

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

November 14, 2019, Special Meeting

On November 14, 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 Special 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
Matthew Bell
Christopher Craig
Kenneth Feng
Lenore Kelly
Richard Kennedy
Albert J. McAloon
Ezra Rosser
Sharisse Yerby

ABSENT

C. Melissa Jonas, Vice Chair
Rod Solomon

Also present at the meeting were the following staff of the Department of Housing and Community Development (HCD): Thomas Fleetwood, Director; Teresa Lepe, Acting 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; Vincent Rogers, Director, Policy and Compliance (P&C); Stephen Knippler, Senior Program Manager, P&C; Carol Erhard, Director, Homeownership; Jyotsna Sharma, Associate Director, Real Estate Finance and Grants Management (REFGM); Debashish Chakravarty, Senior Real Estate Finance Officer, REFGM; Michael Pearman, Portfolio Manager, REFGM; Mike Trent, Network Analyst, FM-ISS. Also in attendance was FCRHA Counsel: Cynthia A. Bailey, Deputy County Attorney; Alan Weiss and Susan Timoner, Assistant County Attorneys.

ACTION ITEM

1.

RESOLUTION NUMBER 44-19

Authorization, Subject to the Approval of the Fairfax County Board of Supervisors, to Make Housing Blueprint Loans to One University Family, LLC and One University Senior, LLC in the Amounts of \$2,000,000 and \$4,500,000, Respectively, to Finance the Development of One University Apartments, Fairfax, Virginia (Braddock District)

WHEREAS, SCG Development Partners, LLC, submitted requests for financing under the Housing Blueprint (Blueprint) as a source of financing for the development of the 240-unit One University Apartments; and

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA) wishes to assist SCG Development Partners, LLC to develop the 240-unit One University Apartments project in order to produce multifamily and senior rental housing in Fairfax County by providing loans to SCG's subsidiaries One University Family, LLC and One University Senior, LLC in the amounts of \$2,000,000 and \$4,500,000, respectively, such amounts may be adjusted, provided the aggregate amount is \$6,500,000.

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

1) Making loans to One University Family, LLC and One University Senior, LLC for the One University Apartments project in the amounts of \$2,000,000 and \$4,500,000, respectively, as described in the Action Item presented to the FCRHA on November 14, 2019; and

2) The allocation of Blueprint funds in the amount of \$6,500,000 for the purpose of the development of One University Apartments; and

3) The FCRHA recognizes that the two loan amounts between the two transactions may change, however the aggregate amount will remain \$6,500,000; and

4) The FCRHA gives the Assistant Secretary (and Fairfax County Department of Housing and Community Development (HCD) staff) the authority to negotiate and approve an alternative financing plan under similar terms and conditions, should the need arise.

BE IT FURTHER RESOLVED that the FCRHA authorizes Thomas E. Fleetwood, Assistant Secretary, or any 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 Loan for the development of the 240-unit One University Apartments.

After a presentation and discussion, Commissioner McAloon moved to adopt Resolution Number 44-19, which Commissioner Kennedy seconded. The motion passed unanimously.

2.

RESOLUTION NUMBER 45-19

Resolution Approving and Authorizing the Fairfax County Redevelopment and Housing Authority to Create Certain Limited Liability Companies for the Purpose of Syndicating Virginia Historic Rehabilitation Tax Credits for the Renovation of the Original Mount Vernon High School; Approving and Authorizing the Execution and Delivery of Certain Contracts and Leases Associated with the Redevelopment of the Original Mount Vernon High School; Delegating to Certain FCRHA Officials Authority to Execute and Deliver These and Any Such Other Documents Necessary to Effectuate These Purposes; and Authorizing Amendments to the Articles of Incorporation of the Housing Assistance Corporation to Reflect Additional Redevelopment Rights

WHEREAS, Fairfax County, Virginia (the “**County**”), owns the Original Mount Vernon High School and approximately 11.5 acres of surrounding property (“**OMVHS**”); and

WHEREAS, OMVHS includes a structure of historical significance that is listed on the Virginia Historic Landmarks Register and the National Registry of Historic Places—and that is located at 8333 Richmond Highway, Alexandria, Virginia, in the Mount Vernon Magisterial District (Tax Map #101-4-((1))-0005A and 101-4-((7))-0001) (the “**Structure**”); and

WHEREAS, the County recently completed a Master Plan Study for the redevelopment, rehabilitation, and adaptive reuse of OMVHS (“the **Project**”), which envisions using the Structure to build communities of opportunity, create career pathways, connect different generations, and better integrate nearby residents into the community, and to provide for certain public purposes such as the educational childcare and childhood education programs, art, recreational and life skill training programs, and innovation and business incubation spaces, among other uses (“**Phase 1**”); and which further envisions using the surrounding acreage for safe and sanitary living accommodations for persons of low and moderate income, recreation, parks, and other public and community uses (“**Phase 2**”); and

