

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

September 20, 2007

On September 20, 2007, 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 – Coan Pond Residences Working Single Housing Program

The presentation began at 6:35 p.m. Deputy Director Mary Stevens and Acting Deputy Director for Development and Real Estate John Payne gave a presentation on the Coan Pond Residences, John Payne provided background on development of the 20-unit project which is located at the Pender Drive offices of the Department of Housing and Community Development. Mary Stevens discussed eligibility for tenancy and current status of the program. The FCRHA was advised that an item would be prepared for the next FCRHA meeting to update the existing Admissions and Occupancy policy to ensure that the units serve low and moderate income single persons. The presentation ended at 6:59 p.m.

CALL TO ORDER

FCRHA Chair Conrad Egan called the Regular Meeting of the FCRHA to order at 7:00 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  
Charlen Kyle  
John Kershenstein  
John Litzenberger  
Elisabeth Lardner  
Lee A. Rau  
Robert Schwaninger  
Will Jasper

ABSENT

Al McAloon

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; John Payne, Acting Deputy Director, Development and Real Estate; Aseem Nigam, Director, Real Estate Finance and Grants Management Division (REFGM); Tom Fleetwood, Strategic Planner; Navneet Sandhu, Public Information Officer; Steve Solomon, Director, Financial Management Division (FMD); Cynthia Ianni, Director, Design, Development and Construction Division; Charlene Fuhrman-Schulz, Housing and Community Developer IV, DD&C; Rex Peters, Associate Director, DD&C; Tom

Devaney, HCD IV, DD&C Division; Barbara Silberzahn, Director, Homeownership Division; Nancy Long, Program Manager, H & R Division; Molly Norris, Senior Real Estate Finance Officer, REFGM Division; Deepthi Jain, Senior Real Estate Finance Officer, REFGM Division; Michael Trent, Network Analyst, Information Systems and Services (ISS); Carol Erhard, Director, Rental Services, Office of Housing Management, OHM; Michael Wever- Chalatkhirikun, Associate Director, Rental Services Division, OHM; Patti Schlener, Director of Administration; and JoAnne A. Ibrahim, FCRHA Assistant. Other Fairfax County staff in attendance: David Bobzien, County Attorney, David Stroh and Alan Weiss, Assistant County Attorneys and FCRHA Counsel.

### PUBLIC HEARING

Proposed Amendment of the Fairfax County Redevelopment and Housing Authority (FCRHA) Strategic Plan – Action Plan for FY 2008, and Certification of the FY 2008 FCRHA Budget, as Consistent with the Proposed Amended Strategic Plan – Action Plan for FY 2008.

The Chairman opened the public hearing at 7:00 p.m. With no one signed up and no one in the audience wishing to speak, the Chair closed Citizen Time at 7:01 p.m.

### CITIZEN TIME

The FCRHA Chair opened Citizen Time at 7:01 p.m. With no one signed up and no one in the audience wishing to speak, the Chair closed Citizen Time at 7:02 p.m.

### APPROVAL OF MINUTES - July 26, 2007 Regular Meeting

A motion was made by Commissioner Rau, seconded by Commissioner Kyle, that the FCRHA approve the Minutes of the Regular FCRHA Meeting of July 26, 2007. A vote was taken, and the motion carried, with Commissioner Jasper abstaining as he was not present at the meeting.

### ACTION ITEMS

#### 1. **RESOLUTION NUMBER 45-07**

Approval of Amendment of the Fairfax County Redevelopment and Housing Authority (FCRHA) Strategic Plan – Action Plan for FY 2008, and Certification of the FY 2008 FCRHA Budget, as Contained in the Consolidated FCRHA/Department of Housing and Community Development (HCD) Operating and Capital Budget Plan, as Consistent with the Proposed Amended Strategic Plan – Action Plan for FY 2008, in Compliance with Section 36-19.2(B) of the Code of Virginia

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

- 1) Approves the amendment of the FCRHA Strategic Plan – Action Plan for FY 2008 as presented at its meeting on September 20, 2007; and
- 2) Certifies that FY 2008 FCRHA Budget, as contained in the FY 2008 Consolidated FCRHA/HCD Capital and Operating Budget Plan, is consistent with the FCRHA Strategic Plan – Action Plan for FY 2008, as amended, in compliance with Section 36-19.2(B) of the Code of Virginia.

