The President is authorized to create additional partnerships when he determines it to be in the national interest.

National banks are authorized to invest in a corporation and other entities formed under this title.

TITLE X - RURAL HOUSING

Housing for low and moderate income persons and families

The Secretary of Agriculture is authorized to provide direct and insured loans for housing in rural areas to low and moderate income persons and families and to provide rental or cooperative housing for such persons where assistance is not available under the new interest reduction programs authorized by the law. The interest rate on the loans can be at a rate set by the Secretary after considering the cost of money to the Treasury and the payment ability of the applicants, but not less than 1 percent per annum. An interest supplement necessary to market the insured loans will be paid from, and reimbursed by annual appropriations to, the Rural Housing Insurance Fund.

Housing for rural trainees

The Secretary of Agriculture is authorized to provide financial and technical assistance to the provision of housing and related facilities in rural areas for rural trainees (and their families) enrolled in Federally assisted training courses to improve their employment capability.

Advances for land purchase for the housing will be repayable within 33 years and bear interest at a rate (not less than 1 percent) determined by the Secretary of the Treasury taking into consideration the current average market yield on outstanding Federal obligations. Other advances would be nonrepayable, or repayable with or without interest, depending on the applicant's payment ability, from project net income and any other available sources.

Mutual and self-help housing

A new program of grants and loans is authorized to provide assistance in rural areas and small towns to needy low-income individuals and their families for mutual or self-help housing. Grants can be made to public or private nonprofit organizations to pay part or all of the costs of developing comprehensive programs of technical and supervisory assistance to aid individuals and their families in carrying out mutual or self-help housing efforts.

Loans can be made on such terms and conditions and in such amounts as the Secretary of Agriculture deems necessary, to needy low-income individuals participating in programs of mutual or self-help housing approved by him, for the acquisition and development of land and for the purchase of building materials as may be necessary, for the construction of dwellings. Loans will bear interest at not more than 3 percent per annum, and be repayable within 33 years.

A self-help housing land development fund is authorized to provide a source of short-term loans to public or private nonprofit organizations to buy and develop building sites to be sold to families, nonprofit organizations, and cooperatives eligible for assistance under the new interest reduction programs for housing for lower income families.

TITLE XI - URBAN PROPERTY PROTECTION AND REINSURANCE

Title XI enacts the "Urban Property Protection and Reinsurance Act of 1968."

Under this Act the Secretary of HUD is authorized to provide private insurers with reinsurance against losses resulting from riots or civil disorders. The sale of reinsurance is limited to those insurers that cooperate with State insurance authorities in developing statewide plans to assure fair access to insurance requirements, called FAIR plans. Reinsurance may only be provided in States which have such plans.

FAIR plans may vary among the States, but all plans must satisfy minimum statutory criteria. The principal requirement is that no risk can be written at the surcharged rate or denied coverage unless there has been an inspection of the property and a determination made that it does not meet reasonable underwriting standards at the applicable premium. Additional requirements relate to the procedures to be followed with respect to inspections, the provision of reasonable notice to property owners of cancellation or nonrenewal of policies, and the formation of an all-industry facility which will place the insurance in the regular market. Such FAIR Plans are to be administered under the supervision of the State insurance authority. As a condition for providing reinsurance in a State, the Secretary can require additional programs to make property insurance available without regard to environmental hazards.

Reinsurance is offered in standards lines of property insurance coverage and can be provided immediately following enactment by means of a binder agreement, which expires after 90 days unless sooner replaced by a reinsurance contract.

Premium rates and the terms and conditions of reinsurance contracts are to be uniform throughout the country. The premiums for the first year must provide sufficient income to cover a level of riot losses in excess of the amount of insured riot losses in 1967.

A State is required to assume a portion of the losses reinsured by the Secretary within 1 year or by the close of its next regular legislative session. The ceiling on the share will be 5% of the property insurance premiums, earned in the State on reinsured lines of property insurance. Such sharing will only be required if reinsured losses exceed premiums paid for reinsurance by insurance companies in that State (premiums paid in the current year plus premiums paid in previous years in excess of reinsured claims).

