

REVISED

MEETING AGENDA

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

Thursday, December 12, 2024

**Fairfax County Redevelopment and Housing Authority Board Room
4530 University Drive, Fairfax, VA 22030**

6:15 p.m. – Presentation of the Conrad Egan Excellence Awards

7:00 p.m. – CALL TO ORDER

CITIZEN TIME

APPROVAL OF MINUTES

October 17, 2024
December 4, 2024 Special Meeting

ACTION ITEMS

1. Resolution Number 35-24 Authorization to: 1) Release Certain Racially Restrictive Covenants from the Franconia Government Center Property (Franconia District); and 2) Release Other Such Covenants, if Identified, on Other Fairfax County Redevelopment and Housing Authority (FCRHA) Properties
2. Resolution Number 36-24 Authorization to Terminate Cooperation Agreement at Minerva Fisher (Providence District), with the Fairfax -Falls Church Community Services Board (CSB) and Enter into Direct Landlord Status and Lease Agreement with Community Residences, Inc. (CRi), a non-profit organization
3. Resolution Number 37-24 Award of Fiscal Year 2025 Federal Community Development Block Grant Funding to a Fairfax County Nonprofit Affordable Housing Organization

ADMINISTRATIVE ITEMS

1. Resolution Number 26-24 Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 7

2. Resolution Number 38-24 Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 17
3. Resolution Number 39-24 Establishing the FCRHA Committee of the Whole and 2025 Schedule of Meetings
4. Resolution Number 40-24 Adoption of the Fairfax County Redevelopment and Housing Authority Rules of Procedure
5. Resolution Number 41-24 Establishing the Schedule of Meeting Dates for Calendar Year 2025 for the Fairfax County Redevelopment and Housing Authority
6. Resolution Number 42-24 Commending Rod Solomon for His Years of Service as the Providence District Commissioner on the Fairfax County Redevelopment and Housing Authority Board of Commissioners

INFORMATION ITEMS

1. FY 2024 Audited Financial Statements for the Fairfax County Redevelopment and Housing Authority and the Single Audit Report
2. **FY 2024 Tenant Accounts Receivable Write-offs** ~~**FY 2024 Tenant Write-Offs**~~
3. **Fiscal Year 2023 Audited Financial Statements for Fairfax County Redevelopment and Housing Authority-Controlled Partnerships and Unit Owners Associations** ~~**FY 2023 (Calendar Year Basis) Audited Financial Statements for Fairfax County Redevelopment and Housing Authority-Controlled Partnerships and Unit Owners Associations**~~

CLOSED SESSION

BOARD MATTERS

ADJOURNMENT

Fairfax County is committed to a policy of nondiscrimination in all County programs, services and activities and will provide reasonable accommodations upon request. To request special accommodations call 703-246-5000 (select menu option 8), or TTY 711.

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

October 17, 2024

On October 17, 2024, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in Conference Rooms 4/5 of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chairman Lenore Stanton 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

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Staci Alexander
Steven Bloom
Michael Cushing
Nicholas McCoy
Michael McRoberts
Joe Mondoro
Susan Vachal
Paul Zurawski

ABSENT

The remote location from which the following Commissioner participated is:

Michael McRoberts – Wichita, Kansas

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; Marta Cruz, Human Resources (HR) Director, Central Services; Brittany Choi, Administrative Assistant - HR, Central Services; Jason Chia, Information Technology Manager, Central Services; Callahan Seltzer, Director, Real Estate & Community Development Finance (RECDF), Debashish Chakravarty, Associate Director, RECDF; Julie Chen, Senior Real Estate Finance Manager, RECDF; Linda Hoffman, Director, Policy and Communications (P&C); Brandy Thompson, Management Analyst, P&C; and Mark Buenavista, Director, Capital Planning & Development.

Also in attendance was FCRHA Counsel: Cynthia Bailey, Deputy County Attorney; Patricia McCay and Ryan Wolf, Senior Assistant County Attorneys; Brett Callahan, Susan Timoner, and Alan Weiss, Assistant County Attorneys.

In attendance remotely was Jeffrey Ballard of Ballard Spahr, LLP, outside bond counsel.

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MOTION

Pursuant to the FCRHA's Policy for Remote Participation in Meetings by Electronic Communication, Chairman Stanton noted for the record that there was a physical quorum present at the meeting location and asked for a motion that Commissioner McRoberts be permitted to participate remotely in the meeting.

Commissioner Vachal made the motion, which Commissioner Mondoro seconded. The motion passed unanimously.

MOTION

Pursuant to the FCRHA's Policy for Remote Participation in Meetings by Electronic Communication, Chairman Stanton asked for a motion that Commissioner McRoberts' voice was adequately heard in the meeting location.

Commissioner Zurawski made the motion, which Commissioner McCoy seconded. The motion passed unanimously.

CITIZEN TIME

The FCRHA Chairman opened citizen time at 7:03 p.m. Four individuals signed up to speak during Citizen Time on topics to include the representation of the Franconia District on the FCRHA and the accessibility of FCRHA meetings. The names of the four speakers were Patricia Zissius, Elaine Anderegg, Amy Duncan, and Joy Wahler, who spoke on behalf of the North Franconia Civic Association. The Chairman closed citizen time at 7:21 p.m.

APPROVAL OF MINUTES

September 12, 2024

Commissioner McCoy moved to approve the Minutes of the September 12, 2024 FCRHA Meeting, which Commissioner Zurawski seconded. The motion passed unanimously.

APPROVAL OF MINUTES

October 10, 2024 Special Meeting

Commissioner Zurawski moved to approve the Minutes of the October 10, 2024 FCRHA Special Meeting, which Commissioner Mondoro seconded. The motion passed with Commissioner McRoberts abstaining.

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ACTION ITEM

1.

RESOLUTION NUMBER 30-24

Authorization to Execute the Proposed Interim Agreement with Franconia Development Partners, LLC (Developer) for the Development of the Franconia Governmental Center Property (Franconia District)

BE IT RESOLVED, THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the execution of the proposed Interim Agreement between the FCRHA and Franconia Development Partners, LLC to facilitate the development of the Franconia Governmental Center affordable housing project, as outlined in the Action Item presented to the FCRHA at its meeting on October 17, 2024, and

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

After a brief discussion, Commissioner Lardner moved to adopt Resolution Number 30-24, which Commissioner Bloom seconded. Commissioner Zurawski opposed, and all other Commissioners supported the motion which passed by a 9-1 margin.

ACTION ITEM

2.

RESOLUTION NUMBER 31-24

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$19,350,000 to Finance the 74-Unit Northwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock 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, at the request of Lincoln Avenue Capital ("LAC") and pursuant to and in accordance with the Act, the Authority desires to issue and sell its multifamily housing revenue bonds or notes in one or more series or subseries in the aggregate principal amount not to exceed \$19,350,000 (the "Bonds") on a tax-exempt basis, to provide

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financing for the project to be known as Residences at Government Center 2 – NW4 (the “Project”), located at 12040 Government Center Parkway, Fairfax, Virginia, in the Braddock District; and

WHEREAS, subject to the final terms of sale, the Bonds are expected to consist of one long-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4), Series 2024A (the “Series A Bonds”) and one short-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – NW4), Series 2024B (the “Series B Bonds”), which Series B Bonds are expected to be redeemed in full as a condition to the conversion of the Project from the construction phase to the permanent phase (the “Conversion”); and

WHEREAS, the proceeds of the Bonds will be loaned to a special purpose entity formed by LAC, RGC2 Northwest 4 Owner LLC (the “Borrower”), to finance, together with other sources, the acquisition of a leasehold interest in and construction and equipping of the Project, which is expected to consist of 74 affordable multi-family rental housing units and related community and garage space; and

WHEREAS, Thomas E. Fleetwood, as Assistant Secretary on behalf of the Authority, executed a Declaration of Intent on March 7, 2024, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$19,350,000; and

WHEREAS, the Authority on March 14, 2024, authorized the submission of the proposed Bond financing of the Project to the Fairfax County Board of Supervisors for approval; 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 basis; and

WHEREAS, the Authority held a TEFRA Hearing on March 14, 2024; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing and issuance of the Bonds was approved by the Fairfax County Board of Supervisors at its meeting held on April 16, 2024; and

WHEREAS, the Project was awarded bond volume capacity not to exceed \$19,350,000 from the Virginia Department of Housing and Community Development; and

WHEREAS, in connection with the initial public 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 Borrower; and

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WHEREAS, prior to Conversion, the Bonds will be secured 100% by cash collateral, and following Conversion, the Bonds will be secured by a credit facility to be provided by the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and a mortgage with respect to the Project; and

WHEREAS, there have been prepared proposed forms of:

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;

the Financing Agreement (the “Financing Agreement”) by and among the Authority, the Trustee and the Borrower;

the Land Use Restriction Agreement (the “Land Use Restriction Agreement”) by and among the Authority, the Trustee and the Borrower;

the Bond Purchase Agreement;

the preliminary Official Statement (the “Official Statement”) to be used by the Underwriter in connection with the preliminary offering of the Bonds; and

the Intercreditor Agreement (the “Intercreditor Agreement”) by and among the Authority, the Trustee and Freddie Mac to be entered into at the time of Conversion;

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.

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 Borrower to be used, together with other sources, to: (a) finance or reimburse the cost of the acquisition of a leasehold interest in and 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 combined aggregate principal amount of the Series A Bonds and the Series B Bonds shall not exceed \$19,350,000. 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 Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature not more than 22 years from their date of issuance and be sold at a price not less than

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100 percent of the principal amount thereof. The Bonds shall bear interest at a fixed rate or rates to be established at the time of pricing and sale of the Bonds not to exceed 7.00% per annum; provided the initial fixed rate established for the Series B Bonds shall be subject to reset to a different interest rate in connection with any remarketing of the Series B Bonds prior to Conversion on the terms set forth in the Indenture.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chair or the Vice Chair 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 Indenture.

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

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.

Indenture. The Indenture is hereby approved in the form made available at this meeting. The Chair or the Vice Chair 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 Chair or the Vice Chair, 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 Chair or the Vice Chair to the Indenture and affix the seal of the Authority to the Indenture.

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Trustee. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Trustee for the Bonds 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.

Delivery of Bonds. After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which will authenticate and deliver the Bonds to the Underwriter for the benefit of the registered owners thereof.

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

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

Remarketing Agent. Stifel, Nicolaus and Company, Incorporated is hereby appointed as initial Remarketing Agent in connection with any remarketing of the Series B Bonds in accordance with the Indenture.

Bond Purchase Agreement. The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, 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 Chair, the Vice Chair, 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.

Land Use Restriction Agreement. The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, 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 Chair, Vice Chair, 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.

Tax Agreement. The Chair, Vice Chair, 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.

Financing Agreement. The Financing Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby

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

Intercreditor Agreement. The Intercreditor Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Intercreditor 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 Chair or the Vice Chair to the Intercreditor Agreement and to affix the seal of the Authority to the Intercreditor Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Intercreditor Agreement being conclusive evidence of such approval and of the approval of the Authority.

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 Chair, Vice Chair, 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.

Registration under "Blue Sky" Laws. The Chair, Vice Chair, 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 Chair, Vice Chair, 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 Chair, Vice Chair, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriter; provided, however, the Chair, Vice Chair,

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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.

Other Action. The Chair, Vice Chair, 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, sale and conversion of the Bonds (including but not limited to the replacement of transaction participants appointed hereby upon their resignation or if circumstances warrant).

No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Indenture, the Financing 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.

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.

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.

Repealer; Effective Date. Any prior resolutions 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 17th day of October, 2024.

Commissioner Mondoro moved to adopt Resolution Number 31-24, which Commissioner Alexander seconded. The motion passed with Chairman Stanton abstaining.

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RESOLUTION NUMBER 32-24

Authorization of Issuance of Multifamily Housing Revenue Bonds or Notes in an Aggregate Amount Not to Exceed \$14,500,000 to Finance the 69-Unit Southwest Four Portion of the Proposed Residences at Government Center II Development; Authorization and Approval of the Execution and Delivery of Various Documents in Connection Therewith (Braddock 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, at the request of Lincoln Avenue Capital (“LAC”) and pursuant to and in accordance with the Act, the Authority desires to issue and sell its multifamily housing revenue bonds or notes in one or more series or subseries in the aggregate principal amount not to exceed \$14,500,000 (the “Bonds”) on a tax-exempt basis, to provide financing for the project to be known as Residences at Government Center 2 – SW4 (the “Project”), located at 12020 Government Center Parkway, Fairfax, Virginia, in the Braddock District; and

WHEREAS, subject to the final terms of sale, the Bonds are expected to consist of one long-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4), Series 2024A (the “Series A Bonds”) and one short-term series designated the Authority’s Multifamily Housing Revenue Bonds (Residences at Government Center 2 – SW4), Series 2024B (the “Series B Bonds”), which Series B Bonds are expected to be redeemed in full as a condition to the conversion of the Project from the construction phase to the permanent phase (the “Conversion”); and

WHEREAS, the proceeds of the Bonds will be loaned to a special purpose entity formed by LAC, RGC2 Southwest 4 Owner LLC (the “Borrower”), to finance, together with other sources, the acquisition of a leasehold interest in and construction and equipping of the Project, which is expected to consist of 69 affordable multi-family rental housing units and related community and garage space; and

WHEREAS, Thomas E. Fleetwood, as Assistant Secretary on behalf of the Authority, executed a Declaration of Intent on March 7, 2024, evidencing its intent to issue and sell the Bonds in an aggregate principal amount not to exceed \$14,500,000; and

WHEREAS, the Authority on March 14, 2024, authorized the submission of the proposed Bond financing of the Project to the Fairfax County Board of Supervisors for approval; and

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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 basis; and

WHEREAS, the Authority held a TEFRA Hearing on March 14, 2024; and

WHEREAS, for purposes of compliance with Section 147(f) of the Internal Revenue Code of 1986, as amended, the proposed financing and issuance of the Bonds was approved by the Fairfax County Board of Supervisors at its meeting held on April 16, 2024; and

WHEREAS, the Project was awarded bond volume capacity not to exceed \$14,500,000 from the Virginia Department of Housing and Community Development; and

WHEREAS, in connection with the initial public 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 Borrower; and

WHEREAS, prior to Conversion, the Bonds will be secured 100% by cash collateral, and following Conversion, the Bonds will be secured by a credit facility to be provided by the Federal Home Loan Mortgage Corporation (“Freddie Mac”) and a mortgage with respect to the Project; and

WHEREAS, there have been prepared proposed forms of:

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;

the Financing Agreement (the “Financing Agreement”) by and among the Authority, the Trustee and the Borrower;

the Land Use Restriction Agreement (the “Land Use Restriction Agreement”) by and among the Authority, the Trustee and the Borrower;

the Bond Purchase Agreement;

the preliminary Official Statement (the “Official Statement”) to be used by the Underwriter in connection with the preliminary offering of the Bonds; and

the Intercreditor Agreement (the “Intercreditor Agreement”) by and among the Authority, the Trustee and Freddie Mac to be entered into at the time of Conversion;

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

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Section 2. **Incorporation of Recitals.** The Recitals contained in this Resolution are true and correct and are incorporated in this Resolution by this reference.

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 Borrower to be used, together with other sources, to: (a) finance or reimburse the cost of the acquisition of a leasehold interest in and 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 combined aggregate principal amount of the Series A Bonds and the Series B Bonds shall not exceed \$14,500,000. 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 Chair, Vice Chair, Secretary or an Assistant Secretary of the Authority. The Bonds shall mature not more than 22 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 at a fixed rate or rates to be established at the time of pricing and sale of the Bonds not to exceed 7.00% per annum; provided the initial fixed rate established for the Series B Bonds shall be subject to reset to a different interest rate in connection with any remarketing of the Series B Bonds prior to Conversion on the terms set forth in the Indenture.

The Bonds shall be executed on behalf of the Authority by, and bear the manual or facsimile signature of, the Chair or the Vice Chair 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 Indenture.

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

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

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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.

Indenture. The Indenture is hereby approved in the form made available at this meeting. The Chair or the Vice Chair 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 Chair or the Vice Chair, 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 Chair or the Vice Chair to the Indenture and affix the seal of the Authority to the Indenture.

Trustee. The Bank of New York Mellon Trust Company, N.A. is hereby appointed to act as Trustee for the Bonds 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.

Delivery of Bonds. After execution on behalf of the Authority, the Bonds shall be delivered to the Trustee, which will authenticate and deliver the Bonds to the Underwriter for the benefit of the registered owners thereof.

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

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

Remarketing Agent. Stifel, Nicolaus and Company, Incorporated is hereby appointed as initial Remarketing Agent in connection with any remarketing of the Series B Bonds in accordance with the Indenture.

Bond Purchase Agreement. The Bond Purchase Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair, 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 Chair, the Vice Chair, 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.

Land Use Restriction Agreement. The Land Use Restriction Agreement is hereby approved in the form made available at this meeting. The Chair, Vice Chair,

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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 Chair, Vice Chair, 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.

Tax Agreement. The Chair, Vice Chair, 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.

Financing Agreement. The Financing Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Financing 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 Chair or the Vice Chair to the Financing Agreement and to affix the seal of the Authority to the Financing Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Financing Agreement being conclusive evidence of such approval and of the approval of the Authority.

Intercreditor Agreement. The Intercreditor Agreement is hereby approved in the form made available at this meeting. The Chair or Vice Chair of the Authority is hereby authorized and directed to execute and deliver the Intercreditor 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 Chair or the Vice Chair to the Intercreditor Agreement and to affix the seal of the Authority to the Intercreditor Agreement in substantially the form herein approved with such additions, deletions and modifications thereto as may be approved by the Chair or the Vice Chair, the execution of the Intercreditor Agreement being conclusive evidence of such approval and of the approval of the Authority.

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 Chair, Vice Chair, 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.

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Registration under “Blue Sky” Laws. The Chair, Vice Chair, 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 Chair, Vice Chair, 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 Chair, Vice Chair, Secretary or an Assistant Secretary deems necessary or as required by law or by the Underwriter; provided, however, the Chair, Vice Chair, 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.

Other Action. The Chair, Vice Chair, 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, sale and conversion of the Bonds (including but not limited to the replacement of transaction participants appointed hereby upon their resignation or if circumstances warrant).

No Personal Liability. No stipulation, obligation or agreement herein contained or contained in the Indenture, the Financing 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.

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.

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.

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Repealer; Effective Date. Any prior resolutions 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 17th day of October, 2024.

Commissioner Mondoro moved to adopt Resolution Number 32-24, which Commissioner McCoy seconded. The motion passed with Chairman Stanton abstaining.

ADMINISTRATIVE ITEM

1.

RESOLUTION NUMBER 26-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 7

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 7, as presented to the FCRHA on October 17, 2024.

The FCRHA deferred approval of Resolution Number 26-24 to its next meeting.

ADMINISTRATIVE ITEM

2.

RESOLUTION NUMBER 33-24

Authorization of Conveyance of Real Property at 3997 Fair Ridge Drive to the Board of Supervisors of Fairfax County, Virginia (Sully District)

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the conveyance of real property owned by the FCRHA and located at 3997 Fair Ridge Drive, Fairfax, Virginia 22033, Fairfax County Tax Map Number 46-3 ((17)), parcels 3 and 5, to the Board of Supervisors of Fairfax County, Virginia, in accordance with the item presented to the FCRHA at its October 17, 2024 meeting; and

BE IT FURTHER RESOLVED THAT any Assistant Secretary, and the designee of any Assistant Secretary, may take any action reasonably necessary to assist and/or effectuate such conveyance.

FCRHA Meeting
October 17, 2024
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Commissioner McCoy moved to adopt Resolution Number 33-24, which Commissioner Bloom seconded. The motion passed unanimously.

RESOLUTION NUMBER 34-24

Appointment of Bree Fuller as Agent of the FCRHA for Purposes of Filing and Pursuing Applications for a Minor Variation Approval and a 2232 Hearing for 3997 Fair Ridge Drive (Sully District)

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) appoints Bree Fuller, Management Analyst with the Fairfax County Office of the County Executive, as its agent for the limited purposes of filing and pursuing applications for a minor variation approval and for a hearing pursuant to Section 15.2-2232 of the Virginia Code, each in connection with the real property owned by the FCRHA and located at 3997 Fair Ridge Drive, Fairfax, Virginia 22033, Fairfax County Tax Map Number 46-3 ((17)), parcels 3 and 5, in accordance with the item presented to the FCRHA at its October 17, 2024 meeting; and

BE IT FURTHER RESOLVED THAT any Assistant Secretary, and the designee of any Assistant Secretary, may take any action reasonably necessary to assist with such applications.

Commissioner Bloom moved to adopt Resolution Number 34-24, which Commissioner McCoy seconded. The motion passed unanimously.

BOARD MATTERS

See Attachment 1.

ADJOURNMENT

The FCRHA Chairman adjourned the meeting at 7:44 p.m.

Lenore Stanton, Chairman

(Seal)

Thomas Fleetwood, Assistant Secretary

Board Matters

October 17, 2024

FCRHA Scholarship Program

Commissioner McCoy thanked the awardees and their families who were able to attend tonight's presentation. He also congratulated the students on working towards their education and self-betterment. Commissioner McCoy also thanked the Scholarship Selection Committee and staff for their efforts to ensure that the evaluation and review of the applications was completed efficiently. He stated that he looks forward to serving on the Committee again next year.

Tom Fleetwood, Director, Department of Housing and Community Development (HCD), on behalf of staff, thanked Commissioner McCoy for his service on the Scholarship Selection Committee.

Chairman Stanton also thanked Commissioner McCoy, staff, and all who were involved for their contributions to the scholarship program. She noted that it is important work, and it brings home the reason for the FCRHA. Chairman Stanton expressed her gratitude for being able to meet some of the awardees and hear real-life stories of how the services provided by the FCRHA have benefited them.

Working Advisory Group

Commissioner Cushing informed his colleagues that the Working Advisory Group's next meeting is scheduled for November 7, 2024.

Pender Building Energy Project

Director Fleetwood updated the Commissioners on the energy improvements at the FCRHAs Pender Drive headquarters. The FCRHA earned a Virginia Energy Efficiency Council 2024 Leadership Award, which was presented on October 3, 2024. The project combined energy improvements with solar panel installations. The FCRHA authorized \$500,000 in support of the project, and in the first year of the work being completed, there was a 41% reduction in energy consumption.

Affordable Housing Awards

Director Fleetwood noted that the FCRHA has recently received several national awards, recognizing its leadership, innovation, and equitable strategies in affordable housing. Those awards include the:

- National Association of Housing and Redevelopment Officials (NAHRO) Award of Merit for the Residences at North Hill;
- Nan McKay and Associates Housing Award for One University; and

- Land Economics Society, George Washington Chapter “Outstanding Project with more than 250 units” for One University.

Director Fleetwood congratulated the FCRHA on these accomplishments and thanked staff from both HCD and the Office of the County Attorney for their hard work on these projects.

One University

Director Fleetwood announced that the ribbon cutting ceremony to officially open the One University project is scheduled for November 18, 2024, at 3:00 p.m. More information will be out shortly.

Director Fleetwood noted that the FCRHA will hold its December meeting in its new meeting space at One University.

Residences at Government Center II

Director Fleetwood stated that work has commenced on the utility relocations at the Residences at Government Center II. A ground-breaking will be scheduled in the coming months. More information to follow.

Community Engagement

Director Fleetwood stated that staff are conducting community engagement in the Mason District relative to the future East County project. The first meeting with residents was held on September 26, 2024, and the next meeting is coming up on October 24, 2024. Director Fleetwood mentioned there was a great turnout and excellent feedback provided by the residents.

Egan Awards

Director Fleetwood noted that earlier this month the Commissioners received an email regarding the Conrad Egan Awards. He thanked the Commissioners who have already reached out to him regarding nominations, which are being accepted through October 31, 2024. He also asked for any Commissioners who would like to nominate a member of staff and had not reached out to him to please do so. Director Fleetwood stated that he and Marta Cruz are available to assist with nominations or answer any questions. The awards will be presented on December 12, 2024, prior to the start of the FCRHA meeting.

FCRHA Stipend Payments

Director Fleetwood reminded the Commissioners that following tonight’s meeting staff will facilitate the transition of their stipend payments to direct deposit. He noted that Marta Cruz, Jason Chia, and Brittany Choi are available to assist with the process and forms.

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

December 4, 2024

On December 4, 2024, the Commissioners of the Fairfax County Redevelopment and Housing Authority (FCRHA) met in Conference Rooms 4/5 of the Fairfax County Government Center, 12000 Government Center Parkway, Fairfax, Virginia.

CALL TO ORDER

FCRHA Chairman Lenore Stanton called the Special Meeting of the FCRHA to order at 6:03 p.m. Attendance for all, or part of the meeting, was as follows:

PRESENT

Lenore Stanton, Chairman
Elisabeth Lardner, Vice Chair
Steven Bloom
Michael Cushing
Joe Mondoro
Paul Zurawski

ABSENT

Staci Alexander
Nicholas McCoy
Michael McRoberts
Susan Vachal

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; Mark Buenavista, Director, Capital Planning and Development; Linda Hoffman, Director, Policy and Communications (P&C); Brandy Thompson, Management Analyst, P&C; Jason Chia, Information Technology Manager, Central Services; Brittany Choi, Administrative Assistant – Human Resources, Central Services; Laura Lazo, Associate Director, Grants Management (GM); Sharon Shields, Program Manager, GM; and Margaret Johnson, Director, Rental Housing.

Also in attendance was FCRHA Counsel: Cynthia Bailey, Deputy County Attorney; Ryan Wolf, Senior Assistant County Attorney; and Brett Callahan, Richard Dzubin and Susan Timoner, Assistant County Attorneys.

DRAFT ACTION ITEM FOR DECEMBER 12, 2024

1.

Authorization to: 1) Release Certain Racially Restrictive Covenants from the Franconia Government Center Property (Franconia District); and 2) Release Other Such Covenants, if Identified, on Other Fairfax County Redevelopment and Housing Authority (FCRHA) Properties

FCRHA counsel provided an overview of the request to release racially restrictive covenants from the Franconia Government Center property. Counsel noted that some

FCRHA Special Meeting
December 4, 2024
Page 2

racially restrictive covenants that apply to the parcels of the Franconia Government Center had been identified by a professor. In response to that finding, HCD staff is requesting authorization from the FCRHA to release those covenants and others that may be identified on FCRHA properties in the future. There was no discussion among the FCRHA Commissioners regarding this request.

DRAFT ACTION ITEM FOR DECEMBER 12, 2024

2.

Authorization to Terminate Cooperation Agreement at Minerva Fisher (Providence District), with the Fairfax -Falls Church Community Services Board (CSB) and Enter into Direct Landlord Status and Lease Agreement with Community Residences, Inc. (CRi), a non-profit organization

HCD staff provided an overview of the Minerva Fisher property and the request to terminate the cooperation agreement with the CSB. Staff explained that CSB is terminating their oversight of the 12-bed group home operated at Minerva Fisher, a property owned by the FCRHA which houses persons with intellectual and developmental disabilities. CSB is moving away from operating housing, so if approved, the FCRHA would take over landlord status and enter into a lease with CRi directly. Staff further explained that the FCRHA receives revenue on the property through a Housing Assistance Payments (HAP) contract, so there is enough revenue for associated operational costs without any concerns. FCRHA Commissioners and HCD staff discussed the reason for eight individuals being housed at the property despite the HAP contract covering 12 units. Staff clarified that due to the needs of the residents, CRi can only accommodate eight (8) individuals at this time. It was noted that staff has been in discussions with the U.S. Department of Housing and Urban Development regarding the remaining four (4) units, so there may be an opportunity in the future to relocate them.

DRAFT ACTION ITEM FOR DECEMBER 12, 2024

3.

Award of Fiscal Year 2025 Federal Community Development Block Grant Funding to a Fairfax County Nonprofit Affordable Housing Organization

HCD staff provided a summary of the request to award funds from the fiscal year 2025 Community Development Block Grant (CDBG) funding. Staff explained that two proposals were received in response to the Request for Proposals (RFP) issued, but only the proposal from Good Shepherd Housing and Family Services, Inc. (Good Shepherd) was deemed eligible. Good Shepherd will use the funding to acquire three townhouses in the Mason, Braddock or Providence Magisterial Districts to benefit three families who are at high risk of homeless or have experienced homelessness. Staff

FCRHA Special Meeting
December 4, 2024
Page 3

noted that if approved, there will be approximately \$500,000 left over which could be carried over into fiscal year 2026 or reallocated for other projects in fiscal year 2025. FCRHA Commissioners requested clarification on the reason for leftover funds for which staff clarified that Good Shepherd requested a funding amount which was less than that made available through the RFP.

DRAFT ADMINISTRATIVE ITEM FOR DECEMBER 12, 2024

1.

