The original documents are located in Box 24, folder "Wheat Street Gardens Housing Project, Atlanta, GA, 1973" of the Stanley Scott Papers at the Gerald R. Ford Presidential Library.

Copyright Notice

The copyright law of the United States (Title 17, United States Code) governs the making of photocopies or other reproductions of copyrighted material. Bettye L. Scott donated to the United States of America her copyrights in all of her husband's unpublished writings in National Archives collections. Works prepared by U.S. Government employees as part of their official duties are in the public domain. The copyrights to materials written by other individuals or organizations are presumed to remain with them. If you think any of the information displayed in the PDF is subject to a valid copyright claim, please contact the Gerald R. Ford Presidential Library.

For individual reservations call TOLL FREE
800-228-9290

Historian John Hope Franklin
-takes leave to research Black progress

This is living... this is Marriott HOTELS

For individual reservations call TOLL FREE
800-228-9290

#130,000 residual fund.
*Project never completely rented
*Drain of water - down spouts -
*Basement unfinished
* Built-in defects
*Architect being sued

No debts on project
Need rehabilitation on units II + III.
City has agreed to spend up to
$800.00 on each unit.
486 Units #185 - rundown

This is living... this is Marriott HOTELS

For individual reservations call TOLL FREE
800-228-9290

H.R. Crawford - Rev. Borders
Needs Housing manager
recommendations.
sent letter requesting suggestions -

This is living... this is Marriott HOTELS

For individual reservations call TOLL FREE
800-228-9290

Rev. Borders - would like to
deal directly with Sec. Lynn.

GERALD R. FORD LIBRARY

This is living... this is Marriott HOTELS

REACTIONS TO

SUMMARY REPORT

WHEAT STREET GARDENS, INC.

ENCLOSURES

Pictures of Work Crews

Pictures of Ministers and Children

Written Evaluation from Ministers

GERALD R. FORD LIBRARY

In response to a summary report on Wheat Street Gardens, Inc.

I am deeply grateful to Mr. Malcolm Jones and Mr. George Berry for going through the records at Wheat Street Gardens, Inc. It was a long, hard job. Great good can come therefrom.

Thanks from the bottom of my heart. I saw the document after it had been sent to others.

On page one under Assignment, I agree.

On page one under Investigation, paragraph I, line 4 - Mr. Jones and Mr. Berry are right. Quote: "Both Manager Robinson and Mrs. Reese appeared dedicated, quite competent and well acquainted with the situation."

John Robinson is more dedicated than his work at the Housing Project indicates. He operates around nine coin laundries. He is up at 4:00 a.m. By 6:30 a.m. he has checked each of these laundries. By 7:00 a.m. he has checked every area of Wheat Street Gardens I - II - III. Around 9:00 a.m. he is back at the office of the Gardens. Sometimes he stays through 12:00. More often he goes home for sleep but is available by phone. He checks the Gardens Saturdays and Sundays - sometimes twice a day.

He is part time. The previous professional managers - the last one was at the beginning <u>sometime</u> - later, <u>no time</u>. The first professional manager was <u>seldom</u> at first and sent his representative to pick up the money. Later he was <u>no time</u>.

John Robinson puts in more time in the office - cutting grass - doing repairs - ordering supplies - checking work than both previous so called professional managers did put together. Call Governor Vandiver as a character witness. Call the Southern Railroad and they will tell you characterwise that he is beyond average.

The fact that he has worked without pay, doing a better job, proves his dedication.

GERALD R. FORD LIBRARY

In line five of paragraph one under Investigation - Quote: "However, we were surprised to learn that Mr. Robinson worked only part-time and was not on salary and had not drawn any pay from the Project for some 15 months." It seems that since Mr. Robinson is doing the work - he ought to be the one to demand salary. Wheat Street Gardens, Inc. has management privileges by Law.

In the last line of the same paragraph, and I quote: "The manager did not have a desk and the office was so small he had to sit on a stool during the interview." I am sorry. This is my fault - the architect's fault. I wish there were a better office.

Brother Robinson was offered other quarters; he chose to remain.

I am in almost total agreement with page two. However, I believe Mr. Jones and Mr. Berry skipped the worst problem of the project, the people. They are more important than all else. Some are sweet. Some cooperate. Some try. Some are improving.

We are close to one of the worst crime areas in Atlanta. Some scattering law breakers seek shelter in Wheat Street Gardens. It has been proved thay many who hang around come from other parts of town.

I have been to the Mayor, the Chief of Police; and Mr. Jackson, chairman of the Police Committee came to see me. We got help. It needs to be continued and increased.

A survey several years old - tallied 1700 young people beneath twenty - a large number of homes are without fathers - some of the vandalism has come from children - some from dope addicts, prowlers, and school dropouts. In the last months things have improved. Reference is made to students who live in an apartment in the Project.

(Enclosure of their activities.)

(Enclosure of sections which have improved. Picture proof.)

No credit in Mr. Jones' and Mr. Berry's report give credit therefor.

GERALD R. FORD LIBRARY

I worked. I cut grass; I picked up paper; I organized several boys'groups; I paid for dinners; I absolutely deny the document's slant on dedication.

Page four, paragraph "h," quote: "...that the project had been operated apparently successfully and in the black for about 3 years (1969 - 72) by professional management, but tenants had objected and protested to Rev. Borders about charges for damages, pressure for payment of rents, eviction notices, etc., and that Rev. Borders habitually sided with the tenants against management. (This was also confirmed by one of the professional management firms involved.)" This is not true. Enclosed are three Xeroxed copies of checks advanced by Wheat Street Church.

Under Professional Management

Mr. Jones and Mr. Berry have violated my civil - democratic - human and Christian rights by putting in writing accusations on me and sending same to agencies without including my input in same document.

I call for specific proof - notarized dates, names, etc., what event? What incident? What place? Who revealed who? On what?

Page four - paragraph B. This paragraph is untrue - at least in part. The white preacher whose name was not called brought his crippled wife and lived in the project and taught underprivileged Blacks to love him. This was done by permission as are the present preachers who occupy an apartment.

Enclosure.

He did help at the church. I thank God for him. He was as choice as any man who walked the earth.

One of the present preachers is to get a scholarship of $3500 to Boston University from his estate.

Wheat Street Church paid his widow his salary until she died. He did manage the Project's office. He had a minor in business from the University

GERALD R. FORD LIBRARY

of Georgia. He was murdered by a robber. I cannot understand why this paragraph was included.

