DATE: OCTOBER 22, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER

SUBJECT: PROPOSED RESOLUTION REQUESTING THE RECENTLY APPOINTED REGULATOR FOR FANNIE MAE AND FREDDIE MAC TO MAINTAIN A CHARITABLE GIVING PROGRAM AS PART OF ANY FUTURE RESTRUCTURING OF THESE ORGANIZATIONS

ISSUE: Consideration of a proposed resolution requesting Fannie Mae and Freddie Mac to maintain a charitable giving program as part of any future restructuring of these organizations.

RECOMMENDATION: That City Council:

(1) Adopt the attached resolution joining the efforts of the Metropolitan Washington Council of Governments (COG); and

(2) Submit copies of the resolution to the Federal Housing Agency, the National Capital Region Congressional delegation; relevant Congressional committees, and the Board Chairs of Fannie Mae and Freddie Mac.

DISCUSSION: Several Council members have asked that staff docket the attached resolution for City Council consideration. In September 2008, federal regulators placed Fannie Mae and Freddie Mac into conservatorship, and a restructuring of these organizations has been initiated in an effort to stabilize the national housing market. The Human Service Committee of the Metropolitan Washington Council of Government, at its September 25, 2008 meeting endorsed a related resolution, and encouraged the membership to adopt a similar position for communication to the recently appointed Fannie Mae and Freddie Mac federal regulator and Members of Congress.

Fannie Mae and Freddie Mac foundations have for more than a decade invested significantly in the programs and services of several of the City's nonprofit agencies. These agencies, many that are also Alexandria Fund for Human Services grant recipients, have worked in partnership with the City to address unmet needs not just limited to the areas of early childhood development, healthy birth outcomes, preventive health care, homelessness and teen pregnancy prevention. The City of Alexandria is aware of at least 10 local nonprofit agencies that currently have grant
requests pending with Fannie Mae and Freddie Mac. The amount of these requests total more than $900,000. The Alexandria Council of Human Service Organizations is also hosting a brown bag discussion on October 28, 2008 to strategize ways to ameliorate local impacts.

**ATTACHMENT:** Proposed Resolution

**STAFF:**
Debra R. Collins, Assistant City Manager for Community and Human Services
Deborah Brown Anderson, Director, Out of School Time, Community Programs/Department of Human Services
WHEREAS, Fannie Mae and Freddie Mac are two of the largest business organizations in the National Capital Region, employing thousands of workers and contributing to the overall vitality of the area economy; and

WHEREAS, Fannie Mae and Freddie Mac are among the top two charitable givers in this region, and have specifically donated approximately $900,000 to City of Alexandria non-profits in 2007 and directly or indirectly assisted thousands of at-risk families and individuals; and

WHEREAS, federal regulators placed both Fannie Mae and Freddie Mac into conservatorship in September 2008 to restructure the organizations and stabilize the housing finance markets; and

WHEREAS, the Federal Housing Finance Agency is the lead regulator during the period of conservatorship and it has pledged to review the charitable efforts of Fannie Mae and Freddie Mac as part of its oversight responsibilities; and

WHEREAS, the City of Alexandria, Virginia recognizes and values the programs and services of its nonprofit partners, and through the Alexandria Fund for Human Services also invests local dollars in their work; and

WHEREAS, given the very difficult financial conditions facing the National Capital Region at present and in the foreseeable future, it is unlikely that area local governments or other businesses or foundations would be able to quickly make up the difference in philanthropy, should Fannie Mae and Freddie Mac cease their charitable support of area non-profits and vulnerable families; and

WHEREAS, at its September 25, 2008 meeting, the Human Services Policy Committee agreed to ask the Washington Metropolitan Council of Government (COG) Board to endorse a resolution supporting continued charitable giving by Fannie Mae and Freddie Mac; and

WHEREAS, COG has encouraged local elected officials to adopt similar positions or statements for communication to federal regulators and Members of Congress; and

NOW, THEREFORE, BE IT RESOLVED THAT THE ALEXANDRIA CITY COUNCIL:

1. Recognizes the critical role that local nonprofits play in meeting human service
needs of the City’s most vulnerable populations; and asks federal regulators to maintain a charitable giving program as part of any restructuring of the business operations of Fannie Mae and Freddie Mac.

