

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
MINUTES OF THE ANNUAL OF THE COMMISSIONERS
HELD ON AUGUST 14, 2019

Pursuant to the call of the Chairman and notice duly given, the annual meeting of the Commissioners of the Virginia Housing Development Authority (the “Authority”) was held on August 14, 2019, at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Shekar Narasimhan, Chairman
William C. Shelton, Vice Chairman
Barbara Blackston
Manju Ganeriwala
Abigail Johnson
Erik Johnston
Lisa R. Porter
David E. Ramos

COMMISSIONERS ABSENT:

Clarissa McAdoo Cannon
Thomas A. Gibson, IV
Michael J. Schewel

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Paul M. Brennan, Chief Counsel
Patrick J. Carey, Chief of Program Strategy
Janet Wigglesworth, Chief of Operations
Tammy Neale, Chief of Staff
J. Michael Hawkins, Managing Director of Community Outreach
Arthur N. Bowen, Managing Director of Rental Housing
Toni Ostrowski, Managing Director of Homeownership
Hil Richardson, Managing Director of Capital Markets
Llewellyn C. Anderson, Managing Director of Administration
Lisa Watson, Managing Director of Human Resources
Barbara Blankenship, Enterprise Operations Consultant
Herman Aparicio, Managing Director of Information Technology
Sandy Edwards, Assistant to the Executive Director
Courtney Insley, Senior Executive Assistant
Jason Thompson, Director of Risk and Organizational Reporting
Pamela Holmes, Director of Servicing
Myriam Michaels, Korn Ferry

Ms. Dewey called the annual meeting of the Board of Commissioners to order at 9:00 a.m. on August 14, 2019. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Ganeriwala, who left and returned to the meeting as noted below.

Ms. Dewey reported that the Executive Committee at the June Board meeting had recommended the nomination of Commissioner Narasimhan for Chairman. Ms. Dewey declared the floor open for nominations for Chairman. Commissioner Johnston nominated Commissioner Narasimhan, and Commissioner Johnson seconded the nomination. There being no further nominations, the floor was closed. Commissioner Narasimhan was elected Chairman by the affirmative vote of each of the Commissioners noted above as present at the meeting. Chairman Narasimhan then assumed the chair and declared the floor open for nominations for Vice Chairman. Commissioner Johnston nominated Commissioner Shelton, and Commissioner Johnson seconded the nomination. There being no further nominations, the floor was closed. Commissioner Shelton was elected Vice Chairman by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Chairman Narasimhan welcomed Commissioner Porter to the Board. Chairman Narasimhan also announced that the members of the Executive Committee, in addition to the Chairman and Vice Chairman, would be Commissioner McAdoo Cannon, as the at-large member, and Commissioner Gibson, as Audit Committee Chair. However, Commissioner Johnson, would serve on the Executive Committee and as Acting Chair of the Audit Committee during Commissioner Gibson's military deployment. Chairman Narasimhan also described the work that the Executive Committee would be conducting with Ms. Michaels in creating goal setting for the Executive Director and would be coming back to the Board with its recommendations at the October meeting.

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

Ms. Dewey presented a report on the activities and operations of the Authority that focused on four subjects: innovation, economic development, community impact, and telling our story. On the topic of innovation, Ms. Dewey discussed (i) the plans for the Authority to display a duplex shipping container home manufactured by indieDwell and the possibility of also displaying a manufactured home at the Governor's Housing Conference; and (ii) an update on the low-income housing tax credit applications in the Innovation Pool from which panel recommendations will be presented to the Board at its meeting in October. On the topic of economic development, Ms. Dewey discussed (i) Monroe Gates Apartments, a mixed-use mixed income development near Fort Monroe; and (ii) The Spire, a mixed-use mixed income development in Alexandria that will include 12 fully accessible units that will serve households with incomes ranging from 40%-60% percent AMI and 12 units targeting households with incomes ranging from 25%-35% AMI. On the topic of community impact, Ms. Dewey discussed: (i) the Authority's revitalization efforts in Charlottesville, including creating a revolving credit facility for Charlottesville Habitat to finance the transformation of Southwood Mobile Home Park, and the rehabilitation of two public housing developments, South First Street and Crescent Halls; (ii) the redevelopment of American Legion Post 139 in Arlington, which will provide a housing preference for veterans; (iii) the Authority's efforts with the Accomack-

Northampton Planning District Commission (PDC)/Redevelopment and Housing Authority and the Town of Exmore to remove substandard housing and replace it with affordable for-sale homes; and (iv) the Authority's work with the Bristol Redevelopment Housing Authority to revitalize public housing units in the Village of Oakview neighborhood. On the topic of telling our story, Ms. Dewey discussed (i) the Community Heroes Loan Program, a joint program with the Federal Home Loan Bank of Atlanta; (ii) press coverage on various Authority programs, (iii) the launch of the Homeownership Campaign to create awareness of the Authority's homeownership programs; (iv) an update on work with the Northern Virginia Affordable Housing Task Force; and (v) an update on the Authority's re-branding efforts. Ms. Dewey also discussed: (i) the appointment of Michael Schewel to the Board in addition to Lisa Porter; (ii) the upcoming survey of the Commissioners to solicit Board feedback; (iii) HUD's praise for three agencies, including the Authority, in preparing housing counselors for HUD's new certification requirements; and (iv) the initial meeting of the Minority Business Advisory Council scheduled in October. Commissioner Ganeriwala left the meeting at the conclusion of this report and returned to the meeting as indicated below.