A motion was made by Commissioner Dunn, seconded by Commissioner Jasper, to adopt the Resolution 45-07. Discussion followed on the definition of workforce housing. Director Paula Sampson explained the various definitions currently being used. Chairman Conrad Egan requested that the George Mason University study commissioned by the FCRHA on the moderate income definition be circulated again to the FCRHA. Commissioner Kershenstein suggested that the study be reviewed by the Economics Department of GMU, including the impact. A vote was taken on Resolution 45-07. The motion passed by a vote of 9 to 1, with Commissioner Kershenstein voting Nay.

2. **RESOLUTION NUMBER 46-07**

Modification to the Fairfax County Redevelopment and Housing Authority  
Affordable Dwelling Unit Purchase Guidelines

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (“FCRHA”) approves the following modifications to the FCRHA ADU Purchase Option Policy: 1) remove the limits on the number of Affordable Dwelling Unit (ADU) units the FCRHA may purchase in any one year. This policy currently limits the number of ADUs the FCRHA may purchase in any one year to no more than 25 per year and no more than 10 in any one subdivision; 2) replace the “Notice and Public Hearing Process” with alternative notification, as outlined in the item presented to the FCRHA at its meeting on September 20, 2007; and 3) implement the policy as a guideline only.

A motion was made by Commissioner Rau, seconded by Commissioner Schwaninger, that the FCRHA adopt Resolution Number 46-07. Commissioner Rau noted that with implementation of the recommendations of the High-Rise Panel, a significant number of additional affordable units will be developed. Commissioner Kershenstein requested that staff return to the FCRHA with its plan to implement and monitor the new policy to ensure developers comply with the requirements. A vote was taken and the motion passed unanimously.

3. **RESOLUTION NUMBER 47-07**

Authorization to Approve: 1) Sale of Crevenna Oaks to Crevenna Oaks Preservation L.P.; 2) Transfer of Ground Lease from Burke-Oxford Associates to Crevenna Oaks Preservation L.P.; 3) Sale of Summit Oaks to Summit Oaks Preservation L.P.; and 4) Transfer of the Ground Lease from Burke II-Oxford Associates to Summit Oaks Preservation L.P (Braddock District).

WHEREAS, on May 31, 1978, the FCRHA executed an Agreement of Lease with Burke Oxford Associates, amended June 12, 1980, for Crevenna Oaks; and

WHEREAS, on June 12, 1980, the FCRHA executed an Agreement of Lease with Burke II Oxford Associates for Summit Oaks; and

WHEREAS, Burke Oxford Associates and Burke II Oxford Associates desire to sell the properties known as Crevenna Oaks and Summit Oaks and to the transfer the Agreements of Lease to the new ownership entities;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA authorizes the following to take place:

1. Approve the sale of Crevenna Oaks to Crevenna Oaks Preservation L.P.;
2. Transfer Agreement of Lease from Burke Oxford Associates to Crevenna Oaks Preservation L.P.
3. Approve the sale of Summit Oaks to Summit Oaks Preservation L.P.
4. Transfer Agreement of Lease from Burke II Oxford Associates to Summit Oaks Preservation L.P.
5. Its Chairman, Vice Chairman, or any Assistant Secretary, to execute the Assignments of Agreement of Lease in substantially the form provided with the item presented to the FCRHA at its meeting on September 20, 2007 and any other documents, instruments or certifications consistent with the intent of this Resolution.

A motion was made by Commissioner Dunn, seconded by Commissioner Kershenstein, that the FCRHA adopt Resolution Number 47-07. A vote was taken and the motion passed unanimously.

