

WS  
5-13-08



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05/07/2008 05:22 PM

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Valerie Brown/Alex, Jackie.Henderson@alexandriava.gov, Nancy  
bcc

Subject May 13 Work Session with the Alexandria Redevelopment and  
Housing Authority Board

Dear Council Members,

Late yesterday we received confirmation that the ARHA Board is available to attend a joint work session with Council at 6 p.m. in the Council Workroom before Council's Tuesday, May 13 legislative meeting. The meeting is listed at the top of the May 13 docket, which you will receive this evening.

The work session agenda and any background material will be sent to Council in a delivery on Friday afternoon.

Michele

**JOINT WORK SESSION  
BETWEEN ALEXANDRIA CITY COUNCIL AND ALEXANDRIA  
REDEVELOPMENT & HOUSING AUTHORITY (ARHA)**

**TUESDAY MAY 13, 2008  
6:00 P.M. CITY COUNCIL WORKROOM**

**AGENDA**

**Welcome and Introductions**

**Mayor William D. Euille  
ARHA Chairman Melvin Miller**

**Purpose of Meeting:**

To clarify the dependence of the redevelopment of James Bland on the approval of the Braddock East plan and to substantiate the City's commitment to securing the required off-site replacement public housing units associated with the redevelopment of James Bland.

**1. Review of ARHA Redevelopment Workgroup Meeting on Monday, May 12.**

**2. The relationship between Bland DSUP and Braddock East Planning Process.**

- Need for Master Plan to support rezoning
- Review of MOU and staff report
- Continued commitment to Bland DSUP approval by October
- Partnership between the City and ARHA

**3. Replacement Housing.**

- a. The process for identifying the required 16 replacement units for Bland.
  - What we have done to date.
  - Working principles and issues for replacement housing.
    - Proximity to transit and services
    - Critical mass
    - ARHA ownership
    - Timing
  - Workshops planned with ARHA on strategy and urban design.
- b. The options identified for the replacement public housing units.
  - Realistic short-term options.

**4. Need for future meetings with City Council/Workgroup and ARHA.**

**Handouts:**

- Memorandum of Understanding & Staff Report.
- Resolution 830.
- Potential Site Replacement List and Map.
- Braddock East and James Bland DSUP Schedule.

EXHIBIT NO. 1

18

10-23-07

*City of Alexandria, Virginia*

MEMORANDUM

DATE: OCTOBER 19, 2007

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *J*

SUBJECT: CONSIDERATION OF: (1) A MEMORANDUM OF UNDERSTANDING BETWEEN THE CITY AND THE ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY (ARHA), AND (2) A CITY LOAN TO ARHA TO PAY OFF THE MORTGAGE FOR ARHA'S GLEBE PARK PROPERTY

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**ISSUES:** (1) Memorandum of Understanding between the City and ARHA related to planning, program performance and financial management, and (2) a requested City bridge loan of up to \$5.6 million to ARHA to repay the outstanding Glebe Park mortgage.

**RECOMMENDATION:** That City Council:

- (1) Approve the proposed Memorandum of Understanding (MOU) between the City and ARHA (Attachment I), and authorize the Mayor to sign the MOU; and
- (2) Subject to terms and conditions (Attachment II), approve a bridge loan to ARHA of up to \$5.6 million to repay the existing HUD/FHA insured mortgage on ARHA's Glebe Park property, and authorize the City Manager to execute, when the MOU is signed, all necessary documents in connection with this loan.

**BACKGROUND:**

**MEMORANDUM OF UNDERSTANDING (MOU):** Over the years, the City has provided periodic funding to ARHA for specific properties, generally for acquisition and/or rehabilitation. Within the past 12 months, \$17.9 million in loans have been requested from the City – a \$4.7 million loan was approved for Quaker Hill by Council in December 2006, and a loan of \$5.6 million in connection with Glebe Park is recommended in this memorandum. A second ARHA-requested Glebe Park City bridge loan of \$7.6 million is not being considered by the City. It is contemplated to be provided by non-City sources. Given the magnitude of the financial resources currently needed from the City, as well as the likelihood of significant future funding requests for ARHA redevelopment projects and future ARHA capital improvement needs, we need to formalize a new partnership between the City and ARHA. In recent (and future years) ARHA's funding needs have increased and will increase in large part due to the federal

government's abrogation of its long standing responsibility to fund public housing. Since ARHA's public housing serves the lowest income households in the City, if such housing is to be preserved, the City government will need to partner with ARHA in preserving housing for those least able to afford market rate rents.

The proposed MOU (Attachment I) seeks to create a new partnership between the City and ARHA by borrowing from "best practices" in many organizational areas such as budgeting, capital planning, organizational management, performance management. The MOU also represents an effort to improve the communication and working relationship between ARHA and the City by creating a new, more interactive and close partnership. It sets forth a process for better planning, coordinating and communicating in order to help develop a coordinated affordable housing strategy for Alexandria that includes the goal of sustaining and improving public and publicly-assisted housing within the City of Alexandria. The MOU is intended to provide a vehicle for the City and ARHA to work as partners to jointly undertake short and long-term land use and capital planning, including preparation of a comprehensive Strategic Plan. It will also help to monitor program performance and achieve a better long-term financial condition for ARHA, with the goal of improving the living environment for ARHA's residents.