A National Insurance Development Fund is created to carry out the program authorized. Treasury borrowings are authorized to make payments of claims for reinsured losses, limited to \$250 million or such further sums as the Congress may authorize by joint resolution.

The Secretary is required to make a study concerning the availability of property insurance in urban areas and to submit the results to the President and the Congress no later than 1 year after the enactment of the law. He is also authorized to conduct other studies pertinent to his reinsurance and statewide plan responsibilities.

A 19-member advisory board is to be appointed by the Secretary with not less than four members to represent the insurance industry and not less than four members to represent the State insurance authorities.

TITLE XII - DISTRICT OF COLUMBIA INSURANCE PLACEMENT ACT

The District of Columbia Insurance Placement Act establishes programs to assure the availability of basic property insurance protection against fire and other perils for residential and business properties in the District of Columbia. Such programs are subject to the supervision and regulation of the Commissioner of the District of Columbia.

Within 30 days after enactment all licensed insurers in the District who write basic property insurance are required to establish an Industry Placement Facility which is to administer a program to provide for the equitable distribution of responsibility for insuring qualified property for which insurance cannot be obtained through the normal insurance market.

Rules and regulations are to be adopted by the Facility to assure all property owners fair access to insurance requirements. Such rules and regulations, which must be approved by the Commissioner, are required to be consistent with the state-wide plan requirements of the Urban Property Protection and Reinsurance Act of 1968 (Title XI, Supra).

The Commissioner is authorized to establish a joint underwriting association to provide for the reinsuring of basic property insurance without regard to environmental hazard, if he finds that such a program is necessary to carry out the purposes of the Act.

The Commissioner is authorized to assess each insurance company authorized to do business in the District an amount sufficient to satisfy the state sharing requirement for Federal reinsurance under the Urban Property Protection and Reinsurance Act. Such assessments would be based on a company's proportionate share of premiums earned on reinsured lines during the preceding year. In the event of such assessments, the companies will increase their premiums by an amount sufficient to recover the assessment within not more than a 3 year period.

TITLE XIII - NATIONAL FLOOD INSURANCE

Title XIII enacts the "National Flood Insurance Act of 1968". Under this Act, the Secretary of HUD is authorized to establish and carry out a national flood insurance program to enable persons to purchase insurance against losses resulting from physical damage to or loss of real property or personal property arising from any flood occurring in the United States. He is directed to encourage and arrange for maximum participation in the program by insurance companies and other insurers, and by related agents, brokers and organizations.

The Act provides for the operation of the flood insurance program as a joint venture between the Federal Government and the private insurance industry (with the industry participating on a risk-sharing basis). However, as an alternative, the Secretary may, if necessary, operate the program without the companies participating on other than a fiscal agency basis.

The Secretary is authorized to borrow up to \$250 million from the Treasury to carry out the insurance program. A National Flood Insurance Fund is established for making payments authorized by the bill, including premium equalization payments and reinsurance for losses in excess of losses assumed by insurance company pools formed to provide flood insurance.

Coverage will be available initially for one to four family dwellings and small business establishments but is to be extended to additional types and classes of property as found feasible by the Secretary. In the case of dwellings, the insurance limit, where the rate is less than the full risk rate, will be \$17,500 for any single dwelling and \$30,000 for a two to four family structure, plus \$5,000 per dwelling for contents. Small business properties can be insured for up to a total of \$30,000 for the structure and \$5,000 for the contents of each individual business. These limits may be doubled upon the payment of full premium rates for the coverage in excess of such limits by the insured property owner.

The Secretary is directed to develop criteria designed to encourage the adoption of State and local measures to constrict the development of land which is exposed to flood damage, guide development of proposed construction away from locations threatened by flood hazards, assist in reducing damage caused by floods, and otherwise improve land management and use of flood-prone areas.

After June 30, 1970, no new flood insurance coverage can be provided in any area unless an appropriate public body has adopted permanent land use and control measures which the Secretary finds are consistent with the criteria he has prescribed for land management and use in flood prone areas.