WHEREAS, the expected costs of Phase 1 are approximately \$80 million dollars, and of this amount, approximately \$55 million dollars are eligible for Virginia Historic and Rehabilitation Tax Credits (“**VHRTC**s”), which will yield approximately \$13 million dollars of additional equity for Phase 1; and

WHEREAS, pursuant to Virginia Code §§ 36-19(2) the Fairfax County Redevelopment and Housing Authority (“**FCRHA**”) has the express authority, upon the request of the Fairfax County Board of Supervisors (“**Board**”) to, among other things,

provide for the construction, reconstruction, improvement, alteration or repair of any public building or other facility used for public proposes; and

WHEREAS, pursuant to Virginia Code § 36-19(12), the FCRHA has the express authority, with the approval of the Board to form corporations, partnerships, joint ventures, trusts, or any other legal entity with any public or private entity; and

WHEREAS, Virginia Code § 58.1-339.2 authorizes, among others, corporations that incur certain eligible expenses in the rehabilitation of a certified structure, such as the OMVHS Structure, to access and receive VHRTCs; and

WHEREAS, it is expected that at a duly convened meeting of the Board on November 19, 2019, the Board will request the FCRHA to take all action necessary to renovate and rehabilitate the Structure, and will also authorize the FCRHA to create the limited liability companies that will allow the County to access and obtain VHRTCs; and

WHEREAS, the renovation and rehabilitation of the Structure is a proper public purpose that will render significant benefits to the citizens of Fairfax County not only for its unique and important historic value, but also for the exceptional programming, recreational opportunities, and the development of safe and sanitary living accommodations for person of low and moderate income that are attendant to and accompany its renovation; and

WHEREAS, accessing and obtaining VHRTCs to help fund the renovation of the Structure is fiscally sound and prudent; and

WHEREAS, the FCRHA anticipates that additional financing for the Project will be provided by the issuance of taxable or tax-exempt bonds or other obligations by the County or FCRHA ("**Bonds**"), including Bonds to reimburse for expenditures previously made in connection with the Project; and

WHEREAS, the FCRHA has reviewed and duly considered the form and terms of the agreements and leases that will enable the County—by and through the FCRHA—to access VHRTCs; and

WHEREAS, the FCRHA has determined that it is necessary to delegate to appropriate FCRHA officials authority to execute the requisite agreements and leases subject to the guidelines and standards established hereby; now, therefore,

BE IT RESOLVED by the FCRHA, as follows:

SECTION 1. Assuming that the Board so requests on November 19, 2019, the FCRHA agrees to take all actions necessary to renovate and rehabilitate the Structure; and

SECTION 2. Conditioned on the approval of the Board expected to occur on November 19, 2019, the FCRHA will create a limited liability corporation, known as

OMVHS LLC, that will meet the requirements of the VHRTC program; and

SECTION 3. Conditioned on the approval of the Board expected to occur on November 19, 2019, the FCRHA will create a limited liability corporation known as OMVHS MM, that will allow the FCRHA to manage OMVHS LLC; and

SECTION 4. The FCRHA approves the execution and delivery by the Chairman, Vice Chairman, or any assistant secretary (each any a “Delegate”) of the Lease, which is in substantial conformance to the form of the Lease attached to this Resolution as Attachment A. In addition, any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution, shall be conclusive evidence of the Delegate’s approval, on behalf of the FCRHA, of the changes, if any, to the form and content of the Lease.

SECTION 5. The FCRHA approves the execution and delivery by any Delegate of the Sublease, which is in substantial conformance to the form of the Sublease attached to this Resolution as Attachment B. In addition, other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution, shall be conclusive evidence of the Delegate’s approval, on behalf of the FCRHA, of the changes, if any, to the form and content of the Sublease.

SECTION 6. The FCRHA approves the execution and delivery by any Delegate of the Sub Sublease, which is in substantial conformance to the form of the Sub Sublease attached to this Resolution as Attachment C. In addition, other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution, shall be conclusive evidence of the Delegate’s approval, on behalf of the FCRHA, of the changes, if any, to the form and content of the Sub-Sublease.

SECTION 7. The FCRHA approves the execution and delivery by any Delegate of the Development Agreement, which is in substantial conformance to the form of the Development Agreement attached to this Resolution as Attachment D. In addition, any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution, shall be conclusive evidence of the Delegate’s approval, on behalf of the FCRHA, of the changes, if any, to the form and content of the Development Agreement.

SECTION 8. The FCRHA approves the execution and delivery by any Delegate of the Grant Funding Agreement, which is in substantial conformance to the form of the Grant Funding Agreement attached to this Resolution as Attachment E. In addition, any other agreements, documents, closing papers and certificates executed and delivered pursuant to this Resolution, shall be conclusive evidence of the Delegate’s approval, on behalf of the FCRHA, of the changes, if any, to the form and content of the Grant Funding Agreement.