On page 5, paragraphs C, D, and E, and F.

Why? Page 5 proves that Mr. Jones and Mr. Berry accepted these so called professional managers as final authorities. This same management to which you refer had a chance - the first chance- at renting Wheat Street II and III. They did a poor job of screening and had a high percentage of empties. The maintenance crew spent 90% of their time repairing behind vandals, etc.

Research is too scant. Management information is needed from every Housing Project in the United States. Instead, Mr. Jones and Mr. Berry go to two local managers and quote them as authorities. Rev. Borders, under attack, has not had a chance to say one word.

In depth study would require quotes from Federal Housing all over America: Specifics - Books - Authors - Editors - Publishers - Pages - Ibids - etc.

These so called professionals are quoted in writing - page 5, paragraph "i" in contradiction to the C. P. A. and the F. H. A.

In paragraph "i," page 5, it is true that a basement was left unfinished. No screen windows or doors were put in. Down spouts emptied above the surface. Landscaping was never really done.

There is a case in court now against the architects instigated by the Insurance Company over a bursted pipe which did $72,000.00 worth of damage.

Wheat Street II and III had built-in defects. Professional Management, which started almost at the beginning of said two sections, was never able to completely rent. Vandalism kept the maintenance crew repairing mainly in Wheat Street II and III. The landscaping of III was never thoroughly done. Down spouts drained above the ground. Professionals did nothing. Enclosed are cancelled checks which paid deficits during this time.

The second professional did not pay the debts. John Robinson paid $78,000.00!

GERALD R. FORD LIBRARY

John Robinson has put in more at the Project and working cutting grass than both professionals put together.

Enclosure. Debts made by so called Professionals - paid by John Robinson who, according to this document, appears dedicated (page one, line 4, under Investigation.)

I had a right to be present. A murderer sits in court during his trial. Mr. Jones and Mr. Berry went to HUD, got a concensus in my absence, and put same in black and white. They sent this written report around. They are undemocratic, unfair, inhuman, disrespectful and wrong.

I served on the Atlanta Housing Authority 5 years. I served on the Georgia Housing Authority under Governor Maddox.

I have been at Wheat Street Church for 36 years come December. I have cleaned both buildings and the streets. I was born in a slum. It rained on the bed the first night of my arrival. I have lived in the slums 60 of my 68 years. I know I am insignificant.

I am enclosing pictures. I am still a slum worker.

I question page 7 - "a" - under Conclusions. Dedication and Professional are not mutually exclusive. Webster's Dictionary so proves. It is impossible to have one without having the other to a minimum degree.

Dedication may come more from within - out.

Professional may come more from without - in.

Start at either end; both become each.

On page 7, under "i" there is an enclosure.

I agree completely with page 8.

GERALD R. FORD LIBRARY

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
ATLANTA AREA OFFICE
PEACHTREE CENTER BUILDING, 230 PEACHTREE STREET, N.W.
ATLANTA, GEORGIA 30303

REGION IV
Peachtree—Seventh Building
50 Seventh Street, N.E.
Atlanta, Georgia 30323

July 24, 1973

IN REPLY REFER TO:

4.1HM

Dr. William Holmes Borders
President
Wheat Street Gardens, Incorporated
315 Irwin Street, N. E.
Atlanta, Georgia 30312

Dear Dr. Borders:

Subject: Wheat Street Gardens
Projects 061-55001 (Section I), 061-55023 (Section II), and
061-35001 (Section III)

Representatives of the HUD housing management staff recently completed a comprehensive management review at the above projects which included the areas of administrative fiscal, and physical project operations. This type review is a requirement under the 221d3 Housing Programs Regulations and will be conducted on an annual basis.

The most critical areas at Wheat Street Gardens are the deteriorating financial and physical conditions that now exist. HUD, as well as your board and staff, is anxious to come up with corrective measures to help make this project a more viable and efficiently run operation. Hopefully, our enclosed recommendations, if implemented effectively, will be a step toward achieving this goal.

The housing management staff will, of course, be available to assist in the implementation of suggestions made and we await your response as to actions taken in accordance with our recommendations.

Sincerely,

Wm. H. Hampshire
Francis X. Reardon/
Director
Housing Management Division
for

Enclosure

GERALD R. FORD LIBRARY

Synopsis of Observations and Recommended Actions - Management

Wheat Street Gardens, Inc., took over to owner-manage itself just a little more than a year ago, after several unsuccessful bouts with professional managers, and indications are that time will prove the change was for the best. We are aware that many critical fiscal and physical problems were inherited at that time and improvements have been instituted in most cases.

The very capable administrative staff that has been handling the day-to-day operations of the project is to be commended for their unrelenting efforts to maintain a high level of management despite the sometime opposing odds. Office Manager, John Robinson, also an active board member who has volunteered his services, was very impressive. He was found to be a firm administrator and very practical in his thinking. He had many excellent ideas for improving conditions, but because of lack of funds they were to no avail.

Mrs. Navoria Reese, full-time on-site manager, is extremely efficient and loyal. The fact that she was at one time a resident there has made her intensively aware and sensitive, which is a great asset. She is continuously busy seeking ways to improve operations and solve problems within the project. Mrs. Rosa Dorsey, the Secretary-Bookkeeper, is a diligent worker and complements the office managers very well. The office itself leaves much to be desired.

Firstly, the small and cramped rental office occupied by the on-site manager, secretary-bookkeeper and also the office manager when he is on-site, is grossly inadequate. Mr. Robinson does not even have desk space.

Secondly, the necessity for a rental office encased by a bullet-proof glass window and a heavy vault-type door (for whatever the reason) creates a real management relations problem. It is virtually impossible to effectively converse with tenants and others dealt with through this means. We believe the office would be greatly enhanced if additional space was made available so that (1)tenants could be invited in to transact business or seek counsel with management privately, and (2) adequate space was provided for the management staff.

HUD is looking into the best method for making funds available to accomplish this through the Reserves for Replacement Fund. It is felt that the defunct and unoccupied laundry facility next door to the office might be utilized for additional office space by knocking out the wall which adjoins the buildings. An estimate of the costs involved should be sent to HUD for this item. Once received we will be in a position to negotiate the financial details.

GERALD R. FORD LIBRARY

It was noted during the review that a current listing of the governing Board of Directors had not been filed with HUD. We are requesting this document be updated to reflect the present status of the Board and forwarded to HUD as soon as possible.

