

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

October 24, 2018, Special Meeting

On October 24, 2018, 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 6:15 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Robert Schwaninger, Chairman
C. Melissa Jonas, Vice Chair
Christopher Craig
Kenneth Feng
Kevin Greenlief
Richard Kennedy
Albert J. McAloon
Ezra Rosser

ABSENT

Matthew Bell
Rod Solomon
Sharisse Yerby

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); Aseem Nigam, Director, Real Estate Finance and Grants Management (REFGM); Jyotsna Sharma, Associate Director, REFGM; Debashish Chakravarty, Housing Community Developer, REFGM; Ahmed Rayyan, Director, Design, Development and Construction (DDC); Vincent Rogers, Director, FCRHA Policy, Reporting and Communications (PRC); Steve Knippler, Senior Program Manager, FCRHA PRC; Mike Trent, Network Analyst, FM-ISS; Jeremy Bilowus, Information Technology Technician, FM-ISS; Jodi Cienki, FCRHA Assistant. Also in attendance was FCRHA Counsel: Cynthia A. Bailey, Deputy County Attorney; Alan Weiss, Susan Timoner and Ryan Wolf, Assistant County Attorneys.

The Commissioners welcomed Commissioner Rosser to the Authority.

PUBLIC HEARING

Tax Equity and Fiscal Responsibility Act (TEFRA) Hearing Prior to Bond Issuance for Parkwood Apartments (Mason District)

The FCRHA Chair opened the Public Hearing at 6:18 p.m. No one signed up in advance and no one in the audience wanted to speak. The Chair closed the Public Hearing at 6:18 p.m.

ACTION ITEMS

1.

RESOLUTION NUMBER 33-18

Authorization to Schedule and Advertise a Public Hearing on the Proposed Third Amendment to the Interim Agreement with CHPPENN I, LLC for the Redevelopment of the North Hill Property (Mount Vernon District)

BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Fairfax County Department of Housing and Community Development (HCD) to schedule and advertise a public hearing to occur on November 1, 2018, regarding the proposed Third Amendment to the Interim Agreement with CHPPENN I, LLC pertaining to the redevelopment of the FCRHA-owned North Hill property in the Mount Vernon District under the provisions of the Public-Private Education Facilities and Infrastructure Act of 2002, as amended, as described in the item presented to the FCRHA at its meeting on October 24, 2018, and

BE IT FURTHER RESOLVED THAT the FCRHA authorizes any Assistant Secretary, on behalf of the Authority, to take any other action as may be necessary or appropriate to comply therewith or in furtherance of the purposes thereof.

Commissioner McAloon moved to adopt Resolution Number 33-18, which Commissioner Jonas seconded. The motion passed unanimously.

2.

RESOLUTION NUMBER 34-18

Fairfax County Redevelopment and Housing Authority Approval of the Issuance of Tax-Exempt and/or Taxable Multifamily Housing Revenue Bonds (Murraygate Village Apartments Project) (The "Bonds") in an Aggregate Amount Not to Exceed \$20,000,000, and Authorizing and Approving the Execution and Delivery of Various Documents in Connection With the Issuance of the Bonds; Providing For the Sale of the Bonds; Setting Forth the Terms and Conditions Upon Which the Bonds are to be Issued

and Sold; and Providing for Certain Other Matters in Connection with the Issuance, Sale and Delivery of the Bonds (Lee District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (the "Authority") is a political subdivision of the Commonwealth of Virginia, established pursuant to the Housing Authority Law, Title 36, Chapter 1, Code of Virginia of 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 Multifamily Housing Revenue Bonds (Murraygate Village Apartments Project) in one or more series or subseries (the "Bonds") in an aggregate principal amount not to exceed \$20,000,000; and

WHEREAS, the proceeds of the Bonds will be loaned to the Owner named below to be used, together with other sources, to: (1) finance, refinance or reimburse the cost of the acquisition, construction and equipping of a 200-unit affordable multifamily rental housing project to be known as Murraygate Village Apartments, located in Fairfax County at 7800 Belford Drive, Fairfax, Virginia (the "Project"), (2) fund capitalized interest and other related reserves, if any, and (3) pay costs of issuance of the Bonds; and

WHEREAS, the Project will be owned by Murraygate Village Limited Partnership, a Virginia limited partnership (the "Owner"); and

WHEREAS, Thomas E. Fleetwood as Assistant Secretary on behalf of the Authority executed a Declaration of Intent on February 2, 2017, evidencing the Authority's intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$20,000,000; and

WHEREAS, the Authority on March 23, 2017 approved the proposed financing of the Project; and

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 issuance of the Bonds on a tax-exempt/taxable basis; and

