

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

October 24, 2013

On October 24, 2013, 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

Options Related to Federal Budget Sequestration

At 6:42 p.m., Vincent Rogers, Senior Program Manager, Rental Services Division, Department of Housing and Community Development (HCD), and Mary Lou Thompson, Financial Analyst, Financial Management Division (FMD), HCD, gave a presentation on options under consideration related to federal budget sequestration. A discussion followed with the presentation ending at 7:10 p.m.

CALL TO ORDER

FCRHA Chair Elisabeth Lardner called the Regular Meeting of the FCRHA to order at 7:10 p.m. FCRHA Commissioners present or absent for a portion or all of the meeting were as follows:

PRESENT

Elisabeth Lardner, Chairman
Willard Jasper, Vice Chair
John Betts
Robert C. Carlson
Christopher Craig
C. Melissa Jonas
Richard Kennedy
H. Charlen Kyle
Albert J. McAloon
Robert Schwaninger
Rod Solomon

ABSENT

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Paula C. Sampson, Director; John Payne, Deputy Director, Real Estate; Robert Easley, Deputy Director, Operations; Tom Fleetwood, Associate Director, Administration/FCRHA; Carol Erhard, Director, Rental Services Division; Vincent Rogers, Senior Program Manager, Rental Services Division; Aseem Nigam, Director, Real Estate Finance and Grants Management (REFGM); Robert Fields, Interim Associate Director, Grants Management, REFGM; Deepthi Jain, Senior Real Estate Finance Officer, REFGM, HCD; David Jones, Sr. Program Manager, REFGM; Barbara Silberzahn, Director, Homeownership Division; Abdi Hamud, Chief, Homeownership Division; Kris Miracle, Director, Administration Division; Leo LeDuc,

Director, Property Management Division, HCD; Nicole Wickliffe, Director, Asset Management Division; Hossein Malayeri, Director, Design, Development and Construction (DDC) Division; Carol Clancy, Chief Financial Officer, Tax Credit Properties, FMD; Mary Lou Thompson, Financial Analyst, FMD; Mike Trent, Network Analyst, Information Systems and Services (ISS); Peter Uhrmacher and Jodi Cienki, FCRHA Assistants. Other Fairfax County staff in attendance: Cynthia Tianti, Deputy County Attorney; and Ryan Wolf and Om Jahagirdar, Assistant County Attorneys and FCRHA Counsel.

CITIZEN TIME

The FCRHA Chair opened Citizen Time at 7:11 p.m. Chairman Lardner exercised her prerogative to depart from the agenda to make three announcements: 1) she welcomed the newest FCRHA commissioner, C. Melissa Jonas, from the Dranesville District; 2) she noted that the Conrad Egan Excellence Awards were moved to the December 12, 2013 meeting; and 3) she thanked Commissioner Kennedy for agreeing to serve as Chair of the Housing Ownership, Management and Security (HOMS) Committee. With no one signed up and no one in the audience wishing to speak the Chair closed Citizen Time at 7:15 p.m.

APPROVAL OF MINUTES

September 19, 2013

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy, that the FCRHA approve the Minutes of the September 19, 2013 Regular Meeting. A vote was taken and the motion carried with Commissioner Jonas abstaining. (Note: Commissioner Betts arrived at the meeting at 7:17 p.m., immediately after the approval of the minutes.)

ACTION ITEMS

1.

RESOLUTION NUMBER 43-13

Authorization to Apply to the U.S. Department of Housing and Urban Development (HUD) for Subsidy Conversion of Certain Public Housing Properties under the Rental Assistance Demonstration (RAD)

BE IT RESOLVED THAT that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes a Rental Assistance Demonstration (RAD) Portfolio Award application for all of its Public Housing properties, with individual RAD Applications included, as outlined in the Action Item presented to the FCRHA at its meeting on October 24, 2013; and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes its Chairman, Vice Chairman or any Assistant Secretary to sign the RAD Board Approval Form indicating the FCRHA's commitment to comply with all requirements of the program.

