

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

April 10, 2014

On April 10, 2014, 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.

CALL TO ORDER

FCRHA Chair Elisabeth Lardner 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

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

ABSENT

C. Melissa Jonas
John Betts

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; Kris Miracle, Director, Administration Division; Steve Knippler, Senior Program Manager, Administration Division; Aseem Nigam, Director, Real Estate Finance and Grants Management (REFGM) Division; Deepthi Jain, Senior Real Estate Finance Officer, REFGM Division; Michael Pearman, Portfolio Manager, REFGM Division; Robert Fields, Interim Associate Director, Grants Management, REFGM Division; Carol Erhard, Director, Homeownership and Relocation Division; Abdi Hamud, Chief, Homeownership and Relocation Division; Hossein Malayeri, Director, Design, Development and Construction (DDC) Division; Rex Peters, Associate Director, DDC Division; Leo Leduc, Director, Property Management Division; Toni Clemons-Porter, Associate Director, Sr. Housing and Assisted Living, Property Management Division; Nicole Wickliffe, Director, Asset Management Division; Rikki Pollack Third Party Contract Manager, Asset Management Division; Mike Trent, Network Analyst, Information Systems and Services (ISS) Division; and Jodi Cienki, FCRHA Assistant. Other Fairfax County staff in attendance: Alan Weiss and Ryan Wolf, Assistant County Attorneys and FCRHA Counsel.

PUBLIC HEARING

Draft Fairfax County Redevelopment and Housing Authority (FCRHA) Moving to Work Plan for Fiscal Year 2015

The FCRHA Chair opened the Public Hearing on the Draft Fairfax County Redevelopment and Housing Authority (FCRHA) Moving to Work Plan for Fiscal Year 2015 at 7:00 p.m. With no one signed up and no one in the audience wishing to speak, the Chair closed the Public Hearing at 7:00 p.m.

CITIZEN TIME

The FCRHA Chair opened Citizen Time at 7:01. Alex Baxter, a Boy Scout working on his Citizen in the Community merit badge addressed the Commissioners. For his project, Mr. Baxter stated that he is required to ask about an issue in the community and what is being done to solve it. His question concerned what is being done for people moving into Fairfax County who are unable to afford housing. The FCRHA Commissioners and staff provided responses to Mr. Baxter's question. With no one else signed up or in the audience wishing to speak, the Chair closed citizen time at 7:02.

APPROVAL OF MINUTES

March 6, 2014

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy, that the FCRHA approve the Minutes of the March 6, 2014 Regular Meeting. A vote was taken and the motion carried unanimously.

April 2, 2014

A motion was made by Commissioner Schwaninger, seconded by Commissioner McAloon, that the FCRHA approve the Minutes of the April 2, 2014 Special Meeting. A vote was taken and the motion carried with Commissioners Craig, Kyle and Solomon abstaining.

ACTION ITEMS

1.

RESOLUTION NUMBER 12-14

Approval of Refinancing Plan for Certain Good Shepherd Housing and Family Services, Inc. Owned Properties

WHEREAS the Fairfax County Redevelopment and Housing Authority (FCRHA) made two (2) loans to Good Shepherd Housing and Family Services, Inc. (Good Shepherd), a non-profit organization, to purchase real property located at 7981 Audubon Avenue, #D4, Alexandria, VA 22306, and 3915 San Leandro Place, Alexandria, VA 22309 (together, the "Subject Properties"), for use as affordable housing; and

WHEREAS, the Good Shepherd, is seeking to refinance the Subject Properties; and

WHEREAS, the Virginia Housing Development Authority (VHDA) has offered to Good Shepherd a loan commitment of \$73,000 to refinance the property located at 7981 Audubon Avenue, #D4, Alexandria, VA 22306, and \$135,000 to refinance the property located at 3915 San Leandro Place, Alexandria, VA 22309; and

WHEREAS, the FCRHA has been requested to re-subordinate its loan position on each of the Subject Properties; and

WHEREAS the proposed refinancing for the Subject Properties do not conform to the requirements of the FCRHA Refinancing and/or Subordination Policy as it relates to Loan-to-Value ratio; and

WHEREAS the FCRHA may grant exceptions to its FCRHA Refinancing and/or Subordination Policy; and

WHEREAS, the FCRHA has evaluated the terms of each proposed VHDA loan and the financial risks involved in subordinating the FCRHA second-lien position in each of the proposed loans; and

WHEREAS, the FCRHA has determined that an exception to its Refinancing and/or Subordination Policy, relative to loan-to-value ratio, is necessary to facilitate 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 Good Shepherd refinancing in accordance with the recommendation contained in the Action Item presented on March 6, 2014.

