

MINUTES OF THE ANNUAL MEETING OF THE FAIRFAX COUNTY
REDEVELOPMENT AND HOUSING AUTHORITY

July 27, 2006

On July 27, 2006, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in the FCRHA Board Room, One University Plaza, 4500 University Drive, Fairfax, Virginia.

PRESENTATION

At 6:45 p.m., the Chair introduced Mr. Alan Goldstein, Senior Project Manager, AHC, Inc. Mr. Goldstein gave a brief presentation on Sunset Park Apartments, after which he responded to questions from the Commissioners. Mr. Joe Weatherly, Project Manager, AHC, gave an update on Hollybrooke II. After responding to questions from the Commissioners, the presentation ended at 7:10 p.m.

The following Commissioners were present for a portion or all of the presentation: Conrad Egan, Ronald Christian, Martin Dunn, H. Charlen Kyle, John Litzenberger, Albert McAloon, and Lee Rau.

CALL TO ORDER

FCRHA Chair Conrad Egan called the annual meeting of the FCRHA to order at 7:12 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Conrad Egan
Ronald Christian
Martin Dunn
H. Charlen Kyle
John Litzenberger
Al McAloon
Lee A Rau

ABSENT

Willard Jasper
John Kershenstein
Elisabeth Lardner
Joan Sellers

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Paula C. Sampson, Director; Mary A. Stevens, Deputy Director; Harry Swanson, Deputy Director of Revitalization and Real Estate; Patricia Schlener, Director of Administration; Carol Erhard, Director of Housing Management; Tom Fleetwood, Strategic Planner; Kristina Norvell, Director, HCD Office of Public Affairs; Curtis Hall, Director, Information Systems and Services; Cynthia Ianni, Director, Design, Development and Construction (DD&C) Division; Steve Solomon, Director, Financial Management Division (FMD); Aseem Nigam, Director, Real Estate Finance and Grants Management Division (REFGM); Louise Milder, Associate Director, REFGM; Molly Norris, Senior Loan Officer, REFGM; James Speight, Director, Property Improvement and Maintenance Division; Barbara Silberzahn, Chief, Homeownership and Relocation Services; and Winifred A. Clement, FCRHA Assistant. Other Fairfax County staff in attendance: David Stroh, Assistant County Attorney and FCRHA Counsel.

Without objection, the Chairman modified the agenda to consider Resolution Number 60-06 and 61-06 ahead of the others.

ACTION ITEM

3. RESOLUTION NUMBER 60-06

AUTHORIZATION, SUBJECT TO APPROVAL OF THE BOARD OF SUPERVISORS, TO REALLOCATE AND AUTHORIZE DISBURSEMENT OF UP TO \$40,000 IN TIER ONE PREDEVELOPMENT FUNDS AND UP TO \$35,000 IN TIER TWO PREDEVELOPMENT FUNDS FROM THE AFFORDABLE HOUSING PARTNERSHIP PROGRAM FUND OF THE HOUSING TRUST FUND; APPROVAL OF THE FINANCING PLAN INCLUDING MAKING A LOAN OF UP TO \$3,200,000 FOR THE ACQUISITION AND REHABILITATION OF 50 UNITS AT THE HOLLYBROOKE III CONDOMINIUMS BY AHC LIMITED PARTNERSHIP – 16 (MASON DISTRICT)

WHEREAS, AHC Limited Partnership - 16 submitted a request for financing from the Affordable Housing Partnership Program (AHPP) as a source of financing for the acquisition and rehabilitation of 50 condominium units at Hollybrooke III; and

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) wishes to assist AHC Limited Partnership - 16 acquire 50 condominium units at Hollybrooke III in order to preserve affordable rental housing in Fairfax County;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA, subject to approval by the Board of Supervisors, hereby authorizes:

- 1) The making of the following loans as more particularly described in the item presented to the FCRHA at its July 27, 2006 meeting:
 - a) in the amount of \$40,000 in AHPP Tier 1 Predevelopment Funds to AHC Limited Partnership – 16
 - b) in the amount \$35,000 in AHPP Tier 2 Predevelopment Funds to AHC Limited Partnership – 16
 - c) in an amount not to exceed \$3,200,000 in AHPP Tier 3 Funds to AHC Limited Partnership – 16
- 2) The reallocation and disbursement of the
 - a) \$40,000 in Tier 1 Predevelopment Funds to AHC Limited Partnership - 16 from Fund 144, Housing Trust Fund; and
 - b) \$35,000 in Tier 2 Predevelopment funds to AHC Limited Partnership - 16, from Fund 144, Housing Trust Fund; and

- 3) The reallocation of Tier 3 funds as follows:
 - a) the reallocation of \$1,000,000 from Fund 319, The Penny for Affordable Housing Fund for the purpose of acquiring and rehabilitation 50 condominium units at Hollybrooke III; and
 - b) the reallocation of \$600,000 from Fund 142, Community Development Block Grants for the purpose of acquiring and rehabilitation of 50 condominium units at Hollybrooke III; and
 - c) the reallocation of up to \$1,600,000 for the partial redemption of bonds of 50 condominium units at Hollybrooke III as follows: Funds may be reallocated from Fiscal Years 2008, subject to annual appropriations, and may be funded from One Penny for Housing, Housing Trust Fund, CDBG, and HOME; and
- 4) Paula C. Sampson, Assistant Secretary, to negotiate all loan terms on behalf of the FCRHA and authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute all documents, agreements, and instruments necessary or appropriate in connection with the making of the three loans described above to the AHC Limited Partnership – 16 for the acquisition and rehabilitation of 50 condominium units at Hollybrooke III.

RESOLUTION NUMBER 61-06

AUTHORIZATION FOR SUBMISSION TO THE BOARD OF SUPERVISORS
OF A PROPOSAL FOR TAX-EXEMPT FINANCING IN CONNECTION WITH THE
ISSUANCE AND SALE OF BONDS FOR THE ACQUISITION AND REHABILITATION OF 50
CONDOMINIUM UNITS AT THE HOLLYBROOKE III PROJECT BY AHC LIMITED
PARTNERSHIP - 16 AND AUTHORIZATION TO HOLD A TAX EQUITY AND FISCAL
RESPONSIBILITY ACT (TEFRA) HEARING (MASON DISTRICT)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, *Code of Virginia*, 1950, as amended (the "Act"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, pursuant to and in accordance with the Act, the Authority desires to issue and sell its Multifamily Housing Revenue Bonds (Hollybrooke III Project) Series 2006 in the aggregate principal amount not to exceed \$6,500,000 (the "Bonds"); of tax-exempt bonds and

WHEREAS, the proceeds of the Bonds will be used in part to provide financing for the acquisition and rehabilitation of 50 condominium units in the multifamily housing project known as Hollybrooke III (the "Project"), located in Fairfax County, on Patrick Henry Drive between Arlington Boulevard and Leesburg Pike, Falls Church, Virginia; and

WHEREAS, the Project will be owned by AHC Limited Partnership - 16 for with Hollybrooke III Housing Corporation, an affiliate of AHC Inc. will be the general partner; and

WHEREAS, the Bonds are and will be limited obligations, payable from the revenues pledged thereto pursuant to the Trust Indenture pursuant to which the Bonds will be issued; and as required by the Act, the Bonds shall not be a debt of Fairfax County, Virginia, the Commonwealth of Virginia or any political subdivision thereof (other than the Authority) and neither Fairfax County, Virginia, nor the Commonwealth of Virginia or any political subdivision thereof (other than the Authority) will be liable thereon, nor in any event shall the Bonds be payable out of any funds other than those received by the Authority from the Project, and the Bonds shall not constitute an indebtedness by the Authority within the meaning of any constitutional or statutory debt limitation or restriction; and

WHEREAS, Paula C. Sampson as Assistance Secretary on behalf of the Authority executed a Declaration of Intent on July 13, 2006, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$6,500,000 of tax-exempt multifamily housing revenue bonds.