Security

Until recently, Wheat Street had under contract Satellite Security Corporation, a professional security service,on a 24-hour basis which consisted of three personnel. However, this proved extremely costly and due to financial reasons had to be suspended. We are aware that management was hopeful they could return to this method after a few months. At the present time, there is one security guard on the premises, a Mr. Thomas Moon, whose hours are from 9 to 5. However, his services are required most of the time at the rental office itself with little opportunity left to patrol the project area.

Although Wheat Street Gardens is located in a poor community, plagued with the usual economic frustrations and high crime rate, the city has failed to provide adequate police patrol. If police protection was properly provided, there would be no need for an exorbitant security force in the first place. We are aware of the special efforts made to increase police protection with the city.

HUD will attempt to do all that is possible to assist in getting reaction to this critical area through the Mayor's office.

It is felt that management again had endeavored to combat crime problems by (1) presenting a proposal to HUD whereby a team of Security and Ministry workers would occupy one of the 3-bedroom units in the project and carry out a program to alleviate existing problems, and (2) negotiating with Fulton County Juvenile Court's Community Outreach Program whereby a team of probation officers will utilize one of the units as an office, also to work toward eliminating crime and juvenile delinquency within the project. The latter group will get underway during July and has a program which will provide intensive supervision, counseling, small group sessions with guided interaction, community resource referral services, behavior modification, community-school forums, employment and school attendance assistance and other supportive type services and constructive involvement for the delinquent and problem children.

If these three entities would work collectively in the implementation of their program surely the problems of drugs, vandalism, robbery, et cetera, will be curbed.

The HUD Community Services Advisor has met with both of these teams and discussed various directions that their programs might take. Resource materials were left for their use and some helpful suggestions made to which they were quite receptive. Rev. Christian apprised the HUD Representatives of the work his team was doing and it was agreed their efforts had been productive although on a very small scale. His approach is to concentrate on the small victory and then gradually involve more and more of the tenants.

GERALD R. FORD LIBRARY

The two groups were felt to be a real asset to the project and we would appreciate a bi-monthly activity report which would briefly inform HUD of their progress.

Maintenance

At the time of this review the maintenance staff consisted of four maintenance men, two of which lived in the project and one served as a full-time painter. There were problems rather frequently with a few of the men who failed to report to work regularly. Also, their ability to remain productive on a timely basis was in question. Management's hands seemed tied to some extent because although they had fired maintenance men and hired a higher calibre of workers when necessary, the same problems occurred again after a matter of time. For a project this size (492 units) five maintenance personnel are suggested. At present Wheat Street has only three persons doing maintenance work. Obviously to recommend hiring additional employees without providing a means to financially accomplish is futile. Therefore, for the time being since it is necessary to have only a skeleton crew of maintenance personnel, it is doubly important that they be well qualified, steady workers and meet a full schedule daily. Since the time of this review one of the ministers-in-resident has taken on the responsibility of maintenance supervisor and,hopefully, the maintenance program will improve. We believe this is a good approach and ask management when it has had an opportunity to evaluate this situation, provide HUD with a report on its success or failure.

Physical Condition

The physical condition of the project generally is deplorable,with the exception of Section I (which is the oldest section - about 8 years old). Sections II and III (both approximately 5 years old) are an eye sore from the outside and the few occupied units visited were in unbelievably dilapidated and filthy condition; several vacant units were checked and found to be totally vandalized.

The grounds require immediate attention to correct severe soil erosion problems. Drainage basins are often clogged due to debris and dirt. There are no grass or landscaping, expecially in Sections II and III. Play area has no equipment.

Overflowing trash receptacles may indicate a need for additional dumpsters in some instances rather than careless disposal of trash by the tenants.

The city has required that recessed receptacles in Section I be filled to eliminate a haven for rodents.

The City Code Inspectors have reported violations and requires repairs for which no action has been taken due to financial reasons.

GERALD R. FORD LIBRARY

HUD, in its Physical Inspection Report, 1-17-73, enumerated required actions to correct deficiencies. However, again no corrective action was taken by Wheat Street for the same reason and no follow-up was made by HUD. We realize that many of the repairs required by the City and HUD required extraordinary expenditures of funds - but no suggestions as to where to get the funds. This report recommends that Wheat Street write to HUD to request a temporary moratorium of deposits to the Reserve to relieve project expense and to finance the recommended repairs. In addition, before an effective maintenance program can be instituted, maintenance staff must clean out work shop and storage basement. There was no orderly arrangement of tools and equipment and the piles of junk and rubbish next to paint and kerosine constitutes a fire hazard.

There is no system for inspections, except for notice to vacate to determine repayment of security deposit. Inspections should be conducted at initial move-in and at periodic intervals. The periodic inspections (usually every 3 - 6 months) will help with preventative maintenance.

Other maintenance deficiencies noted:

- purchase non-breakable lights for entryways
- schedule exterminations regularly
- replace rusted and vandalized mailboxes
- removal of abandoned cars
- replacing of tile throughout project badly needed in most units
- painting of majority of units is direly needed
- installation of screen doors and windows (now a mandatory requirement by the city)
- water standing after a rain in entryways

Again, some of the above items are considered to be extraordinary maintenance repairs. A request should immediately be sent to HUD for release of monies in the Reserve fund to accomplish this work. Three bids for each such item should accompany the request.

The enormous basement area which is not now being used has great potential for a day care facility or community space for the tenant body. We were advised that EOA, some time ago, had come out to survey the space for the purpose of its utilization as a nursery. However, there was no feedback or follow-up as to EOA's findings. It is recommended that management pursue this possibility further.

During the HUD review, a "clean up" campaign was set up one Saturday. Tenants were notified to participate by bringing out unwanted items for a special pick up by the city. The grounds were cleaned off also. Although not fully successful, this "clean up" did clear the area to some extent. We recommend initialing a clean up program on a regular basis (weekly or monthly) so that more and more tenants would become involved. Additionally, emphasis should be made that tenants will be responsible for the common areas as well as their apartments.