4. **RESOLUTION NUMBER 48-07**

Authorization, Subject to Approval by the Board of Supervisors to: 1) Issue Tax-Exempt and Taxable Bonds in an Amount not to Exceed \$14,300,000; 2) Hold a Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing; and 3) Submit an Application to Virginia Small Business Financing Authority (VSBFA) for Tax-Exempt Bond Allocation for Olley Glen (Braddock 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 tax-exempt and taxable Multifamily Housing Revenue Bonds (Olley Glen Project) Series 2008 in the aggregate principal amount not to exceed \$14,300,000 (the "Bonds"); and

WHEREAS, the proceeds of the Bonds will be used in part to provide financing for the construction of a 90-unit multifamily housing project for the elderly known as Olley Glen (the "Project"), located in Fairfax County, at Baker Court, Olley Lane and Little Rive Turnpike, Fairfax, Virginia; 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 pledged therefore pursuant to the Indenture, 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 Assistant Secretary on behalf of the Authority, executed a Declaration of Intent on May 30, 2007, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$14,300,000.

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 tax-exempt Bonds; and

WHEREAS, the Authority wishes to hold the TEFRA Hearing on November 1, 2007; 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 all necessary actions be taken in order for the Authority to (i) hold the TEFRA Hearing on November 1, 2007, (ii) request the Fairfax County Board of Supervisors to approve the proposed bond issue for the purpose of constructing the Project as outlined in the item presented to the Authority at its meeting on September 20, 2007, and (iii) submit an application to VSBFA for the tax-exempt bond allocation for the Project.

### **RESOLUTION NUMBER 49-07**

Authorization, Subject to Approval by the Board of Supervisors to: 1) Form a Limited Partnership to Own the Olley Glen Project; 2) Submit an Application to the Virginia Housing Development Authority (VHDA) for a Reservation of 4% Low Income Housing Tax Credits; 3) Submit a HUD Risk Share Application; and 4) Make a Loan from Fund 319, The Penny for Affordable Housing Fund, in an Amount not to Exceed \$5,600,000 for Olley Glen (Braddock District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the "Authority") desires to construct a 90-unit elderly independent living facility to be known as Olley Glen (Project); and

WHEREAS, the Authority desires to form a Virginia limited partnership to be known as the FCRHA Olley Glen LP (LP) for which the Authority will be a co-general partner and the sole limited partner and FCRHA Housing Assistance Corporation (HAC) will be a co-general partner; and

WHEREAS, the Authority desires to utilize 4% Low Income Housing Tax Credits as part of the financing plan for Olley Glen; and

WHEREAS, the Authority desires to credit enhance its issuance of Multifamily Housing Revenue Bonds (Olley Glen Project) Series 2008 in the aggregate principal amount not to exceed \$14,300,000 tax-exempt and taxable bonds (the "Bonds"); and

WHEREAS, the Authority desires to make a subordinate loan in an amount not to exceed \$5,600,000 from Fund 319, The Penny for Affordable Housing Fund; and

NOW, THEREFORE, BE IT RESOLVED, by the Fairfax County Redevelopment and Housing Authority that the Authority authorizes the following actions as outlined in the item presented to the Authority at its meeting on September 20, 2007, subject to the approval of the Fairfax County Board of Supervisors:

1. The formation of a Virginia limited partnership to be known as the FCRHA Olley Glen LP, subject to the approval of the Fairfax County Board of Supervisors, and authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute any necessary documents to form FCRHA Olley Glen LP with the Authority as a co-general partner, HAC as a co-general partner and the Authority as the sole limited partner; and

**RESOLUTION NUMBER 50-07, As Amended**

Authorization, Subject to Approval by the Board of Supervisors, to Submit a Section 108 Loan Application in the Amount of \$8,350,000 to the U.S. Department of Housing and Urban Development for Site Development Costs Associated with Olley Glen in Braddock District (\$2,750,000) and to Provide Funding for Affordable Housing Preservation (\$5,600,000) (Countywide)

WHEREAS, The Fairfax County Redevelopment and Housing Authority (FCRHA) desires to enter into a Section 108 Loan under the Community Development Block Grant Program, \$2,750,000 of which will be used to finance, in part, the construction of a 90-units multifamily housing project for the elderly known as Olley Glen (the "Project"), and \$5,600,000 of which will be used to preserve affordable housing;

NOW, THEREFORE, BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority authorizes, subject to the approval of the Board of Supervisors and comments received during a public comment period, staff of the Department of Housing and Community Development to submit to the U.S. Department of Housing and Urban Development a Section 108 Loan Application in the amount of \$8,350,000 for site development costs associated with Olley Glen and costs associated with the acquisition and preservation of affordable housing.