WHEREAS, pursuant to the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA"), the Authority is required to hold a public hearing ("TEFRA Hearing") in connection with the issuance of the Bonds; and

WHEREAS, the Authority will hold a TEFRA Hearing on September 21, 2006; and

WHEREAS, for the purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed bond issue must be approved by the Fairfax County Board of Supervisors.

NOW, THEREFORE, BE IT RESOLVED, that Authority authorizes submission to the Fairfax County Board of Supervisors for approval of the proposed bond issue for the purpose of acquisition and rehabilitation of the Project as outlined in the item presented to the FCRHA at its meeting on July 27, 2006.

A motion was made by Commissioner Dunn, seconded by Commissioner Christian, that the FCRHA adopt Resolutions 60-06 and 61-06 jointly. A vote was taken, and the motion carried unanimously.

Chairman Egan thanked AHC for the projects and congratulated them for their upcoming 30th anniversary. Mr. Walter Webdale, AHC Executive Director, announced that Susan Retz, Senior Design and Construction Manager, HCD, will be one of five persons being recognized for her contribution to affordable housing in Arlington County during the anniversary celebration.

PUBLIC HEARING

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Concerning Issuance of Multifamily Housing Revenue Bonds (Cedar Ridge Project) Series 2006.

The Chairman open the TEFRA hearing was open at 7:14 p.m. With no one registered and no one in the audience wishing to speak, the hearing closed at 7:15 p.m.

ELECTION OF OFFICERS

Commissioner Egan turned the gavel over to the Vice Chairman, Commissioner Christian, to chair the meeting since he (Commissioner Egan) was a candidate for election. Nominations were opened for Chairman of the FCRHA at 7:16 p.m.

A motion was made by Commissioner Litzenberger, seconded by Commissioner Rau, to nominate Conrad Egan for Chairman of the FCRHA. A motion was made by Commissioner McAloon, seconded by Commissioner Dunn, to close the nominations. A vote was taken on the motion to close the nominations, and the motion carried unanimously. A vote on the nomination to elect Conrad Egan as Chair of the FCRHA was taken by roll call as follows.

AYE

Conrad Egan
Ronald Christian
Martin Dunn
John Litzenberger
Charlen Kyle
Albert McAloon
Lee Rau

NAY

ABSTAIN

The motion carried and Commissioner Egan was re-elected as Chair of the FCRHA. The Chair thanked his colleagues for their support and said he looked forward to working with them for another year.

Commissioner Christian returned the gavel to Chairman Egan and congratulated him for his re-election as Chair.

Nominations were opened for Vice Chair. A motion was made by Commissioner Rau, seconded by Commissioner McAloon, nominating Commissioner Christian as Vice-Chair of the FCRHA. A motion was made by Commissioner Dunn, seconded by Commissioner McAloon, to close the election for Vice Chair of the FCRHA. The motion carried unanimously. A vote on the nomination to elect Ronald Christian as Chair of the FCRHA was taken by roll call as follows.

AYE

Conrad Egan
Ronald Christian
Martin Dunn
John Litzenberger
Charlen Kyle
Albert McAloon
Lee Rau

NAY

ABSTAIN

The motion carried unanimously, and Commissioner Christian was re-elected Vice Chair of the FCRHA. The Vice Chair thanked his fellow Commissioners for the support and for reelecting him to another term.

The elections closed at 7:20 p.m.

CITIZEN TIME

The FCRHA Chair opened Citizen Time at 7:22 p.m., with a testimony from Mary Ann Beall, Chairman of the Fairfax-Falls Church Community Services Board. In her testimony, Ms. Beall addressed the housing needs for people with disabilities, including the long wait for affordable housing. She encouraged the FCRHA to buy ADUS and to set aside a certain percentage for persons with disabilities. She expressed concern over future ADUs being designated for County employees only when there are pressing needs for housing among persons with disabilities. Ms. Beall proceeded to talk about changes in the priority at Audubon, which she said has raised fears in the disabled about the loss of units available to them.

After the presentation, Ms. Beall responded to questions from the Commissioners. HCD Director Paula Sampson and other HCD staff addressed Ms. Beall's concerns regarding proposed plans for the Audubon public housing project.

The Citizen Time remained open as the FCRHA awaited the arrival of Ms. Pamela Barrett, from the Disabilities Services Board, who had signed up to speak.

Without objection, the Chair modified the agenda to consider Resolution Number 62-06 ahead of the other items as the Resolution addresses some of the concerns expressed in Ms. Beall's testimony.

ACTION ITEM Cont'd

4.

RESOLUTION NUMBER 62-06

AUTHORIZATION TO REVISE THE PUBLIC HOUSING ADMISSIONS AND OCCUPANCY POLICY AND THE HOUSING CHOICE VOUCHER ADMINISTRATIVE PLAN AND FUNDING APPROVAL ASSOCIATED WITH PLANNED IMPROVEMENTS TO THE AUDUBON PUBLIC HOUSING DEVELOPMENT (LEE DISTRICT)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the revision of the Public Housing Admissions and Occupancy Policy and the Housing Choice Voucher Administrative Plan associated with planned improvements to the Audubon Public Housing Development as presented to the FCRHA at its meeting on July 27, 2006; and

BE IT FURTHER RESOLVED that the FCRHA authorizes funding for relocation assistance to seniors who voluntarily move and for support of an on-site residential support position, to be jointly funded with the Fairfax-Falls Church Community Services Board (CSB) as outlined in the item presented to the FCRHA at its meeting on July 27, 2006.

A motion was made by Commissioner McAloon, seconded by Commissioner Dunn, that the FCRHA adopt Resolution Number 62-06. A brief presentation was given by Michael Wever, Associate Director of Rental Services, Office of Housing Management. After the presentation, Mr. Wever responded to questions from the Commissioners. Commissioner McAloon encouraged staff to address and alleviate the concerns of the CSB and to make periodic reports on this project to the FCRHA.

A vote was taken after discussion, and the motion carried unanimously.

CITIZEN TIME RESUMES

Ms. Pamela Barrett, Chair of the Housing Subcommittee of the Fairfax Area Disability Services Board, arrived at 7:45 p.m. and began her testimony. Ms. Barrett extended thanks and appreciation to the FCRHA for their good work in creating affordable housing for citizens for Fairfax County. Referring to the Magnet Housing Program, Ms. Barrett suggested that priority, especially with respect to ADU purchase, not be given to any specific group over another, as this will reduce the number of available housing for people with disabilities. Ms. Barrett requested that the universal design be incorporated in new construction to avoid retrofitting.

After further discussion, Ms. Barrett responded to questions from the Commissioners. The Chair and other Commissioners thanked Ms. Barrett for her testimony and closed Citizen Time at 8:02 p.m.

APPROVAL OF MINUTES - JUNE 6 AND JUNE 15, 2006 MEETINGS

A motion was made by Commissioner Christian, seconded by Commissioner Kyle, that the FCRHA approve jointly, the Minutes of the June 6 and 15 meetings, as written. Commissioner Litzenberger requested that the June 15 minutes be corrected to reflect that he proposed that Resolution Number 50-06 be amended to include the following: "This option will be exercised when there are no qualified individuals on the ADU waiting lists or those qualified individuals on the ADU waiting list have declined the option to purchase the property." A vote was taken; the motion carried, and the minutes were approved as amended.