GERALD R. FORD LIBRARY

Occupancy Review

A 15 percent sample survey of tenant files revealed constant recurrences of noncompliance with requirements:

1. Biennial recertifications of tenant income past due.

2. Tenants whose income exceeded income limits were admitted to project.

3. Tenants admitted on unverified income.

Other deficiencies were noted:

- inadequate investigation of all possible sources of income, such as, a secondary wage-earner or benefits received from social security or welfare assistance and mysterious changes in family composition

- arithmetical errors in computation of income and rent formula

- verified higher income amount not used in income computation

- lease not current primarily because they do not reflect rent adjustments (ledger rental amount conflicts with lease rental amount).

Rent Supplement - No 1705's in file.

Recommend -

Institute proper operating procedures to:

- require certifying agent to sign form

- insure thorough investigation of all income and family composition

- assure that the income amount used has been verified; arithmetically correct; and highest amount used

- systematically indicate biennial anniversary date so that recertification can be done 2 months in advance of anniversary.

It was noted that the majority of noncompliances and errors found were made by previous management over the years. It was felt the present staff understood and was properly administering 221d3 regulations. Still, tenant files should be corrected accordingly.

GERALD R. FORD LIBRARY

At the time of this review the following vacancies existed:

Section I	5 - 1-BR
Section II	2 - 2-BR
Section III	13 - 3-BR

It was felt no problems existed in filling vacancies in Section I. However, Sections II and III, because of rundown condition, would be difficult. Another serious problem in Section III (100 percent Rent Supplement) is the factor that all units are 3-BR size. Therefore, single person or small family would not be eligible to occupy under Rent Supplement regulations. We realize this situation has also affected renting in this section.

Rent Collection Policies

Management has a new rental collection policy which is much stricter and will speed up process for evictions when necessary. Previous policy which existed at the time of the HUD review was felt to be too lenient and time consuming. Hopefully, the new policy will be put into effect immediately and it is requested that HUD be advised after time has been allowed for an evaluation of its success or failure.

Financial Condition

The latest fiscal reports show that Wheat Street is operating at a loss. It is recommended that a letter to request a rent increase be sent in to the HUD Loan Management Branch for their evaluation.

The current status of the Reserves for Replacement funds is as follows:

Section I -	$124,904.66
Section II -	$ 12,916.50
Section III -	$ 19,200.41

A balance of $200 per unit should be maintained at all times in the Reserves fund, which means release of funds from Sections II and III is highly unlikely unless an emergency arises. However, Section I has an abundance of Reserve funds, but it may be used only in connection with items included in the Section I mortgage.

This would include the rental office which is part of Section I and its expansion that was earlier recommended could be accomplished through this means. For Sections II and III a request for Reserves to be temporarily suspended would provide funds to accomplish repairs connected with these two areas. These requests would, of course, be carefully evaluated by the Loan Management Branch and subject to their approval.

GERALD R. FORD LIBRARY

At the present time Sections II and III have fiscal years ending December, while Section I's fiscal year ends March. It would simplify accounting and audit reporting if all three sections ended at the same time. If the Board should decide to adopt the recommendation, March 31 would be the preferred year and period. This would mean a 15-month report for Sections II and III next March 31 and a letter to HUD to reflect the change.

Review of Cash Receipts and Disbursement Procedure

Our review revealed the following deficiencies in the project's procedures:

1. Projects'Funds are Commingled

   When collected, rents and other funds are separated according to each project, but are sometimes commingled when deposited. This practice permits the owners to utilize the funds of one project to defray the expenses incurred by another and should be discontinued.

2. Internal Controls are Inadequate

   Project expenses are primarily paid in cash. We were informed by Mr. Robinson, Office Manager, that the projects' unstable financial condition and inability to obtain credit has made this necessary. Cash is given to employees for the purchase of various items and there is no record made of the amount disbursed to the employee until after the purchase is made. This practice could seriously affect the projects' internal control over cash and increase the possibility of mishandling of project funds. In addition, the receipts obtained do not show the purpose of the purchase, who made the purchase, and who approved it. Therefore, for accounting purposes, the only equitable allocation of cost is by proration on a unit basis. Perhaps a threat to discontinue patronizing merchants who refuse checks or accounts would be effective.

   Use of project bank accounts for the daily operation of the projects is virtually nonexistent. However, mortgage payments, employees salaries, major equipment purchases and utilities are paid through a bank account; although not necessarily the account of project for which the payment is being made. Generally, the account of Wheat Street Gardens, Inc., is utilized. A system to maintain tighter internal controls is necessary.

GERALD R. FORD LIBRARY

3. Books and Records are not Currently Maintained, and Accounting Costs Appear Excessive

The latest posting to the general ledger (computerized) was December 31, 1972. We were informed by the C. P. A., Mr. Kemp, that the general ledger is posted on a quarterly basis. Therefore, the ledgers are out of date when received by management and thus serve no useful purpose. The cost of this service,including a monthly computer print-out of all tenants' accounts, delinquencies, et cetera, averages $367.00/month. This appears somewhat high based on the services rendered. Since this computer listing is virtually useless, it should be suspended and ledger books kept by the administrative staff instead. This would reduce project costs substantially and facilitate more efficient bookkeeping at the project as well.

Tenant Selection

The calibre of tenants residing at Wheat Street is of major concern. A close screening of applicants as to past rent-paying habits and care of premises is strongly suggested. Also it is recommended that management increase security deposits to a full month's rent instead of the $75 now assessed. This would more adequately cover costs of restoring apartments which are left in bad condition and rental income losses during the eviction process. More importantly, tenants would have greater incentive to maintain their apartment premises so that a refund of their deposit would be granted.

The HUD team was advised that some tenants deliberately failed to pay their rent so that they could be evicted and thereby qualify for public housing. Apparently,as it stands now when a tenant is evicted, he falls into the category of being "without housing" which automatically places his name at the top of the Housing Authority's waiting list. The Atlanta H. A. is now in the process of changing their admission policy wherein tenants being evicted from subsidized projects for non-½ayment of rent will no longer receive this preferential treatment. This should remedy this situation.

City Cooperation

As mentioned previously,the city's cooperation is direly needed to provide the safe and sanitary environment all citizens are entitled to. Your continued effort to pursue securing the following is vital:

- Adequate policy protection
- Cooperation in trash removal and involvement in special "clean up" campaign program
- Removal of junked automobiles
- Tax abatement or possibly payment in lieu of taxes.