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 7

HCD staff provided an overview of proposed changes to Chapter 7 of the Housing Choice Voucher (HCV) Administrative Plan. Staff noted that information relevant to the proposed revisions was previously discussed with the Commission and was deferred from the FCRHA's last meeting. Staff explained that there are five categories of proposed policy changes which cover a variety of verification requirements for the Housing Choice Voucher program. There was no discussion among the FCRHA Commissioners regarding the proposed revisions to Chapter 7.

DRAFT ADMINISTRATIVE ITEM FOR DECEMBER 12, 2024

2.

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 17

HCD staff provided an overview of proposed changes to Chapter 17 of the HCV Administrative Plan, which cover the policies for the FCRHA's project-based voucher program. Staff explained that many of the proposed policy changes are driven by the Housing Opportunity Through Modernization Act (HOTMA) and can be implemented immediately. There are seven categories of proposed policy changes which include: policies that are mandated by HOTMA, discretionary policies offered by HOTMA, existing policies modified by HOTMA, non-HOTMA related policy updates, language clarifications, and one new non-HOTMA policy. Staff highlighted one of the proposed changes which includes adopting an owner-based waiting list for Chesterbrook Residences, an assisted living facility, noting that it is very difficult for staff to identify applicants appropriate for the property due to age requirements and services needed. Staff also highlighted several policy changes to the project-based voucher program that would be beneficial to the FCRHA's efforts to develop 10,000 new units of affordable housing. There was no discussion among the FCRHA Commissioners regarding this request.

FCRHA Special Meeting
December 4, 2024
Page 4

DRAFT ADMINISTRATIVE ITEM FOR DECEMBER 12, 2024

3.

Establishing the FCRHA Committee of the Whole and 2025 Schedule of Meeting Dates

HCD staff provided an overview of the establishment of the FCRHA Committee of the Whole and the proposed meeting dates. Staff explained that the item formalizes the structure and meeting dates of a proposed Committee of the Whole for the FCRHA as requested by Chair Stanton in a Board Matter at the October 10, 2024, meeting of the FCRHA. The Committee would allow for more robust discussion among Commissioners for non-routine items and allow more time for staff to respond to questions from the Commissioners. Staff noted that the proposed Committee of the Whole would be comprised of all Commissioners and no action would be taken on any items. All Committee meetings would be open to the public, comply with the Virginia Freedom of Information Act, and follow the FCRHA’s adopted all-virtual and remote participation policies. There was no discussion among the FCRHA Commissioners regarding the proposed Committee or the schedule of meeting dates.

DRAFT ADMINISTRATIVE ITEM FOR DECEMBER 12, 2024

4.

Adoption of the Fairfax County Redevelopment and Housing Authority Rules of Procedure

HCD staff provided a summary of the proposed FCRHA Rules of Procedure, which will govern the operation of meetings of the FCRHA including meetings of the proposed Committee of the Whole. Staff noted that if approved, the Rules of Procedure would provide greater transparency, clarity, and consistency on protocols which are modeled after those used by the Fairfax County Board of Supervisors (BOS). It was highlighted that staff are currently evaluating ways to make FCRHA meetings and the provision of public comment and testimony more accessible to all members of the community, the feasibility of posting audio recordings of the meetings, as well as alternate methods for the submission of public testimony for both public comment and public hearings. FCRHA Commissioners and counsel discussed whether there was a requirement to live stream FCRHA meetings via video or audio. FCRHA Commissioners requested to modify certain language in the Rules of Procedures relevant to the Conduct of Business to further enhance access to members of the public.

DRAFT ADMINISTRATIVE ITEM FOR DECEMBER 12, 2024

5.

Establishing the Schedule of Meeting Dates for Calendar Year 2025 for the Fairfax County Redevelopment and Housing Authority

FCRHA Special Meeting
December 4, 2024
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HCD staff provided an overview of the proposed schedule of meeting dates for calendar year 2025 for the FCRHA, noting that there are 10 regularly scheduled meeting dates being proposed. Staff explained that the FCRHA By-Laws require that its meeting dates be adopted no later than the last meeting on the currently approved schedule which will be held on December 12, 2024. The FCRHA's Annual Meeting will be held in July 2025 as required by the FCRHA By-Laws. Staff noted that holidays, religious and cultural observances, and the Fairfax County Board of Supervisor meeting schedule were considered in planning the calendar. FCRHA Commissioners requested that staff send calendar invites to all Commissioners for all Committee of the Whole and FCRHA meetings in advance.

ADJOURNMENT

The FCRHA Chairman adjourned the meeting at 6:25 p.m.

Lenore Stanton, Chairman

(Seal)

Thomas Fleetwood, Assistant Secretary

FCRHA Meeting
December 12, 2024

ACTION – 1

RESOLUTION NUMBER 35-24: Authorization to: 1) Release Certain Racially Restrictive Covenants from the Franconia Government Center Property (Franconia District); and 2) Release Other Such Covenants, if Identified, on Other Fairfax County Redevelopment and Housing Authority (FCRHA) Properties

ISSUE:

Fairfax County Redevelopment and Housing Authority (FCRHA) authorization, as the fee simple owner of a certain 3.26-acre combined parcel of land consisting of five adjacent properties (tax map numbers 0813 05 0003A, 0813 05 0002A, 0813 05 0002B, 0813 05 0002C1, and 0813 08 0503; collectively, “the Property”), commonly known as 6121 Franconia Road (Franconia District) and currently the site of the Franconia Governmental Center, to release a certain prohibited 1927 racially restrictive covenant; and to remove other prohibited restrictive covenants from the chain of title to other FCRHA owned properties, in the event such covenants are identified.

RECOMMENDATION:

Release from the Property’s chain of title the racially restrictive covenant recorded in 1927 barring persons not of the “Caucasian Race” from acquiring an interest in the Property.

Additionally, the FCRHA is requested to grant Assistant Secretaries administrative authority to release such racial covenants when identified in the chain of title of other FCRHA owned properties.

TIMING:

Immediate. Authorization on December 12, 2024, will allow staff to work with the Office of the County Attorney to release the subject restrictive covenant.

BACKGROUND:

On September 10, 2024, the Board of Supervisors (BOS) addressed the discovery of unlawful racial covenants found in certain pre-Civil Rights Era chain of title documents of properties currently owned by Fairfax County. Multiple Board Members had recently attended a lecture called “A History of Fairfax County’s Racial Covenants,” by Dr. Krystyn Moon, professor of History and American Studies at the University of Mary Washington. Dr. Moon presented new research on the history and locations of racial covenants on subdivision properties in the Richmond Highway area and throughout Fairfax County. These deed restrictions, dating mainly from the 1930s and 1940s were legally nullified by the Fair Housing Act of 1968, but remain unreleased in the chain of title to many properties.

FCRHA Meeting
December 12, 2024

Subsequent to this discussion, the Board of Supervisors directed County staff to take a variety of steps to address the issue of illegal, racially restrictive covenants in publicly owned properties. Specifically, the Board:

1. Directed the County Attorney to draft a standard form release, consistent with the requirements in Virginia Code §55.1-300.1;
2. Starting with the list provided by Dr. Moon, and continuing as specific unlawful racial covenants are identified by County staff or the Clerks of Court, the County Attorney was directed to file a formal release of such covenants in the Fairfax County Land Records;
3. As time and resources permit, County staff, in coordination with the Clerks of Court, should review other property deeds to County-owned properties to identify any additional unlawful racial covenants so that a formal release of such covenants may be filed by the County Attorney;
4. Update the Board on this progress annually through an appropriate means;
and
5. Direct the Office of Public Affairs to publicize the availability of the standard form release set forth in Virginia Code §55.1-300.1 and to publicize information about any workshops that might be organized by County staff or the Clerks of Court relating to the formal release of racial covenants

See the full September 10, 2024 BOS Matter attached herewith as Attachment 2. As a part of this process, the FCRHA's Franconia property was identified as having an illegal, racially restrictive covenant.

STAFF IMPACT:

None.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

- Attachment 1: Resolution Number 35-24
Attachment 2: Supervisor Dan Storck, Mount Vernon District Supervisor, Fairfax County Board of Supervisors, September 10, 2024, Board Matter
Attachment 3: Franconia Governmental Center property map and images

FCRHA Meeting
December 12, 2024

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD

Mark Buenavista, Director, Capital Planning and Development Division (CPD), HCD

Marwan Mahmoud, Associate Development Director, CPD, HCD

Rex Peters, Project Manager, CPD, HCD

ASSIGNED COUNSEL:

Brett A. Callahan, Assistant County Attorney, Office of the County Attorney

RESOLUTION NUMBER 35-24

Authorization to: 1) Release Certain Racially Restrictive Covenants from the Franconia Government Center Property (Franconia District); and 2) Release Other Such Covenants, if Identified, on Other Fairfax County Redevelopment and Housing Authority (FCRHA) Properties

BE IT RESOLVED THAT the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the execution of documents as required to release the racially restrictive covenant recorded in the chain of title to the Franconia Governmental Center, as outlined in the Action Item presented to the FCRHA at its meeting on December 12, 2024, and

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

BE IT FURTHER RESOLVED THAT the FCRHA authorizes the execution of documents as required to release such racially restrictive covenants that may in the future be identified recorded in the chain of title to other FCRHA owned properties, as outlined in the Action Item presented to the FCRHA at its meeting on December 12, 2024, and

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



Dan Storck
 Mount Vernon District Supervisor
 Fairfax County Board of Supervisors
 2511 Parkers Lane
 Mount Vernon, VA 22306



Telephone: (703) 780-7518 E-mail: mtvernon@fairfaxcounty.gov

Redacting Unlawful Racial Covenants from Fairfax County Government Property Deeds

**Supervisor Dan Storck Jointly with Chairman Jeffrey C. McKay and Supervisors
 Rodney Lusk, Walter Alcorn, Kathy Smith, Andres Jimenez, James N. Bierman,
 Jr., James R. Walkinshaw, and Dalia Palchik**

September 10, 2024

Supervisor Lusk and I recently attended “A History of Fairfax County’s Racial Covenants” lecture presented by Dr. Krystyn Moon, professor of History and American Studies at the University of Mary Washington and sponsored by *Nature Forward, South County Task Force, Fairfax NAACP, Mount Vernon Regional Historical Society and Gum Springs Historical Society and Museum*. It was exciting to see over 100 residents in attendance and Dr. Moon’s research, presentation and the meeting discussion were fascinating. In the Northern Virginia suburbs, racial covenants in property deeds were one of the ways segregated neighborhoods were created in Fairfax County from the early 1900s until they were declared null in 1968. Dr. Moon and other researchers are uncovering and documenting these covenants and other segregationist tools in order to educate residents about our history.

Dr. Moon presented new research on the history and locations of racial covenants on subdivision properties in the Richmond Highway area and throughout Fairfax County, with a focus on the practice in the Hybla Valley Farms subdivision adjacent to Gum Springs. She also discussed the history and lingering impacts of these covenants and shared an [online interactive map](#) that she and other researchers created which was included in the recent online report [Documenting Exclusion and Resilience in NoVA](#), released in Spring 2024. The report and interactive map document the history of racial covenants barring Blacks and others not of the “Caucasian Race” from owning property in Northern Virginia subdivisions. These deed restrictions, dating mainly from the 1930s and 1940s were nullified by the Fair Housing Act of 1968.

This has been codified in Virginia Code § 36-96.6, which declares that racial covenants, among others, are void by operation of law. Thus, even without a recorded release of such covenants, the County could not and would not seek to enforce them under any circumstances. However, we recognize the significance and importance of removing this legacy.

Dr. Moon also discussed a 2020 Virginia law that makes it easier for property owners and organizations to remove or redact old racial covenants language from property deeds and encouraged folks to do so. Per Virginia Code § 55.1-300.1, a real property owner can release a restrictive covenant that is prohibited by subsection A of § 36-96.6 by recording a Certificate of Release of Certain Prohibited Covenants. The certificate can be recorded before a deed is recorded or when the owner discovers the covenant and chooses to release it.

As part of her presentation, Dr. Moon shared that she has begun reviewing Fairfax County Government property deeds and found some that contained racial covenants. Dr. Moon provided a list of these deeds and has indicated she has more to share. Beyond that, the process of formally releasing all of these covenants would require the review of more than 730 often complex deeds. Summer interns in various County staff offices and the Clerks of Court may be able to assist with this review, but there currently are no staff resources dedicated to such a project.

In response to Dr. Moon's presentation, Supervisor Lusk and I committed to bringing this matter to the Board of Supervisors for consideration. This matter, in conjunction with the Board Matter presented by me, Chairman McKay and Supervisor Lusk on June 11, 2024, titled "Recognizing Fairfax County's Historic Black Communities, Their Preservation, and Ongoing Vitality," reflects an ongoing interest in reckoning with our past to gain a deeper understanding of how history influences the present opportunity landscape in Fairfax County.

Therefore, I move that the Board of Supervisors without objection:

- Direct the County Attorney to draft a standard form release, consistent with the requirements in Virginia Code § 55.1-300.1;
- Starting with the list provided by Dr. Moon, and continuing as specific unlawful racial covenants are identified by County staff or the Clerks of Court, the County Attorney is directed to file a formal release of such covenants in the Fairfax County Land Records;
- As time and resources permit, County staff, in coordination with the Clerks of Court, should review other property deeds to County-owned properties to

identify any additional unlawful racial covenants so that a formal release of such covenants may be filed by the County Attorney;

- Update the Board on this progress annually through an appropriate means; and
- Direct the Office of Public Affairs to publicize the availability of the standard form release set forth in Virginia Code § 55.1-300.1 and to publicize information about any workshops that might be organized by County staff or the Clerks of Court relating to the formal release of racial covenants.



Subject FCRHA Property
6121 Franconia Road
Franconia District
3.25 Acres

FCRHA Agenda Item
December 12, 2024

ACTION – 2

RESOLUTION NUMBER 36-24: Authorization to Terminate Cooperation Agreement at Minerva Fisher (Providence District), with the Fairfax -Falls Church Community Services Board (CSB) and Enter into Direct Landlord Status and Lease Agreement with Community Residences, Inc. (CRi), a non-profit organization

ISSUE:

Minerva Fisher is a group home in the Providence District that houses persons with intellectual and developmental disabilities. The property is owned by the Fairfax County Redevelopment and Housing Authority (FCRHA) and authorized to be used by the Fairfax-Falls Church Community Services Board (CSB) under a memorandum of understanding, and in an agreement between the CSB and a non-profit organization, Community Residences, Inc. (CRi). CSB is terminating their oversight of Minerva Fisher and has asked that the FCRHA take over the landlord status and create a lease agreement between the FCRHA and CRi.

RECOMMENDATION:

To approve the termination of the cooperation agreement with the CSB and approve the FCRHA entering into a direct lease with CRi as the lessee.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

This action is consistent with the FCRHA Strategic Plan goal to commit to strategic and innovative solutions for meeting changing community needs and challenges.

BACKGROUND:

Minerva Fisher Group Home, located at 8207 Wolf Trap Road, Vienna, Virginia 22180, (Providence District), is a one story, twelve (12) bed group home that provides housing for persons with intellectual and developmental disabilities and managed through a cooperation agreement with CSB and CRi, who oversees and manages the facility.

In May 1988, the County Attorney's Office issued an opinion that the Virginia Constitution limits the Community Service Board's (CSB) ability to incur long term debt. In June 1988, the County Executive recommended to the Board of Supervisors that the FCRHA be designated as the agency to purchase residential properties for CSB and then to lease the properties to CSB for use as group homes. This recommendation was in keeping with the

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FCRHA's role as the primary developer of public residential facilities. The FCRHA entered into Memorandum of Agreement (MOA) on December 8, 1989, with CSB outlining the procedural process for properties acquired by the FCRHA and managed by CSB. Minerva Fisher is part of this MOA agreement with CSB, and a cooperation agreement was executed in 1992 between the FCRHA and the CSB. CSB then entered into a procurement agreement with CRi.

CSB is strategically moving away from operating housing and has requested to remove Minerva Fisher from their oversight. They are requesting the FCRHA solely take on oversight and management of Minerva Fisher directly leasing it to CRi. CRi is a community based nonprofit organization with over fifty years' service focusing on providing personalized resources to people with intellectual and developmental disabilities. HCD staff evaluated CRi's ability to meet the financial and operational requirements of the lease and is satisfied that CRi can and will fulfill the lease terms.

Minerva Fisher has no remaining debt and has a federal Section 8 Housing Assistance Payment (HAP) Contract. The HAP Contract covers 12 units, although Minerva Fisher will only house up to eight (8) individuals at the property. The property has sufficient rental income and operating cash to meet the physical needs of the property.

The FCRHA will execute a three-year lease agreement with Community Residences. starting January 1, 2025, and ending December 31, 2028.

STAFF IMPACT:

Rental Housing will have more direct oversight for Minerva Fisher. This adds additional duties to the current Asset Manager over Minerva Fisher, the Capital Manager who oversees maintenance and property capital projects and the Division Director. Finance, who already oversees Minerva Fisher financial operations will continue their operations with no additional impact.

FISCAL IMPACT:

Minerva has sufficient rental income and operating cash to meet the physical needs of the property. HCD staff will initiate a replacement reserve, and will access Community Development Block Grant (CDBG) funding in accordance with the CDBG Annual Action Plan, if needed.

ENCLOSED DOCUMENTS:

Attachment 1 – Resolution Number 36-24

Attachment 2 – Minerva Fisher 2024 Lease Agreement

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STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development
(HCD)

Amy Ginger, Deputy Director, Operations, HCD

Margaret Johnson, Director, Rental Housing, HCD

RESOLUTION NUMBER 36-24

Authorization to Terminate Cooperation Agreement at Minerva Fisher (Providence District), with the Fairfax -Falls Church Community Services Board (CSB) and Enter into Direct Landlord Status and Lease Agreement with Community Residences, Inc. (CRi), a non-profit organization

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the termination of the cooperation agreement for Minerva Fisher (Providence District) between Fairfax-Falls Church Community Services Board (CSB) and the FCRHA and relinquishment by CSB to the Department of Housing and Community Development (HCD) of all management, maintenance and financial oversight to HCD and CRi.

BE IT FURTHER RESOLVED authorizes entry of a direct lease agreement for Minerva Fisher (Providence District) between the FCRHA and CRi.

LEASE AGREEMENT

This Lease Agreement (“Lease”) is made and entered into the 1st day of January, 2025 (“Effective Date”), by and between the FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY (“FCRHA”), a political subdivision of the Commonwealth of Virginia, and COMMUNITY RESIDENCES, INC. (“Tenant”) (collectively, the “Parties”);

RECITALS

WHEREAS, the Parties recognize the need for housing opportunities within Fairfax County; and

WHEREAS, the FCRHA owns in fee simple the property located at 8207 Wolfrap Road, Fairfax County, Virginia, and shown on Fairfax County Real Property Map as Tax Map No. 0392 01 0030A, consisting of twelve individual one-bedroom units suitable for a group home, as well as various common areas, (collectively the “Premises”); and

WHEREAS, the FCRHA now desires to lease the Premises to Tenant for the purpose of providing housing;

NOW, THEREFORE, in consideration of the rents, promises, and covenants contained herein and other valuable consideration acknowledged by the Parties, the Parties agree as follows:

**ARTICLE I
PREMISES**

Section 1.01. Premises.

The FCRHA demises and leases to Tenant and Tenant hereby leases from the FCRHA the Premises, including any improvements or structures to have and to hold the Premises on the terms and conditions set forth herein. The forgoing demise is made subject to the following:

- (a) All restrictions, regulations and statutes, and amendments and additions thereto of any and all federal, state and County authorities having jurisdiction thereof;
- (b) All covenants, restrictions, easements, reservations and agreements recorded prior to the date of execution of this Lease against the Premises;
- (c) Any state of facts which an accurate survey may show;
- (d) Applicable building restrictions and regulations, zoning ordinances and regulations and any amendments thereto now or hereafter in force and effect;
- (e) The lien of all taxes, assessments, water charges and sewer rents, if any, that have not become due and payable prior to the Effective Date of this Lease; and
- (f) The condition and state of repair of the Premises as the same may be on the Effective Date, including all deterioration, injury, loss, damage or destruction which may have occurred prior to such date

Section 1.02. Condition of Premises.

The Tenant agrees to accept the Premises in their “as is” condition. Tenant also represents that it has made such investigations of title for the estate granted herein and the physical condition and development prospects of the Premises as Tenant deems prudent and Tenant is fully satisfied with the condition of title of the Premises held by the FCRHA and the physical condition and development prospects of the Premises. Tenant also acknowledges that it has determined that the utilities that are available at the Premises are sufficient for Tenant’s intended use of the Premises. Tenant further acknowledges that the FCRHA has not made any representations as to such physical condition or as to any other matter or thing affecting or relating to the Premises, including the FCRHA’s title thereto, except as may herein be expressly set forth.

Section 1.03. Use of Premises Generally; Environmental.

Tenant shall use the Premises and the improvements thereon (“Improvements”) for the construction, operation and maintenance of providing housing. Tenant shall not use or occupy, or permit or suffer the Premises, the Improvements, or any part thereof to be used or occupied (i) for any unlawful or illegal business, use or purpose, (ii) for any business, use or purpose involving or producing any “hazardous substance” as defined in 42 U.S.C. § 9601(14) or any successor thereto, (iii) in any manner that constitutes a nuisance, (iv) for any purpose or in any way in violation of any certificate of occupancy, or of any applicable insurance policies reasonably required to be maintained by Tenant under this Lease, or (v) for any purpose or in any way in material violation of any applicable governmental laws, ordinances, orders, directives, rules or regulations. In no event, shall any person who is registered on any states lifetime sex offender registry be permitted to occupy the Premises. If an individual with physical disabilities is admitted as a resident of the Premises, Tenant shall have sole responsibility for and shall bear the entire cost of assuring that the Premises are in compliance with all laws and regulations pertaining to accessibility for physically disabled individuals. Tenant shall defend (using counsel reasonably acceptable to the FCRHA), indemnify and hold the FCRHA harmless from and against all costs, expenses, liabilities, losses, damages, injunctions, suits, fines, penalties, claims and demands, including reasonable attorneys’ fees (including the value of legal services if provided by the Fairfax County Attorney’s Office), arising out of, by reason of, or on account of, any violation of or default in the covenants of this Lease.

Section 1.04. Operating Permits.

The Tenant shall, at its cost, obtain and observe and comply with all conditions and requirements necessary to obtain, preserve, and/or extend any and all governmental permits, licenses, and approvals that are necessary for the operation of the Premises and Improvements.

ARTICLE II

TERM OF THE LEASE

Section 2.01. Initial Term.

The period commencing with the Effective Date (or the first day of the next calendar month in the event the Effective Date does not occur on the first day of the month) and terminating at midnight on the last day of the twelfth (12th) calendar month thereafter shall constitute the first "Lease Year." Each successive full twelve (12) month period while the Lease is in effect shall constitute a "Lease Year."

Tenant's obligation to pay rent shall begin as of the Effective Date. The initial term of the Lease ("Initial Term") shall commence on the Effective Date and continue for three Lease Years.

Section 2.02. [Intentionally Omitted]

Section 2.03. End of Term and Reversion of Improvements.

Upon the expiration or earlier termination of this Lease, Tenant's leasehold interest in the Premises shall terminate. Except as herein otherwise provided, Tenant shall on the last day of the Term, or upon the sooner termination of the Term, peaceably and quietly surrender and deliver up to FCRHA the Premises and the Improvements and other improvements on, under or above

the Premises vacant, broom clean, in good order and condition, ordinary wear and tear excepted, without any payment or allowance whatever therefore. Any Tenant's personal property that remains in the Premises after the termination of this Lease shall be deemed to have been abandoned and either may be retained by the FCRHA as its property or may be disposed of in such manner as the FCRHA may see fit. Any Improvements shall become the property of the FCRHA, provided, however, that at the election of the FCRHA, Tenant shall be responsible at its own costs and expense to remove some or all of the Improvements made by Tenant and that portion of the Premises shall be restored by Tenant to their condition as of the date of Tenant's initial occupancy of the Premises. Any expense incurred by the FCRHA in removing or disposing of Tenant's personal property or Improvements required to be removed under this Section, as well as the cost of repairing all damage to the Premises caused by such removal shall be reimbursed to the FCRHA as Additional Rent (as defined in Article II), on demand.

Section 2.04. Holdover.

If Tenant remains in possession of the Premises after the expiration of the Lease, without the execution by both Tenant and the FCRHA of a new lease, Tenant, at the election of the FCRHA, shall be deemed to be occupying the Premises as a Tenant from month-to-month, at a monthly rental equal to the fair market rental value of the Premises, as determined by Landlord, subject to all the other conditions, provisions and obligations of this Lease insofar as the same are applicable to a month-to-month tenancy.

Section 2.05. Survival.

Tenant's obligations under this Article shall survive the expiration or termination of this Lease.

**ARTICLE III
RENT**

Section 3.01. Base Rent.

Tenant covenants and agrees to pay to FCRHA, promptly when due, without notice or demand and without deduction or setoff of any amount for any reason whatsoever, as rent for the Premises (“Base Rent”) the monthly amount of \$850 per each of the twelve one-bedroom units (\$10,200 per month total), payable in advance on the first day of each Lease Year during the Term, with a proration for any partial month, if any.

The Parties agree and understand that the Premises is currently subject to a United States Department of Housing and Urban Development (“HUD”) Housing Assistance Payment Contract between the FCRHA and Navigate Affordable Housing Partners (“Contract Administrator”) for the payment of housing subsidies in the monthly amount of \$850 per each of the twelve one-bedroom units (\$10,200 per month total) (“Housing Subsidy”). The Parties agree and understand that during the Term of this Lease the Parties anticipate the Housing Subsidy will be sufficient to pay the entire Base Rent, such that the Tenant is not anticipated to directly pay the Base Rent. Therefore, the Tenant expressly agrees to comply with all applicable HUD rules and regulations, as well as cooperate with the FCRHA as requested to maintain such Housing Subsidy. Additionally, Tenant expressly understands and agrees that should Tenant, (including its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations), engage in an action or inaction that results in the termination or reduction of the Housing Subsidy paid to the FCRHA, including, but not limited to allowing occupancy to fall below eight occupied units, Tenant is liable to the FCRHA for the difference between the Base Rent called for in this Lease and the actual Housing Subsidy received, unless such amount is waived or decreased in writing by the FCRHA, at its sole discretion.

Section 3.02. Base Rent Escalation.

The Parties agree and understand that the Base Rent shall be subject to annual increases in each July of the Initial Term, as determined by the Contract Administrator's application of an operating cost adjustment factor ("OCAF") determined by HUD to the Housing Subsidy. In the event the Contract Administrator determines an OCAF Housing Subsidy increase is applicable, the Base Rent will increase at the same level. The FCRHA will provide Tenant written notice of such Base Rent increase as far in advance as is practicable, but in no event less than sixty-days prior to the date the Base Rent increase goes into effect under this Lease ("Adjustment Date"). The Base Rent, as adjusted shall be due and payable as of such Adjustment Date and on the first (1st) day of each month thereafter until the next Adjustment Date or the end of the Term, and as further described in this article.

Section 3.03. Additional Rent.

In addition to Base Rent, Tenant shall also pay without notice or demand and without abatement, deduction or setoff (except as may be expressly provided for herein), all Impositions (as provided in Section 4.01) and all other sums of money required to be paid by Tenant under the terms of this Lease ("Additional Rent"). (Base Rent and Additional Rent are collectively herein referred to as "Rent.") In the event of any non-payment of all or any part of Additional Rent, when due, the FCRHA shall have, at its option, (i) the right to pay the same as provided herein (and subject to the grace periods provided with respect thereto), or (ii) after notice to Tenant, all other rights and remedies provided for hereunder, or by law, for the non-payment of rent or for the breach of a covenant or condition.

Section 3.04. Place of Payment.

All Rent payable under this Lease, as well as all other amounts payable by Tenant to the FCRHA under the terms of this Lease, shall be paid at the office of the FCRHA, 3700 Pender Drive, Suite 300, Fairfax, Virginia 22030, Attention: Real Estate Finance Division, or at such other places as the FCRHA shall from time to time designate by notice to Tenant, in lawful money of the United States which shall be legal tender in payment of all debts and dues, public and private, at the time of payment without limitation.

Section 3.05. Default Interest.

In the event Tenant fails to pay any Rent when due and payable, such unpaid Rent shall bear interest at the rate of 500 basis points above the Prime Rate from time to time published in the *Wall Street Journal* (“Default Rate”) from the date that all applicable notice and cure periods in respect of the failure to timely pay such Rent have expired.

Section 3.06. Landlord-Tenant Relationship.

FCRHA’s relationship with Tenant shall be deemed one of landlord-tenant and no inference that FCRHA is a partner, joint venturer, shareholder, member of Tenant, or has any relationship other than that of landlord-tenant shall be drawn from this Lease.

ARTICLE IV
IMPOSITIONS AND OTHER CHARGES

[Article IV Intentionally Omitted]

ARTICLE V
INSURANCE

Section 5.01. Liability for Damage to Personal Property and Person.