The ARHA Board is scheduled to meet on Monday, October 22, when they will discuss and vote on this MOU.

Key elements (which in some instances involve continuation of existing practices or are satisfied by documents currently provided to other entities) include submission of ARHA operating budgets to the City for review, as well as inviting ARHA review of the City's budget; preparation of a multi-year ARHA capital budget; setting of goals, objectives and performance measures including year-end reporting of performance; inclusion of City staff as part of major redevelopment and financing meetings between ARHA and its developers and lenders when appropriate; executive session expectations; accelerating the timing of the ARHA annual audit; as well as the establishment of monthly meetings between the ARHA CEO and the City Manager; and the provision to the City of copies of reports and performance reviews received from HUD or ARHA's auditors. These MOU elements still give ARHA the ability to make independent decisions, but to do so with the City present at the table and with a greater degree of partnership.

If, after receiving copies of final HUD reviews of ARHA's performance, the City determines that further review is necessary, the MOU provides for having a City-paid performance audit and best practices review undertaken by an outside expert consulting firm (similar to the study recently completed for the Department of Transportation and Environmental Services, and similar to the study now underway for the Department of Recreation, Parks and Cultural Activities).



The MOU further provides that the City and ARHA, at the City's expense, would jointly and cooperatively work to develop a long-term Strategic Plan including, but not limited to, needed operations and capital assets for all ARHA properties to achieve sustainability. The MOU also contains provisions calling for City and ARHA cooperation in the development of a Master Plan for ARHA's Braddock East area properties (James Bland, Samuel Madden Uptown, Ramsey

Homes, and Andrew Adkins) as well as Master Plans and other plans in other areas of the City where ARHA units are located.

The MOU will trigger the need for additional staff resources particularly for the long-range planning and Braddock East planning processes. City and ARHA staff will need to work out these resource details as the next step in this process.

**GLEBE PARK LOAN:** Glebe Park was constructed in 1945, and purchased by ARHA in 1987 to provide 40 replacement housing units (of the property's 152 units) for the ARHA residents affected by Cameron Valley Homes redevelopment. Glebe Park is located on two sites: the 800 block of West Glebe Road and the 3900 block of Old Dominion Boulevard. The complex includes nine buildings – one building located on West Glebe containing 56 units, and eight buildings on Old Dominion (six on the east side and two non-contiguous buildings on the west side) containing 96 units. All buildings are 2½-story, brick masonry structures. Forty of the Glebe Park units are public housing units receiving HUD public housing subsidies, and the remaining 112 units are market affordable units at very low rents.

Although both portions of the Glebe Park development were substantially renovated in 1987 and 1988, the development is currently in need of significant upgrades including repair and replacement of building systems, roofs, windows, exterior walls, and interior finishes. There have been multiple attempts to remediate a persistent mold problem throughout the complex; however, according to information provided by ARHA, 102 of 152 Glebe Park units, including 23 of the 40 public housing units, are currently vacant and uninhabitable.

The property's dilapidated condition and escalating vacancy rate have required that ARHA provide infusions of approximately \$500,000 annually in recent years toward repayment of Glebe Park's HUD/FHA insured mortgage and operating expenses since the property's revenues are insufficient to meet these obligations. This situation has placed a financial burden on ARHA. While ARHA is current on the property's mortgage payments, last year HUD, which insured the mortgage, required that ARHA submit a corrective plan to bring all of the vacant units back online or otherwise face potential foreclosure. When ARHA originally obtained this mortgage, as a condition of the HUD loan guarantee, HUD required that all units be operational and that the units serve low-income households. The loan is now in technical default because of the large number of vacant units. It is not a certainty that HUD will foreclose as long as debt service payments continue to be paid, but the threat of foreclosure is real. ARHA previously submitted its corrective plan to HUD (which included the broad redevelopment plan described below) months ago and in the absence of further action by HUD, ARHA believed that HUD concurred with ARHA's proposal to remediate Glebe Park through obtaining tax credits in the Spring of 2007, and then undertake a staged redevelopment. Since the applied-for tax credits for Glebe Park were not awarded to ARHA by VHDA last Spring, ARHA's corrective plan submitted to HUD was not executable within its stated time frame, which puts the property at risk for foreclosure.

