

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

June 13, 2019

On June 13, 2019, 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 Robert Schwaninger called the Meeting of the FCRHA to order at 7:00 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Robert Schwaninger, Chairman
C. Melissa Jonas, Vice Chair
Matthew Bell
Christopher Craig
Kenneth Feng
Lenore Kelly
Richard Kennedy
Albert J. McAloon
Ezra Rosser
Sharisse Yerby

ABSENT

Rod Solomon

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Thomas Fleetwood, Director; Amy Ginger, Deputy Director, Operations; Hossein Malayeri, Deputy Director, Real Estate, Finance and Development; Seema Ajrawat, Director, Financial Management and Information Systems and Services (FM-ISS); Jason Chia, Information Technology Manager, FM-ISS; Aseem Nigam, Director, Real Estate Finance and Grants Management (REFGM); Laura Lazo, Associate Director, REFGM; Jyotsna Sharma, Associate Director, REFGM; Beverly Moses, Senior Program Manager, REFGM; Jenny Hsu, Housing Community Developer, REFGM; Carol Erhard, Director, Homeownership; Ahmed Rayyan, Director, Design, Development and Construction (DDC); Warren Campbell, Housing Community Developer, DDC; Vincent Rogers, Director, Policy and Compliance (P&C); Elisa Johnson, Associate Director, P&C; Matthew Graham, Management Analyst, P&C; Stephen Knippler, Senior Program Manager, P&C; Peggy Gregory, Director, Rental Assistance; Mike Trent, Network Analyst, FM-ISS. Also in attendance was FCRHA Counsel: Alan Weiss and Ryan Wolf, Assistant County Attorneys.

CITIZEN TIME

The FCRHA Chair opened citizen time at 7:00 p.m. One person signed up in advance to speak but was not in attendance.

With no one else in the audience wishing to speak, the Chair closed citizen time at 7:00 p.m.

APPROVAL OF MINUTES

April 11, 2019

Commissioner Jonas moved to approve the Minutes of the April 11, 2019, FCRHA Meeting, which Commissioner Kennedy seconded. The motion passed with Commissioner Bell and Commissioner Kelly abstaining.

ACTION ITEMS

1.

RESOLUTION NUMBER 21-19

Authorization to (1) Elect on Behalf of the Fairfax County Redevelopment and Housing Authority to Have the One University Rezoning Application Processed Under the New 2019 Proffer Legislation, and (2) Negotiate and Execute the One University Development Proffered Conditions (Braddock District)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Director of the Department of Housing and Community Development, as FCRHA Assistant Secretary, or any other FCRHA Assistant Secretary, to (1) Elect on its Behalf that the One University Rezoning Application be Processed under the New 2019 Proffer Legislation, and (2) Negotiate and Execute the One University Development Proffered Conditions, as described in the Action Item presented to the FCRHA at its meeting on June 13, 2019.

Commissioner McAloon moved to adopt Resolution Number 21-19, which Commissioner Jonas seconded. The motion passed unanimously.

2.

RESOLUTION NUMBER 22-19

Authorization to Enter into Contracts and Make Deferred Loans Using Federal Community Development Block Grant Funds to Good Shepherd Housing and Family Services, Inc. (\$590,900)

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Chairman, Vice Chairman, Secretary, or any Assistant Secretary of the FCRHA to negotiate, execute and deliver contracts, loans and any other necessary or appropriate documents or agreements, in accordance with the applicable federal regulations for the use of Community Development Block Grant Funds, consistent with the approvals of the Fairfax County Board of Supervisors, as more fully described in the Item presented to the FCRHA at its June 13, 2019 meeting, between the FCRHA and Good Shepherd Housing and Family Services, Inc. in the amount of \$590,900 for the acquisition and renovation of six (6) or more housing units, subject to underwriting by the Loan Underwriting Committee, which will be used to provide affordable rental housing for households at or below 50 percent of the Area Median Income.

Commissioner Bell moved to adopt Resolution Number 22-19, which Commissioner Yerby seconded. The motion passed unanimously.

3.