All personal property of Tenant (including its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations), in and on the Premises, shall be and remain

at the sole risk of Tenant, and the FCRHA shall not be liable to them for any damage to, or loss of such personal property arising from any act of any other persons nor from the leaking of the roof, or from the bursting, leaking or overflowing of water, sewer or steam pipes, or from heating or plumbing fixtures, or from electrical wires or fixtures, or from air-conditioning failure. The FCRHA shall not be liable for any personal injury to Tenant (including its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations), arising from the use, occupancy and condition of the Premises.

Section 5.02. Liability Insurance.

During the Lease Term, Tenant will maintain a policy of commercial general liability insurance insuring the FCRHA and Tenant against liability arising out of the ownership, use, occupancy or maintenance of the Premises. The insurance will be for not less than \$1,000,000 for bodily or personal injury to or death of one person in any one accident or occurrence and for not less than \$2,000,000 for bodily injury or personal injury to or death of more than one person in any one accident or occurrence. The insurance shall insure the FCRHA and Tenant against liability for property damage of at least \$2,000,000. The limits of the insurance will not limit the liability of Tenant. Tenant will not do anything or permit anything to be done or any hazardous condition to exist ("Increased Risk") which shall invalidate or cause the cancellation of the insurance policies carried by Tenant. If Tenant does or permits any Increased Risk which causes an increase in the cost of insurance policies then Tenant shall reimburse the FCRHA for additional premiums attributable to any act, omission or operation of Tenant causing the increase in the premiums. Payment of additional premiums will not excuse Tenant from terminating or removing the Increased Risk unless FCRHA agrees in writing. Absent agreement, Tenant shall

promptly terminate or remove the Increased Risk. FCRHA and their officers, employees and volunteers, shall be named as an "additional insured" on the General Liability policy and it shall be stated on the Insurance Certificate with the provision that this coverage "is primary to all other coverage the FCRHA may possess." If an "ACORD" Insurance Certificate form is used by Tenant's insurance agent, the words, "endeavor to" and "...but failure to mail such notice shall impose no obligation or liability of any kind upon the company" in the "Cancellation" paragraph of the form shall be deleted or crossed out.

Section 5.03. Indemnify.

Tenant hereby agrees to indemnify and hold harmless FCRHA, their officers, employees, volunteers and agents, from any and all claims for bodily injuries and personal injuries, death or property damage, including cost or investigation, all expenses of litigation, including reasonable attorney fees (including the value of legal services if provided by the County Attorney's Office) and the cost of appeals arising out of any claims or suits because of Tenant, including its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations, arising from the use, occupancy and condition of the Premises.

Section 5.04. [Intentionally Omitted]

Section 5.05. Worker's Compensation Insurance.

At all times during the Term, at its own cost and expense, Tenant shall purchase and keep in force worker's compensation insurance and employer's liability insurance for all employees of Tenant in limits of not less than \$100,000.00 to protect Tenant from any liability or damages for any injuries (including death and disability) to any and all of its employees, including any and all liability or damage which may arise by virtue of any statute or law in force within the

Commonwealth of Virginia.

Section 5.06. Requirements.

All of the policies of insurance required by this Lease shall be (i) underwritten only by companies licensed in the Commonwealth of Virginia which have a then current A.M. Best Company, Inc. (or if it no longer exists, a then comparable rating service) general policyholder's rating of B+ or better (or the equivalent thereof) and a financial rating of VI or better (or the equivalent thereof), (iii) accompanied by evidence of payment of premiums thereon to the insurance companies or their agents, including evidence of current annual payment, if on an installment payment basis; (iv) contain standard waiver of subrogation clauses (builder's risk and property policies only); and (v) provide that they may not be cancelled by the insurer for non-payment of premiums or otherwise until at least forty-five (45) days after a receipt of the proposed cancellation, and in any event shall not be invalidated, as to the interests of Tenant therein, by any act, omission or neglect of Tenant (other than nonpayment of premiums), which might otherwise result in a forfeiture or suspension of such insurance, including without limitation, the occupation or use of the Premises or the Improvements for purposes more hazardous than those permitted by the terms of the policy, any foreclosure of any leasehold deed of trust and any change in title or ownership of the Premises or the Improvements. If requested by FCRHA, copies of all insurance policies required by this Lease shall be delivered by Tenant to FCRHA. All insurance policies shall be renewed by Tenant and proof of such renewals, accompanied by evidence of the payment of the premiums thereon to the insurance companies or their agents, shall be delivered to FCRHA, at least twenty (20) days prior to their respective expiration dates.

Section 5.07. Compliance Through Contractors and Subcontractors.

Compliance by contractors and subcontractors with the foregoing requirements as to carrying insurance shall not relieve Tenant of its obligations under this Lease.

Section 5.08. FCRHA's Right to Pay Premiums.

If Tenant fails to obtain and maintain insurance as in this Lease provided, the FCRHA may, but shall not be obligated to, effect and maintain any such insurance coverage and pay premiums therefor. As provided in ARTICLE III, all premiums so paid by the FCRHA shall constitute Additional Rent and shall bear interest at the Default Rate from the date of such payment by FCRHA. Such Additional Rent shall be payable by Tenant to FCRHA by the fifteenth (15th) day of the month following the month in which payment therefor is made by FCRHA. In addition thereto, FCRHA may recover from Tenant, and Tenant covenants and agrees to pay as Additional Rent to FCRHA, any and all damages which FCRHA may have sustained by reason of the failure of Tenant to obtain and maintain such insurance, it being expressly declared that any damages of FCRHA shall not be limited to the amount of premiums thereon. Tenant shall make payment to FCRHA by the fifteenth (15th) day of the month following the month in which any payments were made by FCRHA or in which the amount of such damage was determined. The payment by FCRHA of premiums for any such insurance policy shall not be, or be deemed to be, a waiver or release of the default of Tenant with respect thereto or the right of FCRHA to pursue any other remedy permitted hereunder or by law as in the case of any other default hereunder or of default in the payment of Rent.

ARTICLE VI
PUBLIC UTILITIES AND SERVICES

Section 6.01. Utility Services.

Tenant has inspected the utilities that are available at the Premises and determined that they are in good working order and that they are sufficient for Tenant's intended use of the

Premises.

Section 6.02. Responsibility for Utility Costs.

Landlord agrees to pay or cause to be paid basic utilities, specifically charges for water, sewer, and electricity, rendered or supplied to, upon or in connection with the Premises or the Improvements while the Lease is in effect. Tenant agrees to pay or cause to be paid any utilities not specified as the responsibility of the Landlord under this Lease provision, including charges for telephone or other communication services rendered or supplied to, upon or in connection with the Premises or the Improvements while the Lease is in effect, and to indemnify the FCRHA and hold the FCRHA harmless from and against any liability or damages on such account.

**ARTICLE VII
REPAIRS AND MAINTENANCE**

Section 7.01. Tenant's Maintenance.

Tenant shall take general care to maintain the Premises in good order and repair. The Tenant must promptly notify the FCRHA of any maintenance or repairs the Premises may require. Tenant shall, without any cost or expense to FCRHA: (i) provide janitorial services to the Premises; (ii) provide general maintenance of a minor non-structural nature when it is reasonable and practical for Tenant to undertake such maintenance rather than request the FCRHA perform such maintenance (by way of example only – changing of light bulbs, plunging minor plumbing clogs, etc.); (iii) not cause or permit any waste to the Premises; (vi) give prompt written notice to FCRHA of any fire or other casualty that may occur. The Tenant will additionally perform general maintenance and landscaping, when requested by the FCRHA due to lack of availability of FCRHA agents or employees.

Section 7.02. Right of Entry; Inspection and Access.

Tenant shall permit FCRHA and/or their agents and authorized representatives to enter the Premises and the Improvements during normal business hours (except in the case of emergency in which event FCRHA may enter at any time FCRHA reasonably deems necessary) at all reasonable times for the purpose of (i) inspection; (ii) making repairs that Tenant has neglected or refused to make in accordance with the agreements, terms, covenants and conditions of this Lease; and (iii) at any time within six (6) months prior to the expiration of the Term, to persons or entities interested in operating on the Premises, the Improvements, or any part thereof. FCRHA shall use reasonable efforts to attempt to notify Tenant prior to the FCRHA entering the Premises. Tenant shall timely provide FCRHA with such information pertaining the Premises as may be reasonably requested.

Section 7.03 FCRHA's Maintenance.

FCRHA will routinely maintain the Premises in accordance with the general standards of the FCRHA at its sole cost and expense. If requested by Tenant, the FCRHA will provide additional maintenance and repairs, at its sole cost and expense, except when such maintenance is due to damage to the Premise beyond normal wear and tear. In the event the FCRHA determines such maintenance or repairs are necessitated due to the negligence or intentional wrongful acts of Tenant or its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations, the FCRHA shall invoice the Tenant for the maintenance and repair costs. Tenant shall pay FCRHA for all maintenance and repair costs beyond provided by or on behalf of FCRHA, including extermination costs if necessary, within thirty (30) days after receiving an invoice therefor. FCRHA's invoice may include all of FCRHA's direct and indirect costs, including a reasonable and customary administrative fee to cover overhead expenses. If at

any time Tenant is not providing maintenance services through the FCRHA, Tenant shall be required to pay an annual \$1,000.00 maintenance inspection fee (“Maintenance Inspection Fee”) to the FCRHA, in quarterly payments of \$250.00 each, payable to the FCRHA at the address set forth in Section 3.04, as such address may be changed in accordance with the terms here.

Section 7.04 Tenant’s Obligation to Notify FCRHA of Damages to Premises and Incidents Therein.

Without limiting the obligations of Tenant to properly maintain the Premises as otherwise set forth in this Lease, Tenant shall immediately notify FCRHA of any major system malfunctions on the Premises and of conditions that could materially adversely affect the Premises, such as, by way of example, flooding, water damage and electrical issues or other safety concerns. In the event of any serious incidents on the Premises, Tenant shall provide the FCRHA with a “Serious Incident Report” in accordance with instructions that will be provided to Tenant by the FCRHA.

**ARTICLE VIII
ALTERATIONS AND ADDITIONS**

Section 8.01. FCRHA’s Consent Required.

Tenant agrees that it will not (i) demolish the Improvements for the purpose of reconstruction, renovation or otherwise, or (ii) make any material alterations, renovations, additions, changes or substitutions to the Premises and Improvements without, in the case of each of the foregoing, the prior written consent of FCRHA.

Section 8.02. [Intentionally Omitted]

**ARTICLE IX
LIENS AND ENCUMBRANCES**

Section 9.01. Discharge of Liens.

Tenant shall not suffer or permit any liens to stand against the Premises, the Improvements, or any part thereof, by reason of any work, labor, services or materials done for, or supplied to, or claimed to have been done for, or supplied to Tenant or anyone holding the Premises, the Improvements, or any part thereof, through or under Tenant. If any such lien against the Premises, the Improvements or any part thereof shall at any time be filed, Tenant shall cause the same to be discharged within fifteen (15) business days after the date of filing the same, by either payment, deposit, bond or other security reasonably satisfactory to FCRHA. If Tenant shall fail to discharge any such lien against the Premises, the Improvements or any part thereof within such period, then, in addition to any other right or remedy of FCRHA, FCRHA may, but shall not be obligated to, procure the discharge of the same after notice to Tenant either by deposit in court, by bonding, or by paying the amount claimed to be due. As provided in ARTICLE III, any amount paid or deposited by FCRHA for any of the aforesaid purposes, and all legal and other expenses of FCRHA, including attorneys' fees (including the value of legal services if provided by the County Attorney's Office), and all necessary disbursements in connection therewith, in defending any such action or in procuring the discharge of such lien, shall constitute Additional Rent, and shall bear interest from the date of payment or deposit at the Default Rate during the period that such payment or deposit is outstanding. Such Additional Rent shall become due and payable upon demand by FCRHA to Tenant, or at the option of FCRHA, shall be payable by Tenant to FCRHA by the fifteenth (15th) day of the month following the month in which the payment or deposit was made by FCRHA.

Section 9.02. No Consent to Liens Implied.

Nothing in this Lease shall be deemed to be construed in any way as constituting the consent or request of FCRHA, expressed or implied, by inference or otherwise, to any person,

Attachment 2

firm or corporation for the performance of any labor or the furnishing of any materials for any construction, rebuilding, alteration or repair of or to the Premises, the Improvements, or any part thereof, or as giving Tenant any right, power or authority to contract for or permit the rendering of any services or the furnishing of any materials which might in any way give rise to the right to file any lien against FCRHA's interest in the Premises or in the Improvements. Notwithstanding the foregoing provisions of this Section 9.02, if such lien against the Premises, the Improvements or any part thereof is filed, Tenant shall either pay the same and have it discharged of record, or take such action as may be required to legally object to such lien, or to have such lien discharged within fifteen (15) days after the date of filing the same, and in all events to have such liens against the Premises, the Improvements or any part thereof discharged prior to the foreclosure thereof and the imposition of any penalty upon FCRHA.

**ARTICLE X
MANAGEMENT**

Section 10.01. Management.

Tenant shall provide competent management of the Improvements to the reasonable satisfaction of FCRHA.

**ARTICLE XI
EXCULPATION AND INDEMNIFICATION**

Section 11.01. Exculpation of FCRHA.

Tenant is and shall be in control and possession of the Premises and the Improvements as provided herein, and FCRHA shall not in any event whatsoever be liable for any injury or damage to any property or to any person happening on, in or about the Premises, the Improvements or the appurtenances thereto, or for any injury or damage to the Premises or the Improvements, or to any property, whether belonging to Tenant or any other person, caused by

Attachment 2

any fire, breakage, leakage, defect or bad condition in any part or portion of the Premises or of the Improvements or from steam, gas, electricity, water, rain or snow that may leak into, issue or flow from any part of the Premises or the Improvements from the drains, pipes or plumbing work of the same, or from the street, subsurface or any place or quarter, or due to the use, misuse or abuse of all or any of the hatches, openings, installations, or hallways of any kind whatsoever, or from any kind of injury which may arise from any other cause whatsoever on the Premises or in the Improvements, including defects in construction, latent or otherwise.

Section 11.02. Indemnification of FCRHA.

Tenant shall indemnify and hold FCRHA harmless from and against all liability, judgments, claims, demands, suits, actions, losses, penalties, fines, damages, costs and expenses, including attorneys' fees (including the value of legal services if provided by the County Attorney's Office), of any kind or nature whatsoever, due to or arising out of or from: Any breach, violation or nonperformance of any covenant, condition, provision or agreement in this Lease set forth and contained on the part of Tenant to be fulfilled, kept, observed and performed, and claims of every kind or nature, arising out of the use and occupancy of the Premises and/or the Improvements (and/or the construction, alteration, etc. thereof) by Tenant, including without limitation, any damage to property occasioned or arising out of the use and occupancy thereof by Tenant, or any injury to any person, including death resulting at any time therefrom, occurring in or about the Premises or the Improvements. Nothing contained in the foregoing shall be deemed to obligate Tenant either to indemnify or to waive claims against FCRHA for claims arising because of the negligence or intentional wrongful acts of FCRHA or their agents or employees.

**ARTICLE XIII
DAMAGE AND DESTRUCTION**

Section 12.01. Limited Duty to Restore.

Attachment 2

If during the Term the Improvements shall be destroyed or damaged in whole or in part by fire or any other casualty, and it is not reasonably possible to repair such destruction or damage within ninety (90) days, as determined by FCRHA, either party shall be entitled to terminate this Lease by written notice to the other within fifteen (15) days after such destruction. If the Premises can be reasonably repaired within ninety (90) days from the date of damage, as determined by FCRHA, then the FCRHA shall be responsible for restoration of Premises. Nothing contained in the foregoing shall be deemed to obligate the FCRHA to waive claims against Tenant for claims arising because of the negligence or intentional wrongful acts of Tenant or its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations.

Section 12.02. No Abatement of Rent.

In the event of any damage or destruction to which the above is applicable, Rent shall not be abated unless the Lease is terminated in accordance with the terms herein, in which event Rent will be abated as of the date of termination.

**ARTICLE XIII
CONDEMNATION**

Section 13.01. Right to Award.

(A) If any or all of the Premises are taken by the exercise of any power of eminent domain or are conveyed to or at the direction of any governmental entity under a threat of any such taking (each of which is hereinafter referred to as a "Condemnation"), FCRHA shall be entitled to collect from the condemning authority thereunder the entire amount of any award made in any such proceeding or as consideration for such conveyance, without deduction therefrom for any leasehold or other estate held by Tenant under this Lease.

(B) Tenant hereby (a) assigns to FCRHA all of Tenant's right, title and interest, if any, in and to any such award; (b) waives any right which it may otherwise have in connection with such Condemnation against FCRHA or such condemning authority, to any payment for (i) the value of the then-unexpired portion of the Term, (ii) leasehold damages, and (iii) any damage to or diminution of the value of Tenant's leasehold interest hereunder or any portion of the Premises not covered by such Condemnation; and (c) agrees to execute any and all further documents which may be required to facilitate FCRHA's collection of any and all such awards.

(C) Subject to the operation and effect of the foregoing provisions of this Section 13.01, Tenant may seek, in a separate proceeding, a separate award on account of any damages or costs incurred by Tenant as a result of such Condemnation, so long as such separate award in no way diminishes any award or payment which FCRHA would otherwise receive as a result of such Condemnation.

Section 13.02. Effect of Condemnation.

(A) If (i) all of the Premises are covered by a Condemnation, or (ii) any part of the Premises is covered by a Condemnation and the remainder thereof is insufficient for the reasonable operation therein of Tenant's business, or (iii) any of the building in which the Premises are located is covered by a Condemnation and, in FCRHA's reasonable opinion, it would be impractical to restore the remainder thereof, then, in any such event, the Term shall terminate on the date on which possession of so much of the Premises, as is covered by such Condemnation is taken by the condemning authority thereunder, and all Rent (including, by way of example rather than of limitation, any Additional Rent), shall be apportioned and paid to such date.

(B) If there is a Condemnation and the Term does not terminate pursuant to the foregoing provision of this subsection, the operation and effect of this Lease shall be unaffected by such Condemnation, except that the Base Rent shall be reduced in proportion to the square footage of floor area, if any, of the Premises covered by such Condemnation.

(C) If there is a Condemnation, FCRHA shall have no liability to Tenant on account of (a) interruption of Tenant's business upon the Premises, (b) diminution in Tenant's ability to use the Premises, or (c) other injury or damage sustained by Tenant as a result of such Condemnation.

(D) Except for any separate proceeding brought by Tenant under the provisions of Section 13.01(C), FCRHA shall be entitled to conduct any such condemnation proceeding and any settlement thereof free of interference from Tenant, and Tenant hereby waives any right, which it otherwise has, to participate therein.

ARTICLE XIV
NO ASSIGNMENT AND SUBLETTING

Section 14.01. Consent Required.

Tenant shall have no right to sublet or assign this Lease or any part thereof unless Tenant shall have received the express prior written consent of FCRHA, which consent may be granted or withheld in the sole and absolute discretion of FCRHA.

ARTICLE XV
EVENTS OF DEFAULT

Section 15.01. Events of Default.

It shall be deemed an "Event of Default" hereunder if any one or more of the following events shall occur:

(A) Tenant shall default in making timely payment to FCRHA of any Rent, Additional Rent or of any money advanced by FCRHA or otherwise collectible as Additional Rent; or

(B) Tenant shall fail to pay any tax, assessment, water rent, rate or charge, sewer rent or other governmental imposition, or any other charges or lien against the Premises or the Improvements which Tenant is required to pay under this Lease and the same shall not be paid within ten (10) days after Tenant receives notice of the delinquency; or

(C) Tenant shall default in complying with any other agreement, term, covenant or condition of this Lease and such default in compliance shall continue for a period of thirty (30) days after notice by FCRHA or such longer period up to thirty (30) additional days as may reasonably be required to commence cure of the default, provided Tenant has commenced curing within such thirty (30) days and continues with diligence thereafter to complete the cure; or

(D) This Lease or the estate of Tenant hereunder shall be transferred, assigned, or subleased (in a single transaction or a series of related transactions) in violation of the provisions of this Lease.

If an Event of Default shall be deemed to have occurred, the FCRHA may thereafter serve a written notice of cancellation and termination of this Lease, any other notice to quit required hereunder or by law being expressly waived by Tenant and Tenant shall then quit and surrender to FCRHA the Premises, the Improvements and any other improvements on, under or above the Premises, and FCRHA may enter into or repossess the same, either by self-help, summary proceedings or otherwise.

Section 15.02. Effect of Termination.

If this Lease is terminated pursuant to the provisions of Section 15.01 hereof, except to the extent otherwise expressly provided in this Lease, all of the right, title, estate and interest of

Tenant, (i) in and to the Premises, (ii) in and to the Improvements and other improvements on, under and above the Premises, (iii) in and to equipment, fixtures and machinery therein or upon the Premises and the Improvements and other improvements on, under and above the Premises, and (iv) in and to all insurance policies and all insurance monies paid or payable thereunder, shall terminate and FCRHA, without further action on the part of either party and without cost or charge to FCRHA, shall have unlimited and sole title thereto and ownership thereof, free of any claim thereto by Tenant. The provisions of ARTICLE XV shall survive the termination of the Lease.

ARTICLE XVI
REIMBURSING FCRHA

Section 16.01. Payment by FCRHA and Reimbursement by Tenant.

If an Event of Default shall have occurred with regard to the payment of any Additional Rent, FCRHA may, after the applicable notice, if any, to Tenant therefor as set forth in Section 15.01, pay the same for the account and at the expense of Tenant. If FCRHA shall incur any expenses, including reasonable attorneys' fees (including the value of legal services if provided by the County Attorney's Office), in instituting, prosecuting or defending any action or proceeding instituted by reason of any default by Tenant, Tenant shall reimburse FCRHA for the amount of such expenses. Should Tenant, pursuant to this Lease, become obligated to reimburse or otherwise pay FCRHA one or more sums of money in addition to Rent, the amount thereof shall be deemed Additional Rent and may, at the option of FCRHA, be added to any subsequent installment of Rent due and payable under this Lease, in which event FCRHA shall have the additional remedies for default in the payment thereof provided by ARTICLE XV. The provisions of this ARTICLE XVI shall survive the termination of this Lease.

Section 16.02. Injunction.

If an Event of Default shall have occurred, in addition to other rights of FCRHA hereunder, FCRHA shall have the right of injunction to restrain the same and the right to invoke any remedy allowed hereunder by law or in equity, as if specific remedies, indemnity or reimbursement were not herein provided.

Section 16.03. Right of Entry Upon Termination.

In the event of any termination of this Lease, whether by expiration, forfeiture, cancellation, surrender, operation of law, issuance of a final court order or otherwise, FCRHA may enter the Premises, and enter the Improvements and other improvements on, under or above the Premises, to remove therefrom Tenant, its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations, and all of their respective property, using such force for that purpose as may be necessary without being liable for prosecution or damages therefor, and thereupon FCRHA shall be entitled to retain possession of the Premises and the Improvements and other improvements on, under or above the Premises with all additions, alterations and improvements thereon and all fixtures paid for by Tenant and appurtenances thereto, free from any interest of Tenant therein.

Section 16.04. Waiver of Redemption Rights.

If a judgment is entered for the recovery of possession of the Premises and the Improvements in any action or proceeding, Tenant, for itself and for any and all persons claiming through or under Tenant, hereby waives any right of redemption provided or permitted by any statute, law or decision now or hereafter in force, and does hereby waive, surrender and give up all rights or privileges which it or they may or might have, under and by reason of any present or future law or decision, to redeem the Premises and the Improvements or for a continuation of this

Lease for the Term hereby demised after having been dispossessed or ejected therefrom by process of law or otherwise.

Section 16.05. Rights After Termination.

No receipt of monies by FCRHA from Tenant after the termination hereof in any lawful manner shall reinstate, continue or extend the Term, or affect any notice theretofore given to Tenant, or operate as a waiver of the right of FCRHA to enforce the payment of any Rent and Additional Rent then due or thereafter falling due, or operate as a waiver of the right of FCRHA to recover possession of the Premises and the Improvements by proper suit, action, proceedings or other remedy; it being agreed that after the service of notice of termination as herein provided and the expiration of the time therein specified, after the commencement of any suit, action, proceedings or other remedy, or after a final order or judgment for possession of the Premises and the Improvements, FCRHA may demand, receive and collect any monies due, or thereafter falling due, without in any manner affecting such notice, suit, action, proceedings, order or judgment; and any and all such monies so collected shall be deemed to be payments on account of the use and occupation of the Premises, or, at the election of FCRHA, on account of Tenant's liability hereunder. In such event, FCRHA, at its option, may make such alterations and repairs in or to the Premises and the Improvements and other improvements as in its judgment FCRHA considers advisable and necessary, and the making of such alterations and repairs shall not operate or be construed to release Tenant from liability hereunder. FCRHA shall in no event be liable in any way whatsoever for failure to relet the Premises or the Improvements and other improvements or in the event that the Premises and the Improvements and other improvements are relet, for failure to collect rent thereof under such reletting; and in no event shall Tenant be entitled to receive any excess of such rents from any such tenant leases over the sums payable by

Tenant to FCRHA hereunder. Suit or suits for the recovery of such damages, or any installments thereof, may be brought by FCRHA from time to time at its election, and nothing herein contained shall be deemed to require FCRHA to postpone suit until the date when the Term of this Lease would have expired if it had not been terminated under the provisions of this Lease, or under any provision of law, or had FCRHA not re-entered into or upon the Premises and the Improvements.

Section 16.06. Cumulative Remedies.

The rights and remedies given to FCRHA and Tenant in this Lease are distinct, separate and cumulative, and no one of them, whether or not exercised by FCRHA, shall be deemed to be in exclusion of any of the others herein, or by law or in equity.

**ARTICLE XVII
NO WAIVER**

Section 17.01. No Waiver.

Waiver by FCRHA of any breach by Tenant of any covenant or condition herein contained, or failure by FCRHA to exercise any right or remedy in respect of any such breach, shall not constitute a waiver or relinquishment for the future of any such covenant or condition or of any subsequent breach of any such covenant or condition, or bar any right or remedy of FCRHA in respect of any such subsequent breach, nor shall the receipt of any Rent or portion thereof (regardless of any endorsement on any check or any statement in any letter accompanying any payment of rent) by FCRHA, whether the same be reserved and provided for herein as Rent or Additional Rent under any of the covenants or provisions herein contained, operate as an accord and satisfaction or a waiver of the right of FCRHA to enforce the payment of Rents of any kind previously due or as a bar to the termination of this Lease and the recovery

of the Premises because of default in the payment of said Rents previously due, by any appropriate remedy FCRHA may select.

ARTICLE XVIII
NOTICES

Section 18.01. Notices.

Whenever it is provided herein that notice, demand, request or other communication shall or may be given to, or served upon, either of the parties by the other, and/or whenever either of the parties shall desire to give or serve upon the other any notice, demand, request or other communication with respect hereto or with respect to the Premises or the Improvements, each such notice, demand, request or other communication shall be in writing and, any law or statute to the contrary notwithstanding, shall not be effective for any purpose unless the same shall be given or served as follows:

If to Tenant:

Community Residences, Inc.
14160 Newbrook Dr.
Chantilly, VA 20151
Attention: Executive Director

If to FCRHA:

Fairfax County Redevelopment and Housing Authority
3700 Pender Drive
Fairfax, Virginia 22030
Attention: Director for Assets Management

and

County Attorney's Office
12000 Government Center Parkway
Suite 549
Fairfax, Virginia 22035
Attention: County Attorney

Every such notice, demand, request or other communication hereunder shall be deemed to have been given or served for all purposes hereunder on the date on which it is received or refused by the party to whom it was sent. Either party may change the address or addresses designated for it to receive notice by giving notice of such change to the other party in accordance with the foregoing.

**ARTICLE IX
MISCELLANEOUS**

Section 19.01 Quiet Enjoyment and Other FCRHA Section Quiet Enjoyment.

FCRHA covenants that Tenant, on paying the rent reserved and on performing all the terms, covenants and conditions hereof on the part of Tenant to be performed, and not being in default under any of the terms of this Lease, shall at all times during the Term peacefully and quietly have, hold and enjoy the Premises and the Improvements.

Section 19.02. Virginia Law Governs.

This Lease shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia.

Section 19.03. Venue.

Venue for any claim under or arising out of this Lease is exclusively in the state courts of Fairfax County, Virginia or the United States District Court for the Eastern District of Virginia.

Section 19.04. Captions.

The captions and headings in this Lease are inserted only as a matter of convenience and for reference, and they in no way define, limit or describe the scope of this Lease or the intent of any provision thereof.

Section 19.05. No Commissions.

Each party represents to the other that no brokerage or leasing commissions or other compensation are due or payable to any person, firm, corporation or other entity with respect to or account of any action taken by or on behalf of such party with respect to this Lease.

Section 19.06. Severability.