A motion was made by Commissioner Solomon, seconded by Commissioner Schwaninger to adopt resolution Number 43-13. A presentation was made by Vincent Rogers, Senior Program Manager, Rental Services Division and Deepthi Jain, Senior Real Estate Finance Officer, REFGM. Following a discussion, a vote was taken and the motion carried unanimously.

2.

RESOLUTION NUMBER 44-13

Approval of Policy for the Acquisition of Affordable Dwelling Units (ADUs) in the Extended Control Period by the Fairfax County Redevelopment and Housing Authority (FCRHA) and Authorization, Subject to the Approval of the Board of Supervisors, to Utilize the Moderate Income Direct Sales Resale Fund for Affordable Housing Acquisition

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby adopts the policy for the acquisition of Affordable Dwelling Units (ADU) in the Extended Control Period as presented to the FCRHA in an item and shown with this Resolution at its meeting on October 24, 2013; and

BE IT FURTHER RESOLVED the FCRHA will request authorization from the Board of Supervisors to acquire properties for purposes of capital acquisition for rental units to serve low and moderate income families from the Moderate Income Direct Sales Resale Fund 400-C40365.

A motion was made by Commissioner Schwaninger , seconded by Commissioner Kennedy, to adopt resolution Number 44-13. A vote was taken and the motion carried with Commissioner Betts abstaining.

3.

RESOLUTION NUMBER 45-13

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization, Both as Lender and as Managing General Partner of the Borrower, The Green Limited Partnership, to: 1) Extend the Maturity Date on Two FCRHA Loans to The Green Limited Partnership; and 2) Reduce the Interest Rate on One Loan to the Applicable Federal Rate (Hunter Mill, Sully and Providence Districts)

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA), as both the lender and as the managing general partner of the borrower, The Green Limited Partnership, authorizes the extension of the maturity date on loans made by the FCRHA to The Green Limited Partnership from the Housing Trust Fund and the Comprehensive Grant Fund to November 1, 2028 as well as the reduction of the interest rate of the Comprehensive Grant Fund loan to the Applicable Federal Rate as of November 2013, as described in the Action Item presented to the FCRHA at its meeting on October 24, 2013; and

BE IT FURTHER RESOLVED that the FCRHA authorizes its Chairman, Vice Chairman or any Assistant Secretary to execute all documents, agreements, and instruments necessary to effectuate this action.

A motion was made by Commissioner Schwaninger, seconded by Commissioner Jasper, to adopt resolution Number 45-13. A vote was taken and the motion carried unanimously.

4.

RESOLUTION NUMBER 46-13

Approval of Revised Refinancing Plan For Certain Homestretch, Inc. Owned Properties

WHEREAS the Fairfax County Redevelopment and Housing Authority (FCRHA) has made thirty two (32) loans to Homestretch, Inc. (Homestretch), a non-profit organization to purchase real property for use as affordable housing; and

WHEREAS, the Homestretch nonprofit organization is seeking to refinance a portion of its real estate portfolio; and

WHEREAS, the Cardinal Bank has offered a loan commitment to Homestretch to provide up to \$1,324,287 in refinancing a portion of the Homestretch real estate portfolio; and

WHEREAS, the FCRHA has been requested to subordinate its loan position on thirteen (13) properties with FCRHA financing; and

WHEREAS none of the thirteen (13) Homestretch loans meet the Policy requirements of the FCRHA Refinancing and/or Subordination Policy; and

WHEREAS the FCRHA may grant exceptions to its FCRHA Refinancing and/or Subordination Policy in approving subordination of certain loans in which the FCRHA has an investment; and

WHEREAS, the FCRHA has evaluated the terms of the proposed Cardinal Bank loan and the financial risk involved in subordinating the FCRHA second-lien position in the proposed loans.

NOW THEREFORE, BE IT RESOLVED that the FCRHA approves making exceptions to the FCRHA Refinancing and/or Subordination Policy and approves the proposed Homestretch refinancing in accordance with the recommendation contained in the Action Item presented on October 24, 2013.

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy, to adopt resolution Number 46-13. A presentation was made by Aseem Nigam, Director, REFGM. Following a discussion, a vote was taken and the motion carried unanimously.

5.

