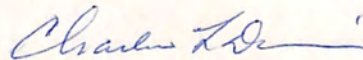


(5) The requested increase in administrative costs is also confusing. It is stated that the present costs in this line item are computed at the rate of \$19,800 per month. Based on this rate, the total cost given by AHA is \$443,400 (from April, 1969, to the completion date of July, 1971 -- a period of 28 months). With an unencumbered balance of \$193,505, a net adjustment (increase) of \$360,900 is requested. Based on the total cost as shown by AHA, the correct net adjustment would be \$249,895; however, \$19,800 per month for 28 months gives a total cost of \$554,500 which, when reduced by the unencumbered balance, requires a net adjustment of \$360,895 -- a difference of \$5 from the request. The given total cost would cover a period of only 22.4 months, based on the given rate. This does not conform to the extension period of April 1969, through July 1971.

We appreciate your cooperation in past matters and trust that your department will soon send us a reply to the above questions.

Yours very truly,



Charles L. Davis  
Director of Finance

GLD:DMH:jcl

cc: Dan Sweat



# CITY OF ATLANTA

DEPARTMENT OF FINANCE

501 CITY HALL

ATLANTA, GEORGIA 30303

July 29, 1969

CHARLES L. DAVIS  
DIRECTOR OF FINANCE  
EDGAR A. VAUGHN, JR.  
DEPUTY DIRECTOR OF FINANCE  
W. ROY SMITH  
DEPUTY DIRECTOR OF FINANCE

Mr. Howard Openshaw  
Director of Redevelopment  
Atlanta Housing Authority  
824 Hurt Building  
Atlanta, Georgia

Dear Howard:

After reviewing the changes incorporated in Amendatory Application No. 1 for Project GA. R-90 (West End Redevelopment Area) I want to inform you that the requested adjustments to Project Expenditures Budget No. 6 are acceptable to the Department of Finance. However, there are some questions which we feel deserve answers from your department; they are as follows:

(1) With reference to the 34 parcels determined not to be feasible for rehabilitation, but which will be added to acquisition; there is no breakdown provided in the narrative statement as to the cost of acquiring these parcels.

(2) Similarly, the individual parcel costs (which will be deleted from Acquisition Expenses) are not listed in the narrative statement, so these cannot be checked against originally projected costs of acquisition.

(3) Street widening activities being undertaken by the City on Gordon Street are not reported in the narrative statement.

(4) With regard to the increased interest costs, there appears to be an error in the narrative statement accompanying the Project Expenditures Budget. Computation of total interest cost from March 31, 1969, indicates total interest of \$624,500 and a net increase of \$493,400. When the unencumbered balance of \$131,441.00 is deducted from the total interest cost of \$624,500, the net increase is \$493,059, which differs from the given computation by \$341. In addition, the interest to DHUD is increased by \$10,653 with the only explanation being a correction for a small overrun; we feel that more information should be disclosed by the Housing Authority with reference to this increase. (It is somewhat frightening to note that the extension in time will cost the City over one-half million dollars in interest).