ACTION ITEMS

1. RESOLUTION NUMBER 58-06

ADOPTION OF REVISED MODERATE INCOME DEFINITION POLICY FOR RENTAL HOUSING OWNED OR OPERATED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (FCRHA) AND AMENDMENTS TO THE FISCAL YEAR 2007 FCRHA STRATEGIC ACTION PLAN INCORPORATING THE UPDATED MODERATE INCOME DEFINITION POLICY

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) owns and operates "residential buildings" within the meaning of Section 36-47 of the Code of Virginia as rental housing; and

WHEREAS, Section 36-47 of the Code of Virginia requires residential buildings owned and/or operated by the FCRHA to be occupied solely by "persons and families of low and moderate income" as determined by the FCRHA using the criteria set forth in definition of "persons and families of low and moderate income" in Section 36-55.26 of the Code of Virginia; and

WHEREAS, the Code of Virginia, in Section 36-55.26 defines "persons and families of low and moderate income" as persons requiring assistance because of insufficient income and taking into account factors such as: (i) the amount of the total income of such persons and families available for housing needs; (ii) the size of the family; (iii) the cost and condition of housing facilities available; (iv) the ability of such persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and (v) if appropriate, standards established for various federal programs determining eligibility based on income of such persons and families"; and

WHEREAS, the Fairfax County Department of Housing and Community Development (HCD) retained the consulting services of the George Mason University Center for Regional Analysis (GMU-CRA) to provide a thorough, data-based analysis of market conditions over time for use by the FCRHA in its consideration of an appropriate definition of

“moderate income” for persons and families in Fairfax County based on the requirements of Section 36-55.26 of the Code of Virginia; and

WHEREAS, in view of information provided by the GMU-CRA report and considering each of the factors set forth above, the FCRHA considers that 100 percent of the area median income is an appropriate standard to meet the current needs of the workforce in the rental housing market.

NOW THEREFORE, BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby determines and adopts:

1. A revised definition of “moderate income” to include persons and families having income above 60 percent of the Area Median Income and up to and including 100 percent of the Area Median Income, as published annually as the median income of the Washington-Arlington-Alexandria, DC-VA-MD HMFA (HUD Fair Market Rent Area) by the United States Department of Housing and Urban Development, and as adjusted for family size, as the FCRHA policy for FCRHA residential buildings owned and/or operated as rental properties in accordance with the amendments to the Fiscal Year 2007 Strategic Action Plan being adopted herewith below; and
2. The amendments to the Fiscal Year 2007 Strategic Action Plan incorporating the above updated moderate income definition policy attached as Attachment 3 to the item presented to the FCRHA at its July 27, 2006 meeting.

A motion was made by Commissioner McAloon, seconded by Commissioner Rau, that the FCRHA adopt Resolution Number 58-06. HCD Director Paula Sampson gave a brief presentation on Resolution 58-06 and explained why a change is being considered in the policy. After the presentation, Ms. Sampson responded to questions from the Commissioners.

At this juncture, the Chair introduced Professor John McClain, Consultant for Regional Analysis, George Mason University, who followed up with a presentation on the rationale for a change and expansion in the definition of “moderate income.”

Responding to Commissioner McAloon’s question regarding factors and demands which have contributed to the rise in the housing cost, Mr. McClain mentioned, three key factors, 1) low mortgage/interest rates, resulting in increase in demand; 2) the region’s economy; and 3) collective policies of local government regarding housing – fewer units are being built. Mr. McClain recommended that the FCRHA revisit the issue again in future years.

Commissioner Litzenberger stated that he and Commissioner Kershenstein share the view that one of the reasons for the increase in housing cost in Fairfax County is because of the high tax rates, which have increased by 185% between 1999 and 2004. He also noted that

although homes in other jurisdictions may cost a little higher than Fairfax County, those jurisdictions do not have the increased tax rates as Fairfax County does.

After further discussion, Mr. McClain responded to other questions from the Commissioners. A motion was made by Commissioner Litzenberger, seconded by Commissioner Rau, to adopt Resolution Number 58-08 as follows:

RESOLUTION NUMBER 58-06, As Amended

ADOPTION OF REVISED MODERATE INCOME DEFINITION POLICY FOR RENTAL HOUSING OWNED OR OPERATED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY AND AMENDMENTS TO THE FISCAL YEAR 2007 FCRHA STRATEGIC ACTION PLAN INCORPORATING THE UPDATED MODERATE INCOME DEFINITION POLICY

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) owns and operates "residential buildings" within the meaning of Section 36-47 of the Code of Virginia as rental housing; and

WHEREAS, Section 36-47 of the Code of Virginia requires residential buildings owned and/or operated by the FCRHA to be occupied solely by "persons and families of low and moderate income" as determined by the FCRHA using the criteria set forth in definition of "persons and families of low and moderate income" in Section 36-55.26 of the Code of Virginia; and

WHEREAS, the Code of Virginia, in Section 36-55.26 defines "persons and families of low and moderate income" as persons requiring assistance because of insufficient income and taking into account factors such as: (i) the amount of the total income of such persons and families available for housing needs; (ii) the size of the family; (iii) the cost and condition of housing facilities available; (iv) the ability of such persons and families to compete successfully in the normal private housing market and to pay the amounts at which private enterprise is providing sanitary, decent and safe housing; and (v) if appropriate, standards established for various federal programs determining eligibility based on income of such persons and families"; and

WHEREAS, the Fairfax County Department of Housing and Community Development (HCD) retained the consulting services of the George Mason University Center for Regional Analysis (GMU-CRA) to provide a thorough, data-based analysis of market conditions over time for use by the FCRHA in its consideration of an appropriate definition of "moderate income" for persons and families in Fairfax County based on the requirements of Section 36-55.26 of the Code of Virginia; and

WHEREAS, in view of information provided by the GMU-CRA report and considering each of the factors set forth above, the FCRHA considers that 100 percent of the

area median income is an appropriate standard to meet the current needs of the workforce in the rental housing market.

NOW THEREFORE, BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby determines and adopts:

1. A revised definition of "moderate income" to include persons and families having income above 60 percent of the Area Median Income and up to and including 100 percent of the Area Median Income, as published annually as the median income of the Washington-Arlington-Alexandria, DC-VA-MD HMFA (HUD Fair Market Rent Area) by the United States Department of Housing and Urban Development, and as adjusted for family size, as the FCRHA policy for FCRHA residential buildings owned and/or operated as rental properties. Selected programs and properties may use a standard of up to 100 percent of the Area Median Income on a case-by-case basis with the approval of the FCRHA.
2. The amendments to the Fiscal Year 2007 Strategic Action Plan incorporating the above updated moderate income definition policy attached as Attachment 3 to the item presented to the FCRHA at its July 27, 2006 meeting.

After further discussion, a vote was taken by roll call on Resolution Number 58-06, as amended, as follows:

AYE

Conrad Egan
Ronald Christian
Martin Dunn
H. Charlen Kyle
John Litzenberger
Al McAloon
Lee A Rau

NAY

ABSTAIN

The motion to adopt Resolution Number 58-06, as amended, carried unanimously.

Commissioner Litzenberger read a verbatim text of an e-mail from Kershenstein and requested that it be included in the record. The text is included herewith as Attachment 2.

