

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE
HELD ON DECEMBER 3, 2014

Pursuant to the call of the Vice Chairman and notice duly given, the meeting of the Executive Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on December 3, 2014 at the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMITTEE MEMBERS PRESENT:

Timothy M. Chapman, Vice Chairman
Sarah Stedfast

COMMITTEE MEMBERS ABSENT:

Kermit E. Hale, Chairman
Douglas R. Fahl

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Paul M. Brennan, General Counsel
James M. Chandler, Director of Low Income Housing Tax Credit Programs

Vice Chairman Chapman called the meeting of the Committee to order at approximately 8:36 a.m. on December 3, 2014. All of the members of the Committee listed above as present at the meeting were present at that time and remained present throughout the meeting.

The minutes of the meeting of the Committee held on September 30, 2014 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Mr. Chandler presented a report on two applications for low-income housing tax credits from the non-competitive disability pool.

The Commissioners and staff reviewed and discussed the agendas for the meetings of the Committee of the Whole and the Board of Commissioners. Ms. Dewey reviewed the changes to the routine reports that would be present at each Board meeting.

There being no further business, the meeting was adjourned at approximately 9:15 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON DECEMBER 3, 2014

Pursuant to the call of the Vice Chairman and notice duly given, the meeting of the Committee of the Whole and the regular meeting of the Commissioners of the Virginia Housing Development Authority (the “Authority”) were held on December 3, 2014 at the Authority’s offices at the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMISSIONERS PRESENT:

Timothy M. Chapman, Vice Chairman
William C. Shelton
Charles McConnell
H. Richard Ashe
James Hyland
Sarah Stedfast

COMMISSIONERS ABSENT:

Kermit E. Hale, Chairman
Manju Ganeriwala
Marjorie N. Leon
Douglas R. Fahl
Lemella Y. Carrington

OTHERS PRESENT:

Susan F. Dewey, Executive Director
J. Judson McKellar, Jr., General Deputy
Arthur N. Bowen, Managing Director of Rental Housing
Janet Wiglesworth, Managing Director of Homeownership
J. Michael Hawkins, Managing Director of Community Outreach
Paul M. Brennan, General Counsel
Patrick J. Carey, Managing Director of Finance
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale, Chief Learning Officer
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Research
Llewellyn C. Anderson, Managing Director of Executive Services
Patrick Gluesing, Managing Director of Information Technology Services/Chief
Innovation Officer
Julie Camus, Managing Director of Internal Audit and Enterprise Risk Management
Dale Wittie, Director of Rental Housing
Michele G. Watson, Director of Homeownership Programs
Pamela Holmes, Director of Single Family Servicing
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Melody S. Barackman, Controller
Ron Reger, Risk Manager

Ross Strodel, Internal Audit Manager
Marco Howard, Desktop Support Analyst
Jason Thompson, Organizational Health Reporting and Risk Analyst

Vice Chairman Chapman called the meeting of the Committee of the Whole to order at 9:31 a.m. on December 3, 2014. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Hyland who joined the meeting in progress as noted below and thereafter remained present during the meeting.

Mr. Carey and Ms. Barackman presented the revised report on the Authority's monthly financials and budget comparisons that will be discussed in future meetings of the Audit and Finance Committee. Commissioner Hyland joined the meeting during this presentation.

Ms. Wiglesworth, Mr. Bowen and Mr. Hawkins presented the new format for the program reports that will be discussed in future meetings of the Operations Committee and that will emphasize trends in the items addressed in the report.

Mr. Chandler presented a report from the staff on two developments that applied for federal low-income housing tax credits from the Non-Competitive Disability Pool. The consensus of the Committee was that the staff proceed with reservations of credits for Freedom Lane in Wytheville and Carlton Views I in Charlottesville as recommended by staff.

Mr. Brennan presented a resolution to adopt the final Rules and Regulations for Qualified Mortgage Credit Certificate Programs. Mr. Brennan noted that no public comments were submitted on the rules and regulations as proposed. A motion to recommend approval of the resolution entitled "Resolution Adopting Rules and Regulations for Qualified Mortgage Credit Certificate Programs of the Virginia Housing Development Authority" dated December 3, 2014 was duly made and seconded and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting. Mr. Brennan then presented a resolution to use \$620,540,376 of the Authority's private activity bond authority for a mortgage credit certificate program. A motion to recommend approval of the resolution entitled "Mortgage Credit Certificate Program Resolution" dated December 3, 2014 was duly made and seconded and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Hawkins presented a resolution to transfer budget authority and the corresponding housing choice vouchers from the Authority to Franklin Redevelopment and Housing Authority and Suffolk Redevelopment and Housing Authority. Mr. Hawkins advised the Commissioners that the transfer is necessary because Isle of Wight County, the local administrator for these vouchers, will cease its administration of the voucher program on July 1, 2015. A motion to recommend approval of the "Resolution Regarding Approval of Budget Authority and Corresponding Baseline Units from Virginia Housing Development Authority to Franklin Redevelopment and Housing Authority and Suffolk Redevelopment and Housing Authority" dated December 3, 2014

