

MINUTES

HOUSING RESOURCES COMMITTEE EXECUTIVE GROUP MEETING

September 12, 1967

The Executive Group of the Housing Resources Committee met at 10:00 a.m., September 12, 1967, in Committee Room #2, City Hall. The following members were present:

Mr. Cecil A. Alexander, Chairman, Housing Resources Committee
Dr. Benjamin E. Mays, Co-Chairman, Housing Resources Committee
Mr. Archer D. Smith, representing Mr. Charles L. Weltner, Acting Chairman,
Legal Panel
Mr. Henry L. Hills, representing Mr. Lee Burge, Chairman, Finance and
Non-Profit Funds Panel
Mr. John Wilson, member, Finance and Non-Profit Funds Panel
Mr. Charles F. Palmer, representing Mr. Clarence D. Coleman, Chairman,
Public Housing Panel
Mr. F. C. Terrell, representing Mr. Wallace L. Lee, member, Land Acquisition
Panel
Dr. Vivian Henderson, Acting Chairman, Land Acquisition Panel
Mr. J. A. Alston, member, Land Acquisition Panel
Mr. Stewart Wight, member, Land Acquisition Panel
Dean William S. Jackson, Chairman, Social Problems Panel
Mr. Edward S. Simon, Vice-Chairman, Business Participation Panel
Mr. Dale Clark, Chairman, Public Information Panel
Mr. Malcolm D. Jones, Director

Also present at the meeting were:

Mr. William S. Holland, Executive Director, CACUR
Mr. Lester A. Persells, Associate Executive Director, Housing Authority

Mr. Alexander opened the meeting with comments pertaining to the program and then called on Mr. Jones to present the current status report of the program.

Mr. Jones stated that his office was in the process of retyping the low-income housing inventory report but had only the summary ready for this meeting (Item 2 on the agenda and document 2 in the folder which had been presented to Executive Group members). He explained that included in the inventory are apartment units being developed under conventional financing which do not cost more than \$10,000 per unit to construct, \$12,000 for each side of a duplex and \$15,000 for a single family house. He explained that the last page of the summary contains notes, some of which are especially significant. He explained that Item A of the notes gives a comparison of the status of the program on August 31, as compared with the previous report of June 28 and stated that on the whole we have lost ground in this program since the previous report two months ago.

He then called attention to the extract from the CIP report pertaining to low-income housing requirements (Item 3 on the agenda and in the folder). He also pointed out that we are not really building low-cost housing in public housing but low-income housing.

He also explained Item 4(a) on the agenda and the corresponding document in the folder passed out to Committee members, pertaining to available land suitably zoned for the low-income housing program.

At this point Mr. Alexander explained that Mr. Jones' office was understaffed to handle the statistical data required by the CIP and proposed that from here on out when someone goes to the Building Department for a permit we should try to get the Permit Desk to list what the rent on the units will be and number of bedrooms per unit; that there is no way we can require this legally; and that another thing that we need to do is to also go back to the developers now in the program and get more specific information on their plans. He proposed for this purpose that the City provide a Clerk to the Committee for not less than 3 months. He stated that he felt the structures being built are reasonably good and that his feelings are that a great deal more interest should be put in the lowest rental-purchase ranges; that we can get more in that price range from the prefabricated housing; that the carrying charges on these per month is important and we should find out what it is; that to meet the really tough part of the program means going to the City for additional help. He also asked for comments from members of the Committee.

Mr. Clark said he would support asking for more help; that he also saw a news report for housing that would rent for \$50 to \$70 per month, under the Farmers Association program; that it is in DeKalb County, and is called City Line.

Mr. Alexander stated that is a good start to get low-cost housing in the counties.

Another member stated that the Farmers Association program is also a part of the FHA program.

Mr. Palmer inquired as to the definition of low-cost housing?

Mr. Jones replied that it is essentially a matter of interpretation.

Mr. Alexander stated that is was from \$0 to \$55 per month.

Mr. Palmer commented "And they want low-income housing built under private enterprise?"

Mr. Alexander replied it is thought of now primarily as a Turnkey development.

Mr. Jones added "And even Rent Supplement".

Mr. Alexander again proposed asking the City for a Clerk and developing a form for the Building Department to get filled out at the time permits are obtained and stated that we will have to talk to Mr. Wofford about that.

A motion was made that the matter be left in Mr. Jones' hands, Mr. Yates seconded it. The matter was dropped there.

Mr. Alexander then explained that the roll of this Committee in zoning matters is not an open and shut case as to how to make recommendations to the Board of Aldermen; that we have been taking this on as a extracurricular roll to assist the developers in this program; that this has been done in several instances, but no members of this Committee have been asked to go around looking at these sites to recommend those which we consider reasonable.

Mr. Jones explained that this is what he and Mr. Gates have been attempting to do; that they have been out with the sponsors and actually looked at most of the sites and have only listed and encouraged those which they felt were practical and desirable; that in a several instances they have discouraged sponsors from submitting sites which they felt were impracticable or unsuitable.