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy to adopt Resolution Number 12-14. A vote was taken and the motion carried unanimously.

2.

RESOLUTION NUMBER 13-14

Authorization to Renew the Tax-Exempt and Taxable Lines of Credit with PNC Bank and to Increase the Interest Rate on the Lines of Credit

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the renewal of a tax-exempt line of credit in the amount of

\$1.0 million and a taxable line of credit in the amount of \$3.5 million with PNC Bank as described in the Action Item presented to the FCRHA at its Regular Meeting of April 10, 2014;

BE IT RESOLVED that the FCRHA authorizes as a condition of the renewal, an increase of the interest rate on the line of credit to 180 basis points over LIBOR as described in the Action Item presented to the FCRHA at its Regular Meeting of April 10, 2014;

BE IT FURTHER RESOLVED that the FCRHA authorizes the Chairman, Vice Chairman, Secretary or an Assistant Secretary to execute all necessary documents to effectuate the renewal of such tax-exempt and taxable lines of credit, the execution thereof by any such officer to constitute conclusive evidence of FCRHA's approval thereof, that each such officer is further authorized, empowered and directed to do all such other acts and things and to execute all such other documents and instruments as may be necessary or appropriate to carry out and comply with the provisions of such lines of credit and as may be necessary or appropriate, on the advice of bond counsel, for purposes of renewing or preserving the tax-exempt line of credit.

RESOLUTION NUMBER 14-14

Approval of a Modification to the Interest Rate of the FCRHA Loan in the Amount of \$707,719.36 Made to Fairfax County Redevelopment and Housing Authority/HCDC Two L.P., Owner of Murraygate Village Apartments (Lee District)

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA), as both the lender and as the general partner of the borrower, Fairfax County Redevelopment and Housing Authority/HCDC Two, L.P., authorizes the increase of the interest rate of the FCRHA loan to 180 basis points over LIBOR, subject to investor approval, as described in the Action Item presented to the FCRHA at its Meeting on April 10, 2014; 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.

RESOLUTION NUMBER 15-14

Approval of a Modification to the Interest Rate of the FCRHA Loan in the Amount of \$681,380.55 Made to Morris Glen, L.P., Owner of Morris Glen Apartments (Lee District)

NOW THEREFORE BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA), as both the lender and as the general partner of the borrower, Morris Glen, L.P., authorizes the increase of the interest rate of the FCRHA loan to 180 basis points over LIBOR, subject to investor approval, as described in the Action Item presented to the FCRHA at its Regular Meeting on April 10, 2014; 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 Kennedy, to adopt Resolution Numbers 13-14, 14-14 and 15-14. A vote was taken and the motion carried unanimously.

ADMINISTRATIVE ITEMS

1.

RESOLUTION NUMBER 16-14

Appointment of Christopher Pietsch as Treasurer of the Fairfax County Redevelopment and Housing Authority

NOW THEREFORE, BE IT RESOLVED THAT Christopher Pietsch, Director of Fairfax County Department of Finance, is appointed, effective immediately, Treasurer of the Fairfax County Redevelopment and Housing Authority.

A motion was made by Commissioner Schwaninger, seconded by Commissioner McAloon, to adopt Resolution Number 16-14. A vote was taken and the motion carried unanimously.

INFORMATION ITEMS

1. Fairfax County Redevelopment and Housing Authority Regular Meeting Summary – March 6, 2014
2. Fairfax County Redevelopment and Housing Authority Special Meeting Summary – April 2, 2014
3. Minutes of the Housing Ownership, Management and Security Committee Meeting – April 2, 2014
4. Minutes of the Finance Committee Meeting – April 2, 2014