GERALD R. FORD LIBRARY

WHEAT STREET BAPTIST CHURCH
AUBURN AVENUE & YONGE STREET, N. E. - PH. 522-3634
ATLANTA, GEORGIA 30312

1071

64-1022
610

DATE Mar 31 1972

PAY TO THE ORDER OF Wheat Street Gardens $8400.00

Eight Thousand + Four Hundred DOLLARS

CITIZENS TRUST COMPANY / ATLANTA, GEORGIA
MEMBER FEDERAL RESERVE SYSTEM
FULL SERVICE BANK

WHEAT STREET BAPTIST CHURCH
TREAS. Luther Toyler

CHRM. PASTOR

FOR

⑆0610⑈1022⑆ 02 22 09 1⑈ ⑈0000840000⑈

WHEAT STREET BAPTIST CHURCH
AUBURN AVENUE & YONGE STREET, N. E. - PH. 522-3634
ATLANTA, GEORGIA 30312

1093

64-1022
610

DATE 4-10 1972

PAY TO THE ORDER OF Wheat Street Gardens - Inc $8400.00

Eight Thousand + Four Hundred DOLLARS

CITIZENS TRUST COMPANY / ATLANTA, GEORGIA
MEMBER FEDERAL RESERVE SYSTEM
FULL SERVICE BANK

WHEAT STREET BAPTIST CHURCH
TREAS. Luther Toyler

CHRM. PASTOR

FOR

⑆0610⑈1022⑆ 02 22 09 1⑈ ⑈0000840000⑈

WHEAT STREET BAPTIST CHURCH
AUBURN AVENUE AND YONGE STREET, N. E.
TELEPHONE JA. 2-3634
ATLANTA, GEORGIA

20435

64-1022
610

DATE Jan 31 1968

PAY TO THE ORDER OF Wheat Street Gardens - Inc $1000.00

One Thousand DOLLARS

CITIZENS TRUST COMPANY / ATLANTA, GEORGIA
MEMBER FEDERAL RESERVE SYSTEM
FULL SERVICE BANK

WHEAT STREET BAPTIST CHURCH
TREAS. Luther Toyler

CHRM. PASTOR

⑆0610⑈1022⑆ 02 22 09 1⑈ 60 ⑈0000100000⑈

GERALD R. FORD LIBRARY

OFFICIAL ENDORSEMENT TICKET

VOTE AS YOU PLEASE, BUT PLEASE VOTE.
TUESDAY, NOVEMBER 7th
THE POLLS ARE OPEN FROM 7:00 a.m. to 7:00 p.m.

5-23-69

WHEN YOU
PUNCH
No. 2
AND
NO. 16

You are voting for all good Democrats including all of the following black candidates:

ANDREW YOUNG FOR CONGRESS

Sen. Leroy Johnson
Rep. William H. Alexander
Rep. Ben Brown
Rep. Clarence Ezzard
Rep. J.E. (Billy) McKinney
Sen. Horace Ward
Rep. Julian Bond
Rep. J. C. Daugherty
Rep. Grace T. Hamilton
Rep. E.J. Shepherd

IF YOU VOTE WE ALL WIN.
IF YOU DON'T WE ALL LOSE.

PUNCH No. 2 and No. 16

PAY TO THE ORDER OF
THE CITIZENS AND SOUTHERN NATIONAL BANK
WHEAT STREET GARDENS, INC.
055 37 958

CITIZENS & SOUTHERN NATIONAL BANK
ATLANTA, GEORGIA

APR -1 72 032 3912

Wheat Street Gardens Inc.
Wilbert B. Hunter Mgr
035-37-958

Wheat Street Gardens Inc
Wheat Street Management
Will Holmes Borders

CITIZENS TRUST COMPANY
PAID
JAN 31 1968
ATLANTA

GERALD R. FORD LIBRARY

OFFICIAL ENDORSEMENT TICKET

BULK RATE
U. S. POSTAGE
PAID
Permit No. 25
Atlanta, Georgia

Dear Friend:

The Tuesday, November 7th Election is the most important election of your lifetime. If Andrew Young is elected to Congress, we will have our first black Georgia Congressman in over 100 years.

It is vital that you insure the election of the black candidates listed on the other side of this card and other good Democrats by Punching No. **2** and No. **16** on your ballot.

Sincerely yours,

WILLIAM H BORDERS
24 ... ST NE
ATLANTA, GA. 30312

Maynard Jackson
VICE MAYOR MAYNARD JACKSON

Leroy Johnson
SEN. LEROY JOHNSON

Jesse Hill
JESSE HILL, JR.

Julian Bond
REP. JULIAN BOND

Benjamin E. Mays
DR. BENJAMIN E. MAYS

Lottie H. Watkins
(MRS.) LOTTIE H. WATKINS

June 25, 1973

Administrative Coordinator for Housing
Office of the Mayor
Atlanta, Georgia 30303

SUMMARY REPORT
WHEAT STREET GARDENS, INC.

GERALD R. FORD LIBRARY

ASSIGNMENT

In late April this office was informed by Mr. George J. Berry, Chief Administrative Officer, Office of the Mayor, that Rev. Borders of Wheat Street Baptist Church and Mr. John H. Robinson, Project Manager Wheat Street Gardens (522-6697) had been in to see the Mayor about financial difficulties being encountered by the Wheat Street Gardens Non-Profit Housing Project, (315 Irvin Street, N. E.).

Mr. Berry advised that he understood that the mortgage payments were made in three (3) sections, with total annual payments of approximately $386,000, that other expenses included taxes, $80,000, interest $123,000, operating costs $156,000 and that monthly rental income of approximately $44,000 was some $3,500 less than potential and insufficient to meet obligations; that as a result, maintenance was not being kept up, utility and tax payments were difficult to make and that unless substantial relief was forthcoming soon the project would face bankruptcy and foreclosure by FHA, which the City would not like to see happen.

A package of documents (Encl. 1) was provided, including a financial summary for December 1972 prepared by the Manager, and copy of petition for charter amendment.

This office was asked to investigate and come up with recommendations as to remedy and what assistance, if any, the City might render?

INVESTIGATION

On May 1, 1973, Gil Stevens of this office and I held a conference in the Project Office with Manager John H. Robinson, Mrs. ~~Marovia~~ NAVCOLA Reese, Cashier and Miss Rosa Watson, Clerical Assistant. We found conditions to be substantially as reported, but more critical than expected. Both Mrs. Reese and Mr. Robinson appeared dedicated, quite competent and well acquainted with the situation. However, we were surprised to learn that Mr. Robinson worked only part-time and was not on salary and had not drawn any pay from the Project for some 15 months. The Manager did not have a desk and the office was so small he had to sit on a stool during the interview.

