

**MEMORANDUM OF UNDERSTANDING
FOR THE FIT UP AND OCCUPANCY OF COMMERCIAL SPACE
AT 155 CLINTON AVENUE**

The purpose of this Memorandum of Understanding (MOU) is to establish the roles and responsibilities of County of Albany, New York, on behalf of the Office of the District Attorney (the "District Attorney"), a municipal entity, and Albany Housing Authority (the "Authority"), a public housing authority, as they relate to the proposed fit up of commercial space (the "Project"), located at 155 Clinton Avenue in Albany, New York. This agreement will commence on the date of execution by both parties and shall remain in effect until such time as a sublease is signed; or until such time as one party gives a 60 day advance written notice to the other party that the terms of this agreement are no longer acceptable.

WHEREAS, the District Attorney currently operates a successful program at 289-a Clinton Avenue called the Community Prosecution Initiative, a proactive problem solving approach to addressing quality of life crimes that have proven resistant to conventional responses. In order to continue implementing this initiative, it is imperative that the District Attorney improve the quality of its program offices and its presence in the Arbor Hill community. In 2003, 155 Clinton Avenue, at the intersection of North Swan Street, was an abandoned building foreclosed by the County of Albany. The District Attorney identified the commercial storefront of 155 Clinton Avenue as an ideal location for the Community Prosecution Initiative and where it would most effectively advance the objectives of the neighborhood revitalization Plan.

WHEREAS, the Authority has been instrumental in creating and implementing the Arbor Hill Neighborhood Plan of June, 2003, a comprehensive revitalization plan that identifies four areas of focus: housing; economic development; arts, culture and heritage; and quality of life. The Authority has used housing as a vehicle to advance each of the Plan's areas of focus. To date, the Authority has developed 77 units of affordable rental housing and seven commercial spaces, an effort which has been aided by the transfer of numerous foreclosed vacant lots and buildings by the County of Albany.

WHEREAS, the District Attorney and the Authority have expressed interest in collaborating in order to assist each other in the attainment of their respective goals and those of the Arbor Hill Neighborhood Plan. Toward that end, the District Attorney arranged, through County of Albany Resolution No. 160 for year 2006, for 155 Clinton Avenue to be transferred to the City of Albany Community Development Agency, which then transferred the property to the Authority for the purpose of rehabilitating it as affordable housing and commercial space for the Community Prosecution Initiative, the "Project".

WHEREAS, the Project is part of a Development consisting of 23 affordable residential rental units and seven commercial spaces known as Arbor Hill Homes, Phase 3B. The Development is funded by mixed-finance sources, including Low-Income Housing Tax Credits, and owned by Swan Stet Homes Mixed-Use, LLC, in which a wholly owned affiliate of the Authority is Managing Member. The Authority has entered into a Master Lease with the ownership entity for the seven commercial spaces, which are considered a "Community Service Facility" pursuant to §42(d)(4)(C)(iii) of the Internal Revenue Code of 1986 (the "Code"). Under the Master Lease, the Authority is permitted to sublet the Community Service Facility for uses compliant with the Code. Generally, compliance with the Code means such uses shall improve the quality of life of and are affordable to the residents of the Development and those in the surrounding community.

155 Clinton Avenue Commercial Space

Memorandum of Understanding

NOW, THEREFORE, the District Attorney and the Authority hereby enter into this agreement for the development and operation of the Project:

1. Good Faith – The District Attorney and the Authority shall continue to work diligently to accomplish the tasks and objectives set forth herein.
2. Funding and Fit Up – The District Attorney shall provide \$40,000 to the Authority for the purpose of hiring an architect and a general contractor to complete construction documents and to fit up approximately 1,500 square feet of commercial space on the first floor of 155 Clinton Avenue. The space shall be finished to move-in condition, meaning that it will have essential finish surfaces, fixtures and equipment of good quality for basic office use. The fit-up plan is attached hereto and made a part hereof as Exhibit "A".
3. Sublease – Upon completion of fit-up, the District Attorney and the Authority will enter into a sublease subject to provisions contained in the Master Lease.