The Secretary is directed to appoint a flood insurance advisory committee.

The face amount of flood insurance coverage outstanding and in force at any one time is limited to \$2.5 billion.

The Flood Insurance Program will go into effect 120 days following the date of enactment unless the Secretary prescribes a later effective date, not to exceed 180 days from the date of enactment.

The Secretary of HUD is authorized to undertake studies for the purpose of determining the extent to which insurance protection against earthquakes, or other natural disaster perils, other than flood, is not available, and the feasibility of such insurance protection being made available.

TITLE XIV - INTERSTATE LAND SALES

The "Interstate Land Sales Full Disclosure Act" enacted by Title XIV makes it unlawful for any developer to sell or lease, by the use of the mail or by any means in interstate commerce, any lot in any subdivision (defined as one with 50 or more lots for sale as part of a common promotional plan) unless

- (1) there has been filed with Secretary of HUD a statement of record listing certain required information about the ownership of the land, the state of its title, its physical nature, the availability of roads and utilities, and other matters; and
- (2) a printed property report, containing pertinent extracts from the statement of record, is furnished to the purchaser in advance of the signing of an agreement for purchase or lease.

These requirements do not apply to any subdivision where the property is clear of all liens and if every purchaser has personally inspected the lot which he purchased, as evidenced by a written affirmation by the developer.

Any contract for the purchase or lease of a lot covered by this Act is voidable at the option of the purchaser if he was not furnished with a property report at least 48 hours in advance of his signing the contract. If the property report was received by the purchaser less than 48 hours in advance of his signing the contract, it is voidable for a period of 48 hours after the signing unless he stipulates in writing that he has read the report and inspected the lot before he signed the contract.

Willful violation of these requirements is subject to criminal penalties of imprisonment for not more than 5 years, or a fine of not more than \$5,000, or both. Broader civil remedies than heretofore available are also provided. A suit for damages may be brought in any State or Federal court for the district in which the defendant may be found or in which the transaction took place. The Secretary is authorized to seek an injunction against any developer he can show is violating or about to violate the law.

In carrying out his responsibilities under this legislation, the Secretary is required to cooperate with State authorities charged with the responsibility of regulating the sale of lots in subdivisions.

This Act does not become effective until 270 days after enactment.

TITLE XV - MORTGAGE INSURANCE FOR NONPROFIT HOSPITALS

This title establishes a new FHA program (section 242 of the National Housing Act) under which the Secretary of HUD will insure mortgages covering new or rehabilitated hospitals (including initial equipment). The mortgage may not exceed \$25 million or 90 percent of replacement cost and the hospital must be owned and operated by one or more nonprofit organizations.

TITLE XVI - HOUSING GOALS AND ANNUAL HOUSING REPORT

Reaffirmation of national goal

The Congress finds that the supply of the Nation's housing is not increasing rapidly enough to meet the national housing goal and reaffirms this goal. It determines that it can be substantially achieved within the next decade by the construction or rehabilitation of twenty-six million housing units, six million of these for low and moderate income families.

Report outlining plan

Not later than January 15, 1969, the President is required to make a report to the Congress setting forth a plan to be carried out over the next ten years for the elimination of all substandard housing and the realization of the national housing goal. The report shall, in addition, contain a projection of the residential mortgage market needs and prospects during the coming year, including an estimate of the requirements with respect to the availability, need and flow of mortgage funds, together with recommendations for encouraging the availability of funds.

Periodic reports

On January 15, 1970, and on each succeeding year through 1979, the President is required to submit to the Congress a report of results achieved in the provision of housing, and recommendations for legislation or additional administrative action that may be needed to achieve the objectives of the President's plan.

Commission on Mortgage Interest Rates

Funds appropriated and available for studies of housing markets and credit under laws previously enacted in 1948 and 1956 are made available for expenses of the Commission on Mortgage Interest Rates to study mortgage interest rates. This Commission was established by Public Law 90-301.

