

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE ANNUAL MEETING OF THE COMMISSIONERS
HELD ON AUGUST 7 AND 8, 2012

Pursuant to the call of the Vice Chairman and notice duly given, the meeting of the Committee of the Whole and the annual meeting of the Commissioners of the Virginia Housing Development Authority (the “Authority”) were held on August 7 and 8, 2012 at the Authority’s offices at 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Yvonne T. Allmond, Chairman
Kermit E. Hale, Vice Chairman
William C. Shelton
Manju Ganeriwala
Marjorie N. Leon
Jacqueline T. Black
Timothy M. Chapman
Charles L. Krum, Jr.
Douglas R. Fahl
H. Richard Ashe

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 Program Administration
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale, Chief Learning Officer
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
Russ E. Wyatt, General Auditor
Janet Wiglesworth, Managing Director of Information Technology Services
J. Judson McKellar, Jr., Managing Director of Legal and Finance
Paul M. Brennan, General Counsel
John F. Hastings, Director of Multi-Family Development Programs
Michele G. Watson, Director of Homeownership Programs
Ronald A. Reger, Enterprise Risk Manager
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Patrick J. Carey, Finance Director
Melody S. Barackman, Controller
Llewellyn C. Anderson, Director of Executive Services
Dale Wittie, Senior Tax Credit Allocation Officer
J. Michael Hawkins, Director of Community Housing
Michael Stoneman, Multi-Family Owned Property Portfolio Manager
Brooke Scott, Digital Media Specialist
Richard Taylor, Government Affairs Liaison
Shelia Phillips, Assistant Director of Project Management

Robert Halloran, Marketing Director
Scott Widener, Smart Resources
Blair Kinser, Novogradac & Company, LLC

Vice Chairman Allmond called the meeting of the Committee of the Whole to order at 2:08 p.m. on August 7, 2012. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Black who joined the meeting in progress as noted below and thereafter remained present during the meeting. Vice Chairman Allmond introduced Commissioners Fahl and Ashe who had been recently appointed to the Board of Commissioners.

Ms. Dewey reviewed the changes in the Authority's organizational structure and staffing that had been implemented since July 1, 2012.

Ms. Wiglesworth and Mr. Widener presented training on the use of the Board Papers application that will provide electronic access to the materials for the Board meetings.

Ms. Dewey reported on proposed renovations of the Authority's headquarters building, including replacement of carpet, partitions and wiring, which are expected to be completed during the next two years. Ms. Dewey advised the Commissioners that \$800,000 is expected to be expended for the renovations in fiscal year 2013 and noted that such amount had not been included in the Authority's Fiscal Year 2013 Operating Budget. Ms. Dewey further explained that additional funding to complete the renovations would be included in the Authority's Fiscal Year 2014 Operating Budget.

Mr. Kinser presented a report on the preliminary findings of Novogradac & Company LLC on per unit costs of market-rate developments and low-income housing tax credit developments in Virginia that are to be considered in the preparation of cost containment provisions in the Authority's 2014 Qualified Allocation Plan for the federal low-income housing tax credit program. In this report, Mr. Kinser discussed with the Commissioners the per unit costs for new construction and rehabilitation developments by region, type of construction, and building type and the trends in those costs. During this report, Commissioner Black joined the meeting.

Mr. Chandler reported on the proposed changes to the Qualified Allocation Plan for the federal low-income housing tax credits for calendar year 2013 and discussed with the Commissioners the staff recommendation that federal low-income housing tax credits for calendar year 2013 be reserved for the development known as Hatcher Tobacco Flatts.

Ms. Dewey presented a report on the Authority's organizational performance for fiscal year 2012 in which she reviewed the accomplishments by the Authority in achieving the following goals and outcomes in the Authority's strategic plan: single family and multi-family loan production and strategic lending; single family minority lending; homeownership lending risk; rental program risk management; use of the Authority's federal low-income housing tax credit allocation; deep subsidy underwriting

risks; implementation of the REACH allocation plan; administration of the Housing Choice Voucher Program; initiation of the State Housing Policy; support of the state foreclosure initiatives; update of the housing needs assessment; maintenance of the bond ratings; development of capital acquisition strategies; implementation of single family loss mitigation strategies; multi-family portfolio risk management; regulatory compliance; implementation of the Lawson Enterprise Resource Planning System; modifications to the business model; and human resources utilization.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 5:58 p.m. on August 7, 2012.