A motion was made by Commissioner Dunn, seconded by Commissioner Jasper, that the FCRHA adopt Resolutions Number 48-07, 49-07 and 50-07, amended. Resolution 50-07 was amended to reflect that the \$5,600,000 would be used for affordable housing preservation countywide. A vote was taken on all three Resolutions and the motion passed unanimously.

5. **RESOLUTION NUMBER 51-07**

Authorization by the Fairfax County Redevelopment and Housing Authority (FCRHA) to Advertise the Acceptance of Applications for 111 Project-Based Vouchers.

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority hereby authorizes the Department of Housing and Community Development to publicly announce that the FCRHA will be accepting applications from affordable housing providers for 111 project-based vouchers, as outlined in the item presented to the FCRHA at its meeting on September 20, 2007.

A motion was made by Commissioner Jasper, seconded by Commissioner Schwaninger, that the FCRHA adopt Resolution Number 51-07. A vote was taken and the motion passed unanimously.

6. **RESOLUTION NUMBER 52-07**

Authorization to Expend Up to \$110,000 in Additional Funds from Fund 142, Community Development Block Grant, for Use Toward the Purchase of Four Manufactured Housing Units for the Woodley Hills Estates (Mount Vernon District)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby authorizes the Department of Housing and Community Development (HCD) to expend up to \$110,000 in additional funds from Fund 142, CDBG, Project 014129, Senior/Disabled Housing Development, to be used towards the purchase of a four new manufactured homes to be located in the Woodley Hills Estates, plus a contingency.

A motion was made by Commissioner Jasper, seconded by Commissioner Schwaninger, to adopt Resolution Number 52-07. A vote was taken and the motion passed unanimously.

ADMINISTRATIVE ITEMS

1. **RESOLUTION NUMBER 53-07**

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 July 9, 2007, as presented to the FCHRA at its meeting of September 20, 2007, 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, that the FCRHA adopt Resolution Number 53-07. A vote was take and the motion passed unanimously.

2. **RESOLUTION NUMBER 54-07**

Revision to Fairfax County Rental Program Admissions and Occupancy Policy  
Regarding Establishing a Ceiling Income Limit for Current Participants

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority hereby authorizes the Department of Housing and Community Development to revise the Fairfax County Rental Program Admissions and Occupancy Policy to establish a ceiling income limit of 120% of County Median Household Income as a maximum for continued occupancy in FCRHA-owned housing, as outlined in the Administrative Item presented to the FCRHA at its September 20, 2007 meeting.

A motion was made by Commissioner Jasper, seconded by Commissioner Schwaninger, that the FCRHA adopt Resolution Number 54-07. A vote was taken and the motion passed by a vote of 9 to 1, with Commissioner Kershenstein voting NAY.

INFORMATION ITEMS:

1. Fairfax County Redevelopment and Housing Authority Meeting Summary – July 26, 2007
2. Contracts of \$50,000 or Less
3. Minutes of the Housing Ownership, Management, and Security Committee Meeting– September 12, 2007
4. Status of Meetings of the Revitalization and Redevelopment Committee

5. Minutes of the Planning and Development Committee Meeting – September 12, 2007
6. Minutes of the Finance Committee Meeting – September 12, 2007
7. Affordable Dwelling Unit (ADU) Tracking Report – *brief discussion*. Commissioner Kershenstein asked if a chart could be added to show ADUs purchased by the FCRHA.
8. Semi-Annual At-Risk Housing Report: 2007 Summary of Sales and Market Trends; Status of At-Risk Affordable Apartment Complexes and Loss of Affordability through Expiring Government Finance Agreements and Subsidy Contracts, Escalating Rents and Condominium Conversions – *brief discussion*.
9. Amendment to the Virginia Condominium Act Regarding Assignment of Disabled or Elderly Tenants' Exclusive Right to Purchase
10. FCRHA Strategic Plan: Status Report on FY 2007 Action Plan – *brief discussion*
11. Fairfax County Redevelopment and Housing Authority Calendars of Meetings – October, November and December 2007