WHEREAS, the Authority held a TEFRA Hearing on March 8, 2018; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing was approved by the Fairfax County Board of Supervisors (BOS) at its meeting held on July 25, 2017, and the BOS readopted the approval of the issuance of bonds on March 20, 2018; and

WHEREAS, in connection with the sale of the Bonds, the Authority desires to enter into a Bond Purchase Agreement (the "Bond Purchase Agreement") with Stifel, Nicolaus and Company, Incorporated (the "Underwriter") and the Owner; and

WHEREAS, there have been prepared proposed forms of:

(i) the Trust Indenture (the "Indenture") by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to which the Bonds will be issued;

(ii) the Loan Agreement by and between the Authority and the Owner;

(iii) the Land Use Restriction Agreement by and among the Authority, the Trustee and the Owner;

(iv) the Bond Purchase Agreement by and among the Authority, the Owner and the Underwriter; and

(v) the preliminary Official Statement (the "Official Statement") to be used by the Underwriter in connection with the preliminary offering of the Bonds.

NOW, THEREFORE, BE IT RESOLVED BY THE FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY:

Section 1. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

Section 2. **Issuance of the Bonds.** The Commissioners of the Authority (the "Commissioners") hereby authorize the issuance of the Bonds by the Authority, for the purpose of providing a loan of the proceeds of the Bonds to the Owner to be used, together with other sources, to: (a) finance, refinance or reimburse the cost of the acquisition, construction and equipping of the Project, (b) fund capitalized interest and other related reserves, if any, and (c) pay costs of issuance of the Bonds. The principal amount of the Bonds shall not exceed in one or more series, or subseries, in the aggregate \$20,000,000. The Bonds shall be issued in authorized denominations as set forth in the Indenture, numbered as the Trustee shall determine, and shall be fully registered without coupons.

The Bonds shall be dated as set forth in the Indenture and approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature not more than four (4) years from their date of issuance and be sold at a price not less than 100 percent of the principal amount thereof. The Bonds shall bear interest initially at a term rate to be established at the time of pricing and sale of the Bonds, and thereafter in accordance with the remarketing provisions of the Indenture.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chairman or the Vice Chairman of the Authority, duly attested by the manual or facsimile signature of the Secretary or an Assistant Secretary of the Authority or any other person authorized to do same ("Authorized Representative"), and the seal of the Authority shall be thereunto affixed (or imprinted or engraved if in facsimile).

The Bonds shall be in the form set forth in the final form of the Indenture.

Section 3. **Sale of Bonds.** The Authority hereby authorizes the sale of the Bonds to the Underwriter pursuant to a Bond Purchase Agreement.

Section 4. **Limited Obligation.** The Bonds and the interest thereon shall be limited obligations of the Authority, secured by and payable solely from the trust estate pledged under the Indenture.

NEITHER THE COMMISSIONERS OF THE AUTHORITY NOR ANY PERSON EXECUTING THE BONDS SHALL BE LIABLE PERSONALLY THEREON BY REASON OF THE ISSUANCE THEREOF. THE BONDS AND THE INTEREST THEREON SHALL NOT BE A DEBT OF THE COUNTY OF FAIRFAX, VIRGINIA, THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) AND NEITHER THE COUNTY OF FAIRFAX, VIRGINIA NOR THE COMMONWEALTH OF VIRGINIA OR ANY POLITICAL SUBDIVISION THEREOF (OTHER THAN THE AUTHORITY) SHALL BE LIABLE THEREON NOR IN ANY EVENT SHALL THE BONDS BE PAYABLE OUT OF ANY FUNDS OR PROPERTIES OTHER THAN THOSE OF THE AUTHORITY AS PLEDGED THERETO UNDER THE INDENTURE. THE BONDS SHALL NOT CONSTITUTE AN INDEBTEDNESS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION. THE AUTHORITY HAS NO TAXING POWER.

Section 5. **Indenture.** The Indenture is hereby approved in the form made available at this meeting. The Chairman or the Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Indenture in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Indenture being conclusive evidence of such approval and of the approval of the Authority; and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chairman or the Vice Chairman to the Indenture and affix the seal of the Authority to the Indenture.

Section 6. **Trustee.** The Bank of New York Mellon Trust Company, N.A. is hereby appointed the Trustee under the Indenture. The Indenture may provide that the Trustee thereunder, or another corporate entity, shall act as bond registrar, paying agent and authenticating agent.

Section 7. **Delivery of Bonds.** After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which is hereby authorized and requested to authenticate and deliver the Bonds to the Underwriter for the benefit of the registered owners thereof.

Section 8. **Bond Counsel.** Ballard Spahr LLP is hereby appointed Bond Counsel in connection with the issuance and sale of the Bonds.

