

cc: 2 - 27 3, 30-

EDWIN L. STERNE  
CHAIRMAN  
GEORGE S. CRAFT  
VICE CHAIRMAN  
J. B. BLAYTON  
JOHN O. CHILES  
FRANK G. ETHERIDGE



M. B. SATTERFIELD  
EXECUTIVE DIRECTOR AND SECRETARY  
CARLTON GARRETT  
DIRECTOR OF FINANCE  
GILBERT H. BOGGS  
DIRECTOR OF HOUSING  
GEORGE R. SANDER  
TECHNICAL DIRECTOR

824 HURT BUILDING  
ATLANTA, GEORGIA 30303  
JACKSON 3-6074

May 17, 1967

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

Dear Mayor Allen:

This replies to your letter of May 10 transmitting copy of a memorandum submitted by the Housing Resources Committee and requesting our specific comments on items 5, 6 and 9. These comments are as follows:

(5) We are unaware of any offers for sale by owners of 103 units on Boulevard resulting from housing code inspections. As a general rule it is not financially feasible to acquire old housing by purchase since necessary financing of the resulting project must extend over a 40 year life. It is preferable to lease units in such buildings since the economics usually do not justify purchase.

(6) At the present time negotiations are proceeding concerning the leasing of units in four additional separate sites. We hope to be able to add to the total number of units now under lease. The great difficulty is the low vacancy rate in housing of acceptable standard in the Atlanta area, which has resulted in an attitude by most landlords that there is no financial advantage to them to enter into a lease agreement with the Housing Authority since they already have extensive waiting lists and are not having to make improvements that possibly would be required under the Housing Authority leasing program.

Mayor Allen  
Page 2  
May 17, 1967

The Housing Authority representative is devoting ample time to the investigation of all available leads. All real estate firms listed in the Yellow Pages have been circularized as well as members of the two real estate boards. Constant visual investigations are made in trips to various sections of the city to find out where vacancies might be in existence.

The processing of individual tenant leases for occupancy of units in private housing is not greatly time consuming since it only averages about thirty minutes per tenant.

It is considered very important for the leasing representative to make very frequent checks of existing leased housing to make sure that the public housing tenants are living up to their obligations affecting the care of the premises, etc. If this program can be controlled so that private landlords see that public housing tenants are better than average tenants this should have an important impact on the availability of additional units for lease. Although the number of leased sites has not increased in the past few weeks, the number of public housing tenants has had a steady growth as dwelling units have become available in present locations.

(9) Reduction in minimum price of single family lots for sale in the Thomasville Urban Redevelopment Project below their current minimum has been considered in the past. The staff is of the opinion that such reduction would not encourage the development of these lots because:

- (a) The price as now set is less than the value of the lots should the developer acquire land at reasonable price and provide the streets, utilities, and other amenities as provided by this project.
- (b) The Federal Housing Administration will allow as land value only the amount actually paid to us by the developer. Therefore, any reduction in the price of the land would only result in a reduction in the amount of the loan underwritten by FHA.

At the moment it appears to us the greatest opportunity for provision of additional units for low income families lies in

Mayor Allen  
Page 3  
May 17, 1967

the 221D-3 Program, and hopefully in increasing the number of units leased for public housing use, although the latter does not increase total housing supply.

Sincerely yours,

A handwritten signature in blue ink, appearing to read "Satt", is written above the typed name.

M. B. Satterfield  
Executive Director

MBS/fm