2. RESOLUTION NUMBER 59-06

APPROVAL OF ADMISSIONS AND OCCUPANCY GUIDELINES
AT CRESCENT APARTMENTS (HUNTER MILL DISTRICT)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (“FCRHA”) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, Code of Virginia, 1950, as amended (the “Act”), and is authorized thereby to acquire, lease and operate “residential buildings,” within the meaning of the Act, to further FCRHA’s goal of preserving existing affordable housing in Fairfax County; and

WHEREAS, the FCRHA, under a ground lease agreement with the Board of Supervisors, operates the Crescent Apartments as a “residential building” after the purchase thereof; and

WHEREAS, the Act defines “residential building” to be a multifamily residential property in which no less than 20% of the units will be occupied by persons and families of low income and the remainder therein by persons and families of moderate income, both as determined by FCRHA using the criteria set forth in the definition of “persons and families of low and moderate income” in Section 36-55.26, being part of the Virginia Housing Development Authority Act, Title 36, Chapter 1.2, Code of Virginia, 1950, as amended (the “§36-55.26 criteria”); and

WHEREAS, at its meeting on July 27, 2006, the FCRHA adopted as its revised definition of moderate income, as follows: persons and families with household incomes at or below 100% of Area Median Income (AMI), as published annually by the U.S. Department of Housing and Urban Development (HUD), adjusted for family size;

NOW THEREFORE, BE IT RESOLVED THAT the FCRHA hereby approves the Admissions and Occupancy Guidelines for the Crescent Apartments as follows: (1) 20% of the units would be rented to low income persons and families with household incomes at or below 60% of Area Median Income (AMI), as published annually by the United States Department of Housing and Urban Development, adjusted for family size; and (2) 80% of the units would be rented to moderate income persons and families with household incomes at or below 100% of AMI, adjusted for family size; and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes payment of appropriate relocation benefits from funds available within property operations to qualified over-income households as outlined in the item presented to the FCRHA at its meeting on July 27, 2006.

A motion was made by Commissioner Rau, seconded by Commissioner Dunn, that the FCRHA adopt Resolution Number 59-06. A vote was taken, and the motion carried unanimously.

5. RESOLUTION NUMBER 63-06

AUTHORIZATION TO EXECUTE AN AMENDMENT TO THE LOAN DOCUMENTS
EXTENDING THE TERM OF THE LOAN WITH THE VIRGINIA HOUSING DEVELOPMENT
AUTHORITY (VHDA) FOR SOJOURN HOUSE
(SPRINGFIELD DISTRICT)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) is the owner of Sojourn House located at 5120 First Road, Fairfax, Virginia; and

WHEREAS, Virginia Housing Development Authority (VHDA) made a loan to the FCRHA to purchase Sojourn House (formerly known as First Stop Group Home) on February 23, 1995; and

WHEREAS, the loan documents provided for an amortization term of 30 years and required a balloon payment of the outstanding balance of the loan and any accrued interest on the Maturity Date of March 1, 2005; and

WHEREAS, the FCRHA desires to extend the term of the loan; and

WHEREAS, VHDA has submitted a Commitment Letter to the FCRHA with the terms and conditions as described in the item presented to the FCRHA at its July 27, 2006 meeting; and

WHEREAS, VHDA is willing to execute an amendment to the loan documents with the FCRHA extending the loan so that it fully amortizes within 30 years from the date of the Note, and the FCRHA desires to execute the amendment documents.

NOW, THEREFORE, BE IT RESOLVED, that the FCRHA hereby directs and authorizes any of the Chairman, Vice Chairman or any Assistant Secretary to execute the amendment documents to the VHDA Loan described in the item presented to the FCRHA at its July 27, 2006 meeting and any other necessary or appropriate related documents and certificates.

A motion was made by Commissioner Dunn, seconded by Commissioner Christian that the FCRHA adopt Resolution Number 63-06. A vote was taken after discussion, and the motion carried unanimously.

6. RESOLUTION NUMBER 64-06

AUTHORIZATION FOR THE DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT TO: (1) REVISE THE FINANCING PLAN TO CONFORM TO CREDIT ENHANCEMENT REQUIREMENTS IN CONNECTION WITH THE ISSUANCE OF BONDS FOR THE ACQUISITION AND REHABILITATION OF THE CEDAR RIDGE APARTMENTS, (2) EXPEND UP TO \$200,000 FROM FUND 946, REVOLVING DEVELOPMENT FUND, AND (3) ENTER INTO A PURCHASE AND SALE AGREEMENT WITH FCRHA CEDAR RIDGE LLC FOR THE ACQUISITION AND REHABILITATION OF THE CEDAR RIDGE APARTMENTS (HUNTER MILL DISTRICT)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the Authority) is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, *Code of Virginia*, 1950, as amended (the "Act"), and is authorized thereby to issue its notes and bonds from time to time to fulfill its public purposes within the meaning of the Act; and

WHEREAS, pursuant to and in accordance with the Act, the Authority desires to issue and sell its Multifamily Housing Revenue Bonds (Cedar Ridge Project) Series 2006 in the aggregate principal amount not to exceed \$13.5 million (the "Bonds") consisting of tax-exempt and/or taxable bonds; and

WHEREAS, the proceeds of the Bonds will be used to provide funding for the acquisition and rehabilitation by FCRHA Cedar Ridge LLC of a 198-unit multifamily rental project-based Section 8 project known as Cedar Ridge (the "Project") located in Reston, Virginia; and

WHEREAS, Paula C. Sampson as Assistant Secretary on behalf of the Authority, executed a Declaration of Intent dated June 6, 2006, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$13,500,000; consisting of \$13,100,000 of tax-exempt multifamily housing revenue bonds and \$400,000 of taxable multifamily housing revenue bonds; and

WHEREAS, the Authority desires a AAA rating on the Bonds through credit enhancement, which will require the pay off of the existing HUD 221(d)(3) mortgage that is currently in first lien position.

NOW, THEREFORE, BE IT RESOLVED, that the Authority authorizes the revision of the financing plan for the acquisition and rehabilitation of the Project to conform to credit enhancement requirements on the new bond issue, as outlined in the item presented to the Authority at its meeting on July 27, 2006.

BE IT FURTHER RESOLVED that the Authority authorizes expenditures of up to \$200,000 from Fund 946, Revolving Development Fund for architectural and engineering services and third-party reports for project underwriting.

BE IT FURTHER RESOLVED that the Authority authorizes the execution and delivery of the Purchase and Sale Agreement between the Authority and FCRHA Cedar Ridge LLC on behalf of the Authority by the Chairman, the Vice Chairman, the Secretary, or any Assistant Secretary in a form approved by Bond Counsel to the Authority.

No stipulation, obligation or agreement herein contained or contained in the Purchase and Sale Agreement executed on behalf of the Authority shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on account of the execution and delivery thereof.

A motion was made by Commissioner Rau, seconded by Commissioner Litzenberger, that the FCRHA adopt Resolution Number 64-06. A vote was taken, and the motion carried unanimously.

