

file

MINUTES

HOUSING RESOURCES COMMITTEE EXECUTIVE COMMITTEE MEETING

August 9, 1967

The Executive Group of the Housing Resources Committee met at 10:00 a.m., August 9, 1967, in Committee Room #2, City Hall. The following members were present:

Mr. Cecil A. Alexander, Chairman, Housing Resources Committee
Dr. Sanford S. Atwood, Co-Chairman, Housing Resources Committee
Dr. Benjamin E. Mays, Co-Chairman, Housing Resources Committee
Mr. Archer Smith, representing Mr. Charles L. Weltner, Acting Chairman,
Legal Panel
Mr. Robert Winn, representing Dr. Edwin Harrison, Chairman, Construction
and Design Panel
Mr. Moreland Smith, Vice-Chairman, Construction and Design Panel
Mr. Lee Burge, Chairman, Finance and Non-Profit Funds Panel
Mr. William Bohn, representing Mr. Clarence D. Coleman, Acting Chairman,
Public Housing Panel
Mr. Charles F. Palmer, member, Public Housing Panel
Mr. Frank Terrell, representing Mr. Wallace L. Lee, member, Land Acquisition
Panel
Mr. Clayton R. Yates, member, Land Acquisition Panel
Mr. Jim E. Land, member, Land Acquisition Panel
Mr. Stewart Wight, member, Land Acquisition Panel
Dean William S. Jackson, Chairman, Social Problems Panel
Mr. Lewis Cenker, member, Social Problems Panel
Mr. Virgil Milton, Chairman, Business Participation Panel
Mr. Jim Wood, Vice-Chairman, Public Information Panel
Mr. W. W. Gates, Consultant
Mr. Malcolm D. Jones, Director

Also present at the meeting were:

Mr. Hall Ware, Attorney, King & Spalding
Mr. Collier Gladin, Planning Engineer
Mr. Lester H. Percells, Associate Executive Director, Housing Authority
Mrs. Kernona Clayton, American Friends Service Committee

The Chairman recognized the presence of both Co-Chairmen, Dr. Atwood and Dr. Mays.

Mr. Gladin, Planning Engineer, was then called upon to comment on the Land Use Study being proposed by the Planning Department and the report previously provided this Committee on Zoned acreages of vacant land.

Mr. Gladin instead passed out several copies of a new report which he had prepared to the Housing Resources Committee proposing certain solutions to the critical housing shortage and commented on it briefly. At the conclusion he asked for the assistance from the Housing Resources Committee of its one permanent staff member to assist the Planning Department in developing a joint plan, with detailed implementation steps, for presentation at the joint meeting of the Planning and Development Committee and the Housing Resources Committee (now scheduled for September 15). Copies of Mr. Gladin's report are attached (Encl. 2). Mr. Alexander offered Mr. Jones' services.

Mr. Alexander then introduced Mr. William R. Hirshson, Executive Director, Greater Hartford Housing Development Fund Inc. Mr. Hirshson was the guest speaker and presented a very interesting impromptu report on his experiences in the formation and operation of Hartford's Non-profit Housing Development Corp. The following is some of what Mr. Hirshson had to say:

General

Hartford consists of 18 square miles, has a population of 160,000 and needs 6,000 low-income dwelling units, of which 5,000 are now substandard. There are only 90-100 acres of vacant land in the city and few large housing developments, but many of 16-32 units.

The Greater Hartford area consists of 29 separate municipalities or communities of which only four have approved Workable Programs.

The corporation has developed a pre-processed reusable package for assistance and guidance of developers. This package has basic designs for two and three bedroom units. \$2,000 to \$3,000 per project is usually sufficient to test proposed project's practicability.

The corporation has not gone deeply into rehabilitation. It has thus far rehabilitated two units under 221 d (3) and purchased 12 group units. 221 (h) has not been popular because cannot find suitable areas in which to work.