The Project consists of 492 units developed in three sections, broken down as follows:

Section 1 - 280, 2 BR units renting for $83.50 - 86.50 per month, completed in 1964 under the FHA 221 d(3) BMIR program. Water furnished.

Section 2 - 84, (48, 1 BR @ $88.00 and 36, 3 BR @ $110.00), completed 4-29-69 under FHA 221 d(3) BMIR program. Water furnished.

Section 3 - 108, 3 BR units renting for $145.00, completed 4-29-69 under FHA 221 d(3) Market rate with 120 units under Rent Supplement @ $960 annually. (All utilities are paid by Project.)

Total 472 Units

From the beginning of the interview it was clearly apparent that the main difficulties were non-payment of rent by a substantial number of the tenants: 6-8 weeks time consumed in executing eviction warrants, which were never initiated in less than 2 weeks, and frequently as much as 2 months, after rent is due and extreme wanton vandalism by tenants while waiting to be evicted.

It was learned that non-payment of rent and eventual eviction has become a way of life with many tenants, who obtain free rent in this manner, some for as much as 6 months per year, through repeated procedure.

SPECIFIC FINDINGS

a. As of 4-30-73, 7 families in Section 3 were 3 months behind in rent + 5 additional families were 2 months behind.

b. 6 weeks is the normal minimum time for effecting evictions, after initial issue of warrants.

c. The project staff consisted of:

GERALD R. FORD LIBRARY

	1	Manager (had drawn no salary during 15 months)
	2	Office personnel (Cashier and Assistant)
	5	Maintenance personnel (2 Painters and 3 Mechanics, when available)
	1	Security Guard (9:00 - 5:00, Monday through Friday only)
Total	8	Paid employees + 1 volunteer, unpaid Manager.

d. Mortgages on Sections 1 and 2 FHA insured, carry 3% interest and are held by Government National Mortgage Association; and on Section 3 by Life of Georgia @ 6%.

e. A special maintenance account, held in escrow by the mortgagee on Section 3, amounts to approximately $19,500 (can be spent only upon specific authorization by HUD).

f. Sections 2 and 3 were alledged to have never had screens on windows or doors. True

g. Premises were rundown, grass 2-3 feet high, trash and litter abounded throughout the project, chain-like fences were broken down and lying on ground in many places, some storm sewer catch basins were stopped up, filth and litter was on ground near dumpsters, bad erosion and little land scaping, particularly in Section 3; wooden members of porch roofs rotting; broken windows, torn or missing screens; hallways inadequately lighted, particularly in Section 3.

h. Also in Section 3 were several vacant, badly vandalized filthy and abandoned units literally in shambles with litter, trash, rubbish, broken equipment throughout, all window panes broken, doors partially off hinges, etc. (two of the units were not even closed). Four units in Section 3 were inspected on 5-1-73, at which time we were told that there were 2 others in similar condition; a week later the reported figure was increased to 8 and on 6-20 the number in this condition was stated to be 10 out of a total 15 vacant units. Photographs are attached (Encl. 2).

i. In addition, a number of other units being occupied were reported to be unfit for occupancy; potentially good tenants financially able to pay the rent were refusing occupancy while we were inspecting the project, because of poor environment and physcial condition of apartments; one such prospective tenant was reported to have been refused admittance and not permitted to unload furniture from truck, by a gang of teenagers prowling the Project.

j. Maintenance and upkeep of premises was stated not being done because of inadequate maintenance personnel; inoperative and junk automobiles abandoned throughout the area.

k. In addition, Management reported that drug problems were severe; that the City had discontinued any police motor patrols through the area and when called at night, the Police refused to enter the area unless backed up by another patrol car; that there was no regular schedule by the Sanitary Division for trash pick-up in the area and that trash trucks would not leave the Public Streets and enter the several residential areas, to pick-up trash.

l. Management was asked what instruction, in the form of bulletins, brochures, etc., if any any, provided tenants as to their responsibilities. The answer was "None", except a copy of the lengthy lease agreement, printed in such small lettering that no one would or could read it. Notices provided tenants delinquent in rent included the following statements"

> "Please do not mail money order after the 15th, unless you include $16.50 Warrant charges, plus late fee which is $2.50 after the 8th and $.50 per day thereafter."
>
> "Remember, no personal checks are accepted after the 5th of each month"; and
>
> "Therefore we must take action, as of November we will not accept any rent after the 15th of the month under no circumstances."

Illustrations are attached (Encl. 3).

(These are negative, rather than positive approaches and provide no encouragement to tenants to pay rent at all, if once delinquent.)

GERALD R. FORD LIBRARY

PROJECT ACCOUNTANTS

a. On 5-4-73 conference was held with Mr. K. L. Kemp, CPA, Berman, Mills & Co., 90 Lombardy Way, Atlanta (892-1181) who advised that there had been 3 rent increases for Section 1 (amounting to $3-5 per month); 1 increase in Section 2 in August 1971 (amounting to $10.00 per month) and that there had been no increase in the original rental of $145.00 per month for Section 3; that incomes are based on AHA requirement, revised as January 1973; incomes must be recertified annually and that over income payments must be deposited with the mortgagee and can only be released by HUD.

b. Accountant confirmed Management statement that refunds from FHA are frequently delayed 2-3 months (thus causing a drain on cash for the Project); that mortgage payments were current; that there has been a cash shortage and as result maintenance has suffered; that during 1969-72 two outside agencies had attempted to manage the Project, i.e., Williamson Realty Co. and Lottie Watkins Enterprises under a 6% managerial fee provided by law; that a Special Replacement Reserve must be deposited with the mortgagee for special purposes and can be released only by HUD; that for Section 3 this amounts to $7,000-8,000 annually and the account has a current balance of about $19,500 in it.

c. Mr. Kemp also advised that taxes on Section 1 amounted originally to 17.6% per year (of rental income) but has now been reduced to 16.3%; that Rev. Borders had been reluctant to ask for tax reduction because of his original commitment not to ask for tax reductions; that Section 2 had had tax increases and reassessment and has now been reduced from 18% to 17% of gross revenue; that Section 3 (Market rate) pays 13.7% of net rental for taxes; that 12-13% of gross revenue would be more in line with some other similar projects (for example Rockdale).