Section 9. **Underwriter.** Stifel, Nicolaus and Company, Incorporated, is hereby appointed Underwriter in connection with the issuance and sale of the Bonds.

Section 10. **Remarketing Agent.** Stifel, Nicolaus and Company, Incorporated, is hereby appointed as Remarketing Agent in connection with the remarketing of the Bonds in accordance with the Indenture.

Section 11. **Bond Purchase Agreement.** The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Bond Purchase Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, the Vice Chairman, the Secretary, or an Assistant Secretary, the execution of the Bond Purchase Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 12. **Land Use Restriction Agreement.** The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the Land Use Restriction Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority, the execution of the Land Use Restriction Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 13. **Tax Agreement.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver on behalf of the Authority (i) the No Arbitrage Certificate and Tax Agreement (the "Tax Agreement") prepared by Bond Counsel, the execution of such Tax Agreement being conclusive evidence of the approval of the Authority and (ii) an Internal Revenue Service Form 8038 relating to the Bonds prepared by Bond Counsel.

Section 14. **Loan Agreement.** The Loan Agreement is hereby approved in the form made available at this meeting. The Chairman or Vice Chairman of the Authority is hereby authorized and directed to execute and deliver the Loan Agreement and the Secretary or an Assistant Secretary of the Authority, or any Authorized Representative, is hereby authorized and directed to attest the signature of the Chairman or the Vice

Chairman to the Loan Agreement and to affix the seal of the Authority to the Loan Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chairman or the Vice Chairman, the execution of the Loan Agreement being conclusive evidence of such approval and of the approval of the Authority.

Section 15. **Official Statement.** Use by the Underwriter of the Official Statement in substantially the preliminary form made available at this meeting in connection with the preliminary offering of the Bonds by the Underwriter is hereby authorized and approved, with such additions, deletions and modifications to the preliminary Official Statement as may be approved by counsel for the Authority. The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority is hereby authorized and directed to execute and deliver the final Official Statement, the execution of which being conclusive evidence of the approval by the Authority for the use by the Underwriter of the final Official Statement in connection with the offering and sale of the Bonds by the Underwriter.

Section 16. **Registration under "Blue Sky" Laws.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority or, in their absence, any Authorized Representative is hereby authorized in the name and on behalf of the Authority to take any and all action, if any, which the Underwriter shall reasonably request and which the Chairman, Vice Chairman, Secretary or an Assistant Secretary may deem necessary, or advisable, with the advice of counsel for the Authority, in order to effect the registration or qualification (or exemption therefrom) of the Bonds for issue, offer, sale or trade under the "Blue Sky" or securities laws of any of the states of the United States of America and in connection therewith, to execute, acknowledge, verify, deliver, file or cause to be published any applications, reports, consents to service of process and other papers and instruments which may be required under such laws, and to take any and all further action which such officer may deem necessary or advisable in order to maintain any such registration or qualification for as long as the Chairman, Vice Chairman, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriter; provided, however, the Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority shall not consent to service of process in any jurisdiction in which the Authority is not now subject to service of process.

Section 17. **Other Action.** The Chairman, Vice Chairman, Secretary or an Assistant Secretary of the Authority or any Authorized Representative is hereby authorized and directed to execute and deliver any and all additional documents, certificates and instruments necessary or proper to do and cause to be done any and all acts and things necessary or proper for carrying out the transactions contemplated by this Resolution and with respect to the securing, issuance and sale of the Bonds.

Section 18. **No Personal Liability.** No stipulation, obligation or agreement herein contained or contained in the Indenture, the Loan Agreement, the Bond Purchase Agreement, the Land Use Restriction Agreement, the Tax Agreement, the Bonds or in any other agreement, certificate or document executed on behalf of the Authority shall be

deemed to be a stipulation, obligation or agreement of any Commissioner, officer, agent or employee of the Authority in his or her individual capacity, and no such Commissioner, officer, agent or employee shall be personally liable on the Bonds or be subject to personal liability or accountability by reason of the issuance thereof.

Section 19. ***Action Approved and Confirmed.*** All acts and doings of the Commissioners, officers, agents or employees of the Authority which are in conformity with the purposes and intent of this Resolution and in the furtherance of the issuance of the Bonds and the execution, delivery and performance of the documents and agreements authorized hereby are in all respects approved and confirmed.

Section 20. ***Severability.*** If any provision of this Resolution shall be held or deemed to be illegal, inoperative or unenforceable, the same shall not affect any other provision or cause any other provisions to be invalid, inoperative or unenforceable to any extent whatsoever.

Section 21. ***Repealer; Effective Date.*** Any resolutions or orders or parts thereof in conflict with this Resolution are to the extent of such conflict hereby repealed. This Resolution shall take effect immediately upon its adoption.

ADOPTED AND APPROVED this 24th day of October, 2018.