Following a competitive Request for Proposals (RFP) process last spring, ARHA selected EYA, its development partner on the very successful Chatham Square project, to provide development services to redevelop the Glebe Park site. Pursuant to its RFP, ARHA offered EYA the

opportunity to redevelop other ARHA properties to include a mix of market rate sales and public housing rental units, with some portion of the proceeds from the sale of market units to be used to defray the costs of redeveloping Glebe Park and potentially redeveloping other ARHA public housing stock. In the fall of 2006, ARHA and EYA unveiled a proposed strategy to redevelop ARHA's Glebe Park<sup>1</sup>, James Bland, James Bland Addition<sup>2</sup> and Andrew Adkins<sup>3</sup> properties into mixed-income developments over a ten-year period. In addition to tax credits, proceeds generated from EYA's purchase of land underlying the market rate sales units and from sharing a portion of EYA's profit on sales of market rate units would be paid to ARHA to fund the cost to redevelop all of the public housing units currently located on these sites.<sup>4</sup> Due to the exigent conditions at Glebe Park, it was proposed that Glebe Park be redeveloped first.

The Glebe Park redevelopment plan, and ARHA's corrective action plan, relied on the receipt of competitively awarded Low Income Housing Tax Credits to finance a major portion of the redevelopment of Glebe Park. Unfortunately, ARHA's tax credit application to VHDA for the Old Dominion parcel, the first proposed phase of the redevelopment, was unsuccessful. However, ARHA believes it will be successful in its next Glebe Park tax credit application to VHDA.

Because the Old Dominion element of the redeveloped Glebe Park tax credit application was unsuccessful, ARHA will not be able to make a major milestone in the corrective action plan it submitted to HUD to cure the technical default, and ARHA is very concerned that HUD may elect to initiate foreclosure on the mortgage. In addition, because of changes in past HUD policies, ARHA can no longer use funds from other properties, or Section 8 administrative fees, to cover Glebe Park's operating deficit. Therefore ARHA is also at risk of financial default on the Glebe Park loan. In order to remove the threat of HUD foreclosure and to relieve financial pressure on ARHA's operating budget, ARHA's representatives have requested a bridge loan from the City to pay off the Glebe Park mortgage. ARHA staff estimates the outstanding mortgage balance to be approximately \$5.6 million. At the time of the writing of this memorandum, it appears that the ARHA Board will agree to the proposed (Attachment II) Glebe Park loan terms and conditions when it meets on Monday, October 22. These loan terms and conditions provide the framework for the eventual loan documents.

In March of 2007, when it approved a support letter for the 2007 Glebe Park/Old Dominion tax credit application, Council also directed the formation of a Glebe Park Stakeholders Group to work with ARHA and the City in the redevelopment process.

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<sup>1</sup> The Glebe Park redevelopment plan would replace only the 40 public housing units but not the additional 112 market affordable units (79 of the market affordable units and 23 of the public housing units are vacant).

<sup>2</sup> In the remainder of this memorandum, James Bland and James Bland Addition are collectively referred to as "James Bland." This property consists of five blocks, or portions thereof, bounded by North Patrick Street, First Street, North Columbus Street, Wythe Street, North Alfred Street, and Madison Street.

<sup>3</sup> For a number of reasons, the redevelopment of ARHA's Andrew Adkins site has been removed, at least temporarily, from EYA and ARHA's short-term redevelopment plans.

<sup>4</sup> The project's 40 public housing units however would remain subject to HUD requirements associated with the public housing program unless and until such time as HUD approves a disposition application (to be submitted by ARHA) to remove them from the public housing program.



Based on input from the Stakeholders Group, ARHA/EYA's revised application for Glebe Park development approvals has been reduced by 16 ARHA public housing units from the proposal that formed the basis of the earlier tax credit application. The current application now includes 8 (previously 6) market rate units, along with 10 workforce housing units. City staff is pursuing options for replacing the displaced 16 ARHA units. The revised Glebe Park plan has been approved by the Planning Commission and is pending Council action at Council's October 23 legislative meeting. The next steps, as currently planned, are as follows:

- Application for federal HOPE VI funds for James Bland and James Bland Addition (with Glebe Park as replacement housing site) – November 7, 2007
- Application for Low Income Housing Tax Credits for Glebe Park – February 15, 2008
- Planning Commission and Council Consideration of proposals for James Bland – October 2008
- Commencement of Glebe Park redevelopment – November 2008
- Application for Low Income Housing Tax Credits for first phase of James Bland – February 2009
- Commencement of James Bland redevelopment – November 2009

This schedule was developed in anticipation that approved development proposals, and an approved City loan not contingent upon future development actions, will enable the project to achieve a higher score in the competitive tax credit process than did the 2006 application for Old Dominion.

**Proposed Loan Terms:** Staff recommends that the proposed Glebe Park loan to ARHA be a residual receipts loan. The City's loan would be subordinate to (1) the security interest of the tax credit investors at Glebe Park, and (2) the security interest of the bridge loan providers in the Glebe Park land, until the Glebe Park demolition/construction bridge loans (estimated at \$7.6 million) are repaid. ARHA plans to repay the City's loan with James Bland land sale proceeds. This City bridge loan (if all the financing works out as projected) is projected to be repaid in about five years. However, neither the final form (i.e., unit numbers, density, etc.) of the development applications that will eventually be submitted for Planning Commission and City Council consideration is established at this time, nor are the financial implications of such development applications with regard to the timing of repayment of the recommended loan or the potential need for additional City investment. The current proposals are likely to be modified to some degree as a result of the planned community process in the James Bland area, and City staff concerns about some aspects of the current development proposals. In the worst case scenario, if there are no funds forthcoming from land sales at James Bland to offset the cost of redeveloping Glebe Park, full repayment of the proposed Glebe Park loan may not occur for 35 to 40 years, or longer, and the City loan to ARHA would need to be extended and become a longer term loan.