The following items, in the forms attached hereto, were approved by the affirmative vote of each of the Commissioners then present at the meeting on a motion to approve the consent agenda: (i) the minutes of the regular meeting of the Commissioners held on June 18-19, 2019; (ii) the resolution entitled "Resolution Approving and Ratifying Reservations of Federal Low-Income Housing Tax Credits" dated August 14, 2019; and (iii) the resolution entitled "Resolution Establishing Meeting Dates of the Board of Commissioners from January 1, 2020 through June 30, 2020" dated August 14, 2019; and (iv) the resolution entitled "Resolution Approving Housing Choice Voucher Section 8 Management Assessment Program Certification" dated August 14, 2019.

On motion duly made and seconded, the meeting date of the Board of Commissioners for December 11, 2019, was changed to December 18, 2019, by the affirmative vote of each of the Commissioners then present at the meeting.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Doris L. Taylor" dated August 14, 2019, was read by Ms. Neale, and on motion duly made and seconded, was approved in the form attached hereto by the affirmative vote of each of the Commissioners then present at the meeting.

Mr. Richardson advised the Board on the salient features of the Authority's proposed Commonwealth Mortgage Bonds, 2019 Series A (taxable) with a maximum issue size of \$100 million that will permanently finance homeownership mortgage loans. Mr. Richardson also advised the Board of the recent visit by Moody's Investor Service and the anticipated update to the Authority's general obligation bond ratings sometime in November.

Ms. Anderson reported on the Authority's financial results for the fiscal year ending June 30, 2019. In her report, Ms. Anderson noted the following: (i) the Authority's total net position (total assets less total liabilities) was \$3.466 billion, \$182.5 million greater than last fiscal year; (ii) the Authority's mortgage portfolio was \$11.1 billion, an increase of \$800 million; and (iii) the combined assets and serviced loans of the Authority totaled \$12.5 billion.

Mr. Carey presented a report on the usage of REACH *Virginia* funds in fiscal year 2019 and provided a template for the REACH *Virginia* report that will be a standard report for future Board meetings.

Mr. Carey, Mr. Hawkins, Mr. Bowen, Ms. Ostrowski, Ms. Wiglesworth and Mr. Aparicio presented a report on the Authority's organizational performance for fiscal year 2019. In this report, staff advised the Commissioners on the Authority's progress in addressing the goals of the Authority's strategic plan that included: (i) the Authority's performance on key financial indicators for fiscal years 2013 to 2019 and REACH *Virginia* utilization since fiscal year 2012; (ii) results of the outreach efforts to strengthen the affordable housing delivery network, the use of Authority resources to leverage state housing initiatives, a summary of the major achievements accomplished by Community Outreach, including participation in the Homeownership Education Program and the utilization of the HAP subsidy for the Housing Choice Voucher Program; (iii) the number of rental units produced in the strategic metrics for the unmet rental needs of low-income and critical needs populations and trends in both rental housing loan production and the performance of the rental housing loan portfolio; (iv) the Authority's performance in creating homeownership opportunities in underserved markets, efforts to date for the implementation of a post-purchase homeownership education class and trends in both homeownership loan production and the performance of the homeownership loan portfolio; and (v) an update on two major initiatives involving the internal operations of the Authority regarding an organizational realignment to improve communication and internal governance and the improvement to the information technology infrastructure. Commissioner Ganeriwala returned to the meeting during this report.

Commissioner Johnston reported on recent activities of the Department of Housing and Community Development, including the following: (i) the Governor's Housing Conference to be held in Hampton on November 20-22, 2019; (ii) the upcoming launch of the Opportunity Zone Marketplace, which is funded by REACH *Virginia*, in Charlottesville on October 22, 2019; (iii) the submission of an application to HUD for the abatement of lead-based paint; (iv) the convening of a meeting for Public Housing Agencies to encourage the applications for Main Stream Housing Choice Vouchers; (v) the upcoming deadline of August 23, 2019, for applications to the Vibrant Community Initiative (VCI) program; (iv) 2019 homeless data showed a 3% reduction in homelessness, adding to an overall reduction in homelessness of 36.3% since 2010; (vi) the hiring of a new staff member to administer the homeless management information system; and (vii) the selection of two service providers for the Fostering Futures pilot program; St. Joseph's Villa in Richmond and Thomas Jefferson Area Coalition for the Homeless in Charlottesville.

On motion duly made and seconded, a resolution that the Committee convene in closed session 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 Ms. Michaels and Mr. Brennan, 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. Commissioner Johnson made a motion to (i) increase the merit compensation of the Executive Director by 5% and (ii) award a bonus for the Executive Director in the amount of 20%. The motion was seconded and approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Ms. Michaels and the Commissioners discussed possible performance metrics to be considered by the Executive Committee in developing the Executive Director's performance evaluation.

There being no further business, the meeting was adjourned at approximately 1:35 p.m.

Shekar Narasimhan, Chairman

Paul M. Brennan, Assistant Secretary