RESOLUTION NUMBER 47-13

Approval to: 1) Implement New Housing Choice Voucher Program Payment Standards Based on the U.S. Department of Housing and Urban Development (HUD) Fiscal Year 2014 Fair Market Rents; 2) Release for Public Comment the Draft Revised Fairfax County Redevelopment and Housing Authority (FCRHA) Moving to Work Plan for Fiscal Year 2014; and 3) Authorization to Advertise a Public Hearing on the Draft Revised Moving to Work Plan

BE IT RESOLVED THAT that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes implementation of the proposed Fiscal Year 2014 Housing Choice Voucher Program Payment Standards effective, January 1, 2013, as outlined in the Action Item presented to the FCRHA at its meeting on October 24, 2013; and

BE IT FURTHER RESOLVED THAT the FCRHA approves, for the purpose of seeking public comment, the Draft Revised Moving to Work Plan for Fiscal Year 2014, as presented to the FCRHA at its meeting on October 24, 2013; and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes the Department of Housing and Community Development to advertise a public hearing on the Draft Revised Moving to Work Plan to be held at the Regular Meeting of the FCRHA on October 24, 2013.

A motion was made by Commissioner Kennedy, seconded by Commissioner Jasper, to adopt resolution Number 47-13. A vote was taken and the motion carried unanimously.

ADMINISTRATIVE ITEMS

1.

RESOLUTION NUMBER 48-13

Establishing the Schedule of Meeting Dates for 2014 for the Fairfax County
Redevelopment and Housing Authority

BE IT RESOLVED that the regular meetings and the Annual Meeting of the FCRHA for January through December 2014 will be held at the FCRHA Board Room at One University Plaza, 4500 University Drive, Fairfax, Virginia 22030 at 7:00 p.m. on the following dates unless the Chairman, or in the Chairman's absence, the Vice Chairman, shall authorize a different time.

January	30
March	6
April	10
June	12
July	31 ANNUAL MEETING
September	18
October	30
December	18

A motion was made by Commissioner McAloon, seconded by Commissioner Kyle, to adopt resolution Number 48-13. A vote was taken and the motion carried unanimously.

INFORMATION ITEMS

1. Fairfax County Redevelopment and Housing Authority Regular Meeting Summary – September 19, 2013
2. Minutes of the Housing Ownership, Management, and Security Committee Meeting – October 16, 2013
3. Minutes of the Finance Committee Meeting – October 16, 2013

4. Minutes of the Special Rental Assistance Demonstration (RAD) Committee – October 10, 2013
5. Minutes of the Special Rental Assistance Demonstration (RAD) Committee – October 16, 2013
6. Summary of the Board of Supervisors Housing Committee Meeting – October 1, 2013
- Brief discussion
7. Fairfax County Redevelopment and Housing Authority Calendar of Meetings –
November and December 2013

CLOSED SESSION

A motion was made by Commissioner Schwaninger, seconded by Commissioner Jonas, that the Fairfax County Redevelopment and Housing Authority (“FCRHA”) go into Closed Session for (i) discussion and consideration, pursuant to Virginia Code Section 2.2-3711(A)(3), of the acquisition of real property where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the FCRHA, and (ii) consultation with legal counsel and briefings by staff members pertaining to actual and probable litigation, where such consultation and briefings in open session would adversely affect the litigation posture of the FCRHA.

The motion carried and the FCRHA went into Closed Session at 7:43 p.m.

OPEN SESSION RESUMES

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

AYE

Elisabeth Lardner, Chairman
Willard Jasper, Vice Chair
John Betts
Robert C. Carlson
Christopher Craig
C. Melissa Jonas
Richard Kennedy
H. Charlen Kyle

NAY

ABSTAIN

Albert J. McAloon
Robert Schwaninger
Rod Solomon

The motion carried unanimously by the commissioners present and Open Meeting resumed at 9:16 p.m.

RESOLUTIONS

1.