If any term or provision of this Lease, or the application thereof to any person or circumstance, shall to any extent be invalid or unenforceable, the remainder of this Lease, or the application of such term or provision to persons or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Lease shall be valid and be enforced to the fullest extent permitted by law.

Section 19.07. Successors and Assigns.

All of the terms, covenants and conditions herein contained shall inure to the benefit of and be binding upon FCRHA, its successors and assigns, and any person who at any time shall be the owner of the Premises, and upon Tenant and the heirs, administrators, executors, legal representatives, successors and assigns of Tenant, and any person who at any time shall be the owner of the leasehold estate hereby created or of the Improvements and other improvements on, under or above the Premises.

Section 19.08. Time of the Essence.

Time is of the essence with regard to each and every term herein to which time is an element.

Section 19.09. Integration and Interpretation.

The terms and conditions herein set forth all the promises, agreements, conditions and understandings between FCRHA and Tenant pertaining to leasing of the Premises, and there is no promise, agreement, condition or understanding either oral or written, between the parties

other than as are herein set forth. This Lease has been negotiated at arm's length with both parties having the opportunity to consult with legal counsel with respect to all provisions hereof. In the event of any ambiguity in any of the terms or provisions, this Lease shall not be interpreted against or in favor of either FCRHA or Tenant, nor shall there be any presumption against or in favor of either FCRHA or Tenant. No prior writings, including without limitation, drafts of this Lease and modifications thereto, shall be given any force or effect.

Section 19.10. Compliance.

Throughout the Term hereof Tenant shall, at its own cost and expense, observe and comply with all applicable county, state and federal governmental laws, ordinances and regulations, including without limitation all licensure requirements required to operate the Premises with respect to Tenant's programs thereon.

Section 19.11. Rules and Regulations.

Tenant and its employees, agents, servants, volunteers, guests, business invitees, clients, customers, family members, licensees and any sublessees, or trespassers, whether persons, firms or corporations, shall abide by and observe such reasonable rules and regulations as may be promulgated from time to time by FCRHA for the operation and maintenance of the Premises. Nothing contained in this Lease shall be construed to impose upon FCRHA any duty or obligation to enforce such rules and regulations.

IN WITNESS WHEREOF, the parties have caused this Lease to be executed as of the date first hereinabove written.

FAIRFAX COUNTY REDEVELOPMENT AND HOUSING AUTHORITY

By: _____
Signature

Printed Name: _____

Title: _____

TENANT, COMMUNITY RESIDENCES, INC.

By: _____
Signature

Printed Name: _____

Title: _____

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ACTION – 3

RESOLUTION NUMBER 37-24: Award of Fiscal Year 2025 Federal Community Development Block Grant Funding to a Fairfax County Nonprofit Affordable Housing Organization

ISSUE:

Fairfax County Redevelopment and Housing Authority (FCRHA) approval is requested for an award of funds from the Fiscal Year 2025 Community Development Block Grant and HOME Investment Partnerships Program Request for Proposals/ Permanent Affordable Rental Housing Projects.

RECOMMENDATION:

It is recommended that the FCRHA approve the following:

- 1) award Community Development Block Grant (CDBG) funding;
- 2) execute a contract with; and
- 3) make a deferred CDBG loan in the amount of \$981,878 to:

Good Shepherd Housing and Family Services, Inc. (Good Shepherd) for the acquisition of affordable rental housing for low-income households earning at or below 60 percent of Area Median Income (AMI).

TIMING:

Immediate. Approval by the FCRHA is needed to enable the selected nonprofit organization to complete time-sensitive acquisitions.

RELATION TO THE FCRHA STRATEGIC PLAN:

The proposed action addresses the FCRHA's goal to preserve, expand, and facilitate affordable housing opportunities in Fairfax County.

BACKGROUND:

The Fairfax County Department of Housing and Community Development (HCD) issued a Request for Proposals (RFP) on August 21, 2024, for an estimated total funding amount of \$1,514,302, which includes \$1,193,354 in CDBG funds and \$320,948 in HOME funds designated for Community Housing Development Organizations (CHDOs). The purpose of the funding is to acquire, develop, or rehabilitate scattered-site rental

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(condominium, townhouse, single-family) and multifamily rental projects consisting of 30 units or less. Responses to the RFP were due on September 27, 2024.

HCD evaluated the proposal against the following four criteria:

- Demonstration of Need;
- Project Preparation, Innovation, and Collaboration;
- Management Capacity & Real Estate Experience; and
- Capacity for Project Financing and Leveraging.

HCD gave additional points to projects that served households meeting one or more of the following special needs criteria:

- The following populations earning at or below 60% of AMI:
 - Persons aged 62 and older;
 - Youth transitioning out of foster care;
 - Individuals experiencing homelessness;
 - Persons living with disabilities (physical, mental, or sensory);
 - Veterans; and
- Survivors of domestic violence earning at or below 80% of AMI.

Additional points were also given to Permanent Supportive Housing projects, meaning projects in which supportive services are provided to allow households to live independently, particularly those experiencing homelessness or meeting special needs criteria cited above.

All proposed projects align with goals and objectives set forth in the One-Year Action Plan for FY 2025, Communitywide Housing Strategic Plan, Countywide Strategic Plan, Chairman's Equity Task Force, and One Fairfax Policy.

HCD received one eligible proposal from Good Shepherd, requesting \$981,878. One additional proposal requesting \$1,412,000 was received and deemed ineligible as it did not satisfy the minimum project requirements outlined in the RFP, particularly regarding compliance with existing local zoning and regulatory standards.

The total recommended award of \$981,878 in CDBG funds leaves a balance of \$211,476 in CDBG funds and \$320,948 in HOME funds, which may be carried over to the FY 2026 RFP or reallocated for another use in FY 2025. The recommended awardee may be referred to individually as a "Borrower". The Borrower is not suspended, debarred, or otherwise excluded from providing contracted goods or services to Fairfax County or HCD. If the Borrower does not expend funds within two years from the award date, any unused funds must be returned to the FCRHA for other eligible uses.

Good Shepherd - \$981,878

Good Shepherd is a 501(c)(3) non-profit organization incorporated in 1974, dedicated to serving the Fairfax County community for more than 50 years. The organization owns

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100 housing units and leases 21 apartment units across 14 communities along the Route 1 corridor in Alexandria serving low-income and very low-income families. Good Shepherd requested, and the Selection Advisory Committee (SAC) recommends awarding a CDBG loan of \$981,878 to acquire three (3) 2- or 3-bedroom condominiums or townhouses in the Annandale or Falls Church communities (Braddock, Mason and/or Providence Magisterial District(s)) (the Project). Good Shepherd will provide residents with rental housing and services to support their progress toward self-sufficiency. The Project will benefit three families of 4 to 6 individuals who have household incomes of up to 60% of AMI and are at a high risk of homelessness or have experienced homelessness. If Good Shepherd does not use the entire award for the Project but otherwise has satisfied the work described in this item, HCD staff has the authority to reallocate any remaining funds to Good Shepherd for other eligible projects.

Leveraging

Good Shepherd will provide \$50,122 toward the Project, representing approximately five percent of the total project cost. Final terms of the loan to the Borrower will be taken to the Loan Underwriting Committee (LUC) for underwriting, review, and approval. The Borrower will notify the appropriate member of the Board of Supervisors and the FCRHA Commissioner of the specific purchases prior to loan approval by the LUC and provide documentation of such notification to the LUC.

Terms of the Loan

Loan terms will comply with the requirements of the CDBG program. Any minor changes or adjustments made to the Project description are subject to the review and approval of the LUC. Principal and interest payments on the loans will be deferred for a period of 30 years, subject to compliance with the loan terms.

The loan may be subordinated to a first-priority deed of trust. If a property is either sold or no longer used for affordable rental housing during the 30-year period, the Borrower is obligated to pay the FCRHA, as lender, an amount equal to the loan proceeds plus two percent deferred accrued simple interest. After the end of the 30-year period, the Borrower will be obligated to pay only the two percent deferred accrued simple interest if the property is sold or no longer used for affordable housing.

STAFF IMPACT:

HCD Grants Management staff led the RFP process, including the provision of technical assistance to the SAC. HCD Grants Management staff will work with the Borrower in conducting a review of the properties for which funding is sought, review of the Borrower's loan request, presentation of the loan request to the LUC, and drafting of all closing documents for final approval by the Office of the County Attorney. In addition, HCD Grants Management staff conducts ongoing monitoring to ensure post-closing compliance with the loan terms and conditions.

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FISCAL IMPACT:

A total of \$1,193,354 is available within Fund 500-C50800, Community Development Block Grant (CDBG). As of September 30, 2024, the following balances are available to fund the award:

- Grant 1380091-2025 – AH RFP Awarded Community Development Block Grant (CDBG) \$1,193,354

The proposed allocation is as follows:

Good Shepherd Housing and Family Services Inc: \$981,878 CDBG Funds

ENCLOSED DOCUMENT:

Attachment 1: Resolution Number 37-24

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Anna Shapiro, Deputy Director, Real Estate Finance and Development, HCD

Callahan Seltzer, Division Director, Real Estate and Community Development Finance, HCD

Laura O. Lazo, Associate Director, Grants Management, Real Estate and Community Development Finance, HCD

Sharon Shields, Program Coordinator Manager, Grants Management, Real Estate and Community Development Finance, HCD

RESOLUTION NUMBER 37-24

Award of Fiscal Year 2025 Federal Community Development Block Grant Funding to a
Fairfax County Nonprofit Affordable Housing Organization

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) authorizes the Chair, Vice Chair, 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, for a loan of \$981,878 to Good Shepherd Housing and Family Services, Inc., for the purposes described in the Item presented to the FCRHA at its December 12, 2024, meeting.

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ADMINISTRATIVE – 1

RESOLUTION NUMBER 26-24: Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 7

ISSUE:

The purpose of this Item is to request Fairfax County Redevelopment and Housing Authority (FCRHA) approval to revise select policies in Chapter 7 – Verification, of its Housing Choice Voucher (HCV) Program Administrative Plan (HCV Administrative Plan). Approval of most of the policy revisions is within the FCRHA's discretion. Approval of other policy revisions allow for adoption of U.S. Department of Housing and Urban Development (HUD) regulatory flexibility or are those required under the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

RECOMMENDATION:

That the FCRHA approve the proposed revisions to the HCV Administrative Plan.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action directly supports the FCRHA's mission, and the annual goals set forth in the FCRHA's Strategic Plan.

BACKGROUND:

The rules and regulations that direct how the FCRHA administers the HCV program are outlined in the HCV Administrative Plan required by HUD. The HCV Administrative Plan is updated on a regular basis to reflect changes in statutes and regulations and to ensure consistency in operations.

In February 2023, HUD issued the final rule on HOTMA. The final rule amended regulations for HUD's Section 8 programs and made Sections 102, 103 and 104 of HOTMA effective. These sections impact income calculations, reviews, and program eligibility for the HCV program. HOTMA policies must be reflected in the HCV Administrative Plan.

On September 29, 2023, HUD provided implementation guidance (PIH Notice 2023-27) which outlined that Public Housing Authorities (PHAs) must be fully compliant with HOTMA by either January 1, 2025, or when HUD's new Housing Information Portal

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(HIP) system is operational, whichever is earlier. After this guidance, on Feb 23, 2024, HUD sent a letter to all PHAs indicating they could implement some aspects of HOTMA prior to the HIP system being operational as these policy changes are not dependent on the new system. Following this information, on June 17, 2024, HUD announced that the HIP system implementation is delayed and no revised timeline or schedule has been released.

With the delay in the HIP system, staff recommend that the FCRHA adopt two HOTMA policy changes in Chapter 7 that are not contingent on the HIP system. These policies are noted below by an asterisk and listed in Attachments 2 and 3. These policies are noted by HUD as options for PHAs to implement prior to the HIP system being fully operational.

During the period between when the updated HCV Administrative Plan Chapter 7 is approved by the FCRHA and when HOTMA is fully implemented, there will be two HCV policies in place: 1) one inclusive of HOTMA and contingent on the use of the HIP system; and 2) one which reflects current HUD policies but does not include HOTMA changes that are contingent on the use of the HIP system. It is recommended that the FCRHA adopt but not follow all HOTMA policies contingent on the operationalization of the HIP system during this transition period. Once HOTMA and the HIP system are implemented, the policies inclusive of HOTMA will be fully effective and available online.

As the exact date when the FCRHA must be compliant with HOTMA is unknown due to the uncertainty of when the HIP system will be operational, staff are continuing to bring forward all HOTMA related changes to the HCV Administrative Plan to the FCRHA for approval as required. Staff will keep the FCRHA informed of any new guidance issued by HUD on HOTMA.

UPDATES TO CHAPTER 7:

Staff have initiated a review of Chapter 7 of the HCV Administrative Plan and recommend the following changes for FCRHA approval:

New Proposed Policies Required by HOTMA

HOTMA mandates the FCRHA to adopt new policies, listed in Attachment 2 and summarized as follows:

- Level 5 and 6 Verification: Up-front Income Verification (UIV) (*Chapter 7, Section 7-I.E., New Hires Report*) – The proposed policy states that the FCRHA will only review the New Hires Report at regularly scheduled reexaminations.
- Level 4 Verification* (*Chapter 7, Section 7-I.F.; Written Third-Party Verification from the Source*) – The proposed policy describes when the FCRHA will use third-party verification from the source.
- Level 3 Verification: Written, Third-Party Form (*Chapter 7, Section 7-I.G.*) – The proposed policy describes how the FCRHA will attempt to send written third-party

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verification forms to the source whenever higher forms of verification are unavailable when determining income.

- Level 2: Oral Third-Party Verification (*Chapter 7, Section 7-I.H., When Third-Party Verification is Not Required*) – The proposed policy describes the process that will be undertaken if the family cannot provide original documents when determining income and a third-party verification is not required.
- Nonrecurring Income (*Chapter 7, Section 7-III.E.*) – The proposed policy notes that the FCRHA will accept self-certification on nonrecurring income sources.

New Proposed Discretionary Policies Allowed by HOTMA

Along with mandatory policies, HOTMA outlines discretionary policies that a public housing authority may adopt. While there is choice in adopting these policies, the content of the policy must adhere to HUD guidance and the final rule on HOTMA. Proposed changes are listed in Attachment 3 and summarized as follows:

- Family Consent to Release Information* (*Chapter 7, Section 7-I.A., Form HUD-9886-A; Chapter 7, Section 7-I.A., Penalties for Failing to Consent*) - The proposed policies update the Consent to the Release of Information Form and the requirement that the failure to sign the Consent to the Release of Information Form will result in denial of admissions or termination of assistance.
- Use of Other Programs' Income Determinations (*Chapter 7, Section 7-I.B.*) – The proposed policy indicates the FCRHA will not accept or use Safe Harbor income determinations.
- Streamlined Income Determinations (*Chapter 7, Section 7-I.C.*) – The proposed policy indicates that streamlined income determinations will not be used for Moving to Work (MTW) households but will be used where applicable for non-MTW households.
- Level 5 and 6 Verification: Up-Front Income Verification (*Chapter 7, Section 7-I.E., No Income Reported by HHS or SSA Report; Chapter 7, Section 7-I.E., Deceased Tenants Reports*) – The proposed policies describe when the FCRHA will generate a No Income Reported report and policies related to deceased tenants and reporting requirements.
- Level 4 Verification* (*Chapter 7, Section 7-I.F., EIV + Self Certification;*) – The proposed policy describes the use of Enterprise Income Verification (EIV) plus self-certification as verification of employment income.
- Social Security Numbers (*Chapter 7, Section 7-II.B.*) – The proposed policy describes how the FCRHA will verify social security numbers.
- Family Relationships (*Chapter 7, Section 7-II.D., Separation or Divorce*) – The proposed policy describes the verification of a separation or divorce in a household.
- Assets and Income from Assets (*Chapter 7, Section 7-III.F.; Chapter 7, Section 7-III.F, Self-Certification of Real Property Ownership*) – The proposed policies describe the verification process for the value of family assets and income from assets and the process of self-certification of real property ownership.

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Proposed HOTMA-Related Policy Changes

These changes are required by HOTMA and modify existing FCRHA policies included in Chapter 7. Proposed changes are listed in Attachment 4 and summarized as follows:

- Level 5 and 6 Verification: Up-Front Income Verification (UIV) (Chapter 7, Section 7-I.E., EIV Income and Income Validation Tool (IVT) Reports) – The proposed policy updates language regarding the use of EIV and IVT reports.
- Level 2: Oral Third-Party Verification (Chapter 7, Section 7-I.H.) – The proposed change updates existing policy to include language regarding third-party verification of income.
- Level 1: Non-Third Party Verification Technique: Self-Certification (Chapter 7, Section 7-I.I.) – The proposed policy is updated to include an attestation statement and a warning regarding the termination of assistance.
- Social Security Numbers (Chapter 7, Section 7-II.B.) – The proposed policies reflect practices established through HOTMA on verifying social security numbers.
- Earned Income (Chapter 7, Section 7-III.A., Wages) – The proposed changes update the policy on when the FCRHA requires third-party verification of wages.
- Business and Self Employment Income (Chapter 7, Section 7-III.B.) – The proposed changes update the policy on verifying income when the person is a business owner and/or self-employed.
- Alimony or Child Support (Chapter 7, Section 7-III.D.) – The proposed policy changes reflect HOTMA on the methods used to verify alimony and child support payments.
- Assets Disposed of for Less Than Fair Market Value (Chapter 7, Section 7-III.G.) – The proposed policy identifies the acceptance of self-certification as verification of assets disposed of for less than fair market value.
- Retirement Accounts (Chapter 7, Section 7-III.J.) – The proposed changes update the policy to state the type of acceptable documents when verifying retirement accounts.
- Income from Excluded Sources (Chapter 7, Section 7-III.K.) – The updated policy identifies the acceptance of a self-certification and reflects practices established through HOTMA.
- Zero Income Reviews (Chapter 7, Section 7-III.L.) – The proposed policy reflects practices established through HOTMA for households that claim zero income status.
- Student Financial Assistance (Chapter 7, Section 7-III.M.) – The updated policy reflects practices established through HOTMA and clarifies those items for which written verification will be requested when verifying student financial assistance.
- Health and Medical Care Expense Deduction (Chapter 7, Section 7-IV.B., Amount of Expense) – The proposed policy reflects changes established by HOTMA and clarifies how certain documentation will be handled when verifying health and medical expenses.
- Disability Assistance Expenses (Chapter 7, Section 7-IV.C., Attendant Care; Chapter 7, Section 7-IV.C., Family Member(s) Permitted to Work) – Changes in

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the proposed policies reflect updates established through HOTMA and clarifies how documentation for attendant care expenses will be handled, includes those that enable a family member, or the person living with a disability, to work.

Proposed Policy Changes

Attachment 5 lists a proposed change intended to clarify and update a current policy summarized as follows:

- Child Care Expenses (*Chapter 7, Section 7-IV.D., Pursuing an Eligible Activity*) – The proposed policy aligns with current practices on verifying child care expenses.

Proposed Other (Non-Substantive) Changes

These changes are intended to clarify and update language, are listed in Attachment 6, and summarized as follows:

- Level 5 and 6 Verification: Up-Front Income Verification (UIV) (*Chapter 7, Section 7-I.E., EIV Identify Verification Report; Chapter 7, Section 7-I.E., Upfront Income Verification Using Non-HUD Systems*) – The proposed policies are updated to remove a reference to “PIC/SSA” and to clarify how households are informed of the FCRHA’s use of the EIV system.
- Verification of Legal Identity (*Chapter 7, Section 7-II.A.*) – The proposed policy is updated to reflect the current methods of verification accepted and specify who is required to sign the third-party certification.
- Social Security Numbers (*Chapter 7, Section 7-II.B.*) – A policy is removed due to new guidance issued through HOTMA; other proposed policy changes include adding clarifying language regarding extensions and removing an outdated reference.
- Family Relationships (*Chapter 7, Section 7-II.D., Absence of Adult Member*) – The proposed policy removes language which is now stated in a new proposed policy.
- Verification of Preference Status (*Chapter 7, Section 7-II.H.*) – The proposed policy is updated to refer to another chapter of the HCV Administrative Plan for information.
- Earned Income (*Chapter 7, Section 7-III.A., Tips*) – The proposed change specifies that UIV verification sources will be used to verify income from tips.
- Periodic Payments and Payments in Lieu of Earnings (*Chapter 7, Section 7-III.C., Social Security/SSI Benefits*) – The proposed changes remove a policy due to new guidance established through HOTMA.

Staff are currently reviewing and updating the entire HCV Administrative Plan and will be bringing additional chapters to the FCRHA for approval.

STAFF IMPACT:

Staff spent significant time revising policies in the HCV Administrative Plan.

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FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

- Attachment 1: Resolution Number 26-24
- Attachment 2: Summary of New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 3: Summary of New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 4: Summary of Proposed HOTMA Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 5: Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7
- Attachment 6: Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 7

STAFF:

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ASSIGNED COUNSEL:

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RESOLUTION NUMBER 26-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 7

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 7, as presented to the FCRHA on December 12, 2024.

New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	New Section/Title	New Proposed Policy
Mandatory	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>New Hires Report [Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will only review the New Hires Report at a regularly scheduled reexamination.
Mandatory	7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27] Written Third-Party Verification from the Source	<u>FCRHA Policy</u> In general, the FCRHA will use third-party verification from the source in the following circumstances: <ul style="list-style-type: none"> ○ At reexamination when EIV + self-certification is not used; ○ For all new admissions; and ○ For all interim reexaminations. <p>The FCRHA will not use this method if the FCRHA uses EIV + self-certification as outlined above.</p> <p>Third-party documents provided by the family or the source must be dated within 120 days of the date received by the FCRHA. However, for fixed-income sources, a statement dated within the appropriate benefit year is acceptable documentation.</p> <p>The FCRHA may reject documentation provided by the family if the document is not an original, if the document appears to be forged, or if the document is altered, mutilated, or illegible.</p> <p>If the FCRHA determines that third-party documents provided by the family are not acceptable, the FCRHA will explain the reason to the family and request additional documentation from the family or will use a lower form of verification such as a written third-party verification form.</p> <p>When verification of assets held by a banking or financial institution is required, the FCRHA will obtain one statement that reflects the current balance of the account.</p> <p>When pay stubs are used, the FCRHA will require the family to provide the two most current, consecutive pay stubs. At the FCRHA's discretion, if additional paystubs are needed due to the family's circumstances (e.g., sporadic income, fluctuating schedule, etc.), the FCRHA may request additional paystubs or a payroll record.</p>

New Proposed HOTMA-Related Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	Reference	New Proposed Policy
Mandatory	7-I.G. LEVEL 3 VERIFICATION: WRITTEN, THIRD-PARTY FORM [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will attempt to send written third-party verification forms to the verification source whenever higher forms of verification are unavailable.</p> <p>On a case-by-case basis, the FCRHA may choose to obtain oral third-party verification without first attempting, and in lieu of, a written-third party verification form.</p>
Mandatory	7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27] When Third-Party Verification is Not Required [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>If the family cannot provide original documents, the FCRHA will pay the service charge required to obtain third-party verification (including costs such as postage and envelopes) unless it is not cost effective, in which case a self-certification will be acceptable as the only means of verification. The cost of verification will not be passed on to the family.</p>
Mandatory	7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the FCRHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p>

New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	New Section/Title	New Proposed Policy
The PHA has the discretion to establish policies around when family members must sign the consent forms when they turn 18 between reexaminations.	7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; 24 CFR 5.230; and Notice PIH 2023-27] <i>Form HUD-9886-A [24 CFR 5.230(b)(1), (b)(2), (c)(4), and (c)(5)]</i>	<u>FCRHA Policy</u> Family members who turned 18 years of age between regularly scheduled or interim reexaminations will be required to sign the Consent to the Release of Information Form HUD-9886-A at the family's regularly scheduled or interim reexamination, whichever is earlier.
The PHA may decide whether revocation of a family's consent will result in termination of assistance or denial of admission.	7-I.A. FAMILY CONSENT TO RELEASE OF INFORMATION [24 CFR 982.516; 982.551; 24 CFR 5.230; and Notice PIH 2023-27] <i>Penalties for Failing to Consent [24 CFR 5.232]</i>	<u>FCRHA Policy</u> The FCRHA has established a policy that the family's revocation of consent to allow the FCRHA to access records from financial institutions will result in denial of admission or termination of assistance. A family must provide written notice to the FCRHA to revoke consent. Within 10 business days of the FCRHA receiving the family's written notice, the FCRHA will send the family a notice acknowledging receipt of the request and explaining that revocation of consent will result in denial of admission or termination of assistance, as applicable. At the same time, the FCRHA will notify their local HUD office.
The PHA has the option of using a "safe harbor" income verification from another federal means-tested program to verify gross annual income.	7-I.B. USE OF OTHER PROGRAMS' INCOME DETERMINATIONS [24 CFR 5.609(c)(3) and Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will not accept or use Safe Harbor income determinations.
The PHA may elect to apply a streamlined income determination for families receiving fixed income using the methodology provided by HUD.	7-I.C. STREAMLINED INCOME DETERMINATIONS [24 CFR 960.257(c); Notice PIH 2023-27]	<u>FCRHA Policy</u> For MTW Households: Streamlined income determinations will not be used for any MTW household, regardless of whether they are considered work-able or non work-able under MTW definitions. The FCRHA will not apply a verified inflationary adjustment factor to any source of fixed income for MTW households. For Non-MTW Households: The FCRHA will use streamlined income determinations where applicable. If 90 percent or more of a family's unadjusted income is from fixed income sources:

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		<ul style="list-style-type: none"> ○ The FCRHA will streamline the reexamination process by applying the verified inflationary adjustment factor to fixed-income sources. ○ The family will be required to sign a self-certification stating that 90 percent or more of their unadjusted income is fixed income and that their sources of fixed income have not changed from the previous reexamination. ○ The FCRHA will document in the file how the determination that a source of income was fixed was made. ○ Third-party verification of non-fixed income will be obtained at reexamination regardless of the percentage of family income received from fixed sources. ○ If the family's sources of fixed income have changed from the previous reexamination, the FCRHA will obtain third-party verification of any new sources of fixed income. <p>When less than 90 percent of a family's unadjusted income consists of fixed income:</p> <ul style="list-style-type: none"> ○ The FCRHA will apply a verified inflationary adjustment factor to each of the family's sources of fixed income. ○ All other income will be verified using third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy. <p>In the following circumstances, regardless of the percentage of income received from fixed sources, the FCRHA will obtain third-party verification as outlined in Notice PIH 2023-27 and Chapter 7 of this policy:</p> <ul style="list-style-type: none"> ○ Of all assets when net family assets exceed \$50,000; ○ Of all deductions and allowances from annual income; ○ If a family member with a fixed source of income is added; ○ If verification of the COLA or rate of interest is not available; <p>During the intake process and at least once every three years thereafter.</p>
<p>The PHA is required to use the specified report. However, it has discretion whether to use it at intervals other than at reexaminations.</p>	<p>7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV)</p> <p><i>No Income Reported by HHS or SSA Report</i></p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will generate the No Income Reported by HHS or SSA Report quarterly and will retain the report.</p> <p>The FCRHA will re-verify the status of participants identified on the report quarterly. Based on the information provided by the family and in EIV, the FCRHA may require that family members provide verifications or sign release forms in order to obtain additional verification.</p>

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		When the FCRHA determines through this report and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.
The PHA is required to use the specified report at least quarterly. However, it has discretion on whether to use the report more frequently.	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will review the Deceased Tenants Report on a monthly basis.
The PHA has discretion in deciding EOP date.	7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Deceased Tenants Reports [Notice PIH 2012-4 and Notice PIH 2023-27]</i>	<u>FCRHA Policy</u> The FCRHA will list the EOP as the last day of the month in which the death occurred. The landlord is entitled to receive the full HAP amount for the month in which the tenant death occurred.
The PHA can choose to use either written, third-party verification from the source, also known as “tenant-provided verification” OR EIV + Self-Certification when both are available to verify income.	7-I.F. LEVEL 4 VERIFICATION [Notice PIH 2023-27] EIV + Self-Certification	<u>FCRHA Policy</u> At reexamination, if there are no reported changes to an income source, the FCRHA will use EIV + self-certification as verification of employment income, provided the family agrees with the amounts listed in EIV. The FCRHA will use an average of the last two quarters of income listed in EIV to determine income from employment. The FCRHA will provide the family with the information in EIV. The family will be required to sign a self-certification stating that the amount listed in EIV is accurate and representative of current income. If the family disagrees with the amount in EIV, the amount is not reflective of current income, or if less than two quarters are available in EIV, the FCRHA will use written third-party verification from the source as outlined below.

