

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON NOVEMBER 29, 2006

Pursuant to the call of the Chairman and notice duly given, the regular meeting of the Commissioners of the Virginia Housing Development Authority (the "Authority") was held on November 29, 2006 at Townebank, 109 East Main Street, Norfolk, Virginia.

COMMISSIONERS PRESENT:

John P. McCann, Chairman
Yvonne T. Allmond
Nancy K. O'Brien
Edward L. McCoy
Charles McConnell
William C. Shelton
J. Braxton Powell

COMMISSIONERS ABSENT:

Jay Fisette, Vice Chairman
Douglas R. Fahl
Gerald W. Hopkins
Terri M. Ceaser

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Arthur N. Bowen, Managing Director of Finance and Administration
Russ E. Wyatt, General Auditor
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
Barbara Blankenship, Managing Director of Human Resources
Tammy N. Taylor, Managing Director of Organizational Development and Learning
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
J. Michael Hawkins, Director of Community Housing
Melody S. Barackman, Controller
Llewellyn C. Anderson, Strategic Planner
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Brian Matt, Public Relations Manager

Chairman McCann called the regular meeting of the Board of Commissioners to order at approximately 1:02 p.m. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner McCoy who joined the Committee meeting in progress as noted below and thereafter remained present.

On motion duly made and seconded, the minutes of the meeting of the Committee of the Whole and the regular meeting of the Commissioners held on September 26 and 27, 2006 and the minutes of the special meeting of the Commissioners held on October 31, 2006 were approved by the affirmative vote of each of the Commissioners then present at the meeting.

Mr. Bowen presented a report on the terms of a proposed \$150 million revolving credit facility to be provided to the Authority by the Bank of Nova Scotia, New York Agency. On motion duly made and seconded, the resolution entitled "Resolution Authorizing Revolving Credit Agreement" dated November 29, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners then present at the meeting.

Mr. Bowen and Ms. Barackman reported on the Authority's operating statement and balance sheet for the period ended September 30, 2006.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multifamily loan servicing portfolios. Mr. Dolce also presented an update on the Housing Choice Voucher Program in which he noted that leasing was at 100%. Mr. Dolce also reported that 99 of the housing choice vouchers for victims of Hurricane Katrina had been used for leases and that 20 households with housing choice vouchers were in the process of locating housing units.

Mr. Ritenour presented a report on homeownership loan production in which he noted the following: homeownership loan production was on target for meeting the Authority's annual production goal; loans to minorities had increased by three percentage points; the average sales price had increased by 4%; because of concerns about establishing fair market values of properties under current market conditions, refinancings will not be allowed under the taxable bond financed interest only pilot program; and \$23 million in unused SPARC funds had been reallocated. Mr. Ritenour next reported on multi-family loan production and advised the Commissioners that future Board Approval Requests would be distributed to the Commissioners electronically by e-mail. Mr. Ritenour presented reports on the Authority's outreach efforts to African Americans and Hispanics, and Mr. Hawkins reported on the recent activities of the REACH Team, including the "Wealth Starts at Home" initiative to educate students at historically black colleges and universities about homeownership and its role in building wealth. At this point, Commissioner McCoy joined the meeting.

Ms. Dewey's presented her report on operations in which she advised the Commissioners of the following matters: possible legislation that may be introduced in the 2007 Session of the General Assembly relating to local governmental review of multi-family developments financed or assisted by the Authority; the receipt by the Authority of the Best in Virginia Award from the International Association of Business Communicators for the Authority's marketing materials for the 2nd Street Festival in Richmond; the NCSHA Legislative Conference to be held in Washington, D.C., on March

5-7, 2007; and the Board Retreat to be held in Blacksburg on March 18-20, 2007. Following this report, Commissioner Shelton reviewed the agenda for the Governor's Housing Conference.

There being no further business, the meeting was adjourned at approximately 1:58 p.m.

Following the meeting, the Commissioners took a bus tour of the South Norfolk Revitalization Area conducted by the staff. This tour concluded at approximately 4:30 p.m.

John P. McCann, Chairman

J. Judson McKellar, Jr.
Assistant Secretary