RESOLUTION NUMBER 23-19

Authorization to: (i) Approve the Prepayment of the Affordable Housing Partnership Program (AHPP) Loan Made to Wesley Strawbridge, L.P., and (ii) Defeasement of the U.S. Department of Housing and Urban Development (HUD) Section 108 Loans Used to Provide AHPP Loans to Wesley Strawbridge, L.P. and Fairfax County Redevelopment and Housing Authority (FCRHA) Olley Glen LP, Making them the Owners of the Strawbridge Square and Olley Glen Projects, Respectively (Braddock District and Mason District)

WHEREAS, Wesley Strawbridge, L.P., a Virginia limited partnership, submitted a request for financing from the Affordable Housing Partnership Program (AHPP) as a source of financing for the acquisition, rehabilitation and preservation of the 128-unit Strawbridge Square Apartments; and

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) wished to assist Wesley Strawbridge, L.P. acquire, rehabilitate and preserve the 128-unit Strawbridge Square Apartments project in order to preserve affordable rental housing in Fairfax County by providing an AHPP loan (the Strawbridge Square AHPP Loan) in the amount of \$5,040,000; and

WHEREAS, the FCRHA authorized, and the Board of Supervisors approved, the submission of a Section 108 Loan Application to the U.S. Department of Housing and Urban Development (HUD) that was used, in part, to provide making AHPP loans to Wesley Strawbridge, L.P and FCRHA Olley Glen LP, the owner of the Olley Glen project; and

WHEREAS, two Section 108 loan promissory notes were issued under the HUD Section 108 loan commitment for the Strawbridge Square Apartments project and the Olley Glen project (the Strawbridge Square Promissory Note and Olley Glen Promissory Note), in the amounts of \$5,040,000 and \$2,050,000, respectively; and

WHEREAS, the FCRHA has received a request from Wesley Lincoln, Inc, the general partner of Wesley Strawbridge Square, L.P., to prepay the Strawbridge Square AHPP Loan in conjunction with the refinancing of Strawbridge Square Apartments; and

WHEREAS, the Strawbridge Square Promissory Note and Olley Glen Promissory Note are not eligible for prepayment until August 2020, but may be defeased; and

WHEREAS, HUD confirmed that the prepayment of the Strawbridge Square AHPP Loan will require the defeasance of the Strawbridge Square Promissory Note; and

WHEREAS, it is recommended that the Olley Glen Promissory Note be defeased in conjunction with the defeasement of the Strawbridge Square Promissory Note;

NOW, THEREFORE, BE IT RESOLVED that the FCRHA hereby authorizes: (i) the prepayment of the AHPP Loan, and (ii) the defeasance of the Strawbridge Square Promissory Note and the Olley Glen Promissory Note; 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 or appropriate in connection with the prepayment of the AHPP Loan and the defeasance of the Strawbridge Square Promissory Note and the Olley Glen Promissory Note.

Commissioner Jonas moved to adopt Resolution Number 23-19, which Commissioner Feng seconded. The motion passed unanimously.

RESOLUTION NUMBER 24-19

Authorization to Establish and Fund a Dedicated Banking Account for Olley Glen L.P., Subject to the Board of Supervisors Approval, if Wesley Housing Does Not Repay the AHPP Loan Made to Wesley Strawbridge, L.P. (Braddock District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) authorized, and the Board of Supervisors approved, the submission of a Section 108 Loan Application to the U.S. Department of Housing and Urban Development (HUD) that was used, in part, to provide making Affordable Housing Partnership Program (AHPP) loans to Wesley Strawbridge, L.P and FCRHA Olley Glen LP, the owner of the Olley Glen project; and

WHEREAS, two Section 108 promissory notes were issued under the HUD Section 108 loan commitment for the Strawbridge Square Apartments and the Olley Glen projects, in the amounts of \$5,040,000 and \$2,050,000, respectively; and

WHEREAS, the FCRHA has received a request from Wesley Strawbridge Square, L.P. to prepay its AHPP loan in conjunction with the refinancing of Strawbridge Square Apartments; and

WHEREAS, the prepayment of the Strawbridge Square AHPP loan would result in the defeasance of the Strawbridge Square Apartments and Olley Glen Section 108 promissory notes in accordance with HUD requirements; and

WHEREAS, there is a HUD collateral requirement related to the Olley Glen promissory note;

NOW, THEREFORE, BE IT RESOLVED that in the event the Olley Glen promissory note is not defeased, the FCRHA hereby authorizes, subject to HUD and Board of Supervisors approval: (i) the establishment and funding of a dedicated bank account to satisfy the HUD collateral requirement, and (ii) the transfer of funds out of the FCRHA Operating Fund, Fund 810-C81000 Reserves, into the dedicated bank account in the amount up to \$860,000, 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 or appropriate in connection with the establishment and funding of the dedicated bank account.

After a brief discussion, Commissioner McAloon moved to adopt Resolution Number 24-19, which Commissioner Kennedy seconded. The motion passed unanimously.

4.

