



OFFICE OF THE CITY MANAGER

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Philip Sunderland
City Manager

March 10, 2003

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William R. Dearman
Chief Executive Officer
Alexandria Redevelopment and Housing Authority
600 North Fairfax Street
Alexandria, Virginia 22314

Re: Samuel Madden Homes On-site Replacement Public Housing Units

Dear Mr. Dearman:

I am aware that the Alexandria Redevelopment and Housing Authority (ARHA) is applying for an allocation of low income housing tax credits to the Virginia Housing and Development Authority for the on-site replacement of 52 public housing units. This application, together with other funds, is designed to enable ARHA to replace 52 public housing units to be demolished at the Samuel Madden Homes development. These 52 units are to be mixed finance units under a public housing "Annual Contributions Contract" (ACC) and will be located at the current Samuel Madden site.

You have asked that I confirm that the 52 on-site Samuel Madden replacement units will be subject to a payment in lieu of taxes (PILOT) agreement with the City of Alexandria, pursuant to which real estate taxes would not be owed to the City on these 52 units but rather payments would be due pursuant to the PILOT agreement. I am able to confirm this PILOT arrangement and to commit that the City will utilize the PILOT formula for the 52 on-site units. None of these units will be subject to City of Alexandria real estate taxes. However, the for-sale on-site units, which are not going to be tax-credit financed, will be subject to City real estate taxes.

If you need further information, or if I can be of further assistance, please feel free to give me a call.

Yours very truly,

Philip Sunderland
City Manager

cc: Terry Eakin, Eakin/Youngentob Associates
Chickie Grayson, Enterprise Homes, Inc.
Melvin Miller, ARHA
Mark Jinks, City of Alexandria