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		The FCRHA will not use this method of verification at new admission since EIV is not available for applicant families or at interim reexamination since the income information in EIV is not current.
The PHA has discretion on whether to accept a self-certification and a third-party document containing the applicant's printed name.	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify each disclosed SSN by:</p> <ul style="list-style-type: none"> o Obtaining documentation from applicants and participants that is acceptable as evidence of social security numbers <p>Making a copy of the original documentation submitted, returning it to the individual, and retaining a copy in the file folder</p>
The PHA has discretion on how it will verify a separation or divorce.	7-II.D. FAMILY RELATIONSHIPS Separation or Divorce	<p><u>FCRHA Policy</u></p> <p>Certification by the head of household is normally sufficient verification.</p> <p>If the FCRHA has reasonable doubts about a separation or divorce, the FCRHA will require the family to provide documentation of the divorce or separation.</p> <p>A certified copy of a divorce decree, signed by a court officer, is required to document that a couple is divorced.</p> <p>A copy of a court-ordered maintenance or other court record is required to document a separation.</p> <p>If no court document is available, documentation from a community-based agency will be accepted.</p>
The PHA has discretion on whether it will accept a self-certification from the family regarding income.	7-III.E. NONRECURRING INCOME [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept self-certification from the family stating that income will not be repeated in the coming year. However, the FCRHA may choose, on a case-by-case basis, to require third-party verification that income sources will not be repeated in the coming year.</p>

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
<p>The PHA may accept a declaration from the family that their net assets do not exceed \$50,000 without needing to further verify that declaration.</p>	<p>7-III.F. ASSETS AND INCOME FROM ASSETS</p>	<p><u>FCRHA Policy</u></p> <p>For families with net assets totaling \$50,000 or less, the FCRHA will accept the family's self-certification of the value of family assets and anticipated asset income. The family's declaration must show each asset and the amount of income expected from that asset. All family members 18 years of age and older must sign the family's declaration. The FCRHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question. Any income the family expects to receive from assets will be included in the family's annual income. The family will be required to provide third-party verification of net family assets every three years.</p> <p>When verification is required, in determining the value of checking or savings accounts, the FCRHA will use the current balance.</p> <p>In determining the anticipated income from an interest-bearing checking or savings account when verification is required and the rate of return is known, the FCRHA will multiply the current balance of the account by the current rate of interest paid on the account. If a checking account does not bear interest, the anticipated income from the account is zero.</p>
<p>The PHA may accept a declaration from the family that they do not have any present ownership in real property without needing to further verify that declaration.</p>	<p>7-III.F. ASSETS AND INCOME FROM ASSETS</p> <p>Self-Certification of Real Property Ownership [24 CFR 5.618(b)(2)]</p>	<p><u>FCRHA Policy</u></p> <p>Both at admission and reexam, the FCRHA will accept self-certification from the family that the family does not have any present ownership in any real property. The certification will state that the family does not have any present ownership interest in any real property and must be signed by all family members 18 years of age and older. The FCRHA reserves the right to require additional verification in situations where the accuracy of the declaration is in question.</p> <p>If the family declares they have a present ownership in real property, the FCRHA will obtain third-party verification of the following factors:</p> <ul style="list-style-type: none"> ○ Whether the family has the legal right to reside in the property; whether the family has effective legal authority to sell the property; and ○ Whether the property is suitable for occupancy by the family as a residence. <p>In cases where a family member is a victim of domestic violence, dating violence, sexual assault, or stalking, the FCRHA will comply with confidentiality requirements under 24 CFR 5.2007 and will accept a self-certification.</p>

Summary of Proposed HOTMA Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<p><i>Update policy to include language regarding the use of EIV Income and IVT reports</i></p>	<p>7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV)</p> <p><i>EIV Income and IVT Reports</i></p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will obtain income reports for regularly scheduled reexaminations on a monthly basis. Reports will be generated as part of the regular reexamination process.</p> <p>Income reports will be compared to family-provided information as part of the regularly scheduled reexamination process. Income reports may be used in the calculation of annual income, as described in Chapter 6-I.C. Income reports may also be used to meet the regulatory requirement for third-party verification, as described above. Policies for resolving discrepancies between income reports and family-provided information will be resolved as described in Chapter 6-I.C. and in this chapter.</p> <p>Income reports will be used in interim reexaminations to identify any discrepancies between reported income and income shown in the EIV system, and as necessary to verify earned income, and to verify and calculate unemployment benefits, Social Security and/or SSI benefits. EIV will also be used to verify that families claiming zero income are not receiving income from any of these sources.</p> <p>Income reports will be retained in participant files with the applicable regularly scheduled or interim reexamination documents.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will obtain EIV income and IVT reports for all reexaminations for all families. The FCRHA will ensure that all EIV Income Reports are pulled within 120 days of the effective date of the scheduled reexamination.</p> <p>Income and IVT reports will only be used for interim reexaminations as necessary. For example, EIV may be used to verify that families claiming zero income are not receiving income from any sources listed in EIV.</p> <p>Income and IVT reports will be retained in participant files with the applicable regularly scheduled or interim reexamination documents for the duration of the family's participation.</p> <p>When the FCRHA determines through EIV reports and third-party verification that a family has concealed or under-reported income, corrective action will be taken pursuant to the policies in Chapter 14, Program Integrity.</p>
<p><i>Update policy to include language regarding third-party verification</i></p>	<p>7.I.H. LEVEL 2: ORAL THIRD-PARTY VERIFICATION [Notice PIH 2023-27]</p>	<p><u>FCRHA Policy</u></p> <p>In collecting third-party oral verification, FCRHA staff will record in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the facts provided.</p>	<p><u>FCRHA Policy</u></p> <p>In collecting oral third-party verification, the FCRHA will document in the family's file the name and title of the person contacted, the date and time of the conversation (or attempt), the telephone number used, and the information provided.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		When any source responds verbally to the initial written request for verification the FCRHA will accept the verbal response as oral verification but will also request that the source complete and return any verification forms that were provided.	<p>The FCRHA will attempt to obtain written third-party verification via a form from the verification source. If written third-party verification forms are not returned within 10 business days from the date mailed, the FCRHA will accept self-certification from the family without attempting to obtain oral third-party verification.</p> <p>When any source responds verbally to the written third-party verification request, the FCRHA will accept the verbal response as oral verification. The FCRHA will request that the source also complete and return the verification forms that were provided.</p>
Update policy to include an attestation statement and a warning regarding the termination of assistance	7-I.I. LEVEL 1: NON-THIRD-PARTY VERIFICATION TECHNIQUE: SELF-CERTIFICATION [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>When information cannot be verified by a third-party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FCRHA.</p> <p>The FCRHA may require a family to certify that a family member does <u>not</u> receive a particular type of income or benefit.</p> <p>The self-certification must be made in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified. All self-certifications must be signed and dated by all adult household members.</p>	<p><u>FCRHA Policy</u></p> <p>When information cannot be verified by a third party or by review of documents, family members will be required to submit self-certifications attesting to the accuracy of the information they have provided to the FCRHA.</p> <p>The FCRHA may require a family to certify that a family member does <u>not</u> receive a particular type of income or benefit.</p> <p>The self-certification must be made in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified.</p> <p>All self-certifications will include the following language:</p> <p><i>I/We, the undersigned, certify under penalty of perjury that the information provided here is true and correct, to the best of my knowledge and recollection. WARNING: Falsifying information could lead to the termination of your assistance.</i></p>

Summary of Proposed HOTMA-Related Changes to Existing Policies in the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<i>Update policy to reflect practices established through HOTMA</i>	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The social security numbers of household members, such as live-in aids, must be verified for the purpose of conducting criminal background checks.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify an individual's SSN in the situations described above using the method described above as a last resort when no other forms of verification of the individual's SSN are available.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept a non-original document as prescribed in HUD administrative instructions.</p> <p>The FCRHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the FCRHA within 90 days</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will explain to the applicant or participant the reasons the document is not acceptable and request that the individual obtain and submit acceptable documentation of the SSN to the FCRHA within 90 calendar days from the date of notification.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.A. EARNED INCOME Wages	<p><u>FCRHA Policy</u></p> <p>As verification of earned income, the FCRHA will require the family to provide consecutive paystubs for the two (2) most current pay periods. The FCRHA will attempt to obtain original pay stubs but may accept photocopies.</p>	<p><u>FCRHA Policy</u></p> <p>When the FCRHA requires third-party verification of wages for wages other than tips, the family must provide originals of the two (2) most current, consecutive pay stubs.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.B. BUSINESS AND SELF EMPLOYMENT INCOME	<p><u>FCRHA Policy</u></p> <p>Business owners and self-employed persons will be required to provide at least one of the following:</p> <ul style="list-style-type: none"> ○ An audited financial statement for the previous fiscal year if an audit was conducted. If an audit was not conducted, a statement of income and expenses must be submitted and the business owner or self-employed person must certify to its accuracy. ○ All schedules completed for filing federal and local taxes (including Schedule C) in the preceding year via IRS Form 4506 Request for Copy of Tax Return. 	<p><u>FCRHA Policy</u></p> <p>Business owners and self-employed persons will be required to provide:</p> <ul style="list-style-type: none"> ○ Income tax returns with corresponding official tax forms and schedules attached and including third-party receipt of transmission for income tax return filed (i.e., tax preparer's transmittal receipt, summary of transmittal from online source, etc.). ○ If accelerated depreciation was used on the tax return or financial statement, an accountant's calculation of depreciation expense, computed using straight-line depreciation rules.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<p>If the above information is not available, the FCRHA will accept a Self-Employment Affidavit for business owners and self-employed participants.</p> <p>At any reexamination the FCRHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.</p> <p>If a family member has been self-employed less than three (3) months, the FCRHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months. If the family member has been self-employed for three (3) to twelve (12) months the FCRHA will require the family to provide documentation of income and expenses for this period and use that information to project income.</p>	<p>For self-employed individuals who claim they do not file tax returns, the FCRHA will obtain a completed copy of IRS Form 4506-T to verify that no return has been filed.</p> <p>For those employed in "gig employment" (i.e., those in formal agreements with on-demand companies such as Uber, Lyft, or DoorDash), the FCRHA will provide a Self-Employment Affidavit for the individual to declare their income and expenses. The FCRHA will also review the printed statement of monthly income from the applicable app for all hours worked and pay received as well as Schedule C of the individual's tax return and the corresponding IRS Form 1099 or 1099k.</p> <p>The FCRHA will provide a Self-Employment Affidavit for any person who is unable to provide such a statement to record income and expenses for the coming year. The business owner/self-employed person will be required to submit the information requested and to certify to its accuracy at all future reexaminations. At any reexamination, the FCRHA may request documents that support submitted financial statements such as manifests, appointment books, cash books, or bank statements.</p> <p>If a family member has been self-employed less than three (3) months, the FCRHA will accept the family member's certified estimate of income and schedule an interim reexamination in three (3) months.</p> <p>If the family member has been self-employed for three (3) to twelve (12) months, the FCRHA will require the family to provide documentation of income and expenses for this period and use that information to project income.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<p><i>Update policy to reflect practices established through HOTMA</i></p>	<p>7-III.D. ALIMONY OR CHILD SUPPORT [Notice PIH 2023-27]</p>	<p><u>FCRHA Policy</u> The methods the FCRHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.</p> <p>If the family declares that it receives regular payments, the FCRHA will use the most reliable form of verification available. The forms of verification the FCRHA will use are:</p> <ul style="list-style-type: none"> ○ If payments are made through a state or local entity, the FCRHA will request a record of payments for the past 12 months or as many as are available and request that the entity disclose any known information about the likelihood of future payments. ○ Copies of a separation or settlement agreement or a divorce decree stating amount and type of support and payment schedules. ○ Copy of the receipts and/or payment stubs for the 60 days prior to the FCRHA request. ○ Third-party verification form from the person paying the support. ○ Family’s self-certification of amount received. <p>If the family declares that it receives irregular or no payments, in addition to the verification process listed above, the family must provide evidence that it has taken all reasonable efforts to collect amounts due. This may include:</p> <ul style="list-style-type: none"> ○ A statement from any agency responsible for enforcing payment that shows the family has requested enforcement and is cooperating with all enforcement efforts. ○ If the family has made independent efforts at collection, a written statement from the attorney or other collection entity that has assisted the family in these efforts. <p>Note: Families are not required to undertake independent enforcement action.</p>	<p><u>FCRHA Policy</u> The methods the FCRHA will use to verify alimony and child support payments differ depending on whether the family declares that it receives regular payments.</p> <p>If the family declares that it receives regular payments, the FCRHA will obtain verification in the following order of priority:</p> <ul style="list-style-type: none"> ○ Copies of the receipts and/or payment stubs for the 12 months prior to request ○ Third-party verification form from the state or local child support enforcement agency ○ Third-party verification form from the person paying the support ○ Family’s self-certification of amount received <p>Note: Families are not required to undertake independent enforcement action.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<p><i>Update policy to identify the acceptance of a self-certification</i></p>	<p>7-III.G. ASSETS DISPOSED OF FOR LESS THAN FAIR MARKET VALUE</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify the value of assets disposed of only if:</p> <ul style="list-style-type: none"> o The FCRHA does not already have a reasonable estimation of its value from previously collected information, or o The amount reported by the family in the certification appears obviously in error. <p>Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last regularly scheduled reexamination and the FCRHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The FCRHA has a reasonable estimate of the value of the asset; therefore, recertification of the value of the asset is not necessary.</p> <p>Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000.</p> <p>Based upon market conditions, this declaration does not seem realistic. Therefore, the FCRHA will verify the value of this asset.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept a self-certification from a family as verification of assets disposed of for less than fair market value.</p> <p>The FCRHA will verify the value of assets disposed of only if:</p> <ul style="list-style-type: none"> o The FCRHA does not already have a reasonable estimation of its value from previously collected information, or o The amount reported by the family in the certification appears obviously in error. <p>Example 1: An elderly participant reported a \$10,000 certificate of deposit at the last regularly scheduled reexamination and the FCRHA verified this amount. Now the person reports that she has given this \$10,000 to her son. The FCRHA has a reasonable estimate of the value of the asset; therefore, reverification of the value of the asset is not necessary.</p> <p>Example 2: A family member has disposed of its 1/4 share of real property located in a desirable area and has valued her share at approximately \$5,000. Based upon market conditions, this declaration does not seem realistic. Therefore, the FCRHA will verify the value of this asset.</p>
<p><i>Update policy to state the type of documentation to be accepted</i></p>	<p>7-III.J. RETIREMENT ACCOUNTS</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents supplied by the family as evidence of the status of retirement accounts.</p> <p>The type of original document that will be accepted as a third-party documents depends upon the family member's retirement status.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken, and any regular payments.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<ul style="list-style-type: none"> ○ <i>Before</i> retirement, the FCRHA will accept an original document from the entity holding the account with a date that shows it is the most recently scheduled statement for the account. ○ <i>Upon</i> retirement, the FCRHA will accept an original document from the entity holding the account that reflects any distributions of the account balance, any lump sums taken and any regular payments. ○ <i>After</i> retirement, the FCRHA will accept an original document from the entity holding the account dated no earlier than 12 months before that reflects any distributions of the account balance, any lump sums taken and any regular payments. 	
<i>Update policy to identify the acceptance of a self-certification and reflect practices established through HOTMA</i>	7-III.K. INCOME FROM EXCLUDED SOURCES [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will reconcile differences in amounts reported by the third-party and the family only when verification is necessary to determine whether the income is to be excluded. In all other cases, the FCRHA will report the amount to be excluded as indicated on documents provided by the family.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept the family's self-certification as verification of fully excluded income. The FCRHA may request additional documentation if necessary to document the income source.</p> <p>The FCRHA will verify the source and amount of partially excluded income as described in Part 1 of this chapter.</p>
<i>Update policy to reflect practices established through HOTMA</i>	7-III.L. ZERO INCOME REVIEWS [Notice PIH 2023-27]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will check upfront income verification (UIV) sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, and earnings are not being received by families claiming to have zero annual income.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will check UIV sources and/or request information from third-party sources to verify that certain forms of income such as unemployment benefits, TANF, SS, SSI, earned income, child support, etc. are not being received by families claiming to have zero annual income.</p> <p>The FCRHA will also require that each family member who claims zero income status complete a zero income form. If any sources of income are identified on the form,</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
			<p>the FCRHA will verify the income in accordance with the policies in this chapter prior to including the income in the family's annual income.</p> <p>The FCRHA will only conduct interim reexaminations in accordance with FCRHA policy in Chapter 11.</p>
<p><i>Update policy to reflect practices established through HOTMA and clarify those items for which written verification will be requested</i></p>	<p>7-III.M. STUDENT FINANCIAL ASSISTANCE [24 CFR 5.609(b)(9)]</p>	<p><u>FCRHA Policy</u></p> <p>For a student subject to having a portion of his/her student financial assistance included in annual income in accordance with 24 CFR 5.609(b)(9), the FCRHA will request written third-party verification of both the source and the amount. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.</p> <p>In addition, the FCRHA will request written verification of the student's tuition amount.</p> <p>If the FCRHA is unable to obtain third-party written verification of the requested information, the FCRHA will pursue other forms of verification following the verification hierarchy in Section 7-I.B.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will request written third-party verification of both the source and the amount of student financial assistance. Family-provided documents from the educational institution attended by the student will be requested, as well as documents generated by any other person or entity providing such assistance, as reported by the student.</p> <p>In addition, unless the student's only source of assistance is assistance under Title IV of the HEA, the FCRHA will request written verification of the cost of the student's tuition, books, supplies, room and board, and other required fees and charges to the student from the educational institution.</p> <p>If the FCRHA is unable to obtain third-party written verification of the requested information, the FCRHA will pursue other forms of verification following the verification hierarchy in section 7-I.B.</p>
<p><i>Update policy to reflect practices established through HOTMA and clarify how certain documentation will be handled</i></p>	<p>7-IV.B. HEALTH AND MEDICAL CARE EXPENSE DEDUCTION</p>	<p><u>FCRHA Policy</u></p> <p>The actual recurring medical expenses for the last twelve month period can be used if it is anticipated and verified through a medical insurance company, medical supplies store, assisted living or medical facility such as a pharmacy, doctor's office, or hospital that the expenses will continue.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will verify medical expenses through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as pharmacy printouts or receipts. ○ The FCRHA will make a best effort to determine what expenses from the past are likely to continue to occur in the future.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
	Amount of Expense	<p>Medical expenses will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as pharmacy printouts or receipts or a third-party verification form(s) signed by the provider. ○ The FCRHA will use copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source to determine what expenses from the past are likely to continue to occur in the future. The FCRHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months. ○ Written third-party verification forms, if the family is unable to provide acceptable documentation. <p>If third-party or document review is not possible, the FCRHA will accept written self-certification of costs anticipated to be incurred during the upcoming 12months.</p>	<p>The FCRHA will use copies of cancelled checks used to make medical expense payments and/or printouts or receipts from the source to determine what expenses from the past are likely to continue to occur in the future. The FCRHA will also accept evidence of monthly payments or total payments that will be due for medical expenses during the upcoming 12 months.</p> <ul style="list-style-type: none"> ○ Written third-party verification forms if the family is unable to provide acceptable documentation. ○ If third-party or document review is not possible, the FCRHA will accept written family certification as to costs anticipated to be incurred during the upcoming 12 months. <p>Any medical or health related documents will be kept in a separate file outside of the tenant file.</p> <p>If the FCRHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the information will never be maintained in the individual's tenant file. If the information needs to be disposed of, the FCRHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification.</p>
Update policy to reflect practices established through HOTMA and clarify how certain documentation will be handled	7-IV.C. DISABILITY ASSISTANCE EXPENSES Attendant Care	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents provided by the family.</p> <p>If family-provided documents are not available, the FCRHA will provide a third-party verification form directly to the care provider requesting the needed information.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will accept written third-party documents provided by the family.</p> <p>If family-provided documents are not available, the FCRHA will provide a third-party verification form</p> <p>Expenses for attendant care will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as receipts or cancelled checks.

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<p>Expenses for attendant care will be verified through:</p> <ul style="list-style-type: none"> ○ Written third-party documents provided by the family, such as receipts or cancelled checks. ○ Third-party verification form signed by the provider, if family-provided documents are not available. ○ If third-party verification is not possible, written self-certification as to costs anticipated to be incurred for the upcoming 12 months. 	<ul style="list-style-type: none"> ○ Third-party verification form signed by the provider, if family-provided documents are not available. ○ If third-party verification is not possible, written family certification as to costs anticipated to be incurred for the upcoming 12 months. <p>Before placing bills and documentation in the tenant file, the FCRHA will redact all personally identifiable information.</p> <p>If the FCRHA receives documentation from a verification source that contains the individual's specific diagnosis, information regarding the individual's treatment, and/or information regarding the nature or severity of the person's disability, the FCRHA will immediately dispose of this confidential information; this information will never be maintained in the individual's file. If the information needs to be disposed of, the FCRHA will note in the individual's file that verification was received, the date received, and the name and address of the person/organization that provided the verification. Under no circumstances will the FCRHA include an applicant's or resident's medical records in the file [Notice PIH 2010-26].</p>
<p><i>Update policy to reflect practices established through HOTMA</i></p>	<p>7-IV.C. DISABILITY ASSISTANCE EXPENSES</p> <p>Family Member(s) Permitted to Work</p>	<p><u>FCRHA Policy</u></p> <p>The family may provide documentation from a rehabilitation agency or knowledgeable medical professional indicating that the person with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (See 6-II.E).</p> <p>If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the family member receiving the assistance), to work.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will request third-party verification from a rehabilitation agency or knowledgeable medical professional indicating that the person living with disabilities requires attendant care or an auxiliary apparatus to be employed, or that the attendant care or auxiliary apparatus enables another family member, or members, to work (Reference 6-II.E.). This documentation may be provided by the family.</p> <p>If third-party verification has been attempted and is either unavailable or proves unsuccessful, the family must certify that the disability assistance expense frees a family member, or members (possibly including the member receiving the assistance), to work.</p>

Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
Update policy to align with current practices	7-IV.D. CHILD CARE EXPENSES Pursuing an Eligible Activity	<p><u>FCRHA Policy</u></p> <p><i>Information to be Gathered</i> The FCRHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><i>Seeking Work</i> Whenever possible the FCRHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FCRHA will request family-provided verification from the agency of the member’s job seeking efforts to date.</p> <p>In the event third-party verification is not available, the FCRHA will provide the family with a form on which the family member must record job search efforts. The FCRHA will review this information at each subsequent reexamination for which this deduction is claimed.</p> <p><i>Furthering Education</i> The family may provide documentation to verify that the person permitted to further his or her education by the child care is enrolled and provide information about the timing of classes for which the person is registered.</p> <p><i>Gainful Employment</i> The family may provide documentation of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified.</p>	<p><u>FCRHA Policy</u></p> <p><i>Information to be Gathered</i> The FCRHA will verify information about how the schedule for the claimed activity relates to the hours of care provided, the time required for transportation, the time required for study (for students), the relationship of the family member(s) to the child, and any special needs of the child that might help determine which family member is enabled to pursue an eligible activity.</p> <p><i>Seeking Work</i> Whenever possible the FCRHA will use documentation from a state or local agency that monitors work-related requirements (e.g., welfare or unemployment). In such cases the FCRHA will request family-provided verification from the agency of the member’s job seeking efforts to date, and require the family to submit to the FCRHA any reports provided to the other agency.</p> <p>In the event third-party verification is not available, the FCRHA will provide the family with a form on which the family member must record job search efforts. The FCRHA will review this information at each subsequent reexamination for which this deduction is claimed.</p> <p><i>Furthering Education</i> The FCRHA will request third-party documentation to verify that the person permitted to further their education by the child care is enrolled and provide information about the timing of classes for which the person is registered. The documentation may be provided by the family.</p> <p><i>Gainful Employment</i> The FCRHA will seek third-party documentation of the work schedule of the person who is permitted to work by the child care. In cases in which two or more family members could be permitted to work, the work schedules for all relevant family members may be verified. The documentation may be provided by the family.</p>

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan														
Section/Title	New Language	Comments												
7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>EIV Identity Verification Report</i>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will identify participants whose identity verification has failed by reviewing EIV’s <i>Identity Verification Report</i> on a monthly basis.</p> <p>The FCRHA will attempt to resolve discrepancies by obtaining appropriate documentation from the participant. When the FCRHA determines that discrepancies exist as a result of FCRHA errors, such as spelling errors or incorrect birth dates, it will correct the errors promptly.</p>	The policy was updated to remove a reference to “PIC/SSA.”												
7-I.E. LEVEL 5 AND 6 VERIFICATION: UP-FRONT INCOME VERIFICATION (UIV) <i>Upfront Income Verification Using Non-HUD Systems</i>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will inform all applicants and participants of how it verifies income by providing HUD’s “What You Should Know about EIV” guide which explains the EIV system and information accessed from the Virginia Employment Commission.</p>	The policy was updated to clarify how applicants and participants will be informed.												
7-II.A. VERIFICATION OF LEGAL IDENTITY	<p><u>FCRHA Policy</u></p> <p>The FCRHA will require families to furnish verification of legal identity for each household member.</p> <table border="1"> <thead> <tr> <th>Verification of Legal Identity for Adults</th> <th>Verification of Legal Identity for Children</th> </tr> </thead> <tbody> <tr> <td>Certificate of birth, naturalization papers</td> <td>Certificate of birth</td> </tr> <tr> <td>Current, valid driver’s license or Department of Motor Vehicles identification card</td> <td>Adoption papers</td> </tr> <tr> <td>U.S. military discharge (DD 214)</td> <td>Custody agreement</td> </tr> <tr> <td>Current U.S. passport</td> <td>Health and Human Services ID</td> </tr> <tr> <td>Current government employer identification card with picture</td> <td>Certified school records</td> </tr> </tbody> </table>	Verification of Legal Identity for Adults	Verification of Legal Identity for Children	Certificate of birth, naturalization papers	Certificate of birth	Current, valid driver’s license or Department of Motor Vehicles identification card	Adoption papers	U.S. military discharge (DD 214)	Custody agreement	Current U.S. passport	Health and Human Services ID	Current government employer identification card with picture	Certified school records	The policy was updated to reflect the current methods of verification accepted and specify who is required to sign the third-party certification.
	Verification of Legal Identity for Adults	Verification of Legal Identity for Children												
Certificate of birth, naturalization papers	Certificate of birth													
Current, valid driver’s license or Department of Motor Vehicles identification card	Adoption papers													
U.S. military discharge (DD 214)	Custody agreement													
Current U.S. passport	Health and Human Services ID													
Current government employer identification card with picture	Certified school records													
<p>If a document submitted by a family is illegible for any reason or otherwise questionable, more than one of these documents may be required.</p> <p>If none of these documents can be provided and at the FCRHA’s discretion, a third party who knows the person may attest to the person’s identity. The certification must be provided in a format acceptable to the FCRHA and must be signed by the family member whose information or status is being verified.</p>														

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan		
Existing Section/Title	New Language	Comments
	Legal identity will be verified for all applicants at the time of eligibility determination and in cases where the FCRHA has reason to doubt the identity of a person representing themselves to be a participant.	
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	Removed FCRHA Policy	The policy was removed due to new guidance established through HOTMA.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the participant’s control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency. If the individual fails to comply with SSN disclosure and documentation requirements upon expiration of the provided time period, the FCRHA will terminate the individual’s assistance.	The policy was updated to clarify the length of the extension.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the applicant’s control, such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.	The policy was updated to clarify the length of the extension.
7-II.B. SOCIAL SECURITY NUMBERS [24 CFR 5.216, Notice PIH 2023-27]	<u>FCRHA Policy</u> The FCRHA will grant one 90 calendar-day extension if needed for reasons beyond the participant’s control such as delayed processing of the SSN application by the SSA, natural disaster, fire, death in the family, or other emergency.	This policy was updated to remove a reference to Chapter 11.
7-II.D. FAMILY RELATIONSHIPS Absence of Adult Member	<u>FCRHA Policy</u> If an adult member who was formerly a member of the household is reported to be permanently absent, the family must provide evidence to support that the person is no longer a member of the family (e.g., documentation of another address at which the person resides such as a lease or utility bill), if the FCRHA so requests.	The policy was updated to remove language specific to “separation or divorce” which is now stated in a new proposed policy.
7-II.H. VERIFICATION OF PREFERENCE STATUS	<u>FCRHA Policy</u> Reference Chapter 4 for a discussion of verification of preference status.	The policy was updated to refer the reader to Chapter 4 of the HCV Administrative Plan for information on the verification of preference status.

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan		
Existing Section/Title	New Language	Comments
7-III.A. EARNED INCOME	<p><u>FCRHA Policy</u></p> <p>Unless tip income is included in a family member's W-2 by the employer or in UIV verification sources, persons who work in industries where tips are standard will be required to sign a certified estimate of tips received on the Housing Application for the prior year or tips anticipated to be received in the coming year. The FCRHA will also accept pay stubs or employer verification.</p>	The policy was updated to specify that UIV verification sources will be used to verify tip income.
<p>7-III.C. PERIODIC PAYMENTS AND PAYMENTS IN LIEU OF EARNINGS</p> <p>Social Security/SSI Benefits</p>	Removed FCRHA Policy	The policy was removed due to new guidance established through HOTMA.