RESOLUTION NUMBER 50-13

Fairfax County Redevelopment and Housing Authority (FCRHA) Elects Not to Exercise Its Option to Purchase Home Equity Loan Program (HELP) Property at 13231 Keach Place, Herndon, VA 20170 (Dranesville District)

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) elects not to exercise its option to purchase the unit at 13231 Keach Place, Herndon, VA 20170 at any price equal to or greater than \$210,000; and

BE IT FURTHER RESOLVED that the FCRHA directs staff to inform the owner that any future executed contract at a sales price under \$210,000 must be brought back to the FCRHA for consideration.

A motion was made by Commissioner Schwaninger, seconded by Commissioner Jonas, to adopt resolution Number 50-13. A vote was taken and the motion carried with Commissioner Betts abstaining.

2.

RESOLUTION NUMBER 51-13 - TABLED

MOTION

A motion was made by Commissioner Betts, seconded by Commissioner McAloon, to table Resolution Number 51-13 until the December 12, 2013 meeting. A vote was taken and the motion carried unanimously.

3.

RESOLUTION NUMBER 52-13

Fairfax County Redevelopment and Housing Authority (FCRHA) to Bid at Virginia Housing Development Authority (VHDA) Foreclosure Sale (Braddock, Lee, Mount Vernon and Providence Districts)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) have a strategic goal to preserve, expand and facilitate affordable housing opportunities in Fairfax County; and

WHEREAS, VHDA holds first-position deeds of trust, and the FCRHA holds subordinate lien positions, on the seven (7) properties in Fairfax County described in Closed Session; and

WHEREAS, VHDA has notified the FCRHA that it intends to foreclose on its deed of trust on each of these 7 properties; and

WHEREAS, the FCRHA intends to bid each of these properties at a VHDA foreclosure sale to preserve the properties as affordable housing in Fairfax County;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA authorizes Paula C. Sampson, Assistant Secretary, any Assistant Secretary, and any other FCRHA staff designated by any Assistant Secretary, on behalf of the FCRHA, to submit bids, as described in Closed Session, at any VHDA foreclosure sale for the aforementioned properties; and

BE IT FURTHER RESOLVED that the FCRHA authorizes its Chairman, Vice Chairman, Secretary or any Assistant Secretary to execute any necessary documents to affect the purchase of the above described properties consistent with the terms described in Closed Session.

A motion was made by Commissioner Craig, seconded by Commissioner McAloon, to adopt resolution Number 52-13. A vote was taken and the motion carried with Commissioner Betts abstaining.

MOTION

1.

Motion Following Closed Session Relating to Possible Settlement of Litigation Regarding Affordable Dwelling Unit at 12960 Pinehurst Greens Court, Fairfax, VA 22033 (Sully District)

A motion was made by Commissioner Carlson, seconded by Commissioner Jasper that the Fairfax County Redevelopment and Housing Authority authorize:

1. The Office of the County Attorney to negotiate a settlement with respect to Fairfax County Circuit Court Case # CL 2013-8014, regarding the Affordable Dwelling Unit (ADU) located at 12960 Pinehurst Greens Court, Fairfax, VA 22033, consistent with the terms discussed in closed session; and
2. The Chairman, the Vice Chairman, and any Assistant Secretary to execute all necessary or appropriate documents to implement any such settlement

A vote was taken and the motion carried with Commissioner Betts abstaining.

RESOLUTIONS Cont.

5.

RESOLUTION NUMBER 53-13

Proposed Voluntary Compliance Agreement with the U.S. Department of Housing and Urban Development

BE IT HEREBY RESOLVED that the FCRHA authorizes Paula C. Sampson, Director of the Department of Housing and Community Development to sign a voluntary Compliance Agreement between HCD and the U.S. Department of Housing and Urban Development, taking into consideration the comments and suggestions made in closed session, regarding the subject property located at 5819 St. Gregory Lane, Alexandria, Virginia.

A motion was made by Commissioner Schwaninger, seconded by Commissioner Jasper, to adopt resolution Number 53-13. A vote was taken and the motion carried with Commissioner Betts abstaining.

BOARD MATTERS – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner Schwaninger, seconded by Commissioner Jasper, to adjourn the meeting at 9:25 p.m. A vote was taken and the motion carried unanimously.

(Seal)

Elisabeth Lardner, Chairman

Paula C. Sampson, Assistant Secretary