7. RESOLUTION NUMBER 65-06

ISSUANCE OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
REVENUE BONDS (BRADDOCK GLEN ADULT DAY HEALTH CARE CENTER AND
SOUTHGATE NEIGHBORHOOD COMMUNITY CENTER) SERIES 2006
(BRADDOCK AND HUNTER MILL DISTRICTS)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,700,000 OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY REVENUE BONDS (BRADDOCK GLEN ADULT DAY HEALTH CARE CENTER AND SOUTHGATE NEIGHBORHOOD COMMUNITY CENTER) SERIES 2006; DESIGNATING THE BONDS AS LIMITED OBLIGATIONS OF THE AUTHORITY; APPROVING AND AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST AGREEMENT, SUPPLEMENTAL TRUST AGREEMENT, OFFICIAL STATEMENT, AND PAYMENT AGREEMENT, IN SUBSTANTIALLY THE FORM MADE AVAILABLE FOR REVIEW, AND A TAX CERTIFICATE, AND OTHER DOCUMENTS RELATED TO THE ISSUANCE AND SALE OF THE BONDS OR USE OF THE FACILITIES BEING FINANCED WITH THE BONDS; REQUESTING AUTHENTICATION OF THE BONDS; APPOINTING THE TRUSTEE, BOND COUNSEL AND ISSUER COUNSEL; AND AUTHORIZING PROPER OFFICERS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION HEREWITH

WHEREAS, the Fairfax County Redevelopment and Housing Authority ("FCRHA") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, Code of Virginia, 1950, as amended (the "Act"), and is authorized thereby to issue its bonds from time to time to construct,

remodel or renovate any public building or other facility provided the FCRHA is requested to do so by the Board of Supervisors of Fairfax County (the "County"); and

WHEREAS, the County has requested FCRHA to issue its bonds for the purpose of providing the permanent financing for a portion of the construction costs of a neighborhood community center known as the Southgate Neighborhood Community Center located in Reston, Virginia (the "Southgate Project") and an adult day health care center known as Braddock Glen Adult Day Health Care Center located in Fairfax, Virginia (the "Braddock Glen Project and together with the Southgate Project, the "Projects"); and

WHEREAS, the County pursuant to its request of FCRHA to provide financing for the Projects and related costs has offered to enter into a Payment Agreement dated as of August 1, 2006 by and between the County and FCRHA (the "Payment Agreement") to provide for payment of principal of and interest on bonds; and

WHEREAS, the FCRHA has determined to authorize and deliver a Trust Agreement, dated as of August 1, 2006 by and between FCRHA and a Trustee (the "Trust Agreement"), which Trust Agreement will provide for the issuance of bonds, the proceeds of which will finance the Projects; and

WHEREAS, the FCRHA has determined to authorize the execution and delivery of a first supplemental trust agreement (the "Supplemental Agreement"), dated as of August 1, 2006 by and between FCRHA and a Trustee, which Supplemental Agreement will provide for the issuance of a series of Bonds, to be designated "Fairfax County Redevelopment and Housing Authority Revenue Bonds (Braddock Glen Adult Day Health Care Center and Southgate Neighborhood Community Center) Series 2006" (the "Bonds"); and

WHEREAS, pursuant to and in accordance with the Act, FCRHA, desires to issue, sell, and deliver the Bonds in a principal amount not to exceed \$8,700,000, sufficient to provide for the permanent financing of a portion of the cost of construction for the Projects and related costs; and

WHEREAS, there has been prepared the proposed form of a Payment Agreement, pursuant to which the County will agree to make payments, to or for the account of FCRHA, in amounts sufficient for FCRHA to pay timely the interest on and the principal of the Bonds; and

WHEREAS, there has been presented to the FCRHA the official notice calling for bids for the purchase of the Bonds (the "Notice of Sale") and the summary thereof (the "Summary Notice of Sale") that will be published for such purpose; and

WHEREAS, there has been presented to the FCRHA the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"); and

WHEREAS, the County has advised FCRHA that the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time and make a continuing disclosure undertaking; and

WHEREAS, FCRHA has duly reviewed and considered the forms of the Trust Agreement, the Supplemental Agreement, the Payment Agreement, the Preliminary Official Statement and the Notice of Sale and has determined that each is in acceptable form; and

WHEREAS, Section 208 of the Trust Agreement contemplates that the FCRHA will fix in the Supplemental Agreement the aggregate principal amount of the Bonds, the maturity dates, the interest rates, the redemption provisions and other details and provide for the application of proceeds thereof; and

WHEREAS, the Commissioners of FCRHA (the "Commissioners") have determined that it is necessary to delegate to the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Commission and the County Executive, Chief Financial Officer or County Debt Manager of the County the power to approve the sale of the Bonds and the details of these transactions, subject to the guidelines and standards established hereby; now, therefore

BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY as follows:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** Pursuant to the request of the County, the Commissioners of FCRHA hereby authorize the issuance of the Bonds, to be designated Fairfax County Redevelopment and Housing Authority Revenue Bonds (Braddock Glen Adult Day Health Care Center and Southgate Neighborhood Community Center) Series 2006, in an aggregate principal amount of up to \$8,700,000, for the purpose of providing a portion of the financing for the cost of construction of the Projects and related costs, including underwriting and net bond discounts, closing costs, and issuance expenses, to be secured as provided in the Trust Agreement and the Supplemental Agreement. The Bonds shall be issued in authorized denominations as set forth in the Supplemental Agreement, numbered as the Trustee shall determine, and shall be fully registered without coupons. The Bonds shall be dated and shall bear interest at such fixed rates as set forth in the Supplemental Agreement and approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the FCRHA. The Bonds shall mature on such date or dates as provided in the Supplemental Agreement.

The Bonds may be issued in book-entry form, registered in the name of Cede & Co., as the nominee of the Depository Trust Company, New York, New York ("DTC"), so long as the principal of, and interest on, the Bonds shall be payable in accordance with the procedures

of DTC or any successor thereto. In the event that the Bonds are issued in certificate form, the principal of the Bonds shall be payable upon presentation thereof at the principal corporate trust office of the Trustee under the Indenture. The interest on the Bonds shall be paid by check or draft of the Trustee sent to the registered owners of the Bonds; provided, however, if requested in writing by the registered owner of at least \$1,000,000 in principal amount of the Bonds and if proper instructions are provided to the Trustee as required under the Indenture, the Trustee is hereby authorized to pay the interest on the Bonds by wire transfer to any such owner.

The Bonds shall be executed on behalf of FCRHA by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of the FCRHA, and the seal of the FCRHA shall be thereunto affixed (or imprinted or engraved if in facsimile) duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of FCRHA or any other person authorized to do same ("Authorized Representative").

The Bonds shall be in the form set forth in the final form of the Supplemental Agreement and shall be delivered thereafter to or for the account of the winning bidder at DTC upon receipt of the purchase price set forth in the Supplemental Agreement (the "Successful Bidder").

Section 3 **Sale of the Bonds.** The Chairman, Vice Chairman, Secretary or Assistant Secretary of FCRHA are further authorized, if the County Executive, the Chief Financial Officer of the County or the County Debt Manager and the County's Financial Advisor shall so recommend, to accept the lowest bid (determined in accordance with the Notice of Sale) for the Bonds, being offered by the FCRHA at competitive bidding, subject to the following conditions: (i) the person to whom the authority to accept the lowest bid has been delegated shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (ii) such person shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (iii) the Financial Advisors to the County shall have recommended that the lowest conforming bid be accepted, and (iv) the True or Canadian interest cost of such bid shall not exceed 6.5%.

Section 4. **Limited Obligation.** The Bonds shall be limited obligations of FCRHA, payable solely from such sources described in the Payment Agreement, Trust Agreement and Supplemental Agreement, including, without limitation, the payments received from the County pursuant to the Payment Agreement.

Section 5. **Trust Agreement.** The form of the Trust Agreement is approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Trust Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Trust Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Trust Agreement and to attest same.

Section 6. **Supplemental Agreement.** The form of the Supplemental Agreement is approved in the form made available at this meeting. The Supplemental Agreement shall be completed with the pricing and other transaction structuring information approved by the Chief Financial Officer of the County, the Director of the Department of Management and Budget of the County or the County Debt Manager and the Chairman or Vice Chairman of FCRHA based on the lowest conforming bid accepted. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Supplemental Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Supplemental Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Supplemental Agreement and to attest same.

Section 7. **Payment Agreement.** The form of the Payment Agreement is approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Payment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Payment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Payment Agreement and to attest same.

Section 8. **Notice of Sale.** The distribution of the Notice of Sale and the publication of the Summary Notice of Sale in The Bond Buyer, a financial journal published in New York, New York, and devoted primarily to municipal bids, are hereby authorized. Bids shall be received electronically via the PARITY Competitive Bidding System.