I recommend that the proceeds from ARHA's repayment of the \$5.6 million loan be reprogrammed by applying those repaid loan proceeds towards the financing of the other public housing on-site or off-site replacement units.

As with the pending Quaker Hill loan, the recommended Glebe Park loan would provide that, if the tax credit ownership is structured to meet applicable legal requirements, then the tax credit

financed properties would be exempt from City real estate taxes. This is how Chatham Square was structured.

As noted in the general terms and conditions for the proposed loan (Attachment II), the Glebe Park loan to ARHA would incorporate by reference the MOU.

**PLANNING EFFORTS INVOLVING ARHA PROPERTIES:** In light of the recent Quaker Hill loan and the current Glebe Park loan, the City proposed, and ARHA representatives agreed, that we need a comprehensive, long-range holistic City/ARHA Strategic Plan for ARHA Resolution 830 Units. The City would fund this effort. This concept, which has been endorsed by the City-ARHA Redevelopment Work Group, would be designed, at a minimum, to do the following:

- Achieve an understanding of ARHA's long-term financial needs
- Analyze all ARHA properties with regard to factors such as property condition, capital needs, market pressures and land use potential
- Establish criteria for redevelopment vs. rehabilitation, as well as review land use opportunities
- Prioritize identified redevelopment efforts and assess the magnitude of likely costs
- Develop a schedule and identify funding needs and potential solutions for rehabilitation or replacement

The Affordable Housing Initiatives Work Group (AHIWG) has already included an analysis of ARHA's financial needs and resources as an element in its work plan. It is anticipated that AHIWG will focus on selected limited issues, but major work will need to be done by City/ARHA staff and City-funded consultants. It is also contemplated that this City/ARHA Strategic Plan would be approved by both ARHA and Council once it is completed, and that any future capital grants or loans to ARHA would be considered in the context of the Strategic Plan.

City and ARHA staff agree that the consideration of the redevelopment of Glebe Park should proceed with deliberate speed in order to restore ARHA's capacity to offer the 40 required Resolution 830 units, and to avoid a lengthy period of time with boarded-up buildings. The redevelopment of Glebe Park is expected to proceed in advance of the proposed City-ARHA Strategic Plan. Similarly, given the time and resources already expended by EYA on the development plans for both properties, and the planned use of revenues from the sale of market lots at James Bland to help finance the redevelopment of Glebe Park, the Bland redevelopment must also proceed slightly ahead of the overall Resolution 830 Plan. The Department of Planning and Zoning in conjunction with ARHA, ARHA unit residents and neighboring residents will undertake a Master Redevelopment Planning Process for Braddock East, which encompasses an area containing ARHA's James Bland, Samuel Madden Uptown, Ramsey Homes, and Andrew Adkins properties. The goal is for this process to be concluded in time for submission of development proposals on the Bland sites for Planning Commission and Council action no later than October 2008.



**FISCAL IMPACT:** It is currently contemplated that the City would provide a \$5.6 million loan to ARHA by increasing its general obligation borrowing, and the City debt service budget being increased to pay for that borrowing. ARHA would pay interest only for the funds borrowed for about five years, and then be converted (if necessary) to long-term debt which would have interest and principal payments. The conversion to long-term debt would occur only if ARHA could not repay the bridge loan from Bland land sale proceeds or other sources, or if the \$5.6 million were used, as proposed, to help finance other ARHA on site or off site unit rehabilitation or replacement needs. The annual interest costs for the short-term borrowing would be about \$250,000 per year. If or when converted to long-term debt, ARHA's interest and principal repayment costs would be about \$500,000 per year, with the interest portion declining over time.

It has been the plan for the City to use tax-exempt commercial paper as the method of financing the bridge loan to ARHA. However, some initial research has indicated that there may be a federal tax credit regulation conflict between issuing tax-exempt debt by the City for a housing project, that may also receive federal low income tax credits funding. While this issue needs further research, it should not be a reason for Council to delay a decision to authorize the Glebe Park loan. If the further research indicates that tax exempt notes (or bonds) issued by the City cannot be used as the source of the Glebe Park loan to ARHA, then the back-up position would be to use already funded City CIP cash capital for City capital projects not yet underway for the \$5.6 million Glebe Park loan, and then to undertake \$5.6 million in additional CIP bond borrowing when those City projects are ready to get underway. The City has used cash capital as a bridge loan financing source before. The City loaned ARHA \$4.2 million in cash capital as a bridge loan for the Chatham Square project. ARHA repaid the loan in full. If the City used its cash capital as the source of the loan, and then borrowed for other capital projects in the same amount, the fiscal impact on the General Fund would be exactly the same as described in the preceding paragraph.