d. He advised that water costs have doubled during the past two years; and that the maintenance crew is only 1/2 of that required; that HUD Guide Lines call for 1 person per 25 units; and that Rockdale with 325 units uses 11 men. One experienced professional management agency advised that 1 for 50 units or fraction thereof was the minimum required to keep units in good condition.

e. On a subsequent visit by personnel of this office to the project, only 1 maintenance man was on duty for the entire project of 492 units. Not true

f. The Accountant confirmed statement by professional management that a good maintenance man would cost the project $400-600 per month; that a commercial security patrol costing $300 per week had been discontinued to effect economy.
— Question

g. The CPA recommended that the Manager, Principal Rent Collector and Chief Maintenance man should live in the project (none of which do) and that the City might assist by:

1. Providing small well maintained play lots in the area.

2. Collecting "payments in lieu of taxes" on basis similar to Public Housing.

3. Perhaps reduce water costs by reducing the rates for non-profit developments, such as Wheat Street Gardens.

4. Provide at least Police motor patrols through the area on a frequent basis.

5. Provide trash and garbage pick-ups on a regular and adequate scheduled basis.

Boyer

h. The CPA also advised that FHA calculates rents on 95% occupancy; that Section 3 has been running 4 1/2 - 5% vacancies; Section 2, 3 1/2 - 4% vacancies and Section 1, 2% vacancies; that the project had been operated apparently successfully and in the black for about 3 years (1969-72) by professional management, but tenants had objected and protested to Rev. Borders about charges for damages, pressure for payment of rents, eviction notices, etc. and that Rev. Borders habitually sided with the tenants against management. (This was also confirmed by one of the professional management firms involved.) ?

Not true 15 mo
Robinson.

GERALD R. FORD LIBRARY

PROFESSIONAL MANAGEMENT

a. On May 17 we interviewed the principal of one of the professional management firms which had previously been involved in the management of Wheat Street Gardens. This person confirmed difficulties previously related by others: i. e., that the tenants resented any and all rules, regulations and disciplinary measures and would go to Rev. Borders with their complaints and that because of his benevolent attitude Rev. Borders would habitually side with the tenants and not permit management to function as it should in order to be effective; that management was not permitted to purchase supplies or replacement items or to charge tenants and collect for wanton or careless damage or to evict them for non-payment of rent, except in most aggravated situations; (that Rev. Borders claimed he could not preach to tenants on Sunday and then charge them for damage or evict them on Monday); that when this firm took over, the premises were run down, in much the same condition as now; water bills were twice what they should have been, due to leaky faucets, and that all maintenance personnel previously employed were fired, because the project was getting only about 10 hours work per man per week, for 40 hours pay.

b. We were also informed that the Assistant Pastor of Wheat Street Baptist Church had been and continued (until his death) to draw $1,000.00 per month from the project for no meaningful function or services, insofar as pertained to Wheat Street Gardens; that this person eventually took over management after one of the professional management firms was "kicked out". He was murdered in an armed robbery near the Project office soon thereafter.

Statement un true ?

?

c. This particular firm currently manages some 1,500 units and claims that it serves eviction notices on approximately 200 tenants monthly on the 7th of each month (all who have not paid in full by the 6th) and continues to exert pressure on all delinquent tenants through the 12th for which a late fee is charged; that on the 13th Dispossessary Warrants are processed and hand carried that day to the Sheriff's office before 5:00 P.M.; that notices for appearance in Court are prepared on the 14th and the Sheriff serves these on the 15th, notifying recipients to appear in Court within 6 days (except Saturdays or Sundays).

d. If tenant does not appear in Court, under the Ga. Law, management must wait an additional 15 days before Writ of Possession can be issued. On the 16th day after date for appearing in Court, this firm prepares Writs of Possession, with card attached, signed by the Judge. These are then taken the same day to the Marshall's office for actual eviction. This procedure usually accomplishes actual eviction within 36 days or less, which at most causes a loss in rent of not much more than a month. (Since 1/2 month's rent is collected in advance) 1 month in advance would be better. Thus the actual loss to the project amounts to only about 1/2 month's rent or less. However, in the meantime management accepts rent in part or in full any time it can get it. As a result of this tight and persistant pressure and follow up procedure, this firm advises that out of the 200 initial notices sent out on the 6th to all delinquent tenants, usually no more than one eviction actually occurs per month.

e. This firm claims that similar results could and should be obtained in Wheat Street Gardens, except that the paternalistic nature and guidance of Rev. Borders in active management will not permit it.

f. Also, in one of its projects, this management firm accepts no cash but has arranged with a local bank to issue cashier's checks to its tenants free.

g. This same firm claims that 10% of tenants in subsidized projects are bad risks and will cause trouble unless constantly watched to prevent it; that the minimum service force for a project of this nature is:

GERALD R. FORD LIBRARY

- 1 Full time Maintenance man for each 50 units
- 1 Full time paid Manager
- 1 Full time Secretary or Cashier

h. This firm also advises that Management should "live in" the project and at least two maintenance men should "live in" and be on 24 hour call, for which they should receive extra compensation, but not additional full salary for overtime and work when required at odd hours; that a practical arrangement for a good maintenance man (it is essential that he "live in") is a salary of $400 per month plus a free rent apartment (value considered as worth $100 per month) + an extra $50 for being on 24 hour call.

i. On June 25 conference was held with principal of another professional property management firm which had been involved with Wheat Street Gardens. This person confirmed substantially what others had reported and advised that this firm was arbitrarily released in writing from its management capacity by Rev. Borders' Consultant without cause or previous notice, because some one had convinced Rev. Borders that the Church could handle the situation and that professional management was not needed. This person further advised that Section 3 was occupied before grass was planted; that it was never landscaped and the interiors were not adequately completed; and further advised that when this management firm took over, there were no systematic written records of rent receipts or expenditures maintained and no accountability for funds.

Mr. Kemp

we used

a basement was left unfinished. No screen

Down. spouts empty above surface causing drainage

MORTGAGEE

a. On May 21 we conferred with the following Life of Georgia officials:

Mr. Walter H. Butler (875-7521, Ext. 336), Mr. Bill Taylor - Mortgage Loan Department, Mr. John Hardison and Mr. Bill Weaver, Mortgage Loan Department.