Section 9. **Preliminary Official Statement.** The form and distribution of the Preliminary Official Statement, is hereby approved and the Chairman, Vice Chairman, Secretary or an Assistant Secretary is hereby authorized to (i) approve the terms of and publish a Preliminary Official Statement describing the Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting and (ii) deem "final" such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Chairman or Vice Chairman of the FCRHA is hereby authorized to approve the terms of a final Official Statement relating to the Bonds (the "Official Statement"). The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement with such minor changes, insertions and omissions as may be approved by the Chief Financial Officer of the County, the Director of the Department of Management and Budget of the County or the County Debt Manager and the Chairman or Vice Chairman of FCRHA. The Chairman or the Vice Chairman of the FCRHA is hereby authorized and directed to execute and deliver the Official Statement to the successful bidders for their use in making a public offering of the Bonds upon the terms set forth in Notice of Sale.

Section 10. **Trustee.** The Bank of New York, is hereby appointed Trustee under the Trust Agreement. The Trust Agreement may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 11. **Bond Counsel.** Sidley Austin LLP, is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 12. **Issuer Counsel.** Ballard Spahr Andrews & Ingersoll, LLP, is hereby appointed Issuer Counsel in connection with the issuance and sale of the Bonds.

Section 13. **Tax Agreement.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA is hereby authorized and directed to execute and deliver on behalf of the Authority (i) the Tax Certificate prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of FCRHA and (ii) an Internal Revenue Service Form 8038-G relating to the Bonds prepared by Bond Counsel.

Section 14. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA or any other authorized representative of FCRHA is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments, including any agreements with respect to the use of the Projects, necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 15. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in this Resolution or the Bonds, or in any other agreement, certificate or document executed on behalf of FCRHA, shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of FCRHA in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 16. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of FCRHA that are in conformity with the purposes and intent of this Resolution are in all respects approved and confirmed.

Section 17. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 18. **Repealer; Effective Date.** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

A motion was made by Commissioner Christian, seconded by Commissioner Rau, that the FCRHA adopt Resolution Number 65-06.

Assistant County Attorney David Stroh requested that Resolution Number 65-05 be amended as follows:

RESOLUTION NUMBER 65-06, As Amended

ISSUANCE OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY
REVENUE BONDS (BRADDOCK GLEN ADULT DAY HEALTH CARE CENTER AND
SOUTHGATE NEIGHBORHOOD COMMUNITY CENTER) SERIES 2006
(BRADDOCK AND HUNTER MILL DISTRICTS)

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$8,700,000 OF FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY REVENUE BONDS (BRADDOCK GLEN ADULT DAY HEALTH CARE CENTER AND SOUTHGATE NEIGHBORHOOD COMMUNITY CENTER) SERIES 2006; DESIGNATING THE BONDS AS LIMITED OBLIGATIONS OF THE AUTHORITY; APPROVING AND AUTHORIZING THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF THE TRUST AGREEMENT, SUPPLEMENTAL TRUST AGREEMENT, OFFICIAL STATEMENT, AND PAYMENT AGREEMENT, IN SUBSTANTIALLY THE FORM MADE AVAILABLE FOR REVIEW, AND A TAX CERTIFICATE, AND OTHER DOCUMENTS RELATED TO THE ISSUANCE AND SALE OF THE BONDS OR USE OF THE FACILITIES BEING FINANCED WITH THE BONDS; REQUESTING AUTHENTICATION OF THE BONDS; APPOINTING THE TRUSTEE, BOND COUNSEL AND ISSUER COUNSEL; AND AUTHORIZING PROPER OFFICERS TO DO ALL OTHER THINGS DEEMED NECESSARY OR ADVISABLE IN CONNECTION HEREWITH.

WHEREAS, the Fairfax County Redevelopment and Housing Authority ("FCRHA") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Virginia Housing Authority Law, Title 36, Chapter 1, Code of Virginia, 1950, as amended (the "Act"), and is authorized thereby to issue its bonds from time to time to construct, remodel or renovate any public building or other facility provided the FCRHA is requested to do so by the Board of Supervisors of Fairfax County (the "County"); and

WHEREAS, the County has requested FCRHA to issue its bonds for the purpose of providing the permanent financing for a portion of the construction costs of a neighborhood community center known as the Southgate Neighborhood Community Center located in Reston, Virginia (the "Southgate Project") and an adult day health care center known as Braddock Glen Adult Day Health Care Center located in Fairfax, Virginia (the "Braddock Glen Project and together with the Southgate Project, the "Projects"); and

WHEREAS, the County pursuant to its request of FCRHA to provide financing for the Projects and related costs has offered to enter into a Payment Agreement dated as of

August 1, 2006 by and between the County and FCRHA (the "Payment Agreement") to provide for payment of principal of and interest on bonds; and

WHEREAS, the FCRHA has determined to authorize and deliver a Trust Agreement, dated as of August 1, 2006 by and between FCRHA and a Trustee (the "Trust Agreement"), which Trust Agreement will provide for the issuance of bonds, the proceeds of which will finance the Projects; and

WHEREAS, the FCRHA has determined to authorize the execution and delivery of a first supplemental trust agreement (the "Supplemental Agreement"), dated as of August 1, 2006 by and between FCRHA and a Trustee, which Supplemental Agreement will provide for the issuance of a series of Bonds, to be designated "Fairfax County Redevelopment and Housing Authority Revenue Bonds (Braddock Glen Adult Day Health Care Center and Southgate Neighborhood Community Center) Series 2006" (the "Bonds"); and

WHEREAS, pursuant to and in accordance with the Act, FCRHA, desires to issue, sell, and deliver the Bonds in a principal amount not to exceed \$8,700,000, sufficient to provide for the permanent financing of a portion of the cost of construction for the Projects and related costs; and

WHEREAS, there has been prepared the proposed form of a Payment Agreement, pursuant to which the County will agree to make payments, to or for the account of FCRHA, in amounts sufficient for FCRHA to pay timely the interest on and the principal of the Bonds; and

WHEREAS, there has been presented to the FCRHA the official notice calling for bids for the purchase of the Bonds (the "Notice of Sale") and the summary thereof (the "Summary Notice of Sale") that will be published for such purpose; and

WHEREAS, there has been presented to the FCRHA the Preliminary Official Statement relating to the Bonds (the "Preliminary Official Statement"); and

WHEREAS, the County has advised FCRHA that the County will undertake primary responsibility for any annual and other reports, notices or disclosures that may be required under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time and make a continuing disclosure undertaking; and

WHEREAS, FCRHA has duly reviewed and considered the forms of the Trust Agreement, the Supplemental Agreement, the Payment Agreement, the Preliminary Official Statement and the Notice of Sale and has determined that each is in acceptable form; and

WHEREAS, Section 208 of the Trust Agreement contemplates that the FCRHA will fix in the Supplemental Agreement the aggregate principal amount of the Bonds, the

maturity dates, the interest rates, the redemption provisions and other details and provide for the application of proceeds thereof; and

WHEREAS, the Commissioners of FCRHA (the "Commissioners") have determined that it is necessary to delegate to the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Commission and the County Executive, Chief Financial Officer or County Debt Manager of the County the power to approve the sale of the Bonds and the details of these transactions, subject to the guidelines and standards established hereby; now, therefore

BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY as follows:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** Pursuant to the request of the County, the Commissioners of FCRHA hereby authorize the issuance of the Bonds, to be designated Fairfax County Redevelopment and Housing Authority Revenue Bonds (Braddock Glen Adult Day Health Care Center and Southgate Neighborhood Community Center) Series 2006, in an aggregate principal amount of up to \$8,700,000, for the purpose of providing a portion of the financing for the cost of construction of the Projects and related costs, including underwriting and net bond discounts, closing costs, and issuance expenses, to be secured as provided in the Trust Agreement and the Supplemental Agreement. The Bonds shall be issued in authorized denominations as set forth in the Supplemental Agreement, numbered as the Trustee shall determine, and shall be fully registered without coupons. The Bonds shall be dated and shall bear interest at such fixed rates as set forth in the Supplemental Agreement and approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the FCRHA. The Bonds shall mature on such date or dates as provided in the Supplemental Agreement.