#### CLOSED SESSION

A motion was made by Commissioner Dunn, seconded by Commissioner Schwaninger, that the Fairfax County Redevelopment and Housing Authority ("FCRHA") go into Closed Session for (a) discussion and consideration, pursuant to Virginia Code Section 2.2-3711(A)(3), of the acquisition of real property for a public purpose where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the FCRHA, and (b) 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.

The motion carried and the FCRHA went into Closed Session at 8:28 p.m.

#### OPEN MEETING RESUMED

A motion was made by Commissioner Dunn, seconded by Commissioner Schwaninger, that 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 roll call vote was taken as follows:

AYE

Conrad Egan  
Ronald Christian  
Martin Dunn  
Charlen Kyle  
John Kershenstein  
Elisabeth Lardner  
John Litzenberger  
Elisabeth Lardner  
Robert Schwaninger  
Will Jasper

NAY

ABSTAIN

The motion carried unanimously by the commissioners present and open meeting resumed at 9:00 p.m.

**RESOLUTION 55-07**

Authorization to Not Cure and to Bid/Purchase at the Foreclosure Sale of a Moderate Income Direct Sales (MIDS) Unit Identified in Closed Session in the Sully District

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA)

1. Shall not take any action to cure the loan default on the MIDS Property; and
2. Authorizes bidding at the foreclosure sale for the purchase of the MIDS Property not to exceed the amount requested by staff in Closed Session; and
3. Authorizes the Chairman, Vice Chairman, or any Assistant Secretary, to negotiate and to execute any and all documents necessary to purchase the Property and resell the Property in accordance with the foreclosure guidelines as presented by staff in Closed Session; and
4. Authorizes drawing from Fund 143 Homeowners Assistance Program, Project 013845, MIDS Resale Project, not to exceed the amount presented by staff in Closed Session to cover the acquisition and carrying costs to be repaid from the sale of the MIDS to a qualified first-time homebuyer.

A motion was made by Commissioner Dunn, seconded by Commissioner Schwaninger, to adopt Resolution 55-07. A vote was taken and the Resolution was adopted.

MOTION

Authorizing the County Attorney to negotiate a settlement in the matter of the FCRHA vs. Xlomara A Mejia, Bruce L. Milton, Kathleen J. Rivers, and Michael A Perry, Esquire, Trustee, Case Number CL-2007-0009325 consistent with the terms outlined by the County Attorney in closed session.

The motion was made by Commissioner Lardner, seconded by Commissioner Rau. A vote was taken and the motion passed unanimously.

MOTION

Authorizing The County Attorney to Effectuate a Settlement Regarding the Affordable Dwelling Unit Located at 7311 Gateside Place, Springfield, Virginia, consistent with terms outlined by the County Attorney in closed session.

The motion was made by Commissioner Jasper, seconded by Commissioner Litzenberger. A vote was taken and the motion passed unanimously.

MOTION

Authorizing legal action by the County Attorney, including, without limitation, to seek a declaratory judgment and injunctive relief pertaining to the financing on the Property in excess of the control price established pursuant to the FCRHA's Moderate Income Direct sales Program, regarding the Moderate Income Direct Sales (MIDS) Unit located at 12241 Fairfield House Drive, Unit 303B, Fairfax, Virginia, consistent with terms outlined by the County Attorney in closed session.

The motion was made by Commissioner Litzenberger, seconded by Commissioner Kershenstein. A vote was taken and the motion passed unanimously.

BOARD MATTERS – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner McAloon, seconded by Commissioner Schwaninger, to adjourn the meeting at 9:22 p.m. A vote was taken and the motion carried unanimously.

(Seal)

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Conrad Egan, Chair

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Paula C. Sampson, Assistant Secretary