Vice Chairman Allmond called the annual meeting of the Board of Commissioners to order at approximately 11:05 a.m. on August 8, 2012. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

Ms. Dewey reported that the Committee at its June meeting had recommended the nomination of Commissioner Allmond for Chairman and Commissioner Hale for Vice Chairman. Vice Chairman Allmond then relinquished the chair to Ms. Dewey for the purpose of electing the Chairman of the Board. Ms. Dewey declared the floor open for nominations for Chairman. Commissioner Leon nominated Commissioner Allmond, and Commissioner Fahl seconded the nomination. There being no further nominations, the floor was closed. Commissioner Allmond was elected Chairman by the affirmative vote of each of the Commissioners noted above as present at the meeting. Chairman Allmond then assumed the chair and declared the floor open for nominations for Vice Chairman. Commissioner Leon nominated Commissioner Hale, and Commissioner Chapman seconded the nomination. There being no further nominations, the floor was closed. Commissioner Hale was elected Vice Chairman by the affirmative vote of each of the Commissioners noted above as present at 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 June 6, 2012 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 resolutions entitled “Resolution in Recognition and Appreciation of Gerald W. Hopkins,” “Resolution in Recognition and Appreciation of Charles McConnell,” “Resolution in Recognition and Appreciation of Nancy K. O’Brien” dated August 8, 2012, in the forms attached hereto 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 January 1, 2013 through June 30, 2013” dated August 8, 2012, in the form attached hereto was 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-Appointment of Assistant Secretary” dated August 8, 2012 in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Chairman Allmond, on behalf of the Committee of the Whole, reported that the Committee had received a report on the proposed renovations to the Authority’s headquarters building, including the replacement of carpet, partitions and wiring. On motion duly made and seconded, a resolution to authorize the staff to take any and all action necessary or appropriate to complete the proposed renovations, including the expenditure of an estimated \$800,000 in fiscal year 2013 for such renovations, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Allmond next summarized the presentations to the Committee on the following matters: the report on the preliminary findings of Novogradac & Company LLC on per unit costs of market-rate developments and low-income tax credit developments; the staff report on the proposed changes to the Qualified Allocation Plan for the federal low-income housing tax credits for calendar year 2013; the staff recommendation that federal low-income housing tax credits for calendar year 2013 be reserved for the development known as Hatcher Tobacco Flatts; and the report on the Authority’s organizational performance for fiscal year 2012.

Commissioner Leon, on behalf of the Programs Committee, reported that the Committee had received and discussed a staff report summarizing proposed changes to the Qualified Allocation Plan for the federal low-income housing tax credits for calendar year 2013 and had approved a resolution to recommend that the staff be authorized to proceed with the public forum and hearing to receive comments on the proposed changes. On motion duly made and seconded, the recommendation of the Committee was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Leon reported that the Committee had reviewed, and had recommended approval of, a resolution to approve and ratify the reservations of the federal low-income housing tax credits. On motion duly made and seconded, the resolution entitled “Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits” dated August 8, 2012, in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Leon reported that the Committee had approved a resolution to recommend that federal low-income housing tax credits for calendar year 2013 be reserved for the development known as Hatcher Tobacco Flatts. On motion duly made and seconded, the recommendation of the Committee was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Leon summarized the staff reports that had been received and considered by the Committee on the homeownership and multi-family loan delinquencies. Commissioner Leon reported that the Committee had received and discussed a staff report on the certification for the Section 8 Management Assessment Program, referred to as SEMAP, relating to the Housing Choice Voucher Program and recommended approval of a resolution to approve the SEMAP certification and its execution by the Chairman and Executive Director. On motion duly made and seconded, the resolution entitled “Resolution Approving Housing Choice Voucher Section 8 Management Assessment

Program Certification” dated August 8, 2012 in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Leon summarized the staff reports that had been received and considered by the Committee on the following matters: the administration of the Housing Choice Voucher Program; the volume of telephone calls received in the Authority’s Contact Center; the single family loan production; the new single family Fannie Mae program offered by the Authority; the enrollment in the Authority’s homeownership education courses; the multi-family loan production; the status of the disposition of multi-family developments owned by the Authority; the Authority’s minority outreach efforts; and the Authority’s marketing activities.