Given the tight fiscal condition in the affordable housing area (developer contributions, the dedicated one-cent in real estate tax revenues, CDBG, HOME, etc) I propose that the City's General Fund Debt Service account finance the debt service payments. No affordable housing funds would be utilized for debt service payments.

**ATTACHMENTS:**

Attachment I. General Terms and Conditions for a Partnership Memorandum of Understanding  
Between the City of Alexandria and ARHA

Attachment II. General Terms and Conditions for Glebe Park Loan

**STAFF:**

Mark Jinks, Deputy City Manager

Mildrilyn Stephens Davis, Director, Office of Housing

Helen McIlvaine, Deputy Director, Office of Housing

**MEMORANDUM OF UNDERSTANDING  
BETWEEN  
THE CITY OF ALEXANDRIA, VIRGINIA  
AND THE  
ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY**

THIS MEMORANDUM OF UNDERSTANDING entered into the day of \_\_\_\_\_ of March 2008, by and between the ALEXANDRIA REDEVELOPMENT AND HOUSING AUTHORITY ("ARHA") and the CITY OF ALEXANDRIA, VIRGINIA ("the City").

**WITNESSETH:**

WHEREAS, the Alexandria City Council established the Alexandria Redevelopment and Housing Authority (ARHA) under the Virginia Housing Authority Act in the 1930's to provide public housing and redevelopment in the City of Alexandria;

WHEREAS, cooperation and coordination between the City and ARHA is essential in maintaining and improving the stock of affordable housing in the City through effective planning and communications;

WHEREAS, since the 1970s, the policy of the City and ARHA has been to preserve and improve designated public housing units by one-for-one replacement and de-concentration by scattered site replacements under Resolution 830 and its predecessor resolution;

WHEREAS, the City and ARHA worked cooperatively together to replace 264 units of deteriorating public housing in Cameron Valley creating the Quaker Hill community of mixed market rate homeowner units and rental public housing (80/20) in the 1980s and in 2004, the award winning redevelopment of the Samuel Madden Downtown into Chatham Square (100/52) with EYA and scattered sites at Reynolds (18), Whiting (24) and Braddock (6);

WHEREAS, the redevelopment of the Glebe Park and James Bland projects are contemplated under a development plan with EYA;

WHEREAS, the City desires to work with ARHA and the community to develop a coordinated long term strategy for the redevelopment and maintenance of aging public housing sites and de-concentration of public housing as part of an affordable strategy that addresses affordable housing throughout the City.

NOW, THEREFORE, the Alexandria City Council and the Alexandria Redevelopment and Housing Authority hereby set forth and agree upon a process for better planning, coordinating and communicating in order to help develop a coordinated affordable housing strategy for

Alexandria that includes the goal of sustaining and improving public and publicly assisted housing within the City of Alexandria.

The following general terms and conditions are intended to provide a framework for a Partnership Memorandum of Understanding (MOU) between the City of Alexandria and the Alexandria Redevelopment and Housing Authority (ARHA). With the City and ARHA working as partners, the purpose of this MOU would be to jointly undertake short and long-term land use and capital planning, monitor program performance and seek to achieve a better long term financial condition for ARHA.

1. The Council and ARHA will continue to maintain a working group of two members of Council and two members of the ARHA Board to meet periodically to discuss matters and issues regarding public housing, on mutual call of the Mayor and Chair of the ARHA Board. The communications of the Working Group will be reported back to the full Council and the full ARHA Board, respectively, to assure timely understanding and coordination between the two bodies.
2. On mutual call of the Mayor and the Chair of the ARHA Board, the Council and the ARHA Board shall meet in joint session to discuss significant issues of planning and coordination.
3. ARHA and the City, at the City's expense, would jointly and cooperatively work to develop a long-term Strategic Plan including, but not limited to, operations and capital assets for all ARHA properties to assure sustainability, with the City and ARHA mutually choosing the plan's consulting advisor; with ARHA's input and participation in developing the scope of work, the selection of the consultant and the timing of the work. It would be anticipated that both Council and ARHA would adopt this Strategic Plan, and that it would be contemplated that any future capital grants or loans to ARHA would be considered in the context of the Strategic Plan.
4. Annually, starting for its fiscal year 2008, ARHA will submit proposed operating and capital budgets in the format mandated by HUD and/or by other parties for whom ARHA prepares such information for its upcoming fiscal year to the City for review and comment starting in its fiscal year 2009 at least 30 days before it is scheduled for adoption by the ARHA Board. Starting for its fiscal year 2009 operating and capital budgets, the City will submit its proposed operating and capital budgets as they may relate to affordable housing for its upcoming fiscal year to ARHA to review and comment at least 30 days before the operating and capital budgets are scheduled for adoption by City Council. While the City and ARHA may review and comment on these budgets, final approval of the budget remains the responsibility of the ARHA Board of Directors and City Council, respectively.
5. Annually, starting for its fiscal year 2009, and in conjunction with its preparation of its HUD-required PHA plan, ARHA shall prepare a set of goals, objectives and performance measures for all of its properties for City review and comment within the HUD-required timeframe for public review before these goals, objectives and performance measures are

scheduled for adoption by the ARHA Board. While the City may review and comment on these goals, objectives and performance measures, any final adoption or approval of these items remains the responsibility of the ARHA Board of Directors.

