

HOUSING RESOURCES COMMITTEE
Atlanta, Georgia
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SECOND ANNUAL REPORT

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ACCOMPLISHMENTS

November 15, 1968, marked the completion of the first two years' activity of the Housing Resources Committee in its efforts to promote and accelerate the Low-income Housing Program in Atlanta.

The 5 year goal of 16,800 low and medium income housing units announced by the Mayor in his Housing Conference establishing the HRC on November 15, 1966, is now in the pipe line. This figure was based on anticipated replacement needs caused by Governmental action during 1967-71, and did not take into consideration normal growth, formation of new families and in-migration.

The November 15 revision of the report on status of the low and medium income housing program shows:

Completed	3,217 units	
Under Construction	6,278 units	
In Planning	7,337 units	
In Sight	16,832 units	Total

This slightly exceeds (by 32 units) the 5 year goal of 16,800 units and is only 305 units short, in the first two categories, of the anticipated need for 9,800 units during the first two years of the program.

It is anticipated that most of the 7,337 units in Planning will materialize. However, in the event that some may fall by the way side, there are an additional 6,215 units Being Considered, which will more than compensate for any units now in the In Planning category which may be lost to the program.

The Summary (Encl. 2) shows that the goals for all phases of the 5 year program are being met, with the exception of Public Housing which is currently 4,100 units behind.

The Committee has consistently endeavored to overcome and minimize neighborhood objections to low-income housing, which has been the greatest problem in getting approval on site selections.

The Committee has solicited and obtained the support of the Chamber of Commerce in seeking the cooperation of County Commissioners (particularly Fulton) for establishing low income housing projects in unincorporated areas of adjoining Counties, where occupants may reside in close proximity to sources of industrial employment.

Among other accomplishments, the Housing Resources Committee:

Has worked closely with developers, builders, City Departments and Community groups in promotion of low and medium income housing and in coordination of efforts in this field.

Has been instrumental in establishing the Greater Atlanta Housing Development Corporation to assist local non-profit housing corporations, thus providing seed money and other assistance (including perhaps the banking of land for subsequent use at no profit for low income housing developments).

Was a pioneer in proposing and getting approval at both the local and national level for use of prefabricated relocatable units as temporary relocation housing.

Was influential in promotion, at the Washington level, of expanding the base for Federal Grants and direct Loans, now authorized in the 1968 Housing Act, for assisting home owners in rehabilitation of their dwellings to meet requirements of the Housing Code.

Has urged early adoption by the City of miniature Urban Renewal projects, through the Neighborhood Development Program, in blighted residential pockets, to rid the City of its worst slum areas.

Has urged revision of some previous conventional planning concepts in an effort to get certain areas rezoned to permit a more practical approach to improvement of such areas for residential use.

Urged the dispersal of future Public Housing in relatively small developments on scattered sites.

Has been instrumental in creation of interest in the low-income housing program by non-profit organizations and the formation of several such organizations to participate in the low-income housing program.

Was the catalyst in getting neighborhood interest revived for improvement of Vine City through Urban Renewal.

Proposed and obtained concurrence of the Board of Education for drafting legislation for consideration by the General Assembly in its next session to authorize developers to build schools simultaneous with development of housing projects, except in Urban Renewal areas, for lease to the School Board until it is in position to purchase the facilities.

Was active participant in Atlanta Conference on Equal Opportunity in Housing.

Has worked with the Model Cities' staff in development of its housing rehabilitation program and site selection for experimental housing.

Has pointed out to City officials the necessity for, and urged recognition of, the principle that site selection for low-income housing should include a planning function and responsibility, similar to location of schools, water purification plants, sewerage disposal systems and other public works; that it should not be left entirely up to land promoters and developers to select sites and bear the burden of trying to get them suitably zoned and approved.

After promoting and receiving support of thirty prominent Business, Civic and Religious organizations and individuals, the HRC held a special meeting on August 2, 1968, with the Planning and Development Committee and the Zoning Committee of the Board of Aldermen in which the following specific requests were made:

1. Asked the Mayor to appoint either an existing committee or a new committee of the Board of Aldermen to assume a responsibility in the field of low-income housing.
2. Revision of the Building Codes for the City of Atlanta, particularly to allow experimental housing to be built in the Model Cities area.

