Mr. Sweat

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800 Families Profit By Leased Housing

Private Enterprise Erects Low-Income HUD Apartments

By MARGARET HURST

A clean, modest one-bedroom brick apartment seems nearly palatial to a retired Atlanta couple who lived, until two years ago, in an area of the city where "the rats came out every morning to tell you hello."

The Leroy Hendersons are one of 800 low-income families in Atlanta who have found new homes through the Leased Housing program, a department of the Housing and Urban Development (HUD) program that allows private enterprise to build and lease housing to the Atlanta Housing Authority.

Atlanta has the largest leasing program in the Southeast and has leased 1,030 units since the program began in 1965. Leased housing is rented to low income families and HUD pays the housing authority the difference between what the tenant can afford to pay for rent and the actual amount the authority pays to lease the unit from a private owner.

LESS THAN THIRD

The Hendersons, for example, rent their apartment for $23 a month. Before the housing authority leased the apartment complex, the same apartment rented for $79 a month.

Atlanta's leased housing is scattered in eight locations over the city. The apartment complexes have plushy names like Suburban Court, LaVilla Apartments, Lakewood Village and Amanda Gardens and two of the complexes have swimming pools. The average rent is from $30 to $35 a month.

One of the advantages of leased housing, according to Morris Bryan, chief of the Leased Housing section in HUD's Atlanta office, is that the complexes don't have that "housing project look" and many tenants who wouldn't live in a project will live in the leased housing.

IT'S "INSTANT"

The Leased Housing program is called "Instant Housing" because housing authorities can lease already existing housing—new or old—and move families right into the unit.

Atlanta needs more three, four and five-bedroom apartments, according to Ray Braswell, leased housing manager for the Atlanta Housing Authority, and the Leased Housing program can provide them. In one apartment complex, he said, the owners spent over $200,000 on renovations, which included combining two small apartments to make four- or five-bedroom units.

The advantage to the private owner, Braswell said, is that he is guaranteed 100 per cent whether the unit is occupied or not. Braswell said the authority does not move families out of apartments obtained under the Leased Housing program, but takes over the unit only after a family leaves.

EVEN LOWER

Some families, he said, are allowed to stay in the apartments and rent at a lower rate if they are qualified to rent from the housing authority.

Under the Leased Housing program, local authorities can lease existing housing from private owners for one to 10 years. New housing is leased for five years with an option for the private owner to renew the lease every five years for an additional 10 years.

By letting private businesses build, own and lease the property, Bryan said, the program helps the cities (because the owners continue to pay property taxes), local lending institutions, the builders and the low income tenants.

Bryan said Atlanta and three other Georgia cities are receiving in excess of $1 million a year under the Leased Housing program. Carrollton, Hinesville and Marietta already are participating in the program, he said, and East Point, Decatur and DeKalb County have gotten contracts within the last 60 days.

Many more Georgia cities are expected to go under contract within the next 30 to 90 days, Bryan said.