Mr. Alexander continued that his feeling is that we should try to aid and assist the builders in this program but that we have no power to change what is going on and that we are having our proposals turned down one by one for various reasons. He stated that the approach which he felt we should take is to issue a general statement about the housing program, its needs, and the shortage of land that is now suitably zoned and to work toward getting a rezoning of the entire City, with due consideration for low-income housing needs; that as for working with the developers we should be governed by what we see is acceptable to the Board of Aldermen and the Building Department in granting permits; and further to come to some conclusion about the problems. He stated that we should also help the developers arrange meetings with the Aldermen, Departments involved and anyone who wants to talk to them about deficiencies in Community Facilities related to the housing program, which in some instances have been legitimate, such as parks, transportation, traffic, schools etc. He further stated that at the same time the urgency of this program has seemed to escape some people; that one thing which we also need is to emphasize the requirement for additional low-income housing in the neighboring cities and counties and make it clear that we are not trying to create a haven here in Atlanta for the whole country to come to and move in on this program; that this may happen, but we should try to avoid it. He stated that the CIP requirement is for replacement of houses and apartments that are unfit for human habitation. He then called upon Mr. Jones for comments.

Mr. Jones stated he feels that it we do not take a position to actively support the developers who have proposed good projects and which appear reasonable, he did not know who would; that he was personally inclined to feel that we can do a service if we as a Committee take a position on such projects; that he does not think however that many areas will be built in the City which already have a surplus of community facilities; that he has hoped that we can supply facilities such as parks, schools, playgrounds etc. simultaneous with the development of the housing projects, by relying on other Agencies and other Departments;

that those details should be checked into carefully and coordination made to provide these services as adequately as we can. He said that he felt personally that a statement from the Housing Resources Committee on each of the projects proposed for low-income housing would be helpful to the Planning Board and the Zoning Committee when they make their decisions. He pointed out difficulties which we have had in getting sites approved up to that point and explained that he and Mr. Gates (the Committee Consultant) have attempted to look at each proposed site but have been unable to follow through on all details such as checking on the adequacy of community facilities etc.; that in several instances he and Mr. Gates have discouraged sponsors for this reason or that; such as ground too rough, facilities not available etc. and that as a result, several of the sites originally proposed have never come up for rezoning. He further stated that he was inclined to feel that on those proposals for Turnkey development that it would even be well for the Planning Board and the Zoning Committee to know whether or not the Housing Authority considered the sites as favorable and suitable.

One member commented that perhaps the whole City needs to be rezoned.

Mr. Alexander replied it seemed to him that we must create additional land through purchases for the city-wide approach; that when the individual developer comes along, there should be a body looking to the interest of the whole city and it appeared to him that these things have thus far been considered only by the Board of Aldermen; that he wonders whether this is doing the program the best service? He stated that consulting with the Planning Board is also very much in order, presumably.

In referring to Item 4(a) on the agenda and the corresponding marked document in the folder, Dr. Henderson inquired if this material is what his Committee had asked for?

Mr. Jones stated that this is what the Planning Department provided in response to his panel's request; that when we got it, it came in two forms: a zoning map of the City with vacant land areas superimposed on it in orange; and a report of total land in the various zoning categories and vacant land by Land Lot and District.

Mr. Jones further explained that the Planning Department is now making a comprehensive Land-Use study to go before the Board of Aldermen with some proposed changes in the overall land-use of the City; that he felt the best thing this Committee could do now is to get its recommendations presented to the Planning and Development Committee; that we have a Joint Meeting scheduled for the 29th of September.

Mr. Alexander then told Dr. Henderson that he should meet with Mr. Jones to go over the material provided by the Planning Department, but that in trying to resolve this thing we are still short on land and those two should come up with a proposal, say in September, as to the number of acres needed and its distribution.

Dr. Henderson asked approximately how many acres does that involve?

Mr. Jones replied that the maximum density authorized for garden type apartments is 16 units per acre, but that the Housing Authority has been trying to hold that down to about 12 units per acre.

Mr. Persells stated that was correct; that 3, 4, and 5 bedroom units, which the Housing Authority particularly needs, results in reduction of the density below 16 units per acre.

Mr. Jones explained we had one project which has been approved by FHA at 16 units per acre, but it is in an Urban Renewal project; that we had a developer recently drop a project because he had bought the land expecting to develop it at the maximum authorized density of 16 units per acre and that in preliminary discussions, FHA suggested 10 units per acre.

Mr. Alexander stated that it is open to debate about how many total acres would be required; that our experience to date indicates that no more than 1/3 of the land appropriately zoned actually gets into the low-income housing program, due to turndowns by HUD, FHA, neighborhoods etc.; that to date only about 1/3 of the land zoned has found its way into this program.