RESOLUTION NUMBER 25-19

Adoption of the Fiscal Year (FY) 2020 Consolidated Fairfax County
Redevelopment and Housing Authority/Department of Housing and Community
Development Operating and Capital Budget Plan

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) adopts the FY 2020 Consolidated FCRHA/Department of Housing and Community Development (HCD) Operating and Capital Budget plan for those funds appropriated by the FCRHA as presented to the FCRHA at its June 13, 2019 meeting; and

BE IT FURTHER RESOLVED that the FCRHA acknowledges the Operating and Capital budget plan and the FCRHA's requests for those funds appropriated by Fairfax County as presented to the FCRHA at its June 13, 2019 meeting.

Commissioner Jonas moved to adopt Resolution Number 25-19, which Commissioner Kennedy seconded. The motion passed unanimously.

ADMINISTRATIVE ITEMS

1.

RESOLUTION NUMBER 26-19

Authorization to Submit Public Comments on the U.S. Department of Housing and
Urban Development's Housing and Community Development Act of 1980: Verification
of Eligible Status Proposed Rule

BE IT RESOLVED, that the Fairfax County Redevelopment and Housing Authority (FCRHA) does hereby authorize the Department of Housing and Community

Development (HCD) to submit public comments on the U.S. Department of Housing and Urban Development's Proposed Rule, "Housing and Community Development Act of 1980: Verification of Eligible Status," as described in the Administrative Item presented on June 13, 2019.

FCRHA Chair Robert Schwaninger read comments from Commissioner Solomon in support of the Resolution into the record. After discussion, Commissioner Jonas moved to adopt Resolution Number 26-19, which Commissioner Bell seconded. The motion passed with Commissioner Craig and Commissioner Feng opposing.

2.

RESOLUTION NUMBER 27-19

Authorization to Purchase Two Workforce Dwelling Units (WDUs) at Sunrise Square (Hunter Mill District)

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the purchase of two WDUs at Sunrise Square in the Hunter Mill District as described in the Administrative Item presented to the FCRHA on June 13, 2019; and

BE IT FURTHER RESOLVED that staff is hereby authorized to take such actions as may be reasonably necessary to implement these changes and/or exercise such delegated authority.

After a brief discussion, Commissioner Kennedy moved to adopt Resolution Number 27-19, which Commissioner Bell seconded. The motion passed, with Commissioner Feng opposing.

INFORMATION ITEMS

1. Fairfax County Redevelopment and Housing Authority Meeting Summary — April 11, 2019
2. Minutes of the Housing Ownership, Management and Security Committee Meeting — June 5, 2019
3. Minutes of the Finance Committee Meeting — June 5, 2019
4. Minutes of the Planning and Development Committee Meeting — June 5, 2019

5. Update on Moving to Work Rent Reform Evaluation
6. State Rental Assistance Program Contact Modification and Extension
7. Fairfax County Redevelopment and Housing Authority Calendar of Meetings —
July and August 2019

CLOSED SESSION

Commissioner Craig moved that the Fairfax County Redevelopment and Housing Authority ("FCRHA") go into Closed Session, for the following:

Pursuant to Virginia Code Section 2.2-3711(A)(3), for discussion and consideration of the disposition of publicly held real property, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of the FCRHA, namely:

- the North Hill Property, Mount Vernon District
- One University, Braddock District

Pursuant to Virginia Code Section 2.2-3711(A)(7), for consultation with legal counsel regarding actual litigation, specifically, the case styled *Wilmington Savings Fund Society v FCRHA et al.*; Case No. CL-2018-0007324 regarding property located in the Sully District.

Pursuant to Virginia Code Section 2.2-3711(A)(8) consultation with legal counsel for legal advice regarding matters raised by Lalona Davis.

Commissioner Bell seconded the motion. The FCRHA went into Closed Session at 7:35 p.m.

OPEN SESSION

Commissioner Craig moved 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. Commissioner Yerby seconded the motion.

The FCRHA took the following roll call vote:

AYE

Robert Schwaninger, Chairman
C. Melissa Jonas, Vice Chair
Matthew Bell
Christopher Craig
Kenneth Feng
Lenore Kelly
Richard Kennedy
Albert J. McAloon
Ezra Rosser
Sharisse Yerby

NAY

ABSTAIN

The motion carried and the Open Meeting resumed at 7:45 p.m.

BOARD MATTERS — See Attachment

ADJOURNMENT

Commissioner McAloon moved to adjourn the meeting, which was seconded by Commissioner Kennedy. The motion passed unanimously and the meeting adjourned at 7:56 p.m.

(Seal)

Robert Schwaninger, Chairman

Thomas Fleetwood, Assistant Secretary