3. Revision of the Ordinance governing non-conforming use of land to allow structural changes in improving dwelling units to meet requirements of the Housing Code.
4. Accelerate the urban renewal program particularly in the Nash-Bans, Vine City and other areas outside the Model Cities area.
5. Authorize the Atlanta Housing Authority to request 2,000 additional units of public housing.
6. Adoption of a revised district zoning map based on the new Land Use map, to include adequate areas for low-income housing.

Results:

a. A resolution was adopted on September 16, 1968, charging the Planning and Development Committee of the Board of Aldermen with responsibility for assisting the Housing Resources Committee in meeting requirements of the Low-income Housing Program.

b. Vine City and East Atlanta have been included in the Neighborhood Development Program for planning in 1969.

c. The Board of Aldermen authorized on September 16, request by the Housing Authority to the Federal Government for an allocation of an additional 2,000 units of Public Housing; and the request has been submitted to Housing Assistance Agency of HUD.

d. Although specific action on the other three items has thus far been inconclusive, the need for these elements has been recognized and emphasized and indirect favorable effects have been encouraging.

Throughout the program the HRC has endeavored to work for close contact and understanding with the Federal Agencies, local groups and City Departments in promotion of the Low-income Housing Program and received from them a remarkable degree of cooperation and assistance, which is very much appreciated.

On December 9, 1968, award was made by the Housing Authority to National Homes Corp. of LaFayette, Indiana, for development of the 96 acre Federal surplus land site, as part of the Thomasville Urban Renewal project. This award was based on a design competition among 5 prominent developers and will include 600 units of low and medium income housing, 2 schools, parks, commercial development to serve the immediate neighborhood and other facilities.

IMPLICATIONS OF THE 1968 HOUSING ACT

The National Housing Act passed by the Congress on August 1, 1968, reaffirms the national goal in the 1949 Housing Act, of "a decent home and a suitable living environment for every American family".

Private industry has been challenged to provide six million additional housing units during the next ten years for low and moderate income families. The 1968 legislation provides the tools and incentives and success in meeting the national objective will largely depend on:

1. Sponsor interest.
2. Availability of land at a reasonable price.
3. The mortgage money market.
4. Municipal cooperation
5. Funding by the Congress in 1969.
6. Building code and zoning restrictions.

Section 238: The 1968 Housing Act established a new Special Risk Insurance Fund which permits the Federal Housing Administration to assume higher mortgage insurance risks in connection with both location and credit characteristics that were unacceptable under the mutual mortgage sections of the Act. This should widen both the housing and the mortgage sections of the Act. This should widen both the housing and the mortgage market.

Section 237: Provides, on an experimental basis, FHA mortgage insurance to finance homeownership for certain lower income families who cannot qualify under normal standards because of their past credit records, but who can meet mortgage payments with appropriate budget and financial counseling.

Section 236: Under this rental housing program the tenant or cooperator will pay at least 25 per centum of his family income towards the market rent or the basic rent, whichever is greater. The basic rental is determined on the basis of operating the project with payments to principal and interest on a level annuity plan at 1 percent interest. HUD pays the mortgagee the difference between the amount collected from the occupant and a fair market monthly rental determined on the basis of operating the project with payments of principal, interest and mortgage insurance premium required on a level annuity mortgage at the market interest rate. There will be no subsidy for the moderate income tenants. Maximum mortgage amounts - 100% of FHA cost to nonprofit and 90% for profit motivated sponsors. 40 year term. Limited to families whose incomes are not in excess of 135% of initial admission levels of public housing.

The above is only a partial outline of Section 236. The regulations cover a wide segment of rental housing financing and the mortgage insurance terms are liberal. The Act authorized \$75,000,000 to July 1, 1969, but only \$25,000,000 has been funded. These funds will likely be allocated very rapidly to proposed rental and cooperative projects. There is no requirement for a Workable Program.

Section 235: This section places heavy emphasis on home ownership and provides that if the purchaser of a new home or a living units in a condominium will pay at least 20% of the family's income, HUD will pay the balance of the monthly mortgage payments. A two family dwelling may also be purchased, if owner occupies one unit. Mortgages are limited to \$15,000 and \$17,000 for large families. Family income limited to 135% of public housing entrance levels. 30 year mortgage term. No Workable Program is required.