Commissioner McAloon moved to adopt Resolution Number 34-18, which Commissioner Greenlief seconded. The motion passed unanimously.

RESOLUTION NUMBER 35-18

Authorization to Enter into an Amended and Restated Limited Partnership Agreement of Murraygate Village Limited Partnership and Other Syndication Documents with R4 Capital LLC, or a Related Entity, for the Purpose of Constructing, Owning and Operating Murraygate Village Apartments (Lee District)

WHEREAS, the Fairfax County Redevelopment and Housing Authority (FCRHA), was organized for the purpose, among others, of developing and operating low-income housing; and

WHEREAS, the FCRHA wishes to rehab the project known as the Murraygate Village Apartments, consisting of 204 units located in Alexandria, Virginia, which will be rehabbed, owned and operated as housing for low-income persons (the "Project") by a

tax credit limited partnership formed by the FCRHA and known as Murraygate Village Limited Partnership (the "Partnership"), in which the FCRHA will serve as the managing general partner; and

WHEREAS, the Partnership in which the FCRHA is (i) a co-general partner with FCRHA Housing Assistance Corporation, and (ii) the limited partner, which Partnership was formed for the purpose of rehabbing, owning and operating the Project; and

WHEREAS, the FCRHA, in its capacity as managing general partner and as sole limited partner of the Partnership, wishes to amend the partnership agreement of the Partnership to admit R4 Capital LLC or a related entity (R4), upon transfer by the FCRHA of its limited partnership interest to R4; and

WHEREAS, in consideration of its acquiring the limited partnership interest in the Partnership, R4 shall contribute equity to the Partnership in the approximate amount of \$12,398,000 ("Tax Credit Equity"); and

WHEREAS, to effectuate the admission of R4 as the limited partner in the Partnership, and the withdrawal of FCRHA as the limited partner and the future withdrawal of FCRHA Housing Assistance Corporation as a co-general partner in the Partnership, FCRHA and R4 shall enter into an amended and restated partnership agreement (the "Partnership Agreement") to evidence, among other things, their respective partnership interests and the obligations of R4 to provide the Tax Credit Equity; and

WHEREAS, in connection with the execution and delivery of the Partnership Agreement, R4 shall require that the FCRHA enter into various documents relating to the development and/or operation of the Project (the "Syndication Documents"); and

WHEREAS, the Commissioners of the FCRHA deem it to be in the best interests of the FCRHA to take all actions, for its own account and in its capacity as a partner in the Partnership to facilitate the development, construction and financing of the Project and the contribution by R4 of the Tax Credit Equity, including the execution and delivery by the FCRHA of the Syndication Documents and any other related agreements, instruments and certificates and the taking of any and all further actions to facilitate the development, rehabilitation and financing of the Project, the future withdrawal of FCRHA Housing Assistance Corporation as a co-general partner and the contribution of the Tax Credit Equity.

NOW, THEREFORE, BE IT RESOLVED, that the FCRHA authorizes Thomas E. Fleetwood, Assistant Secretary, to negotiate and authorizes the Chairman, Vice Chairman, or any Assistant Secretary of the FCRHA to execute and deliver, on behalf of the FCRHA for its own account and in its capacity as seller of the Project and as a partner in the Partnership, as applicable, all necessary or appropriate documents,

instruments and certificates, including, but not limited to, the following documents which have been made available to the FCRHA in substantially final form at its Special Meeting on October 24, 2018:

1. Amended and Restated Agreement of Limited Partnership (LPA) of Murraygate Village Limited Partnership and all exhibits to the LPA
2. Unconditional Construction Completion Guaranty Agreement;
3. Right of First Refusal; and
4. Development Services Agreement

BE IT FURTHER RESOLVED, that any Assistant Secretary of the FCRHA be and hereby is authorized, empowered and directed, on behalf of the FCRHA, to take such actions set forth above and take such further actions, and to execute such additional documents and instruments, as the person taking such actions, or executing such documents or instruments, may deem necessary or appropriate in connection with the matters authorized in the foregoing resolutions, and the signature of such Assistant Secretary on any documents or instruments or the performance of any such actions shall be conclusive evidence of such Assistant Secretary's authority to take such actions or execute such documents or instruments on behalf of the FCRHA for its own account and as seller of the Project and as a partner of the Partnership as applicable.

Commissioner Jonas moved to adopt Resolution Number 35-18, which Commissioner McAloon seconded. The motion passed unanimously.

ADJOURNMENT

Commissioner Greenlief moved to adjourn the meeting, which Commissioner Jonas seconded. The motion passed unanimously and the meeting adjourned at 6:30 p.m.

(Seal)

Robert Schwaninger, Chairman

Thomas Fleetwood, Assistant Secretary