SECTION 9. The FCRHA expects that the County, FCRHA, or other parties will pay on and after the date hereof certain expenditures in connection with Phase I of the Project (the “**Expenditures**”) with funds available only for a temporary period for which FCRHA intends and reasonably expects to be reimbursed as permitted by Treasury

Regulation Section 1.150-2 issued pursuant to the Internal Revenue Code of 1986, as amended, from the proceeds of one or more issues of Bonds in an aggregate principal amount presently estimated not to exceed \$80,000,000. Each Expenditure will be either (a) of a type properly chargeable to capital account under general federal income tax principles (determined in each case as of the date of the Expenditure), or (b) a grant to a party that is not related to or an agent of the County or FCRHA, which does not impose any obligation or condition (directly or indirectly) to repay any amount to or for the benefit of the County, FCRHA, or other entities. The County or FCRHA will make a reimbursement allocation, which is a written allocation by the County or FCRHA that evidences the use of proceeds of the Bonds to reimburse such Expenditures, no later than 18 months after the later of (i) the date on which the Expenditure is paid and (ii) the date Phase I of the Project is placed in service or abandoned, but in no event more than three years after the date on which the Expenditure is paid.

SECTION 10. The Delegates and other members, officers and employees of the FCRHA are hereby authorized and directed to do all acts and things required of them by the provisions of the each of the above-referenced agreements for the full, punctual, and complete performance of all the terms, covenants, and provisions of these agreements, and to do all acts and things required of them to promote the goals of this Resolution.

SECTION 11. Each of the Delegates is authorized to execute one or more certificates evidencing the determinations made or other actions carried out pursuant to the authority granted in this Resolution, and any such certificate shall be conclusive evidence of the actions or determinations as stated therein.

SECTION 12. All actions taken by any of the Delegates and other members, officers and employees of the FCRHA in connection with this Resolution are hereby authorized, approved, ratified, and confirmed.

SECTION 13. The FCRHA authorizes the Housing Assistance Corporation to change its name to "FCRHA Redevelopment and Housing Assistance Corporation" and amend its articles of incorporation, which amendments are in substantial conformance to the form Amended Articles of Incorporation attached to this Resolution as Attachment E.

SECTION 14. Any and all resolutions of the FCRHA or portions thereof in conflict with the provisions of this Resolution are hereby repealed to the extent of such conflict.

SECTION 15. This Resolution shall take effect immediately upon its adoption.

(Seal)

A Copy Teste:

After a presentation and discussion, Commissioner Bell moved to adopt Resolution Number 45-19, which Commissioner Yerby seconded. The motion passed unanimously.

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 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:

Properties located in the Sully District

Pursuant to Virginia Code Section 2.2-3711(A)(8), for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel.

Property located in Mount Vernon District

Commissioner McAloon seconded the motion. The FCRHA went into Closed Session at 7:47 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 FCRHA during Closed Session. Commissioner Yerby seconded the motion.

The FCRHA took the following roll call vote:

AYE

Robert Schwaninger, Chairman
Matthew Bell
Christopher Craig
Kenneth Feng
Lenore Kelly
Richard Kennedy
Albert J. McAloon
Ezra Rosser

NAY

ABSTAIN

Sharisse Yerby

The motion carried and the Open Meeting resumed at 8:00 p.m.

RESOLUTION

1.

RESOLUTION NUMBER 46-19

Request for Fairfax County Redevelopment and Housing Authority (FCRHA) Approval to Purchase Affordable Dwelling Unit (ADU) Property at 4601 Flatlick Branch Drive, Chantilly, VA 20151 (Sully District) for Resale in the First-Time Homebuyers Program

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the purchase of the Affordable Dwelling Unit (ADU) at 4601 Flatlick Branch Drive, Chantilly, VA 20151 (Sully District) for resale in the First-Time Homebuyers Program as described in the Closed Session Item on November 14, 2019, and

BE IT FURTHER RESOLVED that staff and any Assistant Secretary are hereby authorized to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate such purchase.

Commissioner Kelly moved to adopt Resolution Number 46-19, which Commissioner McAloon seconded. The motion passed with Commissioner Feng opposing.

2.

RESOLUTION NUMBER 47-19

Request for Fairfax County Redevelopment and Housing Authority (FCRHA) Approval to Purchase Affordable Dwelling Unit (ADU) Property at 4604 Flatlick Branch Drive, Chantilly, VA 20151 (Sully District) for Resale in the First-Time Homebuyers Program

BE IT HEREBY RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the purchase of the Affordable Dwelling Unit (ADU) at 4604 Flatlick Branch Drive, Chantilly, VA 20151 (Sully District) for resale in the First-Time Homebuyers Program as described in the Closed Session Item on November 14, 2019, and

BE IT FURTHER RESOLVED that staff and any Assistant Secretary are hereby

authorized to take such actions and to execute and deliver such documents as may be reasonably necessary to effectuate such purchase.

Commissioner Kelly moved to adopt Resolution Number 47-19, which Commissioner Bell seconded. The motion passed with Commissioner Feng opposing.

ADJOURNMENT

The Chairman adjourned the meeting at 8:02 p.m.

(Seal)

Robert Schwaninger, Chairman

Thomas Fleetwood, Assistant Secretary