Commissioner Chapman, on behalf of the Audit Committee, reported that the Committee had received a presentation from KPMG on the status of its audit of the Authority’s financial statements for fiscal year 2012. Commissioner Chapman summarized the reports received and considered by the Committee on the Authority’s monthly financials and budget comparisons for the period ended June 30, 2012 and the status of the following: the internal audit schedule, reports and recommendations; the annual risk and control self-assessments; the audit assurance activities; and the 5-year audit cycle.

Commissioner Chapman, on behalf of the Operations Committee, summarized the staff reports that had been received and considered by the Committee on the salient features of the Authority’s proposed Rental Housing Bonds, 2012 Series D-AMT and 2012 Series E-Taxable, the recent activities sponsored by the Organizational Development and Learning Division, and the status of the Project Management Office’s portfolio of projects.

Chairman Allmond, on behalf of the Executive Committee, reported that the Committee had discussed the compensation of the Executive Director that was to be considered later in the meeting.

Commissioner Shelton reported on recent activities of the Department of Housing and Community Development, including the following: the forums being held in the Commonwealth to receive input on proposed uses of the funds appropriated for the Virginia Housing Trust Fund in fiscal year 2014; the status of the Department’s application with HUD to serve as the Performance Based Contract Administrator for the Commonwealth; the status of the Department’s consideration of changes to the state-wide building code to promote energy conservation and green building; and the format and agenda for the Governor’s Housing Conference to be held on November 14-16, 2012.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the Governor’s Housing Conference to be held on November 14-16, 2012; the NCSHA Annual Conference to be held on October 20-23, 2012; the submission of the Authority’s 12 entries for NCSHA awards that were prepared by the participants in the Authority’s Leadership Development Program; the retreat meeting of the Board to be held on April 7-9, 2013; the meeting of the Board on October 2-3, 2012 that will include a celebration of the Authority’s 40th anniversary with former Commissioners; and the meeting of the Board to be held on December 4-5, 2012.

Following this report, Ms. Dewey introduced Ms. Scott, the Authority's new Digital Media Specialist, to the Commissioners.

On motion duly made and seconded, a resolution that the Committee convene in closed session (1) to consult with the Authority's legal counsel and to receive briefings by staff members pertaining to the litigation filed by a former employee against the Authority and certain of its employees, it being determined that such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of the Authority, and to consult with legal counsel regarding related legal matters requiring the provision of legal advice by such counsel in accordance with Section 2.2-3711.A.7 of the Code of Virginia and (2) to discuss and consider the performance and compensation of Ms. Dewey in accordance with Section 2.2-3711.A.1 of the Code of Virginia and further that Mr. Judson McKellar and Ms. Barbara Blankenship, who are deemed necessary to be present or will reasonably aid the Board of Commissioners in its consideration of the aforesaid topics, be present during the closed session was approved by the affirmative vote of the Commissioners noted above as present at the meeting. At the conclusion of the closed meeting, the Commissioners reconvened in an open meeting. Each Commissioner certified, by roll call vote, that to the best of his or her knowledge, only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Commissioners. On motion duly made and seconded, a resolution to approve the Good Faith Determination dated August 8, 2012 in the form attached hereto was approved by the affirmative vote of the Commissioners noted above as present at the meeting. On motion duly made and seconded, a motion to approve the recommendation of the Executive Committee for the compensation of the Executive Director was approved by the affirmative vote of the Commissioners noted above as present at the meeting.

There being no further business, the meeting was adjourned at approximately 12:25 p.m.

