

APPLICATION FOR A GRANT FROM THE URBAN CRISIS FUND
OF THE EPISCOPAL CHURCH OF THE UNITED STATES

This application is for funds needed to provide staff and technical assistance in the continuation of the activities outlined in the attached program statement. There have been several developments since preparation of the program statement: the Trust Company of Georgia has granted the loan to tie up the land for the shopping center; preliminary site design studies have been made and one selected by the Board of Trustees; and formal application to the Atlanta Housing Authority for purchase and development of the site has been made (see enclosed news clipping).

The Trust Company of Georgia and the Atlanta Mortgage Brokers Association are using their influence to interest the triple-A tenants needed to satisfy mortgage requirements. A nationwide, Negro-owned grocery chain which has previously expressed interest in locating in Atlanta is being contacted and arrangements set up for representatives from their Baltimore headquarters to come to Atlanta to discuss leasing space in the center.

A group of area residents is being assisted by Reverend Ford of Emmaus House in establishing a catering service as a profit-motivated small business. The business will prepare and deliver lunches to small businesses in the metropolitan area. Existing catering services will not serve locations with less than fifty employees, so the new venture will tap a market with no present competition. The catering service is expected to be the first indigenous tenant of the shopping center.

Occupancy has begun in the public housing project adjacent to the site. The construction company which built these units has asked to be considered in negotiations for construction of the center and Georgia Power Company has offered to perform the electrical engineering on the center at no cost to the corporation.

Now that the corporation has, what is in effect, an option on a quarter of a million dollars worth of land, the shopping center program has swung into full action, yet the corporation remains without staff and

technical assistance available on command. Resources to provide this man power are needed as quickly as possible.

The other major program development is in regard to the industrial goal. The proposal for the feasibility study has been completed, submitted to the Lockheed-Georgia Company and forwarded to national offices in Burbank, California. At Lockheed's suggestion, the study specifically will be for a community-owned and community-operated plant. Lockheed is to: a) guarantee purchase of a set amount of out-put, b) provide management and engineering assistance and c) participate in underwriting costs of initial operation, machinery and physical facility procurement. A copy of the proposal will be made available, if desired. Very little manpower is needed from the corporation at this time on this item.

To meet minimum requirements, a grant of \$20,000 is respectfully requested. It is anticipated that this amount will cover the needs of the corporation for six months at the level of activity that can be foreseen at this point. During the period, construction should get underway on the center, tenants should be signed up and management and maintenance plans made. Other program efforts should be continued, including the industrial efforts, and program alternatives carefully explored.

The twenty thousand dollars, if provided, will be spent in two major areas: operation and assistance. One-half the amount (\$10,000) would be allotted to each.

The proposed operating budget is as follows:

Operating Expenditures (on annual basis):

Salaries:

Executive officer	\$ 7,800.00	
Secretary	5,200.00	
Subtotal		\$13,000.00

Overhead:

Rent	\$ 1,200.00	
Utilities	900.00	
Telephone	300.00	
Transportation*	720.00	
Office supplies	300.00	
Subtotal		3,420.00

Total \$16,420.00

(for one-half year. \$ 8,210.00)

Capital Expenditures:

Used auto	\$ 800.00	
Renovation and signs	140.00	
Furniture	300.00	
Office equipment	<u>250.00</u>	
Subtotal		\$ 1,790.00
Grand Total:		\$10,000.00

*Gas, oil, insurance and repairs

It is anticipated that technical assistance would be procured as follows:

Planning and Development Consultant	\$ 6,500.00
Preliminary Architectural Services*	1,500.00
Economic and Bookkeeping Services	1,000.00
Legal Fees and Expenses	<u>1,000.00</u>
Total	\$10,000.00

Expenses can be expected to vary from these amounts depending on developments and activities within the overall program framework, and as a rule of thumb, a total of about \$50,000 will be needed to make the shopping center alone operational. However, additional funding from other sources can also be expected and other requests will be made of the Urban Crisis Fund, if receptive. MODEL NEIGHBORHOOD, INC. is currently in urgent need of immediate funding as outlined above. Any future requests to the Fund will depend on how satisfied the Fund is with results of this money and how successful MODEL NEIGHBORHOOD, INC. is in getting those results.