was duly made and seconded and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Ms. Camus presented a report in which she discussed the objectives of the audit and risk strategy of the Authority, including a shift from a calendar based audit schedule to a risk-based audit schedule and a change to auditing processes rather than individual departments within the Authority, and reviewed the working structure of the Audit and Risk Division.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the success of the Governor's Housing Conference held on October 29-31, 2014; the initial efforts in forming a state housing policy pursuant to the Governor's Executive Order 32; the next steps for serving the intellectually and developmentally disabled populations pursuant to the Department of Justice settlement with the state; the Authority's 100% score on HUD's Section 8 Management Assessment Program; the next meeting of the Board to be held on February 3-4, 2015; the Board Retreat to be held in Fredericksburg on April 12-14, 2015 that will focus on REACH; the planning timeline for the stakeholder engagement series; the staff's contributions to the CVC campaign; a reminder that Conflict of Interest forms are due December 15, 2014; and the filing of a fair housing lawsuit against the developer of a property financed by the Authority.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 11:09 a.m. on December 3, 2014.

Vice Chairman Chapman called the regular meeting of the Board of Commissioners to order at approximately 11:21 a.m. on December 3, 2014. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

No members of the public requested an opportunity to make any comments during the public comment period of the meeting.

The minutes of the Committee of the Whole and the regular meeting of the Commissioners held on September 30 and October 1, 2014 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

On motion duly made and seconded, the resolution entitled "Resolution Establishing Meeting Dates of the Board of Commissioners from July 1, 2015 through December 31, 2015" dated December 3, 2014, in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Vice Chairman Chapman, on behalf of the Executive Committee, reported that the Committee had reviewed the agendas for the meetings of the Committee Of the Whole and the Board.

Vice Chairman Chapman, on behalf of the Committee of the Whole, reported that the Committee had discussed a presentation on the new formats for the routine financial

and program reports by staff. Vice Chairman Chapman reported that the Committee discussed staff's recommendation to reserve low-income housing tax credits to two developments in the Non-Competitive Disability Pool and that the consensus of the Committee was for staff to proceed with reservations of credits to both developments. Vice Chairman Chapman reported that the Committee discussed, and had recommended approval of, a resolution to approve the rules and regulations for the mortgage credit certificate program. On motion duly made and seconded, the resolution entitled "Resolution Adopting Rules and Regulations for Qualified Mortgage Credit Certificate Programs of the Virginia Housing Development Authority" dated December 3, 2014 in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Vice Chairman Chapman reported that the Committee had reviewed, and had recommended approval of, a resolution to use \$620,540,376 of the Authority's private activity bond authority for a mortgage credit certificate program. On motion duly made and seconded, the resolution entitled "Mortgage Credit Certificate Program Resolution" dated December 3, 2014, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Vice Chairman Chapman reported that the Committee had reviewed, and had recommended approval of, a resolution to transfer budget authority and the corresponding housing choice vouchers from the Authority to Franklin Redevelopment and Housing Authority and Suffolk Redevelopment and Housing Authority. On a motion duly made and seconded, the resolution entitled "Resolution Regarding Approval of Budget Authority and Corresponding Baseline Units from Virginia Housing Development Authority to Franklin Redevelopment and Housing Authority and Suffolk Redevelopment and Housing Authority" dated December 3, 2014, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Vice Chairman Chapman reported that the Committee had received and discussed a staff report on the Authority's audit and risk strategy.

Commissioner Shelton reported on recent activities of the Department of Housing and Community Development, including the following: (i) work of the Department, in partnership with the Authority, on the Governor's challenge to end veteran homelessness; (ii) work of the Department, in partnership with the Authority, on coordinating efforts to serve the intellectually and developmentally disabled populations; and (iii) the Department's application for federal funds for disaster readiness, which will focus on flooding in the Hampton Roads area.

Commissioner Stedfast and Vice Chairman Chapman briefed the Board on key issues discussed at NCSHA's annual conference.

There being no further business, the meeting was adjourned at approximately 11:47 a.m. on December 3, 2014.

Kermit E. Hale, Chairman

Paul M. Brennan
Assistant Secretary