5. Semi-Annual At-Risk Housing Report: Summary of Sales and Market Trends; Status of At-Risk Affordable Apartment Complexes and Loss of Affordability Resulting from Expiring Government Finance Agreements and Subsidy Contracts and Escalating Rents - Brief Discussion
6. FY 2013 Audited Financial Statements, Single Audit, and Auditor's Communication with Those Charged with Governance
7. Potential Expansion of the Early Head Start Child Care Program at the Gum Springs Child Day Care Center (Mount Vernon District) – Brief Discussion
8. Fairfax County Redevelopment and Housing Authority Calendar of Meetings – May and June 2014
9. Planned Preference Changes in the Fairfax County Rental Program (FCRP) Related to Tenant Relocations from FCRP Units Undergoing Renovation – Brief Discussion

BOARD MATTERS – See Attachment #1

CLOSED SESSION

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy, that the Fairfax County Redevelopment and Housing Authority (“FCRHA”) go into Closed Session for (i) discussion, pursuant to Virginia Code Section 2.2-3711(A)(1), of prospective candidates for employment and resignation of specific public officers, (ii) 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 (iii) consultation, pursuant to Virginia Code Section 2.2-3711(A)(7), with legal counsel regarding specific legal matters requiring the provision of legal advice.

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 Carlson, 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
Robert C. Carlson
Christopher Craig
Richard Kennedy
Albert J. McAloon
Robert Schwaninger
Rod Solomon

NAY

ABSTAIN

The motion carried unanimously by the commissioners present and Open Meeting resumed at 8:49 p.m. **Note:** Commissioner Kyle left the meeting prior to the end of Closed Session.

RESOLUTIONS

1.

RESOLUTION NUMBER 17-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Elects Not to Exercise Its Option to Purchase Home Equity Loan Program (HELP) Property at 14901 Rydell Road, Unit 301, Centreville, VA 20121(Sully 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 14901 Rydell Road, Unit 301, Centreville, VA 20121 at any price equal to or greater than \$185,000; and

BE IT FURTHER RESOLVED that the FCRHA directs staff to inform the owner that any future executed contract at a sales price under \$185,000 must be brought back to the FCRHA for consideration.

A motion was made by Commissioner Carlson, seconded by Commissioner Schwaninger, to adopt Resolution Number 17-14. A vote was taken and the motion carried unanimously

2.

RESOLUTION NUMBER 18-14

Motion Following Closed Session Relating to Possible Settlement of Dispute Regarding Certain Affordable Dwelling Units (Hunter Mill, Lee, Sully, and Braddock Districts)

MOVED that the Fairfax County Redevelopment and Housing Authority authorize:

1. The Office of the County Attorney to negotiate a settlement with respect to disputes involving those certain Affordable Dwelling Units (ADUs) as identified in closed session, consistent with the terms discussed therein; and
2. The Chairman, the Vice Chairman, and any Assistant Secretary to execute all necessary or appropriate documents to implement any such settlement.

A motion was made by Commissioner Kennedy, seconded by Commissioner Schwaninger, to adopt Resolution Number 18-14. A vote was taken and the motion carried unanimously

3.

RESOLUTION NUMBER 19-14

Fairfax County Redevelopment and Housing Authority (FCRHA) Authorization of Offer to Acquire Fee Interest in 3.5 Acre Parcel (Tax Map Section 50-1, Double Circle 1, Parcel 18) of the Hopkins Glen Apartment Complex (Providence District)

MOVED that the Fairfax County Redevelopment and Housing Authority:

Authorize staff to enter into an offer to acquire the 3.5 acre parcel of land that is a portion of the Hopkins Glen Apartment Complex, such offer to be expressly contingent upon the later approval of the FCRHA at a future meeting and as further presented to the FCRHA at its Closed Session Meeting of April 10, 2014; and

Authorize the Chairman, Vice Chairman, Secretary, and/or any Assistant Secretary to execute any and all necessary documents to effectuate said offer, including a purchase contract and all such other documents necessary to secure a ratified purchase contract.

A motion was made by Commissioner Solomon, seconded by Commissioner Schwaninger, to adopt Resolution Number 19-14. A vote was taken and the motion carried unanimously

BOARD MATTERS (Continued) – See Attachment #1

ADJOURNMENT

A motion was made by Commissioner Schwaninger, seconded by Commissioner Kennedy, to adjourn the meeting at 9:02 p.m. A vote was taken and the motion carried unanimously.

Elisabeth Lardner, Chairman (Seal)

Paula C. Sampson, Assistant Secretary