2. Copies of this resolution shall be transmitted to the Federal Housing Finance Agency, the National Capital Region Congressional Delegation, relevant Congressional Committees, and the Board Chairs of Fannie Mae and Freddie Mac.

ADOPTED: ____________________

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William D. Euille, Mayor

ATTEST:

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Jacqueline M. Henderson, CMC City Clerk
WHEREAS, Fannie Mae and Freddie Mac are two of the largest business organizations in the National Capital Region, employing thousands of workers and contributing to the overall vitality of the area economy; and

WHEREAS, Fannie Mae and Freddie Mac are among the top two charitable givers in this region, and have specifically donated approximately $700,000 to City of Alexandria non-profits in 2007 and directly or indirectly assisted thousands of at-risk families and individuals; and

WHEREAS, federal regulators placed both Fannie Mae and Freddie Mac into conservatorship in September 2008 to restructure the organizations and stabilize the housing finance markets; and

WHEREAS, the Federal Housing Finance Agency is the lead regulator during the period of conservatorship and it has pledged to review the charitable efforts of Fannie Mae and Freddie Mac as part of its oversight responsibilities; and

WHEREAS, the City of Alexandria, Virginia recognizes and values the programs and services of its nonprofit partners, and through the Alexandria Fund for Human Services also invests local dollars in their work; and

WHEREAS, given the very difficult financial conditions facing the National Capital Region at present and in the foreseeable future, it is unlikely that area local governments or other businesses or foundations would be able to quickly make up the difference in philanthropy, should Fannie Mae and Freddie Mac cease their charitable support of area non-profits and vulnerable families; and

WHEREAS, at its September 25, 2008 meeting, the Human Services Policy Committee agreed to ask the Washington Metropolitan Council of Government (COG) Board to endorse a resolution, supporting the continued charitable giving of Fannie Mae and Freddie Mac, which was passed at the Board’s October meeting; and

WHEREAS, COG has encouraged local elected officials to adopt similar positions or statements for communication to federal regulators and Members of Congress;

NOW, THEREFORE, BE IT RESOLVED THAT THE ALEXANDRIA CITY COUNCIL:

1. Recognizes the critical role that local nonprofits play in meeting human service needs of the City’s most vulnerable populations; and asks federal regulators to maintain a charitable giving program as part of any restructuring of the business operations of Fannie Mae and Freddie Mac.

2. Copies of this resolution shall be transmitted to the Federal Housing Finance Agency, the National Capital Region Congressional Delegation, relevant Congressional Committees, and the Board Chairs of Fannie Mae and Freddie Mac.

ADOPTED: October 28, 2008

WILLIAM D. EUILLE

MAYOR

Jacqueline M. Henderson, CMC City Clerk
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cc: delpepper@aol.com, paulcsmedberg@aol.com,

Please respond to: Micheline Eyraud
<michye00@hotmail.com>

Subject: COA Contact Us: Proposal to Petition Fannie Mae

I am appalled that the City would even consider asking Fannie Mae and
Freddie Mac to maintain their charitable giving. Does anyone on the
Council have even the slightest idea about what is happening in this
country?? In case you hadn't heard, the American taxpayer is having to
foot the bill to keep Fannie and Freddie alive so that our economy doesn't
totally crash and you as a board are concerned that you will not be able to
have some of your pet projects funded. 3-4 years ago you should have
prepared for the eventuality that prices would go down and there would be
some problem that would preclude you from spending every single cent in
revenues. But you choose to spend lavishly by adding all kinds of new
programs that really didn't mean much. I would like to see you exert some
leadership by taking the needs of the Alexandria taxpayer seriously by
cutting spending drastically -- remember, the only thing we really need are
police, fire, and other essential services. Somehow we are going to have
to live without that Senior Issues Consultant that was reluctantly cut from
the budget (as if the 142K we saved really makes a big difference, even with the $8M shortfall that was originally projected).