The Bonds may be issued in book-entry form, registered in the name of Cede & Co., as the nominee of the Depository Trust Company, New York, New York ("DTC"), so long as the principal of, and interest on, the Bonds shall be payable in accordance with the procedures of DTC or any successor thereto. In the event that the Bonds are issued in certificate form, the principal of the Bonds shall be payable upon presentation thereof at the principal corporate trust office of the Trustee under the Indenture. The interest on the Bonds shall be paid by check or draft of the Trustee sent to the registered owners of the Bonds; provided, however, if requested in writing by the registered owner of at least \$1,000,000 in principal amount of the Bonds and if proper instructions are provided to the Trustee as required under the Indenture, the Trustee is hereby authorized to pay the interest on the Bonds by wire transfer to any such owner.

The Bonds shall be executed on behalf of FCRHA by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of the FCRHA, and the seal of the FCRHA shall be thereunto affixed (or imprinted or engraved if in facsimile) duly attested by the

manual or facsimile signature of the Secretary or an Assistant Secretary of FCRHA or any other person authorized to do same ("Authorized Representative").

The Bonds shall be in the form set forth in the final form of the Supplemental Agreement and shall be delivered thereafter to or for the account of the winning bidder at DTC upon receipt of the purchase price set forth in the Supplemental Agreement (the "Successful Bidder").

Section 3 **Sale of the Bonds.** The Chairman, Vice Chairman, Secretary or Assistant Secretary of FCRHA are further authorized, if the County Executive, the Chief Financial Officer of the County or the County Debt Manager and the County's Financial Advisor shall so recommend, to accept the lowest bid (determined in accordance with the Notice of Sale) for the Bonds, being offered by the FCRHA at competitive bidding, subject to the following conditions: (i) the person to whom the authority to accept the lowest bid has been delegated shall have determined that the bid conforms in all material respects to the requirements of the Notice of Sale, (ii) such person shall have determined that the bid to be accepted is the lowest bid conforming to the terms of the Notice of Sale, (iii) the Financial Advisors to the County shall have recommended that the lowest conforming bid be accepted, and (iv) the True or Canadian interest cost of such bid shall not exceed 6.5%.

Section 4. **Limited Obligation.** The Bonds shall be limited obligations of FCRHA, payable solely from such sources described in the Payment Agreement, Trust Agreement and Supplemental Agreement, including, without limitation, the payments received from the County pursuant to the Payment Agreement.

Section 5. **Trust Agreement.** The form of the Trust Agreement is approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Trust Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Trust Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Trust Agreement and to attest same.

Section 6. **Supplemental Agreement.** The form of the Supplemental Agreement is approved in the form made available at this meeting. The Supplemental Agreement shall be completed with the pricing and other transaction structuring information approved by the Chief Financial Officer of the County, the Director of the Department of Management and Budget of the County or the County Debt Manager and the Chairman or Vice Chairman of FCRHA based on the lowest conforming bid accepted. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Supplemental Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Supplemental Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized

Representative, is hereby authorized and directed to affix the seal of FCRHA to the Supplemental Agreement and to attest same.

Section 7. **Payment Agreement.** The form of the Payment Agreement is approved in the form made available at this meeting. The Chairman or Vice Chairman of FCRHA is hereby authorized and directed to execute and deliver the Payment Agreement in substantially the form hereby approved with such additions, deletions and modifications thereto as may be approved by the Chairman or Vice Chairman, the execution of the Payment Agreement being conclusive evidence of such approval and of the approval of FCRHA; and the Secretary or an Assistant Secretary of FCRHA, or any Authorized Representative, is hereby authorized and directed to affix the seal of FCRHA to the Payment Agreement and to attest same.

Section 8. **Notice of Sale.** The distribution of the Notice of Sale and the publication of the Summary Notice of Sale in *The Bond Buyer*, a financial journal published in New York, New York, and devoted primarily to municipal bids, are hereby authorized. Bids shall be received electronically via the PARITY Competitive Bidding System.

Section 9. **Preliminary Official Statement.** The form and distribution of the Preliminary Official Statement, is hereby approved and the Chairman, Vice Chairman, Secretary or an Assistant Secretary is hereby authorized to (i) approve the terms of and publish a Preliminary Official Statement describing the Bonds in substantially the same form as the Preliminary Official Statement presented to this meeting and (ii) deem "final" such Preliminary Official Statement for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended. The Chairman or Vice Chairman of the FCRHA is hereby authorized to approve the terms of a final Official Statement relating to the Bonds (the "Official Statement"). The Official Statement shall be completed with the pricing and other information in substantially the form of the Preliminary Official Statement with such minor changes, insertions and omissions as may be approved by the Chief Financial Officer of the County, the Director of the Department of Management and Budget of the County or the County Debt Manager and the Chairman or Vice Chairman of FCRHA. The Chairman or the Vice Chairman of the FCRHA is hereby authorized and directed to execute and deliver the Official Statement to the successful bidders for their use in making a public offering of the Bonds upon the terms set forth in Notice of Sale.

Section 10. **Trustee.** The Bank of New York, is hereby appointed Trustee under the Trust Agreement. The Trust Agreement may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 11. **Bond Counsel.** Sidley Austin LLP, is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 12. **Issuer Counsel.** Ballard Spahr Andrews & Ingersoll, LLP, is hereby appointed Issuer Counsel in connection with the issuance and sale of the Bonds.

Section 13. **Tax Agreement.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA is hereby authorized and directed to execute and deliver on behalf of the Authority (i) the Tax Certificate prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of FCRHA and (ii) an Internal Revenue Service Form 8038-G relating to the Bonds prepared by Bond Counsel.

Section 14. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of FCRHA or any other authorized representative of FCRHA is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments, including any leases and/or agreements with respect to the use of the Projects, necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution.

Section 15. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in this Resolution or the Bonds, or in any other agreement, certificate or document executed on behalf of FCRHA, shall be deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of FCRHA in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 16. **Action Approved and Confirmed.** All acts and doings of the Commissioners, officers, agents or employees of FCRHA that are in conformity with the purposes and intent of this Resolution are in all respects approved and confirmed.

Section 17. **Severability.** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provision to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 18. **Repealer; Effective Date.** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

A motion was made by Commissioner Christian, seconded by Commissioner Kyle, to adopt Resolution Number 65-05, as amended. A vote was taken, and the motion carried unanimously.

8. RESOLUTION NUMBER 66-06

AUTHORIZATION TO EXECUTE A CONTRACT MODIFICATION ON BEHALF OF
THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (FCRHA)
WITH BANK OF AMERICA TO INCREASE THE \$10 MILLION TAX-EXEMPT
LINE OF CREDIT TO \$15 MILLION

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) wishes to modify its December 30, 2005 banking services contract with Bank of America to increase the \$10 million tax-exempt line of credit to \$15 million, utilizing the same variable rate interest calculation as was negotiated in the original agreement;

NOW THEREFORE BE IT RESOLVED that the FCRHA authorizes the Chairman, Vice Chairman, Secretary or an Assistant Secretary to execute all necessary documents to effectuate the establishment of this contract modification for its tax-exempt line of credit with Bank of America.