Mr. Alexander stated that there appears to be a need to rezone the City at large; that there were 51 zoning petitions on the agenda recently for one meeting of the Planning Board.

Mr. Jones explained that the current zoning was especially planned for industry; that many areas were originally planned but never used as industrial, which development will not occur in the foreseeable future, and that the same applies to much of the land now zoned residential (single family development) whereas the immediate need of the City now is for low-income multi-family housing.

Mr. Persells explained that the Housing Authority has gone back over the land to consider additional parcels which could be used for the low-income housing category where changes seem to be reasonable.

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Mr. Alexander stated the builders have claimed that FHA procedures were holding them up; that Atlanta is one of the City's in which FHA now claims that it can process an application in less than 2 weeks; that this is a change in attitude, but the 221 d (3) program does not come within the direct line of FHA's principal insuring policy.

Mr. Alexander asked Mr. Clark if the report prepared by Mr. Gates on the accelerated procedure for multi-family processing by FHA could be carried to the press (Item 6 on the agenda, with copies in the folders) Mr. Clark indicated that it would probably be better for this type of announcement to be made by the local FHA office rather than from this Committee.

Mr. Alexander then referred to Item 7 on the agenda pertaining to the proposal in the Rent Supplement program to require nonprofit sponsors to put up 5% equity (in effect a donation); that the reason the attempt to put this thing in, is the theory that if nonprofit sponsors are financially involved in the success of their project that they will have more permanent interest in it; that Urban America's feeling is, if this is done the Rent Supplement program will die before it gets an opportunity to grow; and Urban America has suggested that those interested send telegrams to their Senators and to Senator Warren Magnuson suggesting that this approach of requiring the 5% equity will defeat the purpose of the program; that what he would like to do is to get an authorization from the Committee to sign a telegram in support of this position and to urge consideration of this matter in the final preparation of the bill.

A motion was made by Mr. Palmer, seconded and unanimously adopted asking Mr. Alexander to send such telegrams to appropriate Senators.

Mr. Clark asked if the 5% donation is a known step or a new development.

Mr. Alexander stated that it is new; that the thinking is that the nonprofit sponsor is not supposed to be getting any profit back from the project and it is asking too much of him to put up 5% equity donation to the project. Mr. Alexander also said that to give the other side of it is, that in 221 d (3) nonprofit projects one can borrow up to a 102% of the project cost and this is what you are competing with, in a sense.

Mr. Persells asked Mr. Alexander to explain the 102%.

Mr. Alexander explained what the extra 2% takes care of.

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Mr. Alexander again asked for and received unanimous consent to request the City for a Clerk for at least 3 months.

Mr. Alexander then called for brief reports from the Panel Chairmen.

Legal Panel - Mr. Archer Smith made a very interesting presentation of his case study and the significance of the Shaffer vs. City of Atlanta Housing Code Case, which he announced was coming up for hearing the next day.

Construction and Design Panel - As no one was present to represent this panel, Mr. Alexander explained a project which that panel was working on involving Building Codes and a System study.

Finance and Nonprofit Funds Panel - Mr. Alexander explained that this panel is working on creation of a Nonprofit Housing Development Corporation. He also mentioned the favorable comments made at the Urban America Seminar by a local banker pertaining to loans made through his bank to sponsors of nonprofit projects.

Business Participation Panel - Mr. Alexander commented briefly on his recent conference in Washington with Secretary Weaver and FHA Administrator, Brownstein, pertaining to bringing "Big Business" into the low-income housing field.

Public Information Panel - Mr. Clark commented on the ill-fated Browntown Road rezoning attempt and to a nonprofit sponsor project which is being promoted locally by the Interfaith Group of the Unitarian Universalist Congregation.

Social Problems Panel - Dean Jackson explained that the average annual income for Negroes in Atlanta is \$3600 and that the number one question is the adequacy of the number of bedrooms in rental units.

Mr. Alexander then called on Mr. David T. Edwards, sponsor of a rezoning petition for an 18 acre site on the West side of Atlanta, North of Bakers Ferry Road, S. W. (LL 24, 14th Dist. FF) to present his proposal (one of three in Item 5 on the agenda). Mr. Edwards made a good and convincing presentation. From questions asked and comments made by some members of the Committee, the Committee appeared receptive to Mr. Edwards' proposal. Formal action by the Committee however was not called for by the Chairman to endorse this project to the Zoning Committee, as had previously been requested by Mr. Edwards, as well as similar requests from sponsors of two other projects which the Committee had previously endorsed to the Planning Board. This was for reasons explained earlier in the meeting. Subsequently however, the Chairman of the Planning Board was requested to pass on to the Zoning Committee, with the Planning Boards' recommendations, a letter which had previously been written by the Committee to the Planning Board endorsing those two projects.

The meeting was adjourned at 12 noon.


Malcolm D. Jones
Supervisor of Inspection Services

Encls: Agenda
Documents contained in folder provided every member present (with file copy only).