The Greater Hartford Housing Development Fund, Inc. is sponsored by the Hartford Chamber of Commerce. Funds to finance the corporation were obtained from 26 of the major firms in the area in the sum of \$1,500,000 (\$700,000 in cash and the balance in commitments.) These funds were obtained through personal solicitation as loans from life insurance companies, banks and major industries.

The corporation is nonprofit, organized to lend seed money on a revolving basis and to provide technical skill on a consulting basis to sponsors of rental units for low-income families. Efforts however are not limited to nonprofit organizations.

Specific

After the corporation was organized arrangements were made to borrow on a maximum line of credit of \$700,000, secured by 10 year notes, with interest up to 6 percent, payable as available. Only \$350,000 of this amount has been actually drawn to date. In lieu of interest, surplus is returned to lenders, as funds are accumulated as authorized by the directors, in lump sum amounts.

Uses

The Housing Development Fund, Inc. operates in the capital region including Hartford and five of the surrounding suburbs. The revolving fund is used primarily for:

1. Seed money loans to other local nonprofit groups.
2. Land banking--accumulating land for future development for low-cost housing. To be resold at no mark up.
3. Rehabilitation of large homes for large families.
4. Providing talent and technical assistance to nonprofit groups.
5. Assisting in stabilization of neighborhoods.

Other Activities

The nonprofit development corporation also:

1. Helps to bring in private investors.
2. Helps to place low-income families wishing to buy new homes.
3. Works closely with the Urban Renewal Department.
4. Helps pre-qualify below market rates with FHA.
5. Assist sponsors in requesting below market allotments for FHA projects.
6. Works with the Chamber of Commerce, City Development Commission and the State Development Commission.
7. Acts as a clearing house for sponsors, builders, and mortgagees with problems.

Experimental

1. Cuts time lag.
2. Provides reserve funds for sponsors under the rent supplement program.
3. Provides the missing vehicle.
4. It does what nobody else is doing.
5. It does not provide all the answers.

Officers of nonprofit organization in Hartford

Principal Loan Officers of five insurance companies.
 Principal Loan Officers of two banks.
 Two representatives of minority groups.
 Chairman of Chamber of Commerce--Ex-officio.

Income

1. Interest on loans.
2. Fees charged for services (Usually 2% 1st \$500,000, 1½% above \$500,000 and up to \$1,000,000 with decreasing scalas above \$1,000,000)

Disbursements

1. Pays losses
2. Pays into reserves.
3. Pays interest on loans directors declare interest payment of X number of dollars periodically as available.
4. Pays administrative expenses of Development Corp.

Recommendations

1. Small projects in scattered areas are preferable.
2. Avoid creation of future ghettos by encouraging the construction of large developments.
3. Encourage use of two and three bedroom single family homes for small builders on small sites.
4. Try to get as many families as possible in single family homes and town house cooperatives.
5. Try to keep families in approximately same economic groups.
6. Disburse funds to other nonprofit organizations only as needed.

Statements

1. In Connecticut, the State has a loan fund to supply seed money to nonprofit sponsors in form of loans and grants.
2. Rehabilitated homes are most suitable for housing large families.
3. Land held in land bank is subject to usual taxes.

Administration

Staff consists of two men (Mr. Hirshson, Executive Director, who is the outside contact man; and his assistant who is the inside administration man) and a secretary.

* * *

At the conclusion of Mr. Hirshson's talk, Mr. Alexander then introduced Mr. Tom Lord, Assistant Director Nonprofit Housing Center, Urban America, Inc., which organization sponsored and underwrote Mr. Hirshson's trip to Atlanta.

Mr. Lord explained that Urban America is a national, nonprofit organization headquartered in Washington, D.C., and is dedicated to improving housing for low-income people in the nation's cities.

The Nonprofit Housing Center of Urban America provides technical assistance to nonprofit sponsors of lower income housing and helps communities organize revolving funds and nonprofit housing development corporations. The Center is financed by the Ford Foundation, the Episcopal, Methodist, United Presbyterian and United Church of Christ churches.