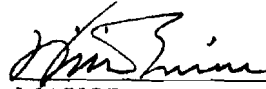
6. The goals, objectives and performance measures and overall agency management plan shall reflect ARHA's current planned and future schedules for housing unit physical inspection and maintenance, as well as projected timeframe standards for responding to maintenance requests.
7. Annually starting for its fiscal year 2009, in conjunction with its Five-Year Capital Needs Plan submission to HUD, ARHA shall prepare a five-year capital improvement program (CIP) for all of its properties based upon an annual capital condition and needs review.
8. Annually, after receiving its final HUD scoring reports (Physical, Financial, Management, Resident Opinion) and its final Section 8 ranking reports from HUD based on HUD, SEMAP and RIM reviews, ARHA shall report its performance to City Council and the ARHA Board.
9. After receiving the final HUD scoring reports, the City and ARHA will determine whether further review, beyond the HUD-required Corrective Action Plan, is necessary, then a mutual decision to proceed could involve a performance audit and best practices review of ARHA operations, which would include findings and recommendations, shall be undertaken at City expense, by a consultant selected by the City and ARHA. If such a review is deemed necessary, the City would recognize the staff resource impact of such a review on ARHA.
10. The Chief Executive Officer (CEO) of ARHA or senior management designee shall meet at least monthly with the City Manager, or the designated Deputy City Manager, to review the status of issues, projects, overall agency management plan, programs and finances.
11. Within one-year of the execution of this agreement ARHA shall provide to the City training plans for its employees, including VHDA and HUD property management certifications for employees where applicable.
12. The City's input will be sought by ARHA on the solicitation, and review of responses to that solicitation, in regard to the selection of ARHA's independent external public auditor.
13. Within 30 days of receipt, the City shall be provided with any final ARHA performance reviews and ratings, any audits, or related management letters that ARHA receives from HUD or ARHA's auditors.
14. Starting with the 2009 audit of its 2008 financial activities, ARHA's annual external outside independent public auditor, selected with the input of the City, shall have as a

goal the completion and issuance of its auditor's reports issued no later than June 30 of the subsequent calendar year (six months after ARHA's fiscal year ends).

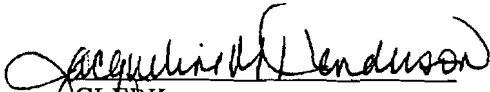
15. The ARHA Board shall establish an audit committee, or may choose to have the ARHA Board perform that function. The external auditor shall report to the body designated as the ARHA Board audit committee.
16. The City will have the right to review ARHA final financial and grant management letters.
- \* 17. ARHA and the City will jointly and cooperatively work in developing a Master Plan for ARHA's East Braddock Road Properties, and it would be anticipated that ARHA's Board and the City Council would adopt this Master Plan and that any future City capital grants or loans to ARHA would be considered by the City in the context of the Master Plan.
18. ARHA and the City will jointly and cooperatively work in developing Master Plans and other plans in areas of the City where ARHA units are located.
19. ARHA shall use its best efforts to include City designated staff in major land use or finance meetings with HUD, developers, lenders and other consultants on any material issues related to the redevelopment of ARHA's properties. The City's Planning and Zoning staff shall use its best efforts to include designated ARHA staff in major land use meetings with developers or other consultants.
20. The City Manager and the Executive Director of ARHA will regularly determine the necessity and form of participation of any staff in the executive sessions and deliberations of the City Council and ARHA Board for the purpose of both bodies having direct discussion on points of mutual interest. The participation of staff is limited to discussions of issues related to development or redevelopment which directly or indirectly impacts the City's or ARHA's financial interest and said participation is subject to the same disclosure rules and the legal penalties as those of the City Council and ARHA Board.
21. ARHA will continue its planned practice of having a designee of the City Manager as a member of any CEO interview panel.
22. ARHA will provide to City staff the whole of the public docket of the ARHA Board meeting when said docket is provided to the ARHA Board. Similarly, the City Manager will provide in advance to ARHA such docket and public information that relates to public housing.
23. This MOU shall become effective upon City approval of the Glebe Park loan.
24. ARHA shall annually prepare and submit to the City an agency management plan.
25. The City and ARHA shall review the terms and conditions of this MOU every three years.

IN WITNESS WHEREOF, the parties hereto have executed this Memorandum of Understanding on the date and year aforementioned.