In Witness Whereof, the parties hereby execute this Memorandum of Understanding.

COUNTY OF ALBANY

Michael Perrin

By: Hon. Michael G. Breslin
Michael Perrin

County Executive
Title: Deputy County Executive

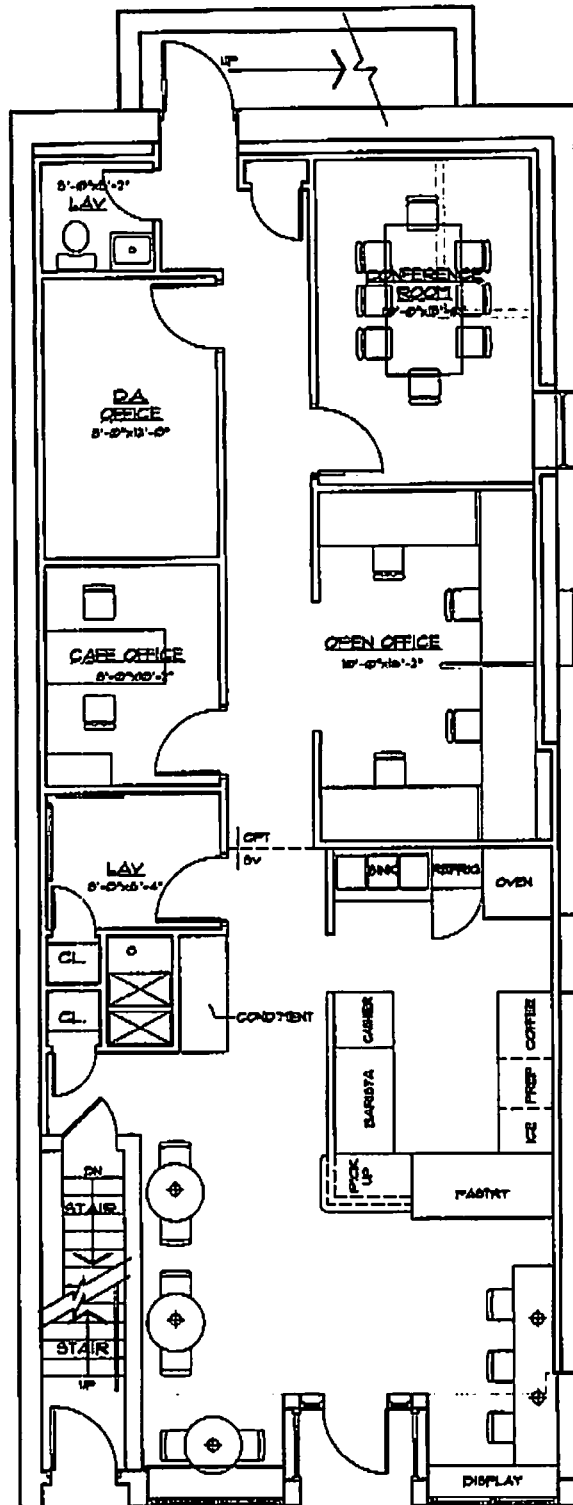
Date: May 26, 2009

ALBANY HOUSING AUTHORITY

By: Stewart Longo
Title: EXEC. DIR.

Date: 5/19/09

EXHIBIT A



FIRST FLOOR PLAN

SCALE: 3/16" = 1'-0"

A1



HARRIS A. SANDERS
ARCHITECTS, P.C.
100 WASHINGTON AVENUE, ALBANY, NEW YORK 12210

ARBOR HILL - PHASE III
100 CLINTON STREET
ALBANY, NEW YORK

FIRST FLOOR PLAN

DATE
DRAWN BY
CHECKED BY
SCALE AS NOTED