Urban America does not operate on a fee basis and always endeavors to keep local people involved. It attempts to adapt to local conditions and assist in bringing public and private interests together in a joint action to secure improvement in housing for low income people. He also announced that Mr. W. W. Gates, Consultant to the Housing Resources Committee, is Urban America's representative in Atlanta.

Other Items

As time was growing short, Mr. Alexander then asked Mr. Jones to simply pass out to the members of the Committee (without comment) a self-explanatory report dated August 9, 1967 (Encl. 1) prepared by the Housing Resources Committee staff pertaining to the "Preliminary Report (from the Planning Department)--Amount of Vacant Land in the City by Zoning District," dated July 21, 1967. Also attached was a comparison, prepared by the Housing Resources Committee staff, between the Analysis by HRC of the Zoning Map previously provided the HRC by the Planning Department and the tabulations contained in Appendix to July 21 Memorandum from the Planning Department.

Time did not permit detailed consideration and discussion in the meeting of this report which was designed to serve as a basis for conclusions and recommendations of the Housing Resources Committee for its proposed meeting in the near future with the Planning and Development Committee of the Board of Aldermen.

Mr. Alexander then announced that the Housing Resources Committee had been requested by respective developers of three rather large tracts to support them before the Joint Planning Board and the Zoning Committee of the Board of Aldermen to get those properties re-zoned to A-1. Mr. Alexander called upon Mr. Jones to explain each site to the Committee.

Mr. Jones pointed out the locations of the three sites on the map and explained the proposed development of each. (Two with plats and tentative site layouts).

After Mr. Jones' presentation of the three proposals, Mr. Alexander called upon Mrs. Xernona Clayton, American Friends Service Committee, for comment on any of the proposals and whether they would complicate the work being done in the southwest area by SWAP. Mrs. Clayton explained SWAP's purpose and operation in the Beacher--Cascade--West Gordon Road and Fairburn Road area south to Sewell Road. She offered no objection to any of the proposed projects.

Site No. 1. 51 acre tract north of Brownville Road between Jackson Parkway and Bolton Road, now zoned M-1, proposed by Whitting-Turner Construction Co. for Turnkey development for Public Housing. This tract has been tentatively approved by the Housing Authority and HUD and favorable action already recommended by the Planning Board. It is scheduled to go before the Zoning Committee of the Board of Aldermen in Public Hearing, August 10.

After due consideration and discussion, Mr. Lee Burge moved that the Housing Resources Committee endorse this proposal and recommend favorable action by the Zoning Committee and the Board of Aldermen. The motion was seconded and carried unanimously.

Site No. 2. 59 acre tract (eastern portion of a larger tract of 171 acres) located between Westview Cemetery and Peyton Road S. W., north of Utoy Creek, proposed for development of carefully planned 360 units of town houses under 221 d (3) co-op, by Mr. John A. Hartrampf. (The property is currently zoned R-3) Mr. Hartrampf was asked the price range of units he proposed to build. He stated that the single family houses would be in the \$15,000 to \$25,000 range and payments for the two bedroom town houses would be approximately \$90 to \$110 per month.

After due consideration, motion were made by Mr. Lee Burge that the HRC Committee endorse this proposal and request the Planning Board that it recommend favorable action on the rezoning petition for this site. The motion was seconded and carried with no dissenting votes.

Site No. 3. 45 acre split tract on both sides of Bankhead Highway N. W. (10 acres on the north side, just west of Maynard Road, and 35 acres on the south side) proposed for Turnkey development for Public Housing, with 221 d (3) as an alternate, by HLC and Associates Construction Company of Greensboro, North Carolina. Zoning is now M-1 and M-2.

After ample discussion, Mr. Virgil Milton moved that the Housing Resources Committee endorse this proposal and request favorable recommendation by the Planning Board on the rezoning petition for this site. The motion was seconded and carried unanimously.

As there was insufficient time for other business the Committee adjourned at 12:00 noon.

Respectfully submitted,

Malcolm D. Jones

Malcolm D. Jones
Supervisor of Inspection Services

- Encls: 1. Housing Resources Committee Memo to Members, Executive Group, HRC, dated August 9, 1967 (with attachments).
2. Planning Department report to the Housing Resources Committee dated August 9, 1967.