Edward Moody, Chairman
Board of Trustees
MODEL NEIGHBORHOOD, INC.

*To be repaid from the mortgage.

MODEL NEIGHBORHOOD, INC.

Statement of Program

Purpose

Model Neighborhood, Inc., is a legally chartered, non-profit, self-help corporation formed by longtime residents of sections of Atlanta included in the city's Model Neighborhood Area. It was formed to enable those who reside, work or own property in this area to sponsor self-help programs of economic development, housing and job training in their own community. The corporation desires to be a vehicle through which the people of the area can participate fully in promises of the social, physical and economic re-development of the Model Neighborhood Program. The Board of Trustees keenly feels the need for such grass-roots participation and feels that it must happen soon. Too often the people have been promised programs that would directly touch their lives, yet have not seen or felt any effect. Too often, it has seemed that programs designed to help the poor have helped everyone but the poor. The time to involve the poor in the Model Neighborhood Program is now. The corporation, made up of workers, residents and property owners in the area, has as its purpose to be a means by which involvement can occur and can begin immediately.

Specific Goals and Program Status

- To develop and operate a neighborhood shopping center. Negotiations are underway for purchasing two parcels of land from the Atlanta Housing Authority. The tracts are across the street from each other; together, they comprise about four acres; both are zoned for commercial use. Total purchase price is \$216,000.00. A firm commitment has been obtained from a local bank (Trust Company of Georgia) to loan the corporation the down payment necessary to tie up the land while development plans are being firmed up. The corporation has raised from its membership and placed on deposit sufficient funds to prepay the interest on the loan. Arrangements for permanent financing (land and construction) are under discussion with participating companies in the insurance industry's one-billion dollar loan program. The corporation is being assisted by the Trust Company of Georgia in these negotiations. A preliminary market study prepared for the corporation by Hammer, Green, Siler and Associates, showed that the area could support 56,000 square feet of convenience goods retail space. Six hundred fifty new

units of public housing are now being occupied adjacent to the site. Major oil companies are being contacted by the corporation for possible leasing of combined gasoline service and training facilities in the shopping center. Tentative verbal commitments have been obtained from several potential institutional tenants pending the working out of space requirements and costs, and a number of area residents have expressed desires to have the corporation assist them to obtain financing for proprietorship businesses which would lease space in the center. The corporation itself is considering establishing a cooperatively owned retail drug store which would be a tenant of the center. The Atlanta Housing Authority and the Chairman of the Aldermanic Planning and Development Committee have endorsed the project and are giving full support to the corporation's efforts.

The current critical need is capital to make the project "operational." Sources to provide one hundred percent of land and construction costs have been located. What is needed is money to buy manpower--both staff and technical consultants. Staffing requirements are very minimal at this point; no more than two full-time employees are necessary and they would be area residents. Technical assistance requirements include architectural, legal, financial and managerial. It is estimated that as much as \$50,000 may be required eventually in order to make the one-million dollar center operational; however, a \$10-20,000 grant or loan at this time is crucial to allow the Board of Trustees to firm up plans and realistically appraise overall cost-benefit ratios.

- To create neighborhood owned and operated industry.
Representatives of the corporation are now negotiating with one of the state's leading industrial firms to establish a component assembly plant within the Model Cities Area under the sponsorship of the corporation. A proposal to the industrial firm to provide financing for a feasibility study is now being prepared by the Industrial Development Division of Georgia Tech at the firm's suggestion. The corporation will request several thousand dollars in the form of a loan or grant to undertake the feasibility study.