Yvonne T. Allmond, Chairman

Paul M. Brennan
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON AUGUST 8, 2012

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Programs Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on August 8, 2012 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Marjorie N. Leon, Chairman
William C. Shelton
Kermit E. Hale
H. Richard Ashe
Douglas R. Fahl

OTHER COMMISSIONERS PRESENT:

Yvonne T. Allmond
Jacqueline T. Black
Timothy Chapman
Manju Ganeriwala
Charles L. Krum, Jr.

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Thomas A. Dolce, Managing Director of Servicing and Compliance
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., Managing Director of Legal and Finance
Arthur N. Bowen, Managing Director of Program Administration
Russ E. Wyatt, General Auditor
Janet Wigglesworth, Managing Director of Information Technology Services
Tammy Neale, Chief Learning Officer
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
J. Michael Hawkins, Director of Community Housing
Llewellyn Anderson, Director of Executive Services
Barry Merchant, Senior Policy Analyst
Paul Brennan, General Counsel
Dale Wittie, Senior Tax Credit Allocation Officer
Ron Reger, Enterprise Risk Manager
Mike Stoneman, Multifamily Owned Property Portfolio Manager
Robert Halloran, Marketing Director
Barbara Blankenship, Managing Director of Human Resources
Jeb Hoge, Technical Writer
Paul Prousalis, Desktop Support Analyst
Ann Bolen, Senior Development Officer

Scott Widener, Smart Resources
Ronald Hunt, Genesis Properties
Alex Olsen, Genesis Properties
Saundra Hirth, Kaufman and Canoles

The meeting of the Programs Committee was called to order by Chairman Leon at approximately 9:05 a.m. All of the members of the Committee listed above as being 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.

Mr. Chandler reported to the Commissioners that Hatcher Tobacco Flatts development was removed from the penalty list and meets the qualifications to receive a reservation of credits in the 2012 Low Income Housing Tax Credit Tier 1 pool. Mr. Chandler recommended that Hatcher Tobacco Flatts development receive a reservation of 2013 tax credits in the amount of \$1,220,752. Commissioner Hale moved that the Committee recommend that federal low-income housing tax credits for calendar year 2013 be reserved for the development known as Hatcher Tobacco Flatts in the amount of \$1,220,752. This motion was seconded by Commissioner Ashe and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Chandler presented a report on nine proposed changes to the Authority's Qualified Allocation Plan for the federal low-income housing tax credits and advised the Commissioners that the staff recommended the following nine changes: (i) delete the VHDA Certified Property Management company point category and make this a minimum requirement for all developments applying for tax credits; (ii) delete the unit size point category; (iii) delete the geothermal heat pump category; (iv) delete the solar electric system point category; (v) revise wording to clarify when penalties for noncompliance will be imposed; (vi) increase points for the credit-per-unit calculation to 200 points; (vii) increase points for the cost-per-unit calculation to 100 points and include negative points in the calculation; (viii) delete the QCT/Revitalization credit adjustment in the credit-per-unit calculation; and (ix) change the minimum threshold score for all applications to 450 points. Following a brief discussion, Commissioner Hale moved that the staff proceed with the public forum and hearing to receive comments on the proposed changes to the Authority's Qualified Allocation Plan, as recommended by the staff. This motion was seconded by Commissioner Chapman and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Chandler presented a resolution to approve and ratify the reservations of the federal low-income housing tax credits. Commissioner Shelton moved that the Committee recommend approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated August 8, 2012. This motion was seconded by Commissioner Fahl and was approved by the affirmative vote of each of the members of the Committee then present at the meeting. At this time, Commissioners Allmond, Chapman, Ganeriwala, Black and Krum left the meeting.