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ADMINISTRATIVE – 2

RESOLUTION NUMBER 38-24: Approval of Revisions to the Housing Choice Voucher Program Administrative Plan, Chapter 17

ISSUE:

The purpose of this Item is to request Fairfax County Redevelopment and Housing Authority (FCRHA) approval to revise select policies in Chapter 17 – Project-Based Vouchers, of its Housing Choice Voucher (HCV) Program Administrative Plan (HCV Administrative Plan). Approval of most of the policy revisions is within the FCRHA's discretion. Approval of other policy revisions allow for adoption of U.S. Department of Housing and Urban Development (HUD) regulatory flexibility or are those required under the Housing Opportunity Through Modernization Act of 2016 (HOTMA).

RECOMMENDATION:

That the FCRHA approve the proposed revisions to the HCV Administrative Plan.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action directly supports the FCRHA's mission, and the annual goals set forth in the FCRHA's Strategic Plan.

BACKGROUND:

The rules and regulations that direct how the FCRHA administers the HCV program are outlined in the HCV Administrative Plan required by HUD. The HCV Administrative Plan is updated on a regular basis to reflect changes in statutes and regulations and to ensure consistency in operations.

In May 2024, HUD issued a final rule implementing Section 106 of HOTMA and making other streamlining changes to the Housing Choice Voucher (HCV) and Project-Based Voucher (PBV) programs. The final rule eliminates obsolete regulatory provisions and reduces the burden on public housing agencies, by either modifying requirements or simplifying existing regulatory language. HOTMA policies must be reflected in the HCV Administrative Plan.

It is recommended that the FCRHA adopt and follow all HOTMA policies related to the Project-Based Voucher program immediately. Staff will keep the FCRHA informed of any new guidance issued by HUD on HOTMA.

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Previous final rules on Sections 102, 103 and 104 of HOTMA, related to assets and income, are outside of the scope of this final rule and have been incorporated into other updates to the HCV Administration Plan.

UPDATES TO CHAPTER 17:

Staff has initiated a review of Chapter 17 of the HCV Administrative Plan and recommends the following changes for FCRHA approval:

New Proposed Mandatory Policies Required by HOTMA:

HOTMA mandates the FCRHA to adopt new policies. These are listed in detail in Attachment 2 and summarized as follows:

- Termination of the HAP Contract (Chapter 17, Section 17-V.C Enforcement of Housing Quality Standards) – The proposed policy notes that FCRHA will not hold the owner responsible for housing quality standard deficiencies caused by the tenant or guests. The tenant must remedy the deficiencies and may be responsible for paying the owner for repairs.
- Termination of the HAP Contract (Chapter 17, Section 17-V.C., Failure to Make Repairs) – The proposed policy notes that the FCRHA may terminate the HAP contract, if the owner fails to make required repairs. The tenant will be issued a voucher no less than 30 days prior to terminating the HAP contract.
- Owner Maintained Waiting Lists (Chapter 17, Section 17-VI.D., Owner Waiting List Policy) - The proposed policy requires that an owner develop and submit written owner waiting list policy to FCRHA for approval prior to administering an owner maintained waiting list. The owner’s waiting list policy must be included in the administrative plan and changes must be submitted 30 days in advance and approved in writing by FCRHA.
- Owner Maintained Waiting List (Chapter 17, Section 17-VI.D., PHA Oversight) – The proposed policy states the FCRHA will review owner-maintained waiting lists and procedures on an annual basis.

New Proposed Discretionary Policies Authorized by HOTMA:

Along with mandatory policies, HOTMA outlines discretionary policies that a public housing authority may adopt. While there is choice in adopting these policies, the content of the policy must adhere to HUD guidance and the final rule on HOTMA.

Proposed policies are listed in Attachment 3 and summarized as follows:

- Overview (Chapter 17-I.A.) – The proposed policy specifies that FCRHA will operate a project-based voucher program.
- PBV Definitions (Chapter 17-I.B.) - The proposed policy clarifies that the FCRHA will not further define the term project.
- Maximum Number of PBV Units (Percentage Limitation) (Chapter 17-I.C., Increased Cap) - The proposed policy notes that the FCRHA may project-base up to an additional 10 percent of its units, up to 30 percent.

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- Cap on Number of PBV Units in Each Project (Chapter 17-I.D., Exceptions to the Project Cap) - The proposed policy notes that the FCRHA will have excepted units in certain PBV projects, which collectively, are made available to elderly families and households eligible for supportive services.
- Cap on Number of PBV Units in Each Project (Chapter 17-I.D., Units that No Longer Qualify as Excepted Units or Units under the Increased Program Cap) - The proposed policy notes that if a unit no longer qualifies as excepted or under the increased program cap, the unit will continue to count as long as the family resides in the unit.
- Units Not Subject to the PBV Program Cap or Project Cap (Chapter 17-I.E.) - The proposed policy allows the FCRHA to exclude units from the program cap or project cap that have either received forms of HUD assistance or have been subject to a federally required rent restriction.
- Overview (Chapter 17-II.A., Selection of PHA-Owned Units) - The proposed policy authorizes the FCRHA to use project-based vouchers for its own rental program utilizing Moving to Work authority.
- Housing Quality Standards (Chapter 17-III.B., Housing Quality and Design Requirements) - The proposed policy allows the FCRHA to establish special features or designs depending on the intended occupants on a case-by-case basis.
- Agreement to Enter Into HAP Contract (AHAP) (Chapter 17-IV.B., PHA Discretion Not to Use an AHAP) - The proposed policy grants discretion to the FCRHA to not use an AHAP or to execute an AHAP after construction has begun when it is beneficial for the project.
- HAP Contract Requirements (Chapter 17-V.B., Term of HAP Contract) - The proposed policy grants the FCRHA discretion to negotiate the initial term of the HAP contract.
- Termination of the HAP Contract (Chapter 17-V.C., Family Obligation) - The proposed policy allows the FCRHA to hold a tenant responsible for damages beyond normal wear and tear which could be assessed against the security deposit.
- Termination of the HAP Contract (Chapter 17-V.C., PHA Remedies) - The proposed policy allows the FCRHA to terminate PBV HAP contracts for non-compliance with housing quality standards.
- Termination of the HAP Contract (Chapter 17-V.C., HAP Withholding) - The proposed policy notes that the FCRHA may withhold assistance payments if deficiencies are not resolved in a specified timeframe.
- Termination of the HAP Contract (Chapter 17-V.C., HAP Abatement) - The proposed policy gives the FCRHA discretion to withhold payments for all units that do not meet housing quality standards beginning the first of the month after the correction period. This applies to HAP contracts executed June 6, 2024, or later.

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- Termination of the HAP Contract (Chapter 17-V.C., Relocation Assistance) - The proposed policy notes that the FCRHA will not use withheld and abated payments to assist households with relocation costs.
- Owner-Maintained Waiting Lists (Chapter 17-VI.D.) - The proposed policy allows the FCRHA to allow owners to maintain their own waiting list when the target population cannot be adequately identified in the regular waiting list process.
- Owner-Maintained Waiting Lists (Chapter 17-VI.D., Preliminary Eligibility Determinations) - The proposed policy allows the FCRHA to allow the owner to make preliminary eligibility determinations. Owners must provide waiting list denial notice to applicants and the FCRHA within five (5) business days.
- Offer of PBV Assistance or Owner's Rejection (Chapter 17-VI.F., Refusal of Offer) – The proposed policy allows the FCRHA to define good cause for rejection of a unit offered.
- Redetermination of Rent to Owner (Chapter 17-VIII.C., OCAF) – The proposed policy notes that FCRHA will allow automatic adjustment by HUD's Operating Coast Adjustment Factor (OCAF) for rent increases. All rent increases must be requested by the owner.

Proposed HOTMA-Related Policy Changes:

Attachment 4 lists proposed changes that are required by HOTMA and modify existing FCRHA policies. Proposed changes are summarized as follows:

- Project or Proposal Selection (Chapter 17-II.D., PHA Written Notice of Proposal or Project Selection) – The proposed policy notes that FCRHA will provide written notice of proposal selection to both selected and non-selected applicants within ten (10) business days including FCRHA and non-FCRHA owned properties. Notice of proposal selection will be placed in the same newspapers used to solicit the proposal.
- Site Selection Standards (Chapter 17-II.H., Compliance with PBV Goals, Civil Rights, and Site and Neighborhood Standards) – The proposed policy grants the FCRHA an exception to the 20 percent standard if the site will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent. The FCRHA will consider whether sites are in full compliance with the Civil Rights Act of 1964 and the Americans with Disabilities Act.
- HAP Contract Requirements (Chapter 17-V.B., Execution of the HAP Contract) – The proposed policy requires that for existing housing the HAP contract will be effective on or after the date it is executed. For rehabilitated or newly constructed housing, the HAP contract will be effective the date all units have been completed in accordance with the AHAP, met quality standards, and the owner has submitted evidence of completion.
- Amendments to the HAP Contract to Add or Substitute Units (Chapter 17-V.D.) – The proposed policy notes that the FCRHA may add units to the HAP on a case-by-case basis to ensure available housing as long as the addition does not exceed the allowable project cap.

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- Organization of the Waiting List (Chapter 17-VI.C.) – The proposed policy notes that the FCRHA will use and maintain separate, site-based waiting lists for all PBV projects except RAD PBV projects. The FCRHA will base waiting lists by bedroom size and will right size families according to the correct bedroom size for which the family qualifies.
- Leasing of Contract Units (Chapter 17–VI.G., Filing Vacancies) – The proposed policy establishes that the owner must notify the FCRHA by email within five (5) business days of learning about any expected vacancies. For owner-maintained and FCRHA-maintained waiting list, the FCRHA will notify the owner of the eligibility determination within 30 days. For FCRHA-maintained waiting lists, the FCRHA will refer suitable families within 30 days of learning about a vacancy.
- Moves (Chapter 17-VII.C., Family Right to Move) – The proposed policy allows PBV households to request a voucher after completing a 24-month occupancy. FCRHA will offer five (5) percent of all available tenant-based vouchers per year to families on the PBV waiting lists when the vouchers are not immediately available.
- Moves (Chapter 17–VII.C., Emergency Transfers under Violence Against Women Act (VAWA)) – The proposed policy notes that except where special consideration is needed for the project-based voucher program, the FCRHA will follow VAWA policies.
- Vacancy Payments (Chapter 17–IX.B., Payment at Move-out Month) – The proposed policy allows an owner to keep the housing assistance payment when the family moves out, regardless of whether the vacancy is the owner’s fault. The FCRHA will require the owner to repay the amount of any housing assistance payment made after the month of vacancy.
- Vacancy Payment (Chapter 17–IX.B., Vacancy Payments) – The proposed policy notes that the FCRHA will decide on a case-by-case basis to provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.
- Vacancy Payment (Chapter 17–IX.B., Vacancy Payments) – The proposed policy requires that the if an owner wishes to receive vacancy payments, the owner must have properly notified the FCRHA of the vacancy and submit the vacancy request within 30 calendar days of the end of the period for which the owner is requesting the vacancy payment.

Proposed Policy Changes:

These changes are intended to clarify and update current policies. They are listed in Attachment 5 and summarized as follows:

- PHA-Owned Units (Chapter 17-I.F.) – The proposed policy authorizes the FCRHA under MTW Activity 2017-3 to utilize project-based vouchers for its own rental program and requires specific authorization. All independent entity requirements are waived under the FCRHA’s MTW agreement.
- Tenant Based Vs. Project-Based Voucher Assistance (Chapter 17-I.G.) The proposed policy notes that the FCRHA policies for the tenant-based voucher

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program also apply to the PBV program except under certain circumstances as specified in MTW activities.

- Competitive Selection of Proposals (*Chapter 17-II.B., Solicitation and Selection of PBV Proposals*) – The proposed policy maintains that the FCRHA has flexibility according to MTW Activity 2017-3 to commitment project-based vouchers, without a local competitive process by utilizing an alternative competitive process. Policies related to rating, ranking and submission of proposals remain unchanged. Advertising must contain a statement of compliance with Fair Housing and Equal Opportunity (FHEO) requirements and the Federal Labor Standard provisions applicable to new or rehabilitated projects.
- Inspecting Units (*Chapter 17-III.D., Turnover Inspections*) – The proposed policy notes that the FCRHA will not provide vacancy claim payments for turnover units until the unit is self-certified as ready to rent by the owner.
- Inspecting Units (*Chapter 17 –III.D., Periodic Inspections*) – The proposed policy provides a more detailed explanation regarding the inspections process.
- Organizations of the Waiting List (*Chapter 17–VI.C., PHA Waiting List Preferences*) – The proposed policy notes that the FCRHA will follow the preference policies for the tenant-based voucher program in Chapter 4.

Proposed Other (Non-Substantive) Changes:

These changes are intended to update language. They are listed in Attachment 6 and summarized as follows:

- Completion of Work (*Chapter 17–IV.D., Evidence of Completion*) – The proposed changes notes that the FCRHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project.
- Eligibility for PBV Assistance (*Chapter 17-VI.B.*) – The proposed policy notes that the FCRHA will determine an applicant family's eligibility for the PBV program in accordance with the policies in Chapters 3.

New Proposed Policies:

Attachment 7 describes a new proposed policy to be incorporated into the HCV Administrative Plan which is not related to HOTMA. The policy is summarized as follows:

- Inspecting Units (*Chapter 17-III.D., Inspecting PHA-Owned Units*) – The proposed policy notes that the FCRHA will inspect FCRHA-owned units under MTW authority.

Staff is currently reviewing and updating the entire HCV Administrative Plan and will be bringing additional chapters to the FCRHA for approval.

STAFF IMPACT:

Staff spent significant time revising policies in the HCV Administrative Plan.

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FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

- Attachment 1: Resolution Number 38-24
- Attachment 2: New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17
- Attachment 3: New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17
- Attachment 4: Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17
- Attachment 5: Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17
- Attachment 6: Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17
- Attachment 7: New Proposed Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan, Chapter 17

STAFF:

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Amy Ginger, Deputy Director, Operations, HCD

Shanise Allen, Project Based Coordinator, Rental Assistance, HCD

ASSIGNED COUNSEL:

Richard Dzubin, Assistant County, Attorney, Office of the County Attorney

RESOLUTION NUMBER 38-24

Approval of Revisions to the Housing Choice Voucher Program Administrative Plan,
Chapter 17

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) approves the revisions to its Housing Choice Voucher Program Administrative Plan, Chapter 17, as presented to the FCRHA on December 12, 2024.

New Proposed HOTMA Mandatory Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	New Section/Title	New Proposed Policy
Mandatory	17-V.C. TERMINATION OF THE HAP CONTRACT Enforcement of Housing Quality Standards [24 CFR 983.208(b)]	<u>FCRHA Policy</u> The FCRHA will waive the owner’s responsibility for housing quality standards deficiencies that have been determined to have been caused by the tenant, any member of the household, or any guest or other person under the tenant’s control, to the extent the tenant can be held responsible for ensuring that the deficiencies are corrected. The tenant must take all necessary steps permissible under the lease and state and local law to remedy the deficiency. This may include paying the owner for the cost of the necessary repairs in accordance with the lease.
Mandatory	17-V.C. TERMINATION OF THE HAP CONTRACT Failure to Make Repairs	<u>FCRHA Policy</u> The FCRHA will issue a family whose HAP contract is being terminated due to an owner failing to make required repairs within the required time frame a voucher no later than 30 days prior to the termination of the HAP contract. The initial term of the voucher will be 120 calendar days. No briefing is required for these families. In order to receive tenant-based assistance under the HCV program, the family must submit a Request for Tenancy Approval and proposed lease within the 120-day period, unless the FCRHA grants an extension. The FCRHA will follow the policies set forth in Chapter 5 on voucher extension and expiration.
Mandatory	17-VI.D. OWNER-MAINTAINED WAITING LISTS [24 CFR 983.251(c)(7)] Owner Waiting List Policy [24 CFR 983.251(c)(7)(i)]	<u>FCRHA Policy</u> Prior to any owner initially managing a waiting list, the owner must develop and submit a written owner waiting list policy to the FCRHA. Owners may not operate a waiting list without prior FCRHA approval. The FCRHA will review the owner’s policy to ensure that, at a minimum, it includes policies and procedures concerning waiting list management and selection of applicants from the project’s waiting list, including any admission preferences; procedures for removing applicant names from the waiting list; and procedures for closing and reopening the waiting list. Further, if the owner will maintain waiting list preferences, the owner must also receive written approval from the FCRHA for any preferences that will be applicable to the project (reference Preferences below). The FCRHA will not approve any owner waiting list policies that do not meet minimum requirements as described in the regulations and FCRHA policy. Owner policies must be submitted electronically to the FCRHA. The owner must receive final written approval from the FCRHA prior to maintaining a waiting list. Once an owner’s policy is approved, the FCRHA will email the owner a copy of the approval and will maintain a copy of the approval in the project records. The FCRHA will also amend its administrative plan to include the name of the project and the owner’s waiting list policy. All owner waiting list policies are included in the Appendix at the end of this Chapter of the Administrative Plan.

New Proposed HOTMA-Related Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Mandatory Policy	Reference	New Proposed Policy
Mandatory	<p>17-VI.D. OWNER-MAINTAINED WAITING LISTS [24 CFR 983.251(c)(7)]</p> <p>PHA Oversight [24 CFR 983.251(c)(7)(x)]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will review owner waiting list and waiting list procedures annually. The owner must maintain an electronic waiting list and provide the FCRHA electronic records upon request.</p> <p>The FCRHA will review the owner's waiting list policy to ensure the following:</p> <ul style="list-style-type: none"> ○ No changes were made to the owner's waiting list policy without prior FCRHA approval; ○ Applicants were selected from the waiting list in the proper order, recognizing applicable preferences; ○ If applicable, when preferences were applied, they were properly documented; ○ If the owner opens the waiting list, the owner complied with requirements of 24 CFR 982.206; ○ The owner's waiting list complies with all equal opportunity requirements listed under 24 CFR 5.105(a); and ○ Families in need of vacant accessible units were identified on the waiting list (as applicable). <p>The FCRHA will communicate any deficiencies found during the waiting list review to the owner in writing via email within ten (10) business days after the FCRHA completes its review.</p> <p>The owner must provide the FCRHA with a written response detailing how deficiencies were remedied within 30 calendar days of the FCRHA's email notification.</p> <p>By signing the HAP contract, the owner certifies that at all times during the term of the HAP contract, each contract unit for which the owner is receiving housing assistance payments is leased to an eligible family selected from the owner-maintained waiting list.</p> <ul style="list-style-type: none"> ○ Serious noncompliance identified by the FCRHA may result in the owner losing the ability to maintain the waiting list. If the FCRHA determines that the owner has breached the HAP contract, the FCRHA may exercise any of its rights or remedies under the HAP contract, including but not limited to contract termination.

New Proposed HOTMA Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	New Section/Title	New Proposed Policy
The PHA has the discretion to operate a PBV program.	17-I.A. OVERVIEW [24 CFR 983.5]	<u>FCRHA Policy</u> The FCRHA will operate a project-based voucher program.
The PHA has discretion in how it defines <i>project</i> .	17-I.B. PBV DEFINITIONS [24 CFR 983.3]	<u>FCRHA Policy</u> The FCRHA will not further define the definition of the term <i>project</i> .
The PHA has the discretion to project-base an additional 10 percent of its authorized voucher units above the 20 percent program limit.	17-I.C. MAXIMUM NUMBER OF PBV UNITS (PERCENTAGE LIMITATION) [24 CFR 983.6] Increased Cap [24 CFR 983.6(d)]	<u>FCRHA Policy</u> The FCRHA may project-base up to an additional 10 percent of its authorized units, up to 30 percent, in accordance with HUD regulations and requirements. FCRHA units under the increased program cap meet the criteria noted above and collectively, are made available for: <ul style="list-style-type: none"> ○ Individuals or families that are experiencing homelessness; ○ Families that are comprised of or include a veteran; and ○ Persons living with disabilities or elderly persons requiring supportive housing. FCRHA units under the increased program cap may also be located in areas where vouchers are difficult to use.
The PHA has the discretion to determine whether units in a project will be excepted.	17-I.D. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT [24 CFR 983.54] Exceptions to the Project Cap [24 CFR 983.54(c)]	<u>FCRHA Policy</u> The FCRHA will have excepted units in certain PBV projects, which collectively, are made available to elderly families and households eligible for supportive services. A range of supportive services tailored to meet the needs of the residents will be made available. The FCRHA will allow elderly families who initially qualified to live in an excepted unit to remain in the unit when there is a change in circumstances beyond the remaining family members' control. In all other cases, once the FCRHA determines that the family is no longer eligible to reside in the unit, the FCRHA will provide written notice to the family and owner within ten (10) business days of making the determination. The family will be given 30 calendar days from the date of the notice to move out of the PBV unit. If the family does not move out within this 30 calendar-day time frame, the FCRHA will terminate the housing assistance payments at the expiration of the 30 calendar-day period. The FCRHA may make exceptions to the 30 calendar-day period if needed for reasons beyond the family's control, such as death, serious illness, or other medical emergency of a family member.

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
The PHA has discretion on how to continue to count a unit that is no longer qualified.	17-I.D. CAP ON NUMBER OF PBV UNITS IN EACH PROJECT [24 CFR 983.54] Units that No Longer Qualify as Excepted Units or Units under the Increased Program Cap [24 CFR 983.262(b)]	<u>FCRHA Policy</u> If, due to circumstances beyond the control of the family, the unit is no longer qualified as an excepted unit or unit under the increased program cap, the unit will continue to count as long as the family resides in the unit. However, requirements for wrong-sized units will apply.
The PHA has the discretion to commit project-based assistance to certain units without those units counting towards the program cap.	17-I.E. UNITS NOT SUBJECT TO THE PBV PROGRAM CAP OR PROJECT CAP [FR Notice 1/18/17 and 24 CFR 983.59]	<u>FCRHA Policy</u> Units in the following projects are not subject to program cap or project cap because they are excluded units: <ul style="list-style-type: none"> o RAD Component 1 – Phase 1 o RAD Component 1 – Phase 2 o Creekside
The PHA has the discretion to assist PHA-owned units under the PBV program with HUD approval.	17-II.A. OVERVIEW Selection of PHA-Owned Units [24 CFR 983.51(h)]	<u>FCRHA Policy</u> Per MTW Activity 2017-3, the FCRHA is authorized to utilize project-based vouchers for its own Fairfax County Rental Program units. Specific authorization from the FCRHA would be requested for the commitment of project-based voucher projects under this authority. All independent entity requirements for PHA-owned units are waived under the FCRHA’s MTW agreement.
The PHA has the discretion to establish additional requirements for PBV housing.	17-III.B. HOUSING QUALITY STANDARDS [24 CFR 983.101] Housing Quality and Design Requirements [24 CFR 983.101(e) and 983.208(a)]	<u>FCRHA Policy</u> The FCRHA will identify the need for any special features on a case-by-case basis depending on the intended occupancy of the PBV project. The FCRHA will specify any special design standards or additional requirements in the invitation for PBV proposals (if applicable), the AHAP, and the HAP contract.
The PHA has the discretion to not use an AHAP or execute an AHAP after construction or rehabilitation has commenced.	17-IV.B. AGREEMENT TO ENTER INTO HAP CONTRACT (AHAP) [24 CFR 983.154] PHA Discretion Not to Use an AHAP [24 CFR 983.154(f)]	<u>FCRHA Policy</u> The FCRHA may exercise its discretion to not use an AHAP or to execute an AHAP after construction or rehabilitation in limited circumstances, when it is beneficial for the project construction to begin before an AHAP or other agreement can be feasibly executed.

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
The PHA has the discretion to determine the initial term of a HAP contract.	17-V.B. HAP CONTRACT REQUIREMENTS Term of HAP Contract [24 CFR 983.205, FR Notice 1/18/17, and Notice PIH 2017-21]	<u>FCRHA Policy</u> The term of all PBV HAP contracts will be negotiated with the owner on a case-by-case basis.
The PHA has the discretion to hold a family responsible for a breach of housing quality standards.	17-V.C. TERMINATION OF THE HAP CONTRACT Family Obligation [24 CFR 983.208(c)]	<u>FCRHA Policy</u> Damages beyond ordinary wear and tear will be considered to be damages which could be assessed against the security deposit under state law or in court practice.
The PHA has the discretion to establish what remedies apply when housing quality standards deficiencies are identified through an inspection.	17-V.C. TERMINATION OF THE HAP CONTRACT PHA Remedies [24 CFR 983.208(d)]	<u>FCRHA Policy</u> The FCRHA will abate and terminate PBV HAP contracts for non-compliance with housing quality standards, in accordance with the policies used in the tenant-based voucher program referenced in Chapter 8, section II.G. Enforcing Owner Compliance.
The PHA has the discretion to withhold assistance payment for units that have housing quality standards deficiencies.	17-V.C. TERMINATION OF THE HAP CONTRACT HAP Withholding [24 CFR 983.208(d)(1)]	<u>FCRHA Policy</u> The FCRHA will not withhold assistance payments upon initial notification to the owner of the deficiencies. Assistance payments will be withheld if deficiencies are not resolved in the specified time frame.

