

August 16, 1968

Mr. Frank Carter  
Pope, Carter & Co.  
John Hancock Building  
230 Houston Street  
Atlanta, Georgia 30303

Dear Mr. Carter:

Pursuant to our recent telephone conversation and instructions from Mayor Allen, enclosed is a brief outline of Federal Assisted programs which are appropriate for development of low-income housing in unincorporated areas of Counties adjacent to the City of Atlanta.

Certain Federal programs, for example, the FHA insured mortgage 221 d (3) program which has been the work horse of Federally assisted low-income housing through private enterprise, are not legally eligible for commitment in unincorporated areas of adjacent Counties, because they do not have Workable Programs. DeKalb previously had a Workable Program but let it lapse. As a result of this Federal Policy, a number of substantial Federal assisted low-income housing projects have been lost, which could have materially benefited the City of Atlanta and the Metropolitan area.

Under Federal regulations Public Housing (including Turnkey development and the Leasing Program) may be constructed and operated through entities within 10 miles of the City Limits of Atlanta, if not within the jurisdiction of another Housing Authority. Essentially this means Clayton, Fulton, DeKalb and Cobb Counties and possibly Gwinnett, Douglas, Henry and Rockdale Counties.

The County Commissioners are required to give their consent to Public Housing (including Turnkey) programs within their jurisdiction and must also agree to provide the necessary services to serve the project. Public Housing (including Turnkey) does not pay taxes, but makes payments in lieu of taxes, which are usually in excess of taxes collected on the site before development.

As you specifically requested, enclosed also is a copy of Cooperation Agreement between the local Housing Authority and the City of Atlanta and Fulton County. Such cooperation agreements, however, do not now exist between the Housing Authority and other Counties.

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Mr. M. B. Satterfield, Executive Director of the Housing Authority of the City of Atlanta, has suggested that perhaps you or some of your Committee members may want to talk to the Housing Authority Attorney as to some of the legal aspects involved. Their Attorney is Mr. John Izzard, of King & Spalding, Room 434, Trust Company of Georgia Building, Telephone JA-5-0484.

The Housing Act of 1968, recently adopted by Congress and signed into law, contains a number of changes in Federal housing programs. We do not have full details and implementing instructions on these yet. Such changes are therefore not included in the attached summary outline. However, it looks as though some of the new programs may now cause the phasing out during the next couple of years, of several of the currently existing programs, including 221 d (3) and 221 h (purchase, rehabilitation and resale).

Local nonprofit organizations are playing an important role in Atlanta in development and rehabilitation of low-income housing. One of these groups which appears to hold promise for substantial work in this field is a recently formed nonprofit housing development corporation known as Interfaith, Inc., whose activities are not confined to the City Limits of Atlanta, but are Metropolitan in scope. The President is John Steinichen, III. A bulletin pertaining to the organization is attached.

We in the Housing Resources Committee feel that, where circumstances permit, single-family occupancy, particularly home ownership, promotes a much more stabilizing influence than multi-family apartments, particularly for families of relatively low incomes.

In order to keep the price down within the capacity of many families to purchase and at the same time obtain reasonable increase in density over the current normal single-family City of Atlanta R-5 zoning, a minimum size lot of 5,000 sq. ft. with a minimum frontage of 50 ft. is considered desirable and I believe adequate for low-income families. This would in effect permit a 50% increase in density over the current R-5 zoning and a reduction in land cost per single-family lot of 33 1/3% from the current R-5 zoning.

Recently, considerable interest has been shown in developing sites under the single-family concept for Public Housing under the Turnkey program, as well as for sale under the FHA 221 d (2) insured mortgage program, both of which are feasible and are strongly advocated by the Housing Resources Committee.

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If I can be of further assistance to you in this very worthy and hopeful effort, please call on me.

Sincerely,

Malcolm D. Jones  
Housing Coordinator

MDJ/mc

cc: Mayor Ivan Allen, Jr.  
Mr. Cecil A. Alexander  
Mr. Dan E. Sweat, Jr.

Encls: Brief of Pertinent Federal Assisted Programs  
Copy of Cooperation Agreement (with original only)  
Bulletin pertaining to Interfaith, Inc.