Subsidies vary with the income of the purchaser and the cash investment in the housing unit will range from a minimum of \$200 to 3% of FHA's estimate of cost.

Section 235 of the Housing Act is very comprehensive and the present funding of \$25,000,000 will be used up rapidly.

Comments: All of the legislation mentioned above applies to both proposed construction and major rehabilitation and provides wide opportunity for nonprofit organizations to operate in a number of fields. It is also attractive to profit motivated firms. It permits the issuance of mortgage insurance in urban, suburban, core and rural areas and better distribution of low income housing in all areas where the need can be established under the new Act.

It gives the sponsor a choice of construction or rehabilitating single family homes, town houses, apartments, condominiums and cooperatives. It provides for accumulation of equity by the buyer through credit for his own labor. It also provides employment and contract opportunities for lower income families and business concerns in the construction area to the extent feasible. Occupant training will be provided where needed in financing and other fields.

There are many changes and additions to the Housing Act that have not been covered in the brief outline above. Other sections apply to Urban Renewal, Public Housing, Housing for the Elderly, Nursing Homes, Nonprofit Hospitals, Flood Insurance, Financing, etc.

THE IMPACT OF THIS BILL ON HOUSING SHOULD BE TREMENDOUS.
THE TOOLS ARE AVAILABLE AS NEVER BEFORE.

FUTURE DIRECTION

As Chairman of the Housing Resources Committee, I make the following recommendations for the future course of action for the housing program in Atlanta. We request that the Mayor and Board of Aldermen give consideration to these proposals and advise us accordingly, in a revised statement of mission for the Committee:

1. All bodies concerned with housing review the present and continuing needs for low income housing.
2. Eliminate existing slums and provide housing as needed in the area for those who wish to remain there.
3. Place housing near jobs and public facilities in the City of Atlanta and throughout the metropolitan area.
4. Continue efforts to promote innovative low-income housing construction in Atlanta.
5. Continue to aid efforts to eliminate social problems connected with housing.
6. Further involve the business community in the housing program.
7. Assist nonprofit groups and developers in their efforts to obtain land and construct housing.
8. Promote and explain the new general housing act and the fair housing act.
9. Consider national and local legislation useful to the housing program.
10. Assist in the stabilisation of existing neighborhoods and encourage the construction of middle and upper income residential developments in the City of Atlanta.
11. Attempt to involve persons in the slums in the business side of demolition, rehabilitation or erecting new units.
12. Continue efforts to sell the need for low income housing to the people of metropolitan Atlanta.

It is also suggested that consideration be given to placing the functions of the Housing Resources Committee with the Citizens Advisory Committee for Urban Renewal or as a part of an activated Urban Coalition.

UNFINISHED BUSINESS

There are many unfinished phases of the initial program which need the continuing existence of a citizens' group to help with the completion of the program. Some of them are:

1. Completion of projects now in planning.
2. Legislation pending that will allow the city to lease schools to be built by developers simultaneously with housing projects, except in urban renewal areas.
3. Investigation of problems relating to code restrictions on innovative building.
4. Activation of Board for the Greater Atlanta Housing Development Corporation.
5. Obtaining of additional sites in areas where low income housing is needed.

It should be borne in mind, that while this program is apparently in good shape, that many of the projects still need shepherding. There are many forces trying to block housing in Atlanta and any faltering in continuing efforts might well decimate the final accomplishment of the erection of the 16,800 units.

I wish to close by thanking Col. Jones, William Gates of our staff, the members of our committee who worked dilligently during the past two years and such members as Archer Smith, Lee Burge, Clarence Coleman, Charles Palmer, Robert Winn and Dale Clark immediately come to mind among many **others**. This has truly been a working Committee. We also thank the Atlanta Housing Authority, the Planning Department, the Building Department, Public Works Department, members of the Board of Aldermen, Mayor Allen and the members of the Press, Radio and TV Organizations. Not to be forgotten are the developers and nonprofit groups who have in the last analysis made the program possible.

Cecil A. Alexander

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Chairman

- Encls: 1. Reports of Committee Panels
2. Summary of Status Report