CITY OF ALEXANDRIA

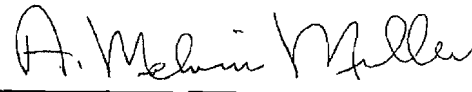
  
MAYOR

Attest:

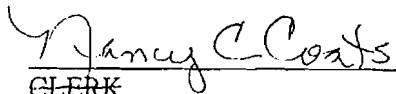
  
CLERK

March 28, 2008  
DATE

ALEXANDRIA REDEVELOPMENT  
AND HOUSING AUTHORITY

  
CHAIRPERSON

Attest:

  
CLERK  
WITNESS

Assistant to the  
City Manager

March 28, 2008  
DATE

RESOLUTION NO. 830

WHEREAS, the City Council of Alexandria, on March 21, 1972, adopted Resolution 99, which stated that it was the position of the City that "when-ever private or public development or redevelopment makes the elimination of public housing necessary or desirable, and for so long as the present inventory of public housing is felt by the City of Alexandria and the Alexandria Redevelopment and Housing Authority to be a necessary part of the housing stock of Alexandria, the City will adopt and implement or secure the adoption and implementation of a plan of relocation and reconstruction of such units prior to the demolition or other impairment of units affected by the development or redevelopment"; and

Whereas, on May 12, 1972, the Alexandria City Council and the Alexandria Redevelopment and Housing Authority executed an Agreement to implement Resolution 99, as well as the September 14, 1971 Housing Program for Redevelopment of the Cameron Valley public housing project and for the construction of a public housing project for the elderly, which project was developed as the 170-unit public housing Elderly Highrise (Project VA 4-9); and

WHEREAS, the May 12, 1972 Agreement between the City of Alexandria and the Alexandria Redevelopment Housing Authority stated that "except to the extent modified by the Housing Program adopted by the City Council on September 14, 1971, the City presently wishes to retain an inventory of public housing or its equivalent, which is at least equal to the number of units presently in existence in the City"; and

WHEREAS, the City Council unanimously adopted a motion on January 17, 1981, that stated that the City Council was recommitting itself to the provisions of Resolution 99 "which promises to retain an inventory of public assisted housing units which is at least equal to the number of units outlined in Resolution 99"; and

WHEREAS, the January 17, 1981 motion of City Council also stated that the ARHA Board was "to explore options that include continued public housing funding by HUD, as well as any other options that may be available to the City to upgrade public housing stock in order to fulfill the above commitment." Council further stated that it was the intent of this motion "that no public housing units be demolished unless replacement housing is available; that no tenant will be displaced; and that all monies realized from the sale or lease of any public housing-owned lands should be used to benefit the living environment of public housing residents." The January 17, 1981 motion of City Council also stated that any assisted housing to be counted as replacement housing for an equal number of public housing units be defined as "such housing that is substantially equivalent to the units being replaced for a period of 20 or more years; and

WHEREAS the City Council of Alexandria has continued to demonstrate its commitment to housing needs of low- and moderate-income families, as demonstrated by the fact that in 1970 there were a total of 1,127 units of various types of publicly assisted rental housing and that by mid-1981 City Council had approved another 1,917 units of various types of publicly assisted rental housing, so that by 1981 the total of approved publicly assisted rental housing units in Alexandria was 3,044; and

WHEREAS, during this period of time the City Council further demonstrated its commitment to assist low- and moderate-income tenants through the adoption of the residential rental permit program, designed to prevent deterioration of rental units in the City; and

WHEREAS, the City Council adopted the Relocation Assistance Program in 1980 in an attempt to persuade condominium and cooperative developers to develop programs to retain current tenants and to provide relocation benefits and assistance to displaced; and

WHEREAS, the City Council has approved the use of Community Development Block Grant funds to provide relocation assistance to low- and moderate-income renters in Potomac East and Potomac West displaced by the sale of the single-family homes or boarding houses in which they reside; and

WHEREAS, the City Council believes that it is in the best interest of the City that there be a variety of housing opportunities for persons of all economic groups; and

WHEREAS, the City Council wishes to relieve the anxiety of its public housing citizens over their continued residential security.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF ALEXANDRIA, VIRGINIA

to development or redevelopment activity which would make

necessary, the City of Alexandria reaffirms its position that no such activity can proceed prior to the adoption of a plan which provides for the prior relocation and/or replacement of the said public housing as outlined in Attachment A to be so eliminated.

\*\*\* ~~With respect to private development or redevelopment projects which would eliminate any of the existing 1,150 units of public housing, it shall be the policy of the City to support and encourage cooperative relocation efforts and to continue the present City policy of insuring that displaced residents are provided with relocation counseling and technical assistance as required by law.~~

It is the intent of this Resolution that no public housing unit be demolished unless replacement publicly assisted housing is available, as hereinafter defined; that no tenant be displaced from public housing until they can be moved into replacement housing; and that all monies realized from the sale or lease of any public housing projects be used to benefit the living environment of public housing residents; and all relocation expenses will be borne by ARHA and/or its designated Redeveloper.