Six Seminars on Nonprofit Sponsored Housing

Urban America, in cooperation with the Federal Housing Administration, is presenting six regional seminars on nonprofit sponsored housing. These seminars are designed to acquaint representatives of not-for-profit organizations and professionals working with them with the specifics of programs available for sponsoring lower income housing. These programs include:

The below market interest rate, Section 221(d)(3) program, designed for families with incomes in excess of limitations for low rent public housing;

The market rate of interest, Section 221(d)(3) Program with rents supplemented by a Federal grant, designed for families of low income, and A new below market rate of interest program, Section 221(h)(1), which enables nonprofit groups to sponsor housing that is rehabilitated and sold to low income families.

Because of the complexities in utilizing these programs, because of the need to have well-informed nonprofit sponsors, and because of the problems inherent in managing properties for lower income families, it was felt that regional seminars describing and discussing these programs and the management of housing for lower income families would be of value to not-for-profit groups. Information on these programs will be presented by those who have successfully developed and are managing a nonprofit sponsored project, as well as representatives of FHA and Urban America.

Urban America, a national, nonprofit organization headquartered in Washington, D. C., is dedicated to improving the quality of life in the nation's cities. It represents a merger of the Action Council for Better Cities and the American Planning and Civic Association. The Nonprofit Housing Center of Urban America provides technical assistance to not-for-profit sponsors of lower income housing and helps communities organize revolving development funds and nonprofit housing development corporations. The center is financed by the Ford Foundation and the Episcopal, Methodist, United Presbyterian, and United Church of Christ churches.

Seminar 4 Region 3 Program Hotel Dinkler Plaza, Atlanta

Thursday, September 7

8:00 a.m. Registration

9:00 a.m. Welcoming Remarks
John M. Longo, Deputy Director
Nonprofit Housing Center
Urban America, Inc.

Edward H. Baxter
Regional Administrator, Department
of Housing and Urban Development
Region 3

9:15 a.m. Case Study:
Allen Temple Developments, Inc.
Atlanta, Georgia
151 Units, Sec. 221(d)(3) Project
1.4 Million Mortgage

Participants:

Sponsor: Dr. John A. Middleton
Rev. A. D. Powell
Allen Temple A.M.E. Church of
Atlanta, Inc.

Attorney: McCready Johnston
Johnston and Calhoun

General Contractor: Robert McIvor
DeSoto Construction Company

Architect: Milton Prassas, A.I.A.

Mortgagee: James M. Meyerholtz
Trust Company of Georgia

FHA Evaluation & Processing:
Ralph Johnston, Chief Underwriter
Atlanta Office, FHA

Commentator: Harold L. Kramer
Assistant Director
Nonprofit Housing Center
Urban America, Inc.

12:00 p.m. Luncheon

1:30 p.m. Rent Supplement Housing Program
Harold Albright
Assistant Regional Administrator for
FHA, HUD Region 3

John F. Thigpen
Director, Atlanta Insuring Office

4:30 p.m. Development Funds and
Housing Development Corporations
Milton P. Webster, Deputy Director
Nonprofit Housing Center
Urban America, Inc.

5:30 p.m. Reception

6:00 p.m. Dinner
Speaker: Haley Sofge
Executive Director
Metropolitan Dade County
Department of Housing and
Urban Development
Miami, Florida
Topic: "The Housing Gap—an
Opportunity for Nonprofit Groups"

Friday, September 8

9:00 a.m. Management of Lower Income
Housing
Q. V. Williamson
Q. V. Williamson & Co.
Atlanta, Georgia

10:30 a.m. Housing and Community Services:
The Bicentennial Story
Larry Krell, Director
The Bicentennial Corporation
St. Louis, Missouri

1:00 p.m. Project Consultation with
Urban America and FHA staff

Urban America, Inc.
1717 Massachusetts Avenue, N.W.
Washington, D.C. 20036
(202) 265-2224