- To sponsor low- and moderate-income housing.
Members of the Board of Trustees have met with the Federal Housing Agency to express the corporation's interest in the 221(H), housing rehabilitation program. The Board was advised that approximately \$1,000 in refundable

"seed money" would be required. Tentative agreement for a loan for this purpose has been obtained from the Presbyterian Church of the United States. A separate non-profit corporation has been chartered with Emmaus House of the Episcopal Church to undertake the 221(H) phase of the program. Board members are now reviewing the City's plans for redevelopment in the Mechanicsville and Summerhill neighborhoods with the purpose in mind to coordinate the corporation efforts with those of the City of Atlanta.

In other housing efforts, volunteer technical assistants have been instructed to develop innovative alternatives for possible housing demonstration projects within the framework of the Federal 221(d)(3) program. Two area churches have expressed desires to sponsor such projects.

- To provide vocational training.

The corporation's primary concern is to develop entrepreneurship rather than simply job training. Through its experience with its own program development, its activities in the fields outlined above, its facilities (shopping center) and capital resources obtained through doing business and receiving loans and grants, the corporation hopes to be the non-profit vehicle through which assistance to area residents desiring to establish profit making small businesses may be channeled. For example, a proportion of the shopping center space sufficient to guarantee meeting mortgage retirement needs (approximately 60 percent of the space) will be leased only to well-established tenants; the remainder will be made available as first priority to local residents attempting new business ventures. Direct technical assistance to such new enterprises has been provided by various private and governmental groups in the Atlanta area. One new corporation entirely separate and distinct from Model Neighborhood, Inc., is already being formed by profit motivated residents in anticipation of this corporation's success with the shopping center program.

- To facilitate the physical redevelopment of the Model Cities Area.

The corporation desires to contribute to redevelopment efforts of the Model Cities Area not only through coordinating its own development programs with proposed city activities, but also to act as liaison between area residents and governmental agencies, to reiterate both criteria and suggestions of proposals through a continuing public information and idea exchange program. The corporation intends to directly involve area residents in the planning process

in an advocative manner through technical assistance obtained by one or more of three methods:

1. By having technical assistance made directly available to area residents as a part of the Model Cities Program. At best, this would mean having a planning staff physically located in the area with an office available to citizens desiring information and wishing to express criticisms or suggestions of plans;
2. By obtaining funds to hire consultants or staff to prepare proposals reflecting area residents desires and felt needs. Such proposals would then be submitted to the Model Cities agency for consideration; and/or
3. By obtaining volunteer technical assistance to develop more satisfactory alternatives to Model Cities Program proposals where necessary. Such volunteer technical assistance has been offered, but is believed by the Board to be less satisfactory than the other two possibilities, since it is the Board's desire to facilitate the Model Cities Program rather than challenge or countermand it.

The corporation proposes to further facilitate the program through expenditure of its resources on community improvement projects of a public nature. Such projects might include building parks and recreation areas, landscaping and beautification projects not within the city's budget or domain, and providing equipment and supplies not otherwise available to area schools.

Continued Programming

The corporation has defined its purpose, listed goals as formulated to date and stated progress made toward those goals in the preceding pages. Major emphasis has been and continues to be placed on the shopping center. At the same time, alternatives and new ideas are constantly being explored. Volunteer technical assistance has been used solely to explore and implement the corporation's ideas and desires, yet, such volunteer assistance, while greatly appreciated remains the largest roadblock to implementation. By its very nature, such assistance is always at the leisure of the volunteers and

the program moves slowly as a consequence. Rapid progress will be made only when the corporation has funds enough to buy manpower.

Yet, it is central to the Board's policy that the corporation retain its "self-help" nature. The people of the Model Neighborhood Area have the abilities needed to share in the improvement of their own community, and demonstrate self-reliance. The corporation can serve to spark initiative and provide a framework within which the people can help themselves only if decision-making remains in the hands of the people. While the corporation will continue to seek assistance from outside the community and will continue to give assistance within the community, any assistance offered will not be acceptable unless it perpetuates this self-help objective.

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