They advised that Section 3 is under a 40 year 6% FHA insured loan; that commencing February 1973 the monthly mortgage payment is $10, 325. 94
Plus a replacement Reserve Account payment of 387. 50*
$10, 713. 44

(*This account had $19, 578. 91 in it on May 21); that the balance on the loan after the May 1973 payment is $1, 310, 828.03; that FHA inspects the project periodically and provides Mortgagee with reports of its findings (These were available as of June 21, 1971, May 2, 1972 and August 9, 1972, showing deficiencies which existed at those times.)

b. Apparently no one follows through to see that reported deficiencies are corrected; the August 9, 1972 report contained deficiencies which were enumerated in the May 2, 1972 and June 21, 1971 reports.

c. Life of Georgia offered to cooperate in any way possible, except not to refinance and claimed that they felt it is FHA's responsibility to force correction of deficiencies noted in its reports (Subsequently FHA officials advised that effecting corrective measures is a responsibility of the mortgagee).

ADDITIONAL ADVICE

One reliable person experienced in management of both Conventional and Subsidized rental Projects explained the following differences in appropriate procedure:

Conventional Projects (where rents are not controlled)
That priority should be given to items as follows:

1. Mortgage payments
2. Profit to ownership
3. Property maintenance; but that in

GERALD R. FORD LIBRARY

Subsidized Projects (where rents are controlled)
That priority should be given in this order:

Good

1. Maintenance (well kept buildings and premises)
2. Presentative Maintenance
3. Mortgage Payments (Explaining that if the project is well maintained, it will be sought after by tenants and as a result authority can always be obtained to get rents raised sufficiently to meet expenses, but that this cannot be done if the project is run down, and loaded with vacant units.

HUD

a. On May 23 we met and conferred with the officials, current and past, of the HUD Area Office including: Bill Hampshire, Bill Tones and Ester Williams. All were quite familiar with the situation pertaining to Wheat Street Gardens. A concensus of opinion was frankly expressed that the principal difficulty with Wheat Street Gardens is the active participation in management by Rev. Borders and his extremely benevolent attitude to his tenants; and further that the situation cannot be successfully remedied so long as Rev. Borders remains active in management of the Project.

I had a right? to be present. A murderer sits in court during his trial. Mr Jones and Mr. Berry went to HUD got a concensus

b. I requested in behalf of the City that the HUD Area Office conduct a full fledged "audit" of the project and provide the Mayor's Office with a copy of the report. This was agreed to and this office was subsequently informed that a complete inspection by the newly established FHA audit section would commence on Tuesday, May 29. The completed report is scheduled for late June 1973.

FINANCIAL REPORT

A complete financial report by the Project Auditors for the 12 months ended March 31, 1973, is attached (Encl. 4).

CONCLUSIONS

a. The project needs full time experienced, paid professional management. Voluntary part time workers (no matter how dedicated) is not and will not be satisfactory.

b. The project will not be successfully managed until Rev. Borders restricts his day to day activities to the spiritual needs of the community and removes himself and his church from the active management field of the project.

c. Processing of notices for non-payment of rent and eviction procedures must be considerably tightened up and time lag reduced to the minimum.

d. All tenants, both current and future should be carefully screened and the undesirable ones weeded out as soon as possible.

e. All units should be inspected by both tenant or prospective tenant and management together and conditions carefully recorded. Similar inspections should be made just before vacating by any tenant; and damage caused by tenant should be charged to him and collection made.

f. Management should effect promptly all needed repairs and premises clean up, to include complete and prompt renovation of all abandoned apartments. FHA should be requested to authorize use of the accumulated Maintenance Reserve Account for this purpose.

GERALD R. FORD LIBRARY

g. Security and Police protection should be drastically increased.

h. Other improvements should include adequate sanitary pick up on a pre-announced weekly schedule, opening of clogged storm drainage; improve run off facilities so as to prevent current flooding of some apartments whenever there is a hard rain.

i. Deacons (ministerial students) living rent free and concentrated in one apartment should be dispersed throughout the project and given definite services to perform (with follow up to see that they do it), if this arrangement is to continue, the actual benefits from which appear questionable.

j. Management should provide all tenants with clear statements of their duties and responsibilities (in the form of simple notices, bulletins, brochures, etc.).

RECOMMENDATIONS

a. Good professional management be installed without delay.

b. Rent collection and eviction procedures be drastically improved.

c. Inspect and record deficiencies in all units and follow up similar inspections on all changes in tenancy, and appropriate monetary charges for damages, collected.

Good

d. City services to be improved, to include more effective Police Patrols and definite schedule on trash and garbage collection.

Good

e. Effective maintenance procedures be established at once with adequate maintenance crew.

f. Request FHA to permit funds in Reserve Maintenance Accounts be utilized to rehabilitate abandoned apartments.

g. Negotiation be opened for transfer of title of Section 3 to the Housing Authority of the City of Atlanta.

h. Serious consideration be given by the City to permit "payments in lieu of taxes".

i. 1. Establish a city-wide rating procedure on all tenants and prospective tenants, upon change of tenancy for any reason, as to attitude and financial responsibility. This to be reported on prescribed form to a central repository (for use by future landlords) in much the same manner as business firms use credit reports on prospective customers.

2. Requirement for such reports to be tied to apartment licensing by City Ordinance (At least one Alderman has offered to sponsor and introduce such procedure in the Board of Aldermen (City Council).

3. A nominal fee of perhaps $.50 per report be charged for providing recorded information on any tenant to a new prospective landlord. This could pay all expenses for the service.

Good

4. The information provided should be of considerable value to the prospective new landlords, but of for greater value would be its salutary effect on previously irresponsible tenants and it is believed that this procedure will materially lessen wanton, careless or neglegent damage to property by tenants, when they realize that their previous performance and attitude are being recorded and made a matter of permanent record for others to see.

Respectfully,

Malcolm D. Jones

Malcolm D. Jones
Administrative Coordinator for Housing

Gil Stevens

Gil Stevens, Assistant

GERALD R. FORD LIBRARY

Encl: 1. Manager's Statement relating to Financial condition and Petition for Charter Amendment.
2. Pictures (with original only)
3. Forms used by Project Pertaining to Tenant Responsibilities
4. Financial Report of Project Auditors
5. HUD Report (when received)
6. Rough Draft of Proposed Report on Tenants.

cc: Mayor, City of Atlanta
Wheat Street Gardens Management
Project Accountant
HUD Area Office
Life of Georgia Insurance Company
Housing Authority
City of Atlanta, City Services Coordinator