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
The PHA has the discretion to abate payments for all units covered under a HAP contract due to noncompliance with housing quality standards.	17-V.C. TERMINATION OF THE HAP CONTRACT HAP Abatement [24 CFR 983.208(d)(2)]	<u>FCRHA Policy</u> For HAP contracts executed or renewed June 6, 2024, or later: The FCRHA will make all HAP abatements effective the first of the month following the expiration of the FCRHA-specified correction period (including any extension). The FCRHA will abate payments only for those contract units that do not meet housing quality standards. Reference Chapter 8 for other HAP abatement policies.
The PHA has the discretion to assist families relocating due to the termination of a HAP contract.	17-V.C. TERMINATION OF THE HAP CONTRACT Relocation Assistance [24 CFR 983.208(d)(6)(iii)]	<u>FCRHA Policy</u> The FCRHA will not use withheld and abated payments to assist with relocation costs.
The PHA has the discretion to allow owners to maintain waiting lists.	17-VI.D. OWNER-MAINTAINED WAITING LISTS [24 CFR 983.251(c)(7)]	<u>FCRHA Policy</u> The FCRHA will establish owner-maintained waiting lists in very limited circumstances. The FCRHA will establish owner-maintained waiting lists when the target population for property cannot be adequately identified in the regular waiting list processes in Chapter 4, such as PBVs that are awarded to assisted living facilities. Owner-maintained waiting lists will be adopted in the Appendix to this Chapter of the Administrative Plan. The FCRHA will disclose information to all applicants about all the PBV projects, including the projects' contact information and other basic information such as the location, number of accessible units, types of excepted units (if any), amenities, and anticipated waiting time.
The PHA has the discretion to allow the owner to make preliminary eligibility determinations.	17-VI.D. OWNER-MAINTAINED WAITING LISTS [24 CFR 983.251(c)(7)] Preliminary Eligibility Determinations [24 CFR 983.251(c)(7)(vi)]	<u>FCRHA Policy</u> The FCRHA will allow the owner to make preliminary eligibility determinations for purposes of placing the family on the waiting list and the FCRHA will adhere to the bedroom size requirements noted in section 17.VI.C. The owner must review each completed application received and make a preliminary assessment of the family's eligibility. Applicants for whom the waiting list is open must be placed on the waiting list unless the owner determines the family to be ineligible. If the owner

New Proposed HOTMA-Related Discretionary Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
PHA Discretion	Reference	New Proposed Policy
		<p>determines from the information provided that a family is ineligible, the family will not be placed on the waiting list. The owner is responsible for notifying the family and the FCRHA of the owner's determination not to place the applicant on the waiting list. In such a case, the owner is responsible for providing notice in accordance with 24 CFR 982.554(a).</p> <p>The owner must give the applicant notice within five (5) business days of a decision denying assistance to the applicant. The notice must contain a brief statement of the reasons for the owner decision and must also state that the applicant may request an informal review by the FCRHA.</p>
The PHA has discretion in how it defines <i>good cause</i> .	<p>17-VI.F. OFFER OF PBV ASSISTANCE OR OWNER'S REJECTION</p> <p>Refusal of Offer [24 CFR 983.251(e)]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will define <i>good cause</i> for a rejection of a unit offer as any of the factors listed above.</p>
The PHA has the discretion to provide for rent adjustments using HUD's Operating Cost Adjustment Factor (OCAF).	<p>17-VIII.C. REDETERMINATION OF RENT TO OWNER [24 CFR 983.302]</p> <p><i>OCAF</i> [24 CFR 983.302(b)(3)]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will allow automatic adjustment by an OCAF for rent increases. All rent increases must be requested by the owner.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<p><i>Update policy to reflect regulatory changes due to HOTMA</i></p>	<p>17-II.D. PROJECT OR PROPOSAL SELECTION [24 CFR 983.51(f) and 24 CFR 983.153(c)(3)]</p> <p>PHA Written Notice of Proposal or Project Selection [24 CFR 983.51(f) and (h) and 24 CFR 983.153(c)(3)]</p>	<p><u>FCRHA Policy</u></p> <p>Within ten (10) business days of the FCRHA making the selection, the FCRHA will notify the selected owner in writing of the owner’s selection for the PBV program. The FCRHA will also notify in writing all owners that submitted proposals that were not selected and upon request advise such owners of the name of the selected owner.</p> <p>In addition, the FCRHA will give prompt public notice for selection of PBV proposals on the FCRHA website. The announcement will include the name of the owner that was selected for the PBV program. The FCRHA will maintain documentation of responses to advertisements or competitive proposals received in response to the FCRHA notice.</p> <p>he FCRHA will make available to any interested party its rating and ranking sheets and documents that identify the FCRHA’s basis for selecting the proposal. These documents will be available for review by the public and other interested parties for one month after publication of the notice of owner selection. The FCRHA will not make available sensitive owner information that is privileged, such as financial statements and similar information about the owner.</p> <p>The FCRHA will make these documents available for review. The cost for reproduction of allowable documents will be based on the current rate charged by the Public Affairs Division.</p>	<p><u>FCRHA Policy</u></p> <p>If the project does not contain FCRHA-owned units, the FCRHA will notify the selected owner in writing of the owner’s selection for the PBV program within ten (10) business days of the FCRHA making the selection. The FCRHA will also notify in writing all owners that submitted proposals in response to a competition in accordance with section 17.II.B above that were not selected and advise such owners of the name of the selected owner.</p> <p>If the project contains FCRHA-owned units, within ten (10) business days of the FCRHA making the selection, the FCRHA will provide the written notice of proposal selection to the responsible FCRHA official, and that official must certify in writing that the FCRHA accepts the terms and requirements stated in the notice within ten (10) business days of receiving the FCRHA’s written notice.</p> <p>The FCRHA will publish its notice for selection of PBV proposals in the same newspapers the FCRHA used to solicit the proposals. The announcement will include the name of the owner that was selected for the PBV program. The FCRHA will also post the notice of owner selection on its website.</p>
<p><i>Update policy to reflect regulatory changes due to HOTMA</i></p>	<p>17-II.H. SITE SELECTION STANDARDS</p> <p>Compliance with PBV Goals, Civil Rights Requirements, and Site and Neighborhood Standards [24 CFR 983.55(b)]</p>	<p><u>FCRHA Policy</u></p> <p>It is the FCRHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal, the FCRHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.</p>	<p><u>FCRHA Policy</u></p> <p>It is the FCRHA goal to select sites for PBV housing that provide for deconcentrating poverty and expanding housing and economic opportunities. In complying with this goal, the FCRHA will limit approval of sites for PBV housing in census tracts that have poverty concentrations of 20 percent or less.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
			<p>However, the FCRHA will grant exceptions to the 20 percent standard where the FCRHA determines that the PBV assistance will complement other local redevelopment activities designed to deconcentrate poverty and expand housing and economic opportunities in census tracts with poverty concentrations greater than 20 percent, such as sites in:</p> <ul style="list-style-type: none"> ○ A census tract in which the proposed PBV development will be located in a HUD-designated Enterprise Zone, Economic Community, Choice Neighborhood, or Renewal Community; ○ A census tract where the concentration of assisted units will be or has decreased as a result of public housing demolition and HOPE VI redevelopment; ○ A census tract in which the proposed PBV development will be located is undergoing significant revitalization as a result of state, local, or federal dollars invested in the area; ○ A census tract where new market rate units are being developed where such market rate units will positively impact the poverty rate in the area; ○ A census tract where there has been an overall decline in the poverty rate within the past five years; or ○ A census tract where there are meaningful opportunities for educational and economic advancement. <p>The FCRHA will also consider whether the site is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d(4)) and HUD's implementing regulations at 24 CFR Part 1; Title VIII of the Civil Rights Act of 1968 (42 U.S.C. 3601-3629) and HUD's implementing regulations at 24 CFR Parts 100 through 199; Executive Order 11063 (27 FR 11527; 3 CFR, 1959-1963 Comp., p. 652), and HUD's implementing regulations at 24 CFR Part 107.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
			<p>The site must also be suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of the Americans with Disabilities Act (42 U.S.C. 12131-12134) and implementing regulations (28 CFR Part 35), and Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and HUD's implementing regulations at 24 CFR Part 8, including meeting the Section 504 site selection requirements described in 24 CFR 8.4(b)(5).</p> <p>The FCRHA will also consider whether the site and neighborhood are reasonably free from disturbing noises and reverberations and other dangers to the health, safety, and general welfare of the occupants. The site and neighborhood may not be subject to serious adverse environmental conditions, natural or manmade, that could affect the health or safety of the project occupants, such as dangerous walks or steps; contamination; instability; flooding, poor drainage, septic tank back-ups or sewage hazards; mudslides; abnormal air pollution, smoke or dust; excessive noise, vibration or vehicular traffic; excessive accumulations of trash; vermin or rodent infestation; or fire hazards.</p>
<p><i>Update policy to reflect regulatory changes due to HOTMA</i></p>	<p>17-V.B. HAP CONTRACT REQUIREMENTS</p> <p>Execution of the HAP Contract [24 CFR 983.204]</p>	<p><u>FCRHA Policy</u></p> <p>For existing housing, the HAP contract will be effective the date the first unit is placed under lease.</p> <p>For rehabilitated or newly constructed housing, the HAP contract will be effective the date the first unit is placed under lease, units have been completed in accordance with the agreement to enter into HAP contract, all units meet HQS, and the owner has submitted all required evidence of completion.</p>	<p><u>FCRHA Policy</u></p> <p>For existing housing, the HAP contract will be effective on or after the date it is executed. The HAP contract must be effective before the effective date of the first lease covering a contract unit occupied by an assisted family. The FCRHA may not pay any housing assistance payment to the owner until the HAP contract is effective.</p> <p>For rehabilitated or newly constructed housing, the HAP contract will be effective the date all units have been completed in accordance with the AHAP or substitute development agreement, all units meet housing quality standards, and the owner has submitted all required evidence of completion.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<i>Update policy to reflect regulatory changes due to HOTMA</i>	17-V.D. AMENDMENTS TO THE HAP CONTRACT TO ADD OR SUBSTITUTE UNITS [24 CFR 983.207]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will consider adding contract units to the HAP contract when the FCRHA determines that additional housing is needed to serve eligible low-income families.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will add units to the contract on a case-by-case basis to ensure the availability of affordable housing as long as the addition of units does not exceed allowable project caps.</p>
<i>Update policy to reflect regulatory changes due to HOTMA</i>	17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will establish and manage separate waiting lists for individual projects or buildings that are receiving PBV assistance.</p> <p>Households applying to the FCRHA waiting lists may elect to have their name placed on the PBV waiting list. Persons whose name is already on the tenant-based voucher waiting list may elect at any time to have their name placed on the PBV waiting list without penalty to any other application for rental assistance housing they may have pending. If there are no applicants on the PBV waiting list who meet the eligibility criteria of the property that has PBV contract units, the FCRHA will use the tenant-based voucher assistance waiting list to target eligible applicants for the PBV contract unit. The FCRHA may place families referred by the PBV owner on its PBV waiting list.</p> <p>The FCRHA will refer families to PBV contract units from the waiting list according to its regular applicant selection policies. If an applicant does not rent a unit with projectbased assistance or the owner turns an application down for admission to a project-based unit, such refusal or rejection will not affect the household's position on the wait list and they will not be denied any admission preference for which they qualify. The applicant will not be removed from the FCRHA's tenant-based assistance waiting list for that reason but will maintain its position on the list.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will use separate, site-based waiting lists for all projects or buildings that are receiving PBV assistance (with the exception of RAD PBV units). Additionally, the PBV waitlist is established and maintained by bedroom size. During the eligibility process, the FCRHA will right size the family according to the correct bedroom size that they qualify for during this process. These applicants will be moved to the appropriate waitlist by bedroom size at the bottom of the waitlist.</p> <p>While some waiting lists will be maintained by the owner as described below, the FCRHA will maintain waiting lists for PBV projects.</p> <p>Reference the FCRHA's Moving to Work Plan, Existing Project-Based Vouchers table, for a complete list of all PBV projects.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<p><i>Update policy to reflect regulatory changes due to HOTMA</i></p>	<p>17-VI.G. LEASING OF CONTRACT UNITS [24 CFR 983.252]</p> <p>Filling Vacancies [24 CFR 983.254(a)]</p>	<p><u>FCRHA Policy</u></p> <p>The owner must notify the FCRHA in writing (mail, fax, or e-mail) within 5 business days of learning about any vacancy or expected vacancy.</p>	<p><u>FCRHA Policy</u></p> <p>For units where the waiting list is owner-maintained, the owner must notify the FCRHA in writing via email within five (5) business days of learning about any vacancy or expected vacancy.</p> <p>The owner is responsible for notifying the family of their selection from the waiting list. The FCRHA will make every reasonable effort to notify the owner in writing via email of the FCRHA's eligibility determination within 30 calendar days of receiving notice from the owner.</p> <p>If the family is determined eligible, the FCRHA will notify the family and refer them back to the owner for a suitability screening. If the owner rejects the family after conducting a suitability screening, the owner must provide a copy of the rejection notice to the FCRHA. The owner may not offer a unit to a family until the FCRHA determines that the family is eligible for the program and has given the owner written confirmation.</p> <p>For units where the waiting list is FCRHA-maintained, the owner must notify the FCRHA in writing via email within five (5) business days of learning about any vacancy or expected vacancy. The FCRHA will refer families determined eligible to the owner for a suitability determination within 30 calendar days of receiving such notice from the owner. If the owner rejects the family after conducting a suitability screening, the owner must provide a copy of the rejection notice to the FCRHA. The owner may not offer a unit to a family until the FCRHA determines that the family is eligible for the program and has given the owner written confirmation.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
<p><i>Update policy to reflect regulatory changes due to HOTMA</i></p>	<p>17-VII.C. MOVES Family Right to Move [24 CFR 983.261]</p>	<p><u>FCRHA Policy</u> The FCRHA will use voucher assistance available under the ACC to provide tenant-based assistance for the family. If a tenant-based voucher is not available and the family vacates the unit with proper notice to the landlord and the FCRHA, the family will be added to the HCV waiting list. Families that remain in the PBV unit will not be added to the HCV waiting list.</p>	<p><u>FCRHA Policy</u> Except for families seeking protection under VAWA as described below, the FCRHA follows authority provided through MTW Activity 2016-2 on the right to move for PBV households. Prior to providing notice to the owner to terminate the lease, any eligible family may submit a written request to the FCRHA for a voucher at any time after completing a 24-month occupancy requirement. The FCRHA will process the request within ten (10) business days of receiving the family’s request. The FCRHA will verify that the family has met the 24-month occupancy requirement. No additional screening will be performed.</p> <p>If the request is approved by the FCRHA, the family will receive the next available tenant-based voucher.</p> <p>If a tenant-based voucher is not immediately available, the family will be placed on a separate waiting list comprised of PBV families wishing to convert to a tenant-based voucher. The FCRHA will offer five percent of all available tenant-based vouchers per year to families on the PBV waiting list. The list will be organized by date and time of the family’s written request. Once a family is placed on the list, the FCRHA will send the family an acknowledgement of receipt of their request and successful placement on the list. If a family requests a tenant-based voucher and then is unable or unwilling to move once the FCRHA offers the family a tenant-based voucher, the family’s name will be removed from the list. The family may resubmit a new request to move at any time. While the family will not be required to attend a standard HCV briefing to receive a voucher, the FCRHA will promptly schedule a meeting with each family at the time of voucher issuance.</p> <p>Families exercising their right to move are not required to vacate their units before a lease has been entered into using their tenant-based voucher so long as the resident has not yet provided notice to vacate to the owner.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
			At the time the FCRHA issues the tenant-based voucher, the FCRHA will notify the family of their right to remain in their unit if they are unable find a rental unit using the tenant-based voucher. If the family's search term (and any extensions) expires, the FCRHA must issue the voucher to the next eligible family. The family's name will be removed from the priority list, and the family will be able to resubmit a request at a later time.
<i>Update policy to reflect regulatory changes due to HOTMA</i>	17-VII.C. MOVES Emergency Transfers under VAWA [Notice PIH 2017-08 and 24 CFR 983.261(f) and (g)]	<p><u>FCRHA Policy</u></p> <p>When the victim of domestic violence, dating violence, sexual assault, or stalking has lived in the unit for less than one year, the FCRHA will provide several options for continued assistance.</p> <p>The FCRHA will first try to transfer the participant to another PBV unit in the same development or transfer to a different development where the FCRHA has PBV units. The FCRHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.</p> <p>If a victim wishes to move after a year of occupancy in the unit, but no tenant-based vouchers are available, the FCRHA will offer the participant an internal transfer to another PBV unit in the same development or a transfer to a different development where the FCRHA has PBV units. The FCRHA will expedite the administrative processes in this case in an effort to conduct the transfer as quickly as possible.</p>	<p><u>FCRHA Policy</u></p> <p>Except where special consideration is needed for the project-based voucher program, the FCRHA will follow VAWA policies as outlined in Chapter 16 Part IX of this administrative plan, including using the Emergency Transfer Plan as the basis for PBV transfers under VAWA (Exhibit 16-4).</p>
<i>Update policy to reflect regulatory changes due to HOTMA</i>	17-IX.B. VACANCY PAYMENTS [24 CFR 983.352] Payment at Move-Out Month [24 CFR 983.352(a)]	<p><u>FCRHA Policy</u></p> <p>If the FCRHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the FCRHA will notify the landlord of the amount of housing assistance payment that the owner must repay. The FCRHA will require the owner to repay the amount owed in accordance with the policies in Section 16-IV.B.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will allow the owner to keep the housing assistance payment for the calendar month when a family moves out, regardless of whether the vacancy is the owner's fault. The FCRHA will require the owner to repay the amount of any housing assistance payments made after the month of vacancy in accordance with the policies in Section 16-IV.B.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
Update policy to reflect regulatory changes due to HOTMA	17-IX.B. VACANCY PAYMENTS [24 CFR 983.352] Vacancy Payments [24 CFR 983.352(b)]	<p><u>FCRHA Policy</u></p> <p>The FCRHA will decide on a case-by-case basis if the FCRHA will provide vacancy payments to the owner, taking into consideration the following factors:</p> <ul style="list-style-type: none"> o The vacancy was not the owner’s fault; o The owner gives the FCRHA prompt, written notice certifying the household has vacated the unit, providing the date the household moved out (to the best of the owner’s belief and knowledge); and o The FCRHA and owner take action to minimize the likelihood and length of any vacancy. <p>The HAP contract with the owner will contain such agreement for which the owner will qualify for these payments.</p> <ul style="list-style-type: none"> o The amount of the vacancy payment cannot exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant’s security deposit.) o No vacancy payments will be paid at initial lease-up. o Vacancy payments will start at the beginning of the month. o Vacancy payments will extend from the beginning of the first calendar month after the move-out month for a period not exceeding two full months. o Vacancy payments will be prorated based on the number of days the unit is vacant. 	<p><u>FCRHA Policy</u></p> <p>The FCRHA will decide on a case-by-case basis if the FCRHA will provide vacancy payments to the owner. The HAP contract with the owner will contain any such agreement, including the amount of the vacancy payment and the period for which the owner will qualify for these payments.</p>
Update policy to reflect regulatory changes due to HOTMA	17-IX.B. VACANCY PAYMENTS [24 CFR 983.352] Vacancy Payments [24 CFR 983.352(b)]	<p><u>FCRHA Policy</u></p> <p>If an owner’s HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the FCRHA of the vacancy in accordance with the policy in section VI.F. Filling Vacancies.</p>	<p><u>FCRHA Policy</u></p> <p>If an owner’s HAP contract calls for vacancy payments to be made, and the owner wishes to receive vacancy payments, the owner must have properly notified the FCRHA of the vacancy in accordance with the policy in Section 17-VI.G. regarding filling vacancies.</p>

Summary of Proposed HOTMA-Related Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Section/Title	Current Policy	Proposed Policy
		<p>In order for a vacancy payment request to be considered, it must be made in writing within 30 calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the FCRHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the FCRHA within 30 calendar days of the FCRHA's request, no vacancy payments will be made.</p> <p>If the FCRHA determines that the owner is responsible for a vacancy and, as a result, is not entitled to the keep the housing assistance payment, the FCRHA will notify the landlord of the amount of housing assistance payment that the owner must repay. The FCRHA will require the owner to repay the amount owed in accordance with the policies in Chapter 16, section IV.B.</p>	<p>In order for a vacancy payment request to be considered, it must be made in writing within 30 calendar days of the end of the period for which the owner is requesting the vacancy payment. The request must include the required owner certifications and the FCRHA may require the owner to provide documentation to support the request. If the owner does not provide the information requested by the FCRHA within 30 calendar days of the FCRHA's request, no vacancy payments will be made.</p> <p>If vacancy payments are made, the FCRHA will make vacancy payments for the period of vacancy extending from the beginning of the first calendar month after the move-out month for a period not exceeding two full months following the move-out month. The amount of the vacancy payment will not exceed the monthly rent to owner under the assisted lease, minus any portion of the rental payment received by the owner (including amounts available from the tenant's security deposit). Any vacancy payment will cover only the period the unit remains vacant.</p>

Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<i>Update policy to align with current practices</i>	17-I.F. PHA-OWNED UNITS [24 CFR 982.4 and 983.57]	<p><u>FCRHA Policy</u></p> <p>Under MTW Activity 2017-3, FCRHA is authorized to utilize project-based vouchers for its own Fairfax County Rental Program units. Specific authorization from the FCRHA would be requested for the commitment of project-based voucher projects under this authority. Under MTW Activity 2014-3 and 2017-3, the FCRHA is also allowed to inspect FCRHA units.</p>	<p><u>FCRHA Policy</u></p> <p>Per MTW Activity 2017-3, the FCRHA is authorized to utilize project-based vouchers for its own Fairfax County Rental Program units. Specific authorization from the FCRHA would be requested for the commitment of project-based voucher projects under this authority.</p> <p>All independent entity requirements for PHA-owned units are waived under the FCRHA's MTW agreement.</p>
<i>Update policy to include language regarding the FCRHA's MTW authority</i>	17-I.G. TENANT-BASED VS. PROJECT-BASED VOUCHER ASSISTANCE [24 CFR 983.2]	<p><u>FCRHA Policy</u></p> <p>Except as otherwise noted in this chapter, or unless specifically prohibited by PBV program regulations, or amended by the MTW Standard Agreement and Annual Plan, the FCRHA policies for the tenant-based voucher program contained in this administrative plan also apply to the PBV program and its participants.</p>	<p><u>FCRHA Policy</u></p> <p>Except as otherwise noted in this chapter, modified through MTW authorities, or specifically prohibited by PBV program regulations, the FCRHA policies for the tenant-based voucher program contained in this Administrative Plan also apply to the PBV program.</p> <p>Per MTW authority, the FCRHA's PBV program operates a subsidy standard different than tenant-based vouchers (MTW Activity 2017-3); does not utilize a flat utility allowance (MTW Activity 2018A-1); and can set local site-specific utility allowances for newly constructed, redeveloped, or preserved PBV units (MTW Activity 2025-1).</p>
<i>Update policy to include language regarding the FCRHA's MTW authority</i>	<p>17-II.B. COMPETITIVE SELECTION OF PROPOSALS [24 CFR 983.51(b)]</p> <p>Solicitation and Selection of PBV Proposals [24 CFR 983.51(d)]</p>	<p><u>FCRHA Policy</u></p> <p><u>FCRHA Request for Proposals for Rehabilitated Units, Newly Constructed Units, and Existing Housing Units</u></p> <ul style="list-style-type: none"> ○ The FCRHA will advertise its competitive process for rehabilitated, newly constructed, or existing housing in a local newspaper or trade journal of general circulation. ○ In addition, the FCRHA will post the request and proposal submission and rating and ranking procedures on its website. 	<p><u>FCRHA Policy</u></p> <p><u>FCRHA Request for Proposals for Rehabilitated, Newly Constructed, and Existing Housing Units</u></p> <ul style="list-style-type: none"> ○ The FCRHA will advertise its competitive process for rehabilitated, newly constructed, or existing housing in a local newspaper or trade journal of general circulation. Advertisements will also contain a statement that participation in the PBV program requires compliance with Fair Housing and Equal Opportunity (FHEO) requirements and that the Federal Labor Standard provisions may be applicable for new and rehabilitation projects. ○ The FCRHA will post the request and proposal

Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
		<ul style="list-style-type: none"> ○ The FCRHA will publish its advertisement in a newspaper(s) and/or trade journal(s) for at least one day per week for three consecutive weeks. The advertisement will specify the number of units the FCRHA estimates that it will be able to assist under the funding the FCRHA is making available. Proposals will be due in the FCRHA office by close of business no less than 30 calendar days from the first date of publication. ○ In order for the proposal to be considered, the owner must submit the proposal to the FCRHA by the published deadline date, and the proposal must respond to all requirements as outlined in the request for proposals (RFP). Incomplete proposals will not be reviewed. ○ The FCRHA will establish rating and ranking criteria for each Request for Proposals (RFP) to be consistent with the goals and objectives of the FCRHA Strategic Plan and the Housing Blueprint. Preference points may be provided to act on opportunities to increase affordable housing in Fairfax County. 	<p>submission and rating and ranking procedures on its website.</p> <ul style="list-style-type: none"> ○ The FCRHA will publish its advertisement in a newspaper(s) and/or trade journal(s) of general circulation which will specify the submission deadline. The advertisement will specify the number of units the FCRHA estimates that it will be able to assist under the funding the FCRHA is making available. Proposals will be due in the FCRHA office by close of business no less than 30 calendar days from the first date of publication. ○ In order for the proposal to be considered, the owner must submit the proposal to the FCRHA by the published deadline date, and the proposal must respond to all requirements as outlined in the request for proposals (RFP). Incomplete proposals will not be reviewed. <p>The FCRHA will establish rating and ranking criteria for each Request for Proposals (RFP) to be consistent with the goals and objectives of the FCRHA Strategic Plan and the Housing Strategic Plan, or its successor plan. Preference points may be provided to act on opportunities to increase affordable housing in Fairfax County.</p> <p>Per MTW Activity 2017-3, the FCRHA has the flexibility to provide a commitment of project-based vouchers, without a local competitive process by utilizing an alternative competitive process, such as the Public-Private Educational Facilities Infrastructure Act or locally-administered procurement process.</p>
<p><i>Update policy to clarify the type of assistance referenced, the anticipated timeframe, and when such inspections will occur</i></p>	<p>17-III.D. INSPECTING UNITS [24 CFR 983.103]</p> <p>Turnover Inspections [24 CFR 983.103(d)]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will not provide assistance in turnover units until the unit fully complies with HQS.</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will not provide vacancy claim payments for turnover units until the unit is self-certified as ready to rent by the landlord. Housing quality standards inspections will occur upon request for tenancy approval.</p>

Summary of Proposed Policy Changes to the Housing Choice Voucher (HCV) Administrative Plan			
Proposed Revision	Reference	Current Policy	Proposed Policy
<i>Update policy to include a more detailed explanation regarding the inspection process</i>	17-III.D. INSPECTING UNITS [24 CFR 983.103] Periodic Inspections [24 CFR 983.103(e); FR Notice 6/25/14]	<u>FCRHA Policy</u> At least once every 24 months during the term of the HAP contract, the FCRHA will inspect a random sample of at least 20 percent of the contract units in each building.	<u>FCRHA Policy</u> At least once every 24 months during the term of the HAP contract, the FCRHA will inspect a random sample consisting of at least 20 percent of the contract units in each building to determine if the contract units and the premises are maintained in accordance with housing quality standards.
<i>Update policy to refer reader to Chapter 4 of the HCV Administrative Plan</i>	17-VI.C. ORGANIZATION OF THE WAITING LIST [24 CFR 983.251(c)] PHA Waiting List Preferences [24 CFR 983.251(c)(3)]	<u>FCRHA Policy</u> The FCRHA will provide a selection preference when required by the regulation (e.g., eligible in-place families, qualifying families for “excepted units,” mobility impaired persons for accessible units). The FCRHA will use the same selection preferences for the PBV assistance program as it does for the tenant-based voucher assistance program (Reference Chapter 4).	<u>FCRHA Policy</u> The FCRHA will follow the preference policies for the tenant-based voucher program in Chapter 4.

Summary of Other Changes to the Housing Choice Voucher (HCV) Administrative Plan		
Section/Title	New Language	Comments
<p>17-IV.D. COMPLETION OF WORK [24 CFR 983.155]</p> <p>Evidence of Completion [24 CFR 983.155]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will determine the need for the owner to submit additional documentation as evidence of housing completion on a case-by-case basis depending on the nature of the PBV project. The FCRHA will specify any additional documentation requirements in the AHAP.</p>	<p>The policy was updated to include a reference to “the AHAP.”</p>
<p>17-VI.B. ELIGIBILITY FOR PBV ASSISTANCE [24 CFR 983.251(a) and (b)]</p>	<p><u>FCRHA Policy</u></p> <p>The FCRHA will determine an applicant family’s eligibility for the PBV program in accordance with the policies in Chapters 3.</p>	<p>The policy was updated to remove a reference to Chapter 4.</p>

New Proposed Policies to be Incorporated into the Housing Choice Voucher (HCV) Administrative Plan		
Section/Title	New Language	Comments
17-III.D. INSPECTING UNITS [24 CFR 983.103] Inspecting PHA- Owned Units [24 CFR 983.103(g)]	<u>FCRHA Policy</u> Per MTW Activity 2014-3 and 2017-3, the FCRHA will inspect FCRHA-owned units.	The policy is being proposed to include language relevant to the FCRHA's MTW authority.

FCRHA Agenda Item
December 12, 2024

ADMINISTRATIVE - 3

RESOLUTION NUMBER 39-24: Establishing the FCRHA Committee of the Whole and 2025 Schedule of Meeting Dates

ISSUE:

The Fairfax County Redevelopment and Housing Authority (FCRHA) seeks greater opportunities for Commissioners to review and discuss non-routine Action and Administrative Items prior to their potential adoption and therefore seeks to create a Committee of the Whole (the Committee). The Committee, if adopted, would operate as a “working session” prior to FCRHA meetings as needed.

RECOMMENDATION:

That the FCRHA adopt a Committee of the Whole to provide an opportunity for discussion and discourse on FCRHA items before action is taken by the FCRHA and that the FCRHA approve the proposed Committee meeting dates for the calendar year 2025.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action supports the FCRHA’s commitment to strategic and innovative solutions to address local housing challenges. Fulsome discussions at Committee meetings will provide the FCRHA with greater opportunities to learn and deliberate on strategic solutions to meet the needs of the community.

BACKGROUND:

The FCRHA previously utilized a committee structure (not of the whole), providing an opportunity for Commissioners to discuss items and ask questions of staff. The committees (i.e., Planning and Development Committee; Finance Committee; Housing Ownership, Management and Security Committee; and the Production, Preservation and Partnerships Committee) were discontinued in June 2023. In general, this was done to reduce the number of FCRHA meetings and simplify the approval process for items.

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RECOMMENDED STRUCTURE AND OPERATIONS OF THE COMMITTEE:

While the discontinuation of the FCRHA committees did reduce administrative time for staff and Commissioners, staff recommend that a Committee of the Whole be reinstated. This would allow more robust discussions among FCRHA Commissioners prior to acting on non-routine issues, critical due to the complexity of many topics, and further provide staff with additional time to respond to Commissioner questions. Staff further recommend that all Commissioners be members of the Committee and that a quorum of at least three (3) Commissioners be required for the Committee to meet. The Committee would provide the FCRHA with briefings on non-routine items such as financing plans for projects, land purchases, and other topics but would exclude ceremonial resolutions, routine items, and information items. The purpose of the Committee meetings would be for discussion, not action; the Committee could not, as a technical matter, take action. As needed and appropriate, staff can provide informational briefings for Commissioners on topics unrelated to specific Action or Administrative Items.

Further recommendations are as follows:

- All Committee meetings will fully comply with requirements under the Virginia Freedom of Information Act (VFOIA) including public notices and minutes.
- All Committee meetings will be open to the public to attend and will be placed on the public calendar in accordance with VFOIA.
- The FCRHA Chairman – or, in the absence of the Chairman, the Vice Chairman – will preside over Committee meetings. A Chairman pro tem will be appointed by the Chairman or Vice Chairman before leaving the room if leaving would result in neither the Chairman nor Vice Chairman being present. In the event no Chairman pro tem has been appointed, one will be selected by the Commissioners remaining. The Chairman pro tem will preside in the absence of the Chairman or Vice-Chairman.
- The Committee will typically meet on the Wednesday of the week prior to a regular or special meeting of the FCRHA subject to county holidays, religious observations and other events that would interfere with the preparation of the draft agenda packages or meeting dates.
- Closed sessions will be scheduled as needed but no action will be taken.
- Public comments and public hearings will not be a part of the Committee meetings.
- The FCRHA Commissioners will receive a draft package of materials prior to the Committee meeting and a subsequent package prior to the regularly scheduled FCRHA meeting.
- The Committee will follow the all-virtual meetings and remote participation policies as annually adopted by the FCRHA.