On motion duly made and seconded, the minutes of the meeting of the Committee held on June 6, 2012 were approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multi-family loan portfolios. Mr. Dolce advised the Committee that as of July, the overall delinquency rates, including foreclosures and bankruptcies, for the single-family and multi-family loan portfolios were 12.1% and .8%, respectively. Mr. Dolce reported that the lease-up rate in the Housing Choice Voucher Program was 95% and that the average Housing Assistance Payment was \$624. Mr. Dolce reported on the annual Section 8 Management Assessment Program Certification (“SEMAP Certification”) for the Section 8 Housing Choice Voucher Program for 2012 and presented a resolution to approve and authorize the execution of the SEMAP Certification. Commissioner Hale moved that the Committee recommend approval of the resolution entitled “Resolution Approving Housing Choice Voucher Section 8 Management Assessment Program Certification”. This motion was seconded by Commissioner Ashe and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting. Mr. Dolce informed the Committee that the waiting list for the City of Poquoson and York County opened on July 19th briefly and 3,700 applications were received, that three meetings are scheduled with the Authority’s administrative agents to discuss the reduction in voucher funding, and that 44 vouchers for households living in Willow Woods Apartments in Radford and 120 vouchers for households living in Shawnee Apartments in Blacksburg were received to assist families due to rent increases caused by the owners prepaying the mortgages.

Mr. Dolce next reported that delinquency rates continue to be below Ginnie Mae thresholds and that the total unpaid principal balance of the Ginnie Mae portfolio is \$377 million representing 2,593 loans. Mr. Dolce reported that the number of phone calls received by the Authority’s Contact Center for May and June had increased by 22% to 3,928 since the June report and that the majority of the contacts came from Richmond followed by Northern Virginia and Hampton Roads.

Ms. Watson reported that \$439 million was disbursed to finance 2,934 single family homes in fiscal year 2012 which represents an increase of 11% over fiscal year 2011 and that disbursements to households with incomes 80% or below area median remained stable at 70%. Ms. Watson also reported that on June 15, 2012 the Authority released the Fannie Mae Preferred Risk Share program which has no mortgage insurance or first-time homebuyer restriction.

Ms. Watson presented a report on the Homeownership Education Program noting that 3,754 in-class participants and 7,364 online class participants had completed the course in fiscal year 2012.

Mr. Hastings presented a report on multi-family loan production for the period May 29, 2012- June 30, 2012. In this report, Mr. Hastings advised the Committee that 11 developments consisting of 1,296 units had been approved for mortgage loans in the total principal amount of approximately \$75 million. Mr. Hastings also noted that 82% of the developments were supported with REACH funding.

Ms. Bolen presented a report on the status of the disposition of the multi-family developments owned by the Authority. Ms. Bolen reported that the portfolio consisted of 13 developments that had not been sold or under contract and that one new acquisition had occurred since the June report.

Mr. Hawkins presented reports on the Authority's outreach to the African American and Hispanic markets for the months of June and July. In this report, Mr. Hawkins stated that REACH Team members provided a session on Mixed-Use/Mixed Income financing at the Virginia Main Street Summer Toolkit training event and that efforts are underway to identify additional opportunities to promote similar services with the Executive Directors of local Main Street programs across the state.

Mr. Halloran presented an update on the Authority's marketing activities. In this report, Mr. Halloran noted that a spring advertising campaign for The Independence has assisted with increasing occupancy to 32 residents and five pending move-ins and that the Homeownership Education advertising campaign provided assisted with a 29% increase over the same time last year.

There being no further business, the meeting was adjourned at 10:12 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE
HELD ON AUGUST 8, 2012

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on August 8, 2012 at the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, VA 23220.

COMMITTEE MEMBERS PRESENT:

Tim Chapman, Chairman
Yvonne T. Allmond
Jacqueline T. Black
Manju Ganeriwala
Charles L. Krum, Jr.

OTHERS PRESENT:

Russ E. Wyatt, General Auditor
J. Judson McKellar, Jr., Managing Director of Legal and Finance
Melody S. Barackman, Controller
Patrick J. Carey, Director of Finance
Ronald A. Reger, Enterprise Risk Manager
Michelle Jackson, Office Manager
Donna Craver, KPMG
Jared Davis, KPMG

The meeting of the Audit Committee was called to order by Committee Chairman Chapman at approximately 9:30 a.m. All of the members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting.

On motion duly made and seconded, the minutes of the meeting of the Committee held on June 5, 2012 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Barackman introduced the KPMG audit team. KPMG representatives, Ms. Donna Craver and Mr. Jared Davis, gave an update on the progress of the year-end audit to be completed on or about September 12, 2012.