For the purposes of this Resolution, any public housing that is demolished can be replaced by an equal number of either conventional public housing units, or any equal number of publicly assisted housing units, defined as housing "that contemplates the commitment by the provider of such housing that is substantially equivalent to the units being replaced for at least a period of 20 or more years." For the purposes of this Resolution it is understood that the recently approved 90-unit Fairfax House Section 8 new construction project for the elderly has been approved as replacement housing for an equal number of public housing units.

In the event that current federal housing programs are changed or modified so as to phase out or eliminate what is currently known as conventional public housing or Section 8 publicly assisted rental housing, the terms of this Resolution shall be interpreted to mean the type of housing, which under federal housing programs then in effect, most closely approximates the programs mentioned above in the benefits they provide and the economic group they serve.

For the purpose of this Resolution, no federally assisted housing in Alexandria as of the date this Resolution is adopted will be counted as future replacement housing for any public housing in existence in the City as of the date of this Resolution.

Upon adoption, this Resolution supercedes City Council Resolution 99, adopted on March 21, 1972.

ADOPTED: DECEMBER 8, 1981

\*\*\*NOTE: Resolution 830 was amended by motion at the Regular Meeting of City Council held on April 27, 1982 as follows:

Council deleted the first complete paragraph and inserted at the end of the second complete paragraph ";and all relocation expenses will be borne by ARHA and/or its designated Redeveloper."

Helen Holleman

Clerk



PUBLIC HOUSING UNITS IN ALEXANDRIA AS OF OCTOBER, 1981

NUMBER & TYPES OF DWELLING UNITS:

PROJECT NAME/NUMBER	YEAR COMPLETED	TOTAL UNITS	EFF.	1BR	BEDROOM DISTRIBUTION			
					2BR	3BR	4BR	5BR
John Roberts VA. 4-1	1941	90	0	24	38	18	10	0
Geo. Parker VA. 4-2	1942	111	0	36	51	16	8	0
Samuel Madden VA. 4-3	1945	166	0	0	114	52	0	0
James Bland VA. 4-4	1954	148	0	0	106	42	0	0
Ramsey, VA. 4-5	1942	15	0	0	15	0	0	0
Cameron Valley VA. 4-6	1943	264	0	47	163	54	0	0
James Bland Addition, VA. 4-7	1959	46	0	8	0	26	12	0
Andrew Adkins VA. 4-8	1968	90	0	12	14	32	24	8
Elderly Housing VA. 4-9	1978	170	60	110	0	0	0	0
<u>Scattered Sites Program VA. 4-10</u>								
Cameron Valley	1981 (EST)	10	0	0	0	6	4	0
Ramsey School	1981 (EST)	10	0	0	4	5	1	0
Oasis & Bragg	1981 (EST)	15	0	0	8	7	0	0
28th Street	1981 (EST)	<u>15</u>	<u>0</u>	<u>0</u>	<u>7</u>	<u>8</u>	<u>0</u>	<u>0</u>
TOTAL:		1,150	60	237	520	266	59	8

PREPARED BY ALEXANDRIA REDEVELOPMENT & HOUSING AUTHORITY STAFF

**BRADDOCK EAST ADVISORY GROUP, JAMES BLAND DSUP  
AND GLEBE PARK REDEVELOPMENT COMBINED SCHEDULE**

<b>Activity</b>	<b>Date To Be Completed</b>
Glebe Park Tax Credit Award	May 7, 2008
ARHA Redevelopment Work Group	May 12, 2008
Joint Work Session: City Council & ARHA	May 13, 2008
Braddock East Advisory Group Meeting #4	May 15, 2008
Planning Commission/BAR Joint Work Session	June 3, 2008
<i>Mayor's Workgroup Meeting</i>	<i>June 4, 5 or 6 (TBD)</i>
<i>City Council Work Session: James Bland DSUP and Braddock East Plan</i>	<i>June 10, 2008 (TBD)</i>
Braddock East Advisory Group Meeting #5	June 19, 2008
BAR Work Session	June 25, 2008
<i>Planning Commission Work Session</i>	<i>July 1, 2008 (TBD)</i>
<i>Mayor's Workgroup Meeting</i>	<i>July 2,3,7, or 8 (TBD)</i>
Braddock East Advisory Group Meeting #6	July 15, 2008
Parker Gray BAR filing date	August 25, 2008
<i>Planning Commission Work Session</i>	<i>September 2, 2008 (TBD)</i>
Braddock East Advisory Group Meeting #7	September 3, 2008
Braddock East Advisory Group Meeting #8	September 16, 2008
Parker Gray BAR Hearing (Prelim. Approval)	September 24, 2008
Planning Commission: James Bland DSUP and Braddock East Plan	October 7, 2008
Braddock East Advisory Group Meeting #9	October 16, 2008
City Council: James Bland DSUP and Braddock East Plan	October 18, 2008
Deadline for agreement from EYA to accept tax credits for Glebe Park	November 5, 2008
Glebe Park Construction	Nov 2008 – Dec 2010
James Bland Tax Credits Applications	Feb 2009 – Feb 2012
James Bland Construction	Nov 2009 – Nov 2014

# Potential Site Replacement