A motion was made by Commissioner Dunn, seconded by Commissioner Kyle, to adopt resolution Number 66-06. A vote was taken, and the motion carried unanimously.

ADMINISTRATIVE ITEMS

1. RESOLUTION NUMBER 67-06

AUTHORIZATION TO SUBMIT SECTION 8 MANAGEMENT ASSESSMENT PROGRAM
(SEMAP) CERTIFICATION AND PUBLIC HOUSING ASSESSMENT SYSTEM (PHAS)
MANAGEMENT OPERATIONS CERTIFICATION TO THE
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority authorizes the submission of the Section 8 Management Assessment Program (SEMAP) certification and the Public Housing Assessment System (PHAS) Management Operations certification to the U.S. Department of Housing and Urban Development (HUD) for the fiscal year ending June 30, 2006.

A motion was made by Commissioner McAloon, seconded by Commissioner Litzenberger, to adopt resolution Number 67-06. A vote was taken, and the motion carried unanimously.

2. RESOLUTION NUMBER 68-06

AUTHORIZATION TO REVISE AND UPDATE THE FAMILY SELF-SUFFICIENCY ACTION PLAN AND SUBMIT TO THE U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT FOR APPROVAL

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Fairfax County Department of Housing and Community Development (HCD) to revise the Family Self-Sufficiency (FSS) Action Plan to remove obsolete language, update current policies and to submit the plan to HUD for its approval as described in the item approved by the FCRHA at its July 27, 2006 meeting.

A motion was made by Commissioner McAloon, seconded by Commissioner Christian, to adopt Resolution Number 68-06. A vote was taken, and the motion carried unanimously.

3. RESOLUTION NUMBER 69-06

ADOPTION OF CHANGES TO THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (FCRHA) PURCHASING RESOLUTION TO CONFORM TO THE FAIRFAX COUNTY PURCHASING RESOLUTION

NOW, THEREFORE, BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby:

- 1) adopts the Fairfax County Purchasing Resolution (hereinafter called the County Purchasing Resolution) with changes dated June 26, 2006, as presented to the FCHRA at its meeting of July 27, 2006, and incorporates the same as the FCRHA Purchasing Resolution; and
- 2) directs that County Purchasing Resolution shall hereinafter be referred to as the FCRHA Purchasing Resolution.

A motion was made by Commissioner Dunn, seconded by Commissioner Kyle, to adopt resolution Number 69-06. A vote was taken, and the motion carried unanimously.

4. RESOLUTION NUMBER 70-06

APPROVAL OF AMENDMENTS TO THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY'S (FCRHA) ADMINISTRATIVE REGULATIONS CONCERNING THE SALE AND RENTAL OF AFFORDABLE DWELLING UNITS (ADUs)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) is specifically empowered to adopt, and has adopted, reasonable rules and regulations to assist in the regulation and monitoring of the Affordable Dwelling Unit program, as provided in the Fairfax County Zoning Ordinance; and

WHEREAS, the FCRHA desires to amend its rules and regulations to conform to the February 28, 2006 amendment to the Affordable Dwelling Unit Program section of the Fairfax County Zoning Ordinance;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA hereby adopts the amended "Administrative Regulations Concerning the Sale and Rental of Affordable Dwelling Units" to incorporate changes as presented to the FCRHA in an item and shown in an attachment to that item in connection with this Resolution at its meeting on July 27, 2006.

A motion was made by Commissioner McAloon, seconded by Commissioner Rau, to adopt Resolution Number 70-06. A brief presentation was given by Tom Fleetwood, after which he responded to questions from the Commissioners. A vote was taken, and the motion carried unanimously.

INFORMATION ITEMS:

1. Fairfax County Redevelopment and Housing Authority Meeting Summary – June 15, 2006
2. Contracts of \$50,000 or Less
3. Minutes of the Housing Ownership, Management, and Security Committee Meeting – July 18, 2006
4. Minutes of the Planning and Development Committee Meeting – July 19, 2006
5. Minutes of the Finance Committee Meeting – July 19, 2006
6. Summary of the Joint Planning and Development and Finance Committees Meeting July 19, 2006
7. Affordable Dwelling Unit (ADU) Tracking Report – *Brief discussion. In response to Commissioner Litzenberger's question, Cynthia Ianni will provide information explaining the increase in the First Time Homebuyers Program waiting list from 618 to 713.*

8. Fairfax County Redevelopment and Housing Authority Calendars of Meetings – September and November 2006 – *The Commissioners were reminded about HCD 40th Anniversary Celebration, scheduled for October 10, 2006.*

CLOSED SESSION:

For consultation with legal counsel and briefing by staff members, pursuant to Virginia Code Section 2.2-3711(A)(7), pertaining to probable litigation and specific legal matters requiring the provision of legal advice by such counsel where such consultation or briefing in an open meeting would adversely affect the negotiating or litigating posture of the FCRHA.

At 9:18 p.m., a motion was made by Commissioner Dunn, seconded by Commissioner Litzenberger, that the Fairfax County Redevelopment and Housing Authority go into Closed Session for consultation with legal counsel and briefing by staff members, pursuant to Virginia Code Section 2.2-3711(A)(7), pertaining to probable litigation and specific legal matters requiring the provision of legal advice by such counsel where such consultation or briefing in an open meeting would adversely affect the negotiating or litigating posture of the FCRHA.

A vote was taken, and the motion carried unanimously. The FCRHA went into Closed Session.

OPEN MEETING RESUMED

A motion was made by Commissioner Dunn, seconded by Commissioner Rau, that the members of the Fairfax County Redevelopment and Housing Authority certify that to the best of their knowledge only public business matters lawfully exempted from the open meeting requirements prescribed by the Virginia Freedom of Information Act and only matters identified in the motion to convene Closed Session were heard, discussed or considered by the Fairfax County Redevelopment and Housing Authority during Closed Session. A vote was taken by roll call as follows:

AYE

Conrad Egan
Ronald Christian
Martin Dunn
John Litzenberger
Charlen Kyle
Albert McAloon
Lee Rau

NAY

ABSTAIN

The motion carried unanimously, and open meeting resumed at 9:40 p.m.

9. RESOLUTION NUMBER 71-06

AUTHORIZATION FOR THE OFFICE OF THE COUNTY ATTORNEY TO SETTLE CLAIMS
THAT THE HOUSING AUTHORITY HAS AGAINST THE OWNERS OF PROPERTIES
LOCATED AT 8283 CRESTMONT CIRCLE AND 6412 HOLYOKE DRIVE
PURSUANT TO THE TERMS AND CONDITIONS OUTLINED IN CLOSED SESSION

A motion was made by Commissioner McAloon, seconded by Commissioner Rau, that with regard to properties located at 8283 Crestmont Circle and 6412 Holyoke Drive, that the Office of the County Attorney be authorized to settle claims that the Housing Authority has against the owners of these properties pursuant to the terms and conditions outlined in Closed Session.

A vote was taken by roll call as follows:

AYE

Conrad Egan
Martin Dunn
John Litzenberger
Charlen Kyle
Lee Rau

NAY

ABSTAIN

Ronald Christian
Albert McAloon

The motion carried, with Commissioners McAloon and Christian abstaining.

BOARD MATTERS – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner Egan, seconded by Commissioner McAloon, to adjourn the meeting at 10:00 p.m. A vote was taken, and the motion carried unanimously.

(Seal)

Conrad Egan, Chair

Paula C. Sampson, Assistant Secretary