TITLE XVII - MISCELLANEOUSModel cities

The authorization for supplemental grants for model cities is increased by \$1 billion for fiscal year 1970, and an additional \$12 million is authorized for fiscal year 1969 for grants for planning model cities programs. Amounts authorized but not appropriated are made available for appropriation for any succeeding fiscal year commencing prior to July 1, 1970.

Urban renewal demonstration grant program

Urban renewal demonstration grants are authorized to be made to nonprofit organizations. Under prior law these grants were available only for public bodies.

The limit on the amount of urban renewal demonstration grants is increased from two-thirds of the cost of the undertakings to 90 percent of the cost.

The amount of funds available for these grants is increased from \$10 million to \$20 million.

Authorization for urban information and technical assistance service program

The authorization for grants to States to assist in the provision of urban information and technical assistance is increased by \$5 million for fiscal year 1969, and by \$15 million for fiscal year 1970. Amounts authorized for these grants but not appropriated are authorized to be appropriated for any succeeding fiscal year commencing prior to July 1, 1970.

Advances in technology in housing and urban development

Such sums as may be necessary are authorized to be appropriated commencing with fiscal year 1969, for studies of new and improved techniques and methods of applying advances in technology to housing construction and rehabilitation, and to urban development. Four-year contracts are authorized for such studies rather than 2-year contracts as heretofore authorized.

College housing

The college housing direct loan program is expanded to add a new program to provide financial assistance by means of annual debt service grants. The new grant program is to be used to reduce the borrower's annual debt service payments on private market loans to the average annual debt service that would have been required if the loan were

based on the rate charged on loans under the direct loan program. Annual grants can be made over a fixed period up to 40 years. The total amount of annual grant contracts is subject to approval in appropriation acts. The total amount cannot exceed \$10 million, with this limit increased by \$10 million on July 1, 1969.

The loan and new grant program are made available for the purchase of existing properties which are in need of little or no rehabilitation.

Federal-State training programs

The Federal-State training program is broadened to permit grants to States for the training of subprofessional (heretofore limited to professional) persons who will be employed in the field of housing as well as community development. The trainees may be trained for employment by private nonprofit organizations which have responsibility for housing and community development programs, in addition to public organizations. Guam, American Samoa, and the Trust Territory of the Pacific Islands are made eligible for grants under the program.

Additional Assistant Secretary of Housing and Urban Development

An additional Assistant Secretary of Housing and Urban Development is authorized.

Self-help Studies

Grants are authorized to be made under the low-income housing demonstration program for studies of self-help in the construction, rehabilitation, and maintenance of housing for low-income persons and families and the methods of selecting, involving, and directing them in self-help activities. The Secretary of HUD is required to report to Congress within one year on the results of any such studies.

Savings and loan associations

Federal savings and loan associations are authorized to raise capital in the form of savings deposits or other accounts (in addition to shares) and to borrow and issue bonds or other obligations.

Their lending and investment powers are liberalized and broadened by authorizing them to invest in -

1. time deposits, certificates or accounts in banks insured by the FDIC;
2. unsecured loans not exceeding \$5,000 to finance the construction of new structures relating to residential use (vacation homes);
3. mobile home financing;
4. loans not exceeding \$5,000 for the equipping of homes;
5. loans guaranteed by AID on housing projects located in developing countries outside of Latin American; and

6. loans to Federally supervised financial institutions or brokers or dealers registered with the SEC, if the loans are secured by loans, obligations or investments in which the Federal association has statutory authority to invest directly.

Federal Home Loan Bank Act

Federal home loan banks are authorized to invest in housing project loans guaranteed under the Foreign Assistance Act of 1961.

Federal Reserve Act

Section 24 of the Federal Reserve act is amended to authorize construction loans by national banks up to 3 months in length (seriously limited to 24 months) as an exception to the limitation on real estate loans.

National Banks are permitted to continue to purchase participations in existing mortgages, and it is made clear that loans by national banks are not to be considered as real estate loans where the bank looks primarily for repayment out of security other than real estate.