The proposed resolution (Attachment 1) would also establish meeting dates for the Committee for calendar year 2025. Committee meetings would typically be held each Wednesday, that is eight (8) calendar days before a regular meeting of the FCRHA

FCRHA Agenda Item
December 12, 2024

itself, at 6:00 p.m. at the FCRHA Board Room located at 4530 University Drive, Fairfax, VA 22030.

STAFF IMPACT:

Staff will be responsible for the administrative aspects of Committee meetings as is done for meetings of the FCRHA.

FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 39-24

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications, HCD

ASSIGNED COUNSEL:

Ryan Wolf, Senior Assistant County Attorney, Office of the County Attorney

RESOLUTION NUMBER 39-24

Establishing the FCRHA Committee of the Whole and 2025 Schedule of Meeting Dates

BE IT RESOLVED that the Fairfax County Redevelopment and Housing Authority (FCRHA) hereby establishes a Committee of the Whole (the Committee) to provide an opportunity for FCRHA Commissioners to review and discuss non-routine Action and Administrative Items prior to their potential adoption, consistent with the terms of the Administrative Item presented to the FCRHA at its meeting on December 12, 2024, and

BE IT FURTHER RESOLVED that the meetings of the FCRHA Committee of the Whole for January through December 2025 will be held at the Fairfax County Redevelopment and Housing Authority Board Room, located at 4530 University Drive, Fairfax, VA 22030, at 6:00 p.m., on the following dates unless the Chairman, or in the Chairman's absence, the Vice Chair, shall authorize a different time or location:

January	15
February	12
March	5
<i>April</i>	<i>No meeting</i>
May	7
June	4
July	9
<i>August</i>	<i>Recess</i>
September	10
October	8
November	12
December	10

FCRHA Agenda Item
December 12, 2024

ADMINISTRATIVE - 4

RESOLUTION NUMBER 40-24: Adoption of the Fairfax County Redevelopment and Housing Authority Rules of Procedure

ISSUE:

The Fairfax County Redevelopment and Housing Authority (FCRHA) currently does not have formally adopted procedures that govern the operations of public meetings of the FCRHA. Adoption of Rules of Procedure specific to the FCRHA will standardize the operations and proceedings for FCRHA meetings and provide greater clarity and transparency on protocols.

RECOMMENDATION:

The FCRHA adopts the Rules of Procedure to establish regular processes for FCRHA meetings. This will ensure that FCRHA meetings are fair, efficient, consistent, and orderly.

TIMING:

Immediate.

RELATION TO FCRHA STRATEGIC PLAN:

The proposed action directly supports the FCRHA's commitment to strategic and innovative solutions and for open dialogue with the community to address needs and challenges.

BACKGROUND:

The By-Laws of the FCRHA contain limited basic procedures that govern the operations of the official meetings of the FCRHA but are silent as to many procedural issues. The proposed FCRHA Rules of Procedure, if adopted, will serve as the FCRHA's own internal administrative policy for meetings and are designed to ensure that members of the public, staff, and FCRHA Commissioners have consistent and clear operational protocols. The FCRHA Rules of Procedure are to supplement the FCRHA By-Laws and provide guidance on meetings, order of business, conduct of business, and miscellaneous topics.

STAFF IMPACT:

Staff will be responsible for ensuring the Rules of Procedure are made available to the public and for providing staff support to the FCRHA as is currently done.

FCRHA Agenda Item
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FISCAL IMPACT:

None.

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 40-24

Attachment 2: Fairfax County Redevelopment and Housing Authority Rules of Procedure

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications (P&C), HCD

Brandy Thompson, Management Analyst, P&C, HCD

ASSIGNED COUNSEL:

Ryan A. Wolf, Senior Assistant County Attorney, Office of the County Attorney

RESOLUTION NUMBER 40-24

Adoption of the Fairfax County Redevelopment and Housing Authority
Rules of Procedure

BE IT RESOLVED that Rules of Procedure are approved and adopted by the Fairfax County Redevelopment and Housing Authority (FCRHA), as presented to the FCRHA at its meeting on December 12, 2024.

Fairfax County Redevelopment and Housing Authority

RULES OF PROCEDURE

1. MEETINGS

1.1 PLACE OF MEETING. Regular meetings and the annual meeting of the Fairfax County Redevelopment and Housing Authority (FCRHA) will be held at the Board Room of the FCRHA located at 4530 University Drive, Fairfax, VA 22030, unless a different meeting place has been authorized in advance by the FCRHA Chair.

1.2 ALL-VIRTUAL MEETINGS. If an all-virtual meeting is authorized pursuant to its Policy for All-Virtual Public Meetings, then (a) the FCRHA may schedule its all-virtual public meetings at the same time and using the same procedures used by the FCRHA to set its meetings calendar for the calendar year, or (b) the FCRHA Chairman may, if the FCRHA wishes to have an all-virtual public meeting on a date not scheduled in advance on its meetings calendar, schedule an all-virtual public meeting provided that any such meeting comports with Virginia Freedom of Information Act (VFOIA) notice requirements and the special meeting requirements under the FCRHA By-Laws. All-virtual public meetings will be held over a dedicated video conference line, or such equivalent technology as allowed by law with each commissioner participating from a location where the commissioner's voice may be adequately heard by all commissioners. Members of the public will be provided access to the all-virtual meeting through a simultaneous telecast, video streaming, or by telephone, or such equivalent technology as allowed by law.

1.3 OPEN MEETINGS. All FCRHA meetings will be open to the public, but the FCRHA may, for the purposes provided for in the Virginia Freedom of Information Act meet in closed session, which shall be closed to all persons except for the Secretary, Assistant Secretaries, attorneys from the Office of the County Attorney (OCA), and those persons designated by the Chairman, Vice Chairman or OCA.

1.4 ADJOURNED MEETINGS. Any regular, special, or electronic meeting may be adjourned to a date and time certain prior to the next regular meeting, provided that such meeting is noticed pursuant to FOIA.

2. ORDER OF BUSINESS

2.1 COMMENCEMENT OF MEETING. The Chairman – or in the Chairman's absence, the Vice Chairman – will call a meeting to order once a quorum has been established, but no earlier than the posted start time.

2.1.1 A Chairman pro tem will be appointed by the Chairman or Vice Chairman before leaving the room if leaving would result in neither the Chairman nor Vice

Chairman being present. In the event no Chairman pro tem has been appointed, one will be selected by the commissioners remaining. The Chairman pro tem will preside in the absence of the Chairman or Vice-Chairman and will retain the right to vote.

2.2 AGENDA. The Chairman – with the Assistant Secretaries – will prepare an agenda for each regular meeting. The order of the agenda will be established by the Chairman in consultation with the Assistant Secretaries.

2.2.1 Presentations. In each agenda, the Chairman may provide a period for presentations that a commissioner has requested by a Board Matter or that are otherwise appropriate to be scheduled, as determined by the Chairman.

2.2.2 Public Comment. A time for general public input may be placed on the agenda at a designated time certain. The FCRHA will hear public input on any relevant topic except issues under litigation; issues that have been scheduled for public hearing before the FCRHA; and personnel matters or comments regarding individuals.

2.2.3 Public Hearings. Matters that have been set for public hearing will be placed on the agenda at designated times certain.

2.2.4 Approval of Minutes. Minutes of the preceding meeting(s) of the FCRHA will be presented to the commissioners for approval.

2.2.5 Matters Presented by the Secretary and/or Assistant Secretaries. In each agenda, the Chairman will provide a period for matters presented by the Secretary, Assistant Secretaries, and/or staff for action, administration, consideration, or information.

2.2.6 Closed Session. In consultation with the County Attorney and pursuant to VFOIA, the FCRHA may hold a closed meeting.

2.2.7 Board Matters. In each agenda, the Chairman will provide a period during which each commissioner will be entitled to speak. The presiding officer may continue over any such discussion to a subsequent meeting.

2.3 MEETING MINUTES. The Clerk to the FCRHA will keep written minutes and electronic recordings of the meetings of the FCRHA, as may be required by law.

3. CONDUCT OF BUSINESS

3.1 TIME LIMITS. Speakers will limit their presentations to the time allotted, unless the FCRHA by unanimous consent extends such time. Speakers will be allotted the following time to speak:

(a) **Public Comment:**

Individuals may speak for three minutes, except that individuals representing an organization may speak for five minutes. An organization may only be represented by one (1) speaker at any given public comment time.

A person speaking as an individual may not also appear as the single authorized representative of a group or organization.

A maximum of ten speakers may be heard during public comment time. Individuals who have not spoken at a public comment period in the previous six months will be given a priority. Speakers are encouraged to contact the Clerk to the FCRHA by noon on the day of the meeting to sign up in advance to speak. Advance sign-up for public comment time closes on noon on the day of the meeting, at which point the FCRHA will review all timely advance requests to speak. If, before this deadline, there are both (i) ten individuals who have signed up in advance and have not spoken at a public comment period in the previous six months and (ii) any individuals who have signed up in advance and have spoken at a public comment period in the previous six months, then those individuals who have not spoken at a public comment period in the previous six months will comprise the ten speakers for the public comment period, and the FCRHA will notify the other individuals. If fewer than ten individuals timely sign up to speak in advance, then individuals may also sign up to speak at public comment time at the meeting itself, up to the aggregate maximum of ten speakers, but any individuals signing up at the meeting itself will not have priority over any individual who signed up in advance.

Speakers may participate in public comment time by appearing in person (unless the meeting is an electronic meeting), by written testimony, or by such other technologies as the FCRHA may later make available. For electronic meetings, the FCRHA will make at least one such technology available, should the agenda for such meeting include public comment time. Speakers who wish to submit written testimony must send the submission to the Clerk to the FCRHA by 9:00 a.m. on the day before the meeting for the submissions to be included.

(b) Public Hearings:

Individuals may speak for three minutes, except that individuals representing an organization may speak for five minutes. An organization may only be represented by one (1) speaker at any given public hearing.

A person speaking as an individual may not also appear as the single authorized representative of a group or organization.

For all meetings, speakers may participate in public hearings by appearing in person (unless the meeting is an electronic meeting), by written testimony, or by such other technologies as the FCRHA may later make available. For electronic meetings, the FCRHA will make at least one such technology available, should the agenda for such meeting include a public hearing.

All written testimony and written comments must be sent to the FCRHA before

the date and time designated in the Notice of Public Hearing. Written testimony received after this date will not be included in the record of the public hearing.

Persons wishing to speak either during public comment time or at a public hearing may contact the FCRHA to request a reasonable accommodation to facilitate their participation.

3.2 RECOGNITION. No person will address the FCRHA without having first been recognized by the presiding officer. When all testimony has concluded, and the FCRHA is considering and discussing the matter, no person will thereafter be recognized to address the FCRHA.

3.3 DECORUM.

3.3.1 Commissioners. Commissioners will not speak to an item until recognized by the presiding officer.

3.3.2 Non-Commissioners. Persons addressing the FCRHA will limit their remarks to those relevant to the pending items and to answering questions. They will address the FCRHA, as a whole, unless answering an individual commissioner's questions.

The presiding officer will call the speaker or any audience member who has not been recognized to order; if out-of-order remarks or other inappropriate conduct persists, the presiding officer will order the speaker or audience member from the lectern or meeting; alternatively, the presiding officer may recess or adjourn the meeting until order is restored.

3.4 FACILITY USE REGULATIONS. Any person entering the FCRHA's place of meeting shall abide by all applicable facility rules and/or regulations.

4. MISCELLANEOUS

4.1 AMENDMENT OF THESE RULES. The Rules of Procedure may be amended by majority vote of the commissioners, provided that such amendment may not be voted upon at any meeting unless the text of the proposed amendment has been presented at least one previous meeting prior to the proposed vote. Any proposed amendment will be subject to further amendment at the meeting at which the vote is taken.

4.2 SUSPENSION OF RULES. These Rules of Procedure may be suspended if a majority of the commissioners adopt such a motion to suspend. In such an event these Rules of Procedure will be deemed suspended only with respect to the specific matter or question not then in accord with the rules.

4.3 ROBERT'S RULES OF ORDER. Any issue not addressed by these rules (or the FCRHA's By-Laws) will be governed by Robert's Rules of Order.

4.4 REASONABLE ACCOMMODATIONS. Persons seeking a reasonable accommodation in connection with a meeting of the FCRHA may contact the Clerk to the FCRHA to request a reasonable accommodation.

FCRHA Agenda Item
December 12, 2024

ADMINISTRATIVE – 5

RESOLUTION NUMBER 41-24: Establishing the Schedule of Meeting Dates for Calendar Year 2025 for the Fairfax County Redevelopment and Housing Authority

ISSUE:

The schedule of Fairfax County Redevelopment and Housing Authority (FCRHA) meeting dates for calendar year 2025 needs to be established in accordance with Article III, Section 2 of the FCRHA By-Laws, because the previously approved schedule runs through December 2024.

RECOMMENDATION:

That the FCRHA approves the proposed meeting dates for 2025.

TIMING:

Immediate. A meeting schedule for 2025 must be set no later than the last meeting on the current approved schedule.

BACKGROUND:

By Resolution Number 31-23, the FCRHA adopted a schedule of meeting dates for 2024, with the last regular meeting scheduled for December 12, 2024. Therefore, a new schedule is needed for 2025. The attached calendar (Attachment 2) lists proposed dates for FCRHA regular meetings and its annual meeting for January through December 2025. The proposed FCRHA regular meeting dates continue to be on Thursday, at 7:00 p.m.

The pattern of meeting dates has been adjusted to attempt to avoid conflicts with County holidays, religious observations and other events that would interfere with the preparation of the agenda packages, public participation, or attendance at meetings. The 2025 schedule includes nine (9) regular meetings as well as the FCRHA's annual meeting, which, per the FCRHA By-Laws, must be held during the month of July. A recess is scheduled in August to coincide with the scheduled recess of the Board of Supervisors. The anticipated schedule for meetings of the Board of Supervisors and for the FCRHA's Committee of the Whole (if the Committee of the Whole is established pursuant to Administrative Item XX-24) is also included in the attached calendar.

The attached Resolution sets the Annual Meeting on July 17, 2025; sets dates for regular meetings throughout 2025; sets the time of the regular meetings as 7:00 p.m.; and designates the FCRHA Board Room as the location for all FCRHA meetings.

FCRHA Agenda Item
December 12, 2024

ENCLOSED DOCUMENTS:

Attachment 1: Resolution Number 41-24

Attachment 2: Proposed Calendar of FCRHA Meeting Dates for January through
December 2025

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development
(HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications (P&C), HCD

Brandy Thompson, Management Analyst, P&C, HCD

RESOLUTION NUMBER 41-24

Establishing the Schedule of Meeting Dates for Calendar Year 2025 for the
Fairfax County Redevelopment and Housing Authority

BE IT RESOLVED that the regular meetings and the Annual Meeting of the Fairfax County Redevelopment and Housing Authority for January through December 2025 will be held at the Fairfax County Redevelopment and Housing Authority Board Room, located at 4530 University Drive, Fairfax, VA 22030, at 7:00 p.m., on the following dates unless the Chairman, or in the Chairman's absence, the Vice Chair, shall authorize a different time or location.

January	23
February	20
March	13
<i>April</i>	<i>No Meeting</i>
May	15
June	12
July	17 ANNUAL MEETING
<i>August</i>	<i>Recess</i>
September	18
October	16
November	20
December	18

January 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	31	1 Anticipated County Holiday	2	3	4
5	6	7	8	9	10	11
12	13	14 Anticipated BOS Meeting	15 FCRHA Committee of the Whole	16	17	18
19	20 Anticipated County Holiday	21	22	23 FCRHA Meeting	24	25
26	27	28 Anticipated BOS Meeting	29	30	31	1

February 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4 Anticipated BOS Meeting	5	6	7	8
9	10	11	12 FCRHA Committee of the Whole	13	14	15
16	17 Anticipated County Holiday	18 Anticipated BOS Meeting Advertised Budget	19	20 FCRHA Meeting	21	22
23	24	25	26	27	28	1

March 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
23	24	25	26	27	28	1
2	3	4 Anticipated BOS Meeting	5 FCRHA Committee of the Whole	6	7	8
9	10	11	12	13 FCRHA Meeting	14	15
16	17	18 Anticipated BOS Meeting	19	20	21	22
23	24	25	26	27	28	29
30	31	1	2	3	4	5

April 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	31	1	2	3	4	5
6	7	8 Anticipated BOS Meeting Budget Public Hearing	9 Anticipated BOS Meeting Budget Public Hearing	10 Anticipated BOS Meeting Budget Public Hearing	11	12
13	FAIRFAX COUNTY PUBLIC SCHOOLS SPRING BREAK					19
20	21	22 Anticipated BOS Meeting	23	24	25	26
27	28	29	30	1	2	3

May 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	1	2	3
4	5	6 Anticipated BOS Meeting Budget Adoption	7 FCRHA Committee of the Whole	8	9	10
11	12	13	14	15 FCRHA Meeting	16	17
18	19	20 Anticipated BOS Meeting	21	22	23	24
25	26 Anticipated County Holiday	27	28	29	30	31

June 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
1	2	3	4 FCRHA Committee of the Whole	5	6	7
8	9	10 Anticipated BOS Meeting	11	12 FCRHA Meeting	13	14
15	16	17	18	19 Anticipated County Holiday	20	21
22	23	24 Anticipated BOS Meeting	25	26	27	28
29	30	1	2	3	4	5

July 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
29	30	1	2	3	4 Anticipated County Holiday	5
6	7	8	9 FCRHA Committee of the Whole	10	11	12
13	14	15 Anticipated BOS Meeting	16	17 FCRHA Annual Meeting	18	19
20	21	22	23	24	25	26
27	28	29 Anticipated BOS Meeting	30	31	1	2

August 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31	1	2	3	4	5	6

September 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
31	1 Anticipated County Holiday	2	3	4	5	6
7	8	9 Anticipated BOS Meeting	10 FCRHA Committee of the Whole	11	12	13
14	15	16	17	18 FCRHA Meeting	19	20
21	22	23 Anticipated BOS Meeting	24	25	26	27
28	29	30	1	2	3	4

October 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
28	29	30	1	2	3	4
5	6	7 Anticipated BOS Meeting	8 FCRHA Committee of the Whole	9	10	11
12	13	14	15	16 FCRHA Meeting	17	18
19	20	21 Anticipated BOS Meeting	22	23	24	25
26	27	28	29	30	31	1

November 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
26	27	28	29	30	31	1
2	3	4 Anticipated County Holiday	5	6	7	8
9	10	11 Anticipated County Holiday	12 FCRHA Committee of the Whole	13	14	15
16	17	18 Anticipated BOS Meeting	19	20 FCRHA Meeting	21	22
23	24	25	26	27 Anticipated County Holiday	28 Anticipated County Holiday	29
30	1	2	3	4	5	6

December 2025

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
30	1	2 Anticipated BOS Meeting	3	4	5	6
7	8	9	10 FCRHA Committee of the Whole	11	12	13
14	15	16 Anticipated BOS Meeting	17	18 FCRHA Meeting	19	20
21	22	23	24 Anticipated County Holiday	25 Anticipated County Holiday	26	27
28	29	30	31	1	2	3

FCRHA Agenda Item
December 12, 2024

ADMINISTRATIVE - 6

RESOLUTION NUMBER 42-24: Commending Rod Solomon for His Years of Service as the Providence District Commissioner on the Fairfax County Redevelopment and Housing Authority Board of Commissioners

Rod Solomon completed his term of service as the Providence District Commissioner on the Fairfax County Redevelopment and Housing Authority (FCRHA) in April 2024, after 16 years of service.

The attached resolution recognizes Mr. Solomon for his distinguished service on the FCRHA.

ENCLOSED DOCUMENTS:

Attachment – Resolution Number 42-24

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Linda Hoffman, Director, Policy and Communications, HCD

RESOLUTION NUMBER 42-24

Commending Rod Solomon for His Years of Service as the Providence District Commissioner on the Fairfax County Redevelopment and Housing Authority Board of Commissioners

WHEREAS, from July 2007 through April 2024, Rod Solomon served diligently as the Providence District Commissioner on the Fairfax County Redevelopment and Housing Authority (FCRHA); and

WHEREAS, he brought decades of experience in federal affordable housing programs to bear in his service on the FCRHA; and

WHEREAS, he made significant contributions and provided invaluable advice and support to staff, particularly with respect to the FCRHA’s designation as a “Moving to Work” agency; and

WHEREAS, during his tenure, he was a consistent advocate for the use of federal resources to provide housing opportunities for extremely low-income families in every corner of Fairfax County; and

WHEREAS, Rod Solomon has completed his distinguished service to the FCRHA;

WHEREAS, the FCRHA seeks to publicly recognize the commitment and dedication of Rod Solomon, and thank him for his thoughtful leadership and guidance; and

NOW, THEREFORE, BE IT RESOLVED, that the FCRHA expresses its deepest and most sincere appreciation to Rod Solomon for his many years of outstanding service to the citizens of Fairfax County; and

BE IT FURTHER RESOLVED, that the FCRHA wishes Rod Solomon all the best in the future.

Lenore Stanton, Chairman

December 12, 2024

FCRHA Agenda Item
December 12, 2024

INFORMATION – 1

FY 2024 Audited Financial Statements for the Fairfax County Redevelopment and Housing Authority and the Single Audit Report

This Item summarizes the results of the Fairfax County Redevelopment and Housing Authority's (FCRHA) Fiscal Year (FY) 2024 Financial Statements Audit and the Single Audit (Compliance Audit Pursuant to 2 CFR Part 200). Cherry Bekaert LLP (CB) was the external auditor for Fairfax County and conducted the primary financial audits as well as the Single Audit, which is related to audits of federal programs administered by the Department of Housing and Community Development (HCD).

Pursuant to the Code of Virginia section 30-140, the FY 2024 FCRHA Financial Statements have been submitted to the Auditor of Public Accounts. In addition, the FY 2024 audited financial statements are submitted to all required third-parties.

FY 2024 FCRHA Financial Statements Audit Report

In FY 2024, the FCRHA received an Unmodified opinion as the FCRHA financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles (GAAP).

The auditors identified no material weaknesses or significant weaknesses related to internal controls over financial reporting, and no findings related to financial statements reported in accordance with *Government Auditing Standards*.

FY 2024 County of Fairfax Compliance Audit Pursuant to 2 CFR Part 200 and Government Auditing Standards (Single Audit Report)

In FY 2024, the Single Audit report reviewed two major HCD administered programs, namely, the Housing Voucher Cluster (14.871 and 14.879) and the Community Development Block Grant Entitlement Grant Cluster (CDBG) (14.218). The Single Audit received an Unmodified Opinion. The report included no findings for these HCD administered programs.

ENCLOSED DOCUMENTS:

FY 2024 FCRHA Financial Statements Annual Comprehensive Audit Report can be viewed online at <https://www.fairfaxcounty.gov/housing/data/financial-statements>.

FY 2024 County of Fairfax Compliance Reports (Single Audit Report) can be viewed online at: [Single Audit and Compliance Reports | Finance \(fairfaxcounty.gov\)](#).

FCRHA Agenda Item
December 12, 2024

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Erin Kozanecki, Director, Central Services, HCD

Betty Barnuevo, Financial Specialist IV, Central Services, HCD

Tingting Wong, Financial Specialist IV, Central Services, HCD

FCRHA Agenda Item
December 12, 2024

INFORMATION – 2

FY 2024 Tenant Accounts Receivable Write-offs

The Fairfax County Redevelopment and Housing Authority (FCRHA) approved a policy in 2016 that allows staff to write-off tenant accounts receivables that do not exceed \$40,000 and met the guidelines in Financial Policy Statement (FPS) 436 established by the Fairfax County Department of Finance. The policy follows the Code of Virginia as it relates to the statute of limitations on the collection of delinquent accounts. The following is an excerpt from FPS 436, Section E: Write-off Process of Uncollectible Non-Tax Accounts Receivable:

“As indicated in the Code of Virginia §8.01-246, the statute of limitations for pursuing collection of debt with signed contracts is five years beginning from the due date of the initial invoice, whether such contract is under seal or not. The statute of limitations for pursuing collection of debt with unwritten contract, express or implied, is three years from the due date of the initial invoice.”

Accordingly, bad debt write-off for FCRHA leases for rent payments will occur when these accounts are five years old. This period can be extended for 20 years if the debt has received a judgment by the courts, and for an additional 20-year period with additional judicial approval. All collection attempts end as soon as the account has reached the statute of limitations and are written off.

For Fiscal Year (FY) 2024 (July 1, 2023, through June 30, 2024), tenant accounts receivable write-offs totaled \$27,547 for four programs: Fairfax County Rental Program (\$2,588), Rental Assistance Demonstration-Project Based Voucher (\$22,046), Elderly Program (\$1,390) and Partnerships (\$1,523). The amounts vary year to year, the FY 2024 write-offs represent a \$1,649 reduction, or 5.6%, from FY 2023.

ENCLOSED DOCUMENTS:

None.

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Erin Kozanecki, Director, Central Services, HCD

Doris Ramos, Financial Specialist IV, Central Services, HCD

FCRHA Agenda Item
December 12, 2024

INFORMATION – 3

Fiscal Year 2023 Audited Financial Statements for Fairfax County Redevelopment and Housing Authority-Controlled Partnerships and Unit Owners Associations

This Item summarizes the external audit results for the twelve partnerships and two condominium unit owners' associations (UOAs) that are controlled, directly or indirectly, by the Fairfax County Redevelopment and Housing Authority (FCRHA) for Fiscal Year (FY) 2023 (January 1 to December 31, 2023).

The fiscal year for each partnership and UOA properties operate on a calendar year basis. Cohn Reznick was the external auditor for all partnerships and UOAs except for Tavenner Lane L.P. Dooley & Vicars served as current and historical external financial auditors for this property. Beginning with FY 2024, Cohn Reznick will perform all external financial auditors for the partnership and UOA properties.

FY 2023 Partnership Properties Audit Report

In FY 2023, all Partnerships and UAOs received an Unmodified opinion as the financial statements are presented fairly, in all material respects, in accordance with generally accepted accounting principles (GAAP).

The auditors identified no material weaknesses or significant weaknesses related to internal controls over financial reporting, and no findings related to financial statements reported in accordance with *Government Auditing Standards*.

FY 2023 Partnership Properties Compliance Audit Pursuant to 24 CFR Part 5, Subpart H, 24 CFR Part 202 and the Consolidated Audit Guide for Audits of HUD Programs

In FY 2023, the HUD Programs Compliance audit provided unmodified opinions on all applicable properties except Murraygate Village, LP and FCRHA Cedar Ridge, LP.

Murraygate Village LP: Qualified Opinion on two HUD programs: Section 8 rent subsidy and Section 221 (d)(4) mortgage insurance.

Finding No. 2023-1: Significant Deficiency, Material Non-Compliance. Ongoing Finding No. 2022-1.

Management's policies with respect to the eligibility and the maintenance of tenant lease files in accordance with HUD Handbook 4350.3, Occupancy Requirements of Subsidized Multifamily Housing Programs were not consistently followed.

Finding No. 2023-2: Significant Deficiency, Material Non-Compliance
Procedures were not in place to ensure that cash disbursements of project funds were limited to project operating costs.

FCRHA Agenda Item
October 19, 2023

Management response and planned corrective actions: The third-party management (TPM) companies have existing policies and procedures. The TPMs will ensure adequate training and understanding of site staff to ensure accuracy and implement additional review processes. FCRHA staff instituted additional monthly and bimonthly review processes to ensure compliance.

Cedar Ridge LP: Qualified Opinion on one HUD program: Section 8 rent subsidy.

Finding No. 2023-1: Significant Deficiency, Material Non-Compliance. Ongoing Finding No. 2022-1.

The project failed to follow the policies and procedures which have been established for proper tenant file maintenance and determining tenant eligibility in accordance with HUD guidelines.

Finding No. 2023-2: Significant Deficiency, Material Non-Compliance
The tenant security deposits liability exceeds the tenant security deposits cash account by \$6,565 as of December 31, 2023.

Management response and planned corrective actions: The third-party management (TPM) companies have existing policies and procedures. The TPMs will ensure adequate training and understanding of site staff to ensure accuracy and implement additional review processes. FCRHA staff instituted additional monthly and bimonthly review processes to ensure compliance.

STAFF:

Thomas Fleetwood, Director, Department of Housing and Community Development (HCD)

Amy Ginger, Deputy Director, Operations, HCD

Erin Kozanecki, Director, Central Services, HCD

Michelle Chen, Financial Specialist IV, Central Services, HCD

Tingting Wong, Financial Specialist IV, Central Services, HCD