

*City of Alexandria, Virginia***MEMORANDUM**

DATE: OCTOBER 22, 2008

TO: THE HONORABLE MAYOR AND MEMBERS OF CITY COUNCIL

FROM: JAMES K. HARTMANN, CITY MANAGER *Y*

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

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**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

**DRAFT**  
**Resolution No. \_\_\_\_\_**

**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:** \_\_\_\_\_

\_\_\_\_\_  
William D. Euille, Mayor

**ATTEST:**

\_\_\_\_\_  
Jacqueline M. Henderson, CMC City Clerk

RESOLUTION NO. 2300

**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

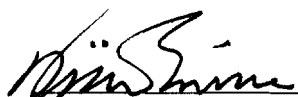
**WHEREAS**, at its September 25, 2008 meeting, the Human Services Policy Committee agreed to ask the Washington Metropolitan Council of Government (COG) Board to endorse a resolution, supporting the continued charitable giving of Fannie Mae and Freddie Mac, which was passed at the Board's October meeting;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



Micheline Eyraud  
<michye00@hotmail.com>

10/23/2008 07:49 AM

Please respond to  
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<michye00@hotmail.com>

To william.euille@alexandriava.gov, timothylovain@aol.com,  
councilmangaines@aol.com, council@krupicka.com,  
delpepper@aol.com, paulcsmedberg@aol.com,

cc

bcc

Subject COA Contact Us: Proposal to Petition Fannie Mae

19  
10-28-08

Time: [Thu Oct 23, 2008 07:49:45] IP Address: [20.137.18.51]

**Issue Type:** Mayor, Vice Mayor, and Council Members

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**Subject:** 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).