

November 14, 1968

Chicago Dwelling Association  
130 North Wells Street  
Chicago, Illinois 60606

Gentlemen:

On November 13, I had the opportunity of seeing your Town House Park project at 52nd Street and Blackstone in Chicago, developed by National Homes Corporation of Lafayette, Indiana.

I was very favorably impressed with the project, particularly the convenience of living conditions and the excellent environmental atmosphere which has been created in development of the project.

This Committee is anxious to learn details of the legal relationship, mission and authority of your organization with respect to the Chicago Housing Authority and the mechanics involved in the Town House Parks development.

As explained to me yesterday, which I would like to get confirmed or otherwise clarified:

(a) Your organization is a nonprofit subsidiary of the Chicago Housing Authority and as such is able to purchase land, from the Chicago Housing Authority, at a write down, by direct negotiation without having to go through bidding procedures.

(b) You then contract with National Homes, or some other mobile home manufacturer, for purchase, delivery and erection of the units, including site development (landscaping, street lighting, walks, patios, parking, etc.) on specified sites.

(c) You then select the occupants from applications submitted to you and arrange for the purchase of the individual units, through a Federal assisted cooperative, on a 38 year FHA insured mortgage.

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(d) That National Homes Acceptance Corporation, or some other mortgagee, carries the long term mortgage of the cooperative.

I am particularly interested in learning how the Chicago Housing Authority obtains the sites which it sells to you, as a nonprofit corporation, and to what extent is the original cost of the land written down on resale to you. Also from what source are your operating funds derived?

The Georgia Redevelopment Law requires that Urban Renewal land, if disposed of to private developers for non-public uses, must go through competitive bidding procedures. However, it also permits such land be sold to public or quasi-public bodies by negotiation. I am also interested in learning if Illinois has a similar law, and if so, how are you able to overcome this feature.

Any information which you can provide us on this general matter, including perhaps a copy of your articles of incorporation, will be very much appreciated.

Sincerely,

Malcolm D. Jones  
Housing Coordinator

MDJ/mc

cc: Chairman, Housing Resources Committee  
Director of Governmental Liaison ✓