Ms. Barackman presented a report on the Authority's monthly financials and budget comparisons for the period ended June 30, 2012, including the following matters: excess revenue before GASB adjustments for the month of June was \$7.6 million compared to plan of \$3.2 million; provisions for multi-family loan losses were reduced considerably, giving rise to better than expected performance; excess revenue for the year totaled \$78.2 million, falling just short of plan by only \$3.1 million; net interest margin for the year was 40.9%, performing better than plan by \$10 million due to lower cost of debt; investment earnings contributed \$4 million more than expected while mortgage loan income lagged behind plan by \$9 million; and programmatic expenses exceeded budget by \$16 million due to additional single-family loan losses.

Mr. McKellar provided an update on the Authority's investments, including the amount of investments by type, rating, and maturity.

Mr. Wyatt reported on the status of the Audit Schedule and reviewed the results of audits completed since the last Committee meeting. He further indicated that no adverse audit reports have been issued since the last Committee meeting and there are no control concerns that were previously reported to the Audit Committee that have not been successfully addressed by management. He also reported that the annual risk and control self-assessment process required of all departments has been completed with management certifying 207 processes. Mr. Wyatt then presented his Risk Assessment and discussed the new 5-year audit schedule and other assurance activities that are routinely performed.

There being no further business, the meeting was adjourned at 10:20 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE OPERATIONS COMMITTEE
HELD ON AUGUST 8, 2012

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on August 8, 2012 at the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, VA 23220.

COMMITTEE MEMBERS PRESENT:

Timothy M. Chapman, Chairman
Yvonne T. Allmond
Jacqueline T. Black
Manju Ganeriwala
Charles L. Krum, Jr.

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Russ E. Wyatt, General Auditor
Barbara Blankenship, Managing Director of Human Resources
Janet Wigglesworth, Managing Director of Information Technology Services
J. Judson McKellar, Jr., Managing Director of Legal and Finance
Tammy Neale, Chief Learning Officer
Patrick J. Carey, Director of Finance
Melody S. Barackman, Controller
Shelia Phillips, Assistant Director of Project Management
Michelle Jackson, Office Manager

The meeting of the Operations Committee was called to order by Committee Chairman Chapman at approximately 10:26 a.m. All of the members of the Committee listed above as being present at the meeting were present at that time and remained present throughout the meeting.

On a motion duly made and seconded, the minutes of the meeting of the Committee held on June 5, 2012 were approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

The Committee received and discussed the following reports: a presentation by Mr. McKellar on the salient features of the Authority's proposed Rental Housing Bonds, 2012 Series D-AMT and 2012 Series E-Taxable; a summary by Ms. Dewey of her report to the Committee of the Whole on proposed renovations of the Authority's headquarters building; a report by Ms. Neale on the Leadership Development Program and other recent activities sponsored by the Organizational Development and Learning Division; and an update by Ms. Phillips on the status of the Project Management Office's portfolio of projects, including the Single Family Solutions Suite Program, ProLink and eDocs.

There being no further business, the meeting was adjourned at 10:55 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE
HELD ON AUGUST 7, 2012

Pursuant to the call of the 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 August 7, 2012 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Yvonne T. Allmond
Kermit E. Hale
Timothy M. Chapman
Marjorie N. Leon

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Barbara Blankenship, Managing Director of Human Resources
Donald L. Ritenour, Managing Director of Development
Arthur N. Bowen, Managing Director of Program Administration
Russ E. Wyatt, General Auditor
J. Judson McKellar, Jr., General Counsel
Melody S. Barackman, Controller
James M. Chandler, Director of Low Income Housing Tax Credit Programs

Commissioner Allmond called the meeting of the Committee to order at approximately 12:03 p.m. 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, except Commissioner Leon who joined the meeting in progress as noted below and thereafter remained present during the meeting.

The Commissioners and staff reviewed and discussed the agendas for the meetings of the Committee of the Whole, the Audit Committee, the Operations Committee and the Programs Committee. During this discussion, Commissioner Leon joined the meeting.

