

**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.

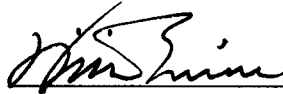
6. The goals, objectives and performance measures and overall agency management plan shall reflect ARHA's current planned and future schedules for housing unit physical inspection and maintenance, as well as projected timeframe standards for responding to maintenance requests.
7. Annually starting for 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).

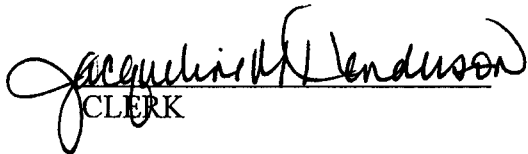
15. The ARHA Board shall establish an audit committee, or may choose to have the ARHA Board perform that function. The external auditor shall report to the body designated as the ARHA Board audit committee.
16. The City will have the right to review ARHA final financial and grant management letters.
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

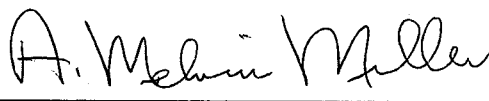

MAYOR

Attest:

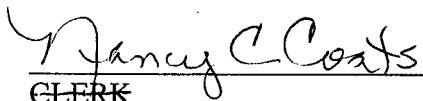

CLERK

March 28, 2008
DATE

ALEXANDRIA REDEVELOPMENT
AND HOUSING AUTHORITY


CHAIRPERSON

Attest:


CLERK
WITNESS

March 28, 2008
DATE

Assistant to the
City Manager