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*City of Alexandria, Virginia*

MEMORANDUM

DATE: JANUARY 8, 2003

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: PHILIP SUNDERLAND, CITY MANAGER <sup>S</sup>

SUBJECT: AUTHORIZATION OF RECOMMENDED CAPITAL PROJECT ALLOCATIONS AND PLANNED EXPENDITURES

**ISSUE:** City Council authorization of the recommended capital project allocations and planned expenditures.

**RECOMMENDATION:** That City Council authorize the capital project allocation and planned expenditures for the capital project as detailed in the Capital Improvement Expenditure Summary (Attachment 1).

**DISCUSSION:** This docket item provides a summary of Capital Improvement Program planned expenditures (Attachment 1). It includes projects reflected in the City's Fiscal Year 2003 Capital Budget, approved by City Council on May 6, 2002, or approved in capital budgets prior to FY 2003 with a CIP budget document page reference in Attachment 1. A project title listing appears below and a detailed summary appears in Attachment 1. While it is customary to do capital project allocations at the second legislative meeting of City Council, timing needs of ARHA's site acquisition made it necessary to accelerate the proposed allocation.

Allocations are recommended for the following project:

Community Development	
Samuel Madden Homes Redevelopment	\$473,000

**ATTACHMENTS:**  
Attachment 1 - Capital Improvement Program Planned Expenditures

**STAFF:**  
Mark Jinks, Assistant City Manager  
Alfred Coleman, Budget/Management Analyst, Office of Management and Budget

**CAPITAL IMPROVEMENT PROGRAM PLANNED EXPENDITURES**  
**December 31, 2002 Report, Docketed January 14, 2003**

This attachment provides summary information on capital improvement program projects for which work will be initiated and expenditures incurred during the upcoming months. Funding for all of the projects discussed below is included in the City's Approved FY 2003 Capital Improvement Program (CIP) budget or in prior year capital budgets.

<b>Project Number Index Code/ Sub-object</b>	<b>Project Title</b>	<b>Approved Funding Available</b>	<b>Planned Expenditure Amount</b>	<b>Budget Document Page Reference</b>
Project 003-007 Account No.220966 Sub-object 2121	Community Development (Samuel Madden Homes Redevelopment)	\$473,000	\$473,000	Page 63 of the City's Approved 2003 CIP Budget Document

This allocation will provide funding to the Alexandria Redevelopment and Housing Authority (ARHA) for the purchase of the replacement housing scattered site at 325 S. Whiting Street as part of the Samuel Madden Homes Redevelopment project. In the fall of FY 2002, the City Council approved four redevelopment plans for the Samuel Madden Homes (Downtown) Housing redevelopment project. It is planned that the 100 units of existing public housing would be replaced with up to 152 housing units (up to 100 would be for-sale market rate units and 52 would be public housing units). The 48 remaining replacement public housing units would be constructed at three scattered sites in the City (423 S. Reynolds Street, 1706 West Braddock Road and 325 S. Whiting Street). In order to assist in funding this project, City Council agreed to provide up to \$3.5 million based on project funding needs: \$2.0 million from the City's Housing Trust Fund and \$1.5 million from the City's General Fund. Of the three scattered sites, two of the sites are owned by the City and/or ARHA, however the third site, 325 S. Whiting Street must be purchased from a private owner. Negotiations to date with the owner have failed to result in an agreement on a sales price, and on December 19, 2002, the ARHA Board of Commissioners adopted a resolution to acquire the property by eminent domain. ARHA has determined the value of the property to be \$1.1 million, based on an appraisal, and has requested that the City provide these funds as part of the City's commitment of up to \$3.5 million. Based on the relative proportions of the \$3.5 million expected to come from the Housing Trust Fund (57%) and the General Fund(43%), staff recommends that 57 percent requested amount, or \$627,000, be provided from the Housing Trust Fund and the 43 percent, or \$473,000 be allocated from the General Capital Projects Fund. The City provision of this \$1.1 million will take the form of a contingent grant to ARHA, where ARHA would be obligated

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CAPITAL IMPROVEMENT PROGRAM PLANNED EXPENDITURES  
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to use the funds to purchase 325 S. Whiting Street, as well as to construct the project on that site consistent with the development special use permit approved by the City. If it is determined that some or all of the \$1.1 million is no longer needed, excess funds would be returned to the City account from which it came. (Funding Source - FY 2003 Cash Capital). A companion docket item discusses the Housing Trust Fund allocation.