There being no further business, the meeting of the Committee of the Whole was recessed at approximately 1:50 p.m.

Commissioner Allmond reconvened the meeting of the Committee at approximately 6:40 p.m. 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 members of the Committee reviewed information provided by Ms. Blankenship on the Executive Director's performance for fiscal year 2012. The members of the Committee discussed her performance and decided on the compensation that they would recommend to the Board of Commissioners.

There being no further business, the meeting was adjourned at approximately 7:50 p.m.

HOUSING FOR VIRGINIA, INC.
MINUTES OF THE
ANNUAL MEETING OF SHAREHOLDERS

August 8, 2012

The 2012 annual meeting of the shareholders of HOUSING FOR VIRGINIA, INC. was called to order at the principal office of the Company, 601 South Belvidere Street, Richmond, Virginia, on August 8, 2012, at approximately 3:10 p.m. (Richmond Time), by Thomas A. Dolce, President of the Company. Mr. Dolce announced that he would act as Chairman and Secretary of the meeting.

The Chairman announced that the stated purposes of the 2012 annual meeting of shareholders were: (1) to elect the full board of five directors for the ensuing year; and (2) to transact such other business as may properly come before the meeting.

The Chairman noted the attendance of the sole shareholder of the Company. He then declared that the 2012 annual meeting of shareholders had been duly convened and that a quorum of the shareholders was present at the meeting for the transaction of all business to come before the meeting.

The Chairman stated that it was in order to proceed to the election of directors. The Chairman then asked the sole shareholder of the Company to vote its choices in the election of directors.

Susan F. Dewey then identified herself as the Executive Director of the Virginia Housing Development Authority, the sole shareholder of the Company, and that as such she was authorized to vote all shares of common stock of the Company held by

the Virginia Housing Development Authority. She then proceeded to vote all shares of the common stock of the Company held by the Virginia Housing Development Authority for the nomination and election of each of the following persons as a director of the Company to serve until the next regular annual meeting of the shareholders of the Company or until his or her successor is elected and qualified: Susan F. Dewey, Donald L. Ritenour, Thomas A. Dolce, J. Judson McKellar, Jr., and Arthur N. Bowen, III.

The Chairman then declared that each of the director nominees was elected as a director of the Company to serve until the next regular annual meeting of the shareholders of the Company or until his or her successor is elected and qualified.

There being no further business to be conducted, the meeting was adjourned upon the vote of the holder of all the issued and outstanding common stock of the Company.

Thomas A. Dolce
Chairman and Secretary of the Meeting

HOUSING FOR VIRGINIA, INC.

**MINUTES OF THE
ANNUAL MEETING OF THE BOARD OF DIRECTORS**

August 8, 2012

The 2012 annual meeting of the Board of Directors of HOUSING FOR VIRGINIA, INC. (the “Company”) was called to order at the principal office of the Company, 601 South Belvidere Street, Richmond, Virginia, on August 8, 2012, at approximately 3:12 p.m. (Richmond Time), by Thomas A. Dolce, President of the Company. Mr. Dolce announced that he would act as Chairman and Secretary of the meeting.

The Chairman noted that three of the five members of the Board of Directors, Susan F. Dewey, J. Judson McKellar, Jr., and himself, were present at the meeting. He then declared that the 2012 annual meeting of Board of Directors had been duly convened and that a quorum of the directors was present at the meeting for the transaction of all business to come before the meeting.

The Chairman then stated that it was in order to proceed to the election of officers. On motion made, seconded and by the unanimous votes of Ms. Dewey, Mr. Dolce and Mr. McKellar, the following persons were elected as officers, each of whom shall serve until the next annual meeting of the Board of Directors or until his successor is and qualified:

Thomas A. Dolce	.	-	President
Arthur N. Bowen, III		-	Vice President and Treasurer
J. Judson McKellar, Jr.		-	Vice President and Secretary

There being no further business to be conducted, upon a motion duly made, seconded and unanimously carried, the meeting was adjourned.

Thomas A. Dolce
Chairman and Secretary of the Meeting