

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON JUNE 6, 2012

Pursuant to the call of the 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 June 6, 2012 at the Authority's offices at the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMISSIONERS PRESENT:

Charles McConnell, Chairman
Yvonne T. Allmond, Vice Chairman
Gerald W. Hopkins
William C. Shelton
Manju Ganeriwala
Nancy K. O'Brien
Marjorie N. Leon
Kermit E. Hale
Jacqueline T. Black
Timothy M. Chapman
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
Arthur N. Bowen, Managing Director of Finance and 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., General Counsel
John F. Hastings, Director of Multi-Family Development Programs
Michele G. Watson, Director of Homeownership Programs
Ronald A. Reger, Strategic Business Planner
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Melody S. Barackman, Controller
Llewellyn C. Anderson, Strategic Business Planner
J. Michael Hawkins, Director of Community Housing
Barry Merchant, Policy Analyst
Paul M. Brennan, Deputy General Counsel
Sharon Fairburn, Housing Choice Voucher Program Director
Linda Evans, Budget and Risk Management Analyst
David Kohan, Network Services Manager
Kathy Natale, Assistant Director of Business Systems

Shelia Phillips, Assistant Director of Project Management
Robert Halloran, Marketing Director
Sheila Gleason, Support Services Officer

Chairman McConnell called the meeting of the Committee of the Whole to order at 8:37 a.m. on June 6, 2012. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioners Black and Ganeriwala who joined the meeting in progress as noted below and thereafter remained present during the meeting.

Ms. Dewey presented a report on the Authority's accomplishments from July 1, 2011 through April 30, 2012 and advised the Commissioners that a report of the accomplishments for all of fiscal year 2012 would be presented at the August meeting of the Commissioners.

Ms. Dewey presented and discussed with the Commissioners the Authority's proposed Fiscal Year 2013 Transitional Strategic Plan and in her presentation reviewed the changes in the housing and financial environment since fiscal year 2008, the Authority's planning response and strategic priorities, and the proposed changes to be made in the Fiscal Year 2013 Transitional Strategic Plan to the outcomes that were in the Authority's Fiscal Year 2012 Transitional Strategic Plan. On motion duly made and seconded, a resolution to recommend the adoption of the Fiscal Year 2013 Transitional Strategic Plan in the form attached hereto was approved by the affirmative vote of each of the Commissioners then present at the meeting.

Ms. Dewey, Mr. Bowen, Mr. Ritenour, Ms. Barackman, Ms. Blankenship, Ms. Wiglesworth, Mr. Hill, and Ms. Neale made presentations on the Authority's proposed annual budget for fiscal year 2013. During these presentations, the Commissioners and the staff discussed the following matters: (1) the current market environment, including the Authority's business plan in response to that environment, the impact of the uncertainties in the environment on the Authority's finances and programs, the changes in bond and mortgage interest rates since 2006, and the significant drivers affecting the proposed budget; (2) the fiscal year 2013 trends and projections, including the dollar amount of loans and number of units of production in the Authority's single family and multi-family loan programs since 2006, the Authority's total unit production in comparison with peer state housing authorities since 2006, and the dollar amount of single family and multi-family mortgage loan assets since 2006; (3) a summary of the major components of the budget, including the net interest margin trends since 2006, the programmatic and administrative expense trends since 2006, the net interest margin, non-interest expenses and excess revenue budgeted and projected for fiscal year 2012 and projected for fiscal year 2013, the excess revenues since fiscal year 2000, and the amount of REACH subsidies funded since 2006 and projected for fiscal years 2013, 2014 and 2015; (4) the programmatic expenses included in the proposed budget in comparison to the fiscal year 2012 budget, including the amounts for the loan loss provision and for loan losses and expenses, the net operating income and expenses and capital improvement expenditures for owned multi-family properties, the housing assistance payments and administrative fees for the Housing Choice Voucher Program, the grants and program training expenses, the finance and mortgage servicing expenses, and the ancillary fee

income; (5) the administrative expenses included in the proposed budget in comparison to the fiscal year 2012 budget, including the amounts for compensation and benefits, facilities and equipment, ongoing technology, technological and other projects, marketing and business partner support, professional development and business travel, other expenses, capital outlay projects and purchases, and potential capital outlays after fiscal year 2013 unrelated to information technology; (6) a summary of the rating review of the Authority by Standard & Poor's in February 2012; and (7) the community support activities of the Authority. Commissioners Black and Ganeriwala joined the meeting during these discussions. On motion duly made and seconded, a resolution to recommend the adoption of the resolution entitled "Resolution- Adoption of 2013 Fiscal Year Operating Budget" dated June 6, 2012 was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Ms. Dewey advised the Commissioners as to transitional changes in the Authority's organizational structure and staffing that will be implemented as of July 1, 2012.

Commissioner Hale, on behalf of the Executive Committee, reported on the recommendations of the Committee and the Operations Committee to approve the amount of the combined pool for staff merit and bonuses. On motion duly made and seconded, a resolution to recommend approval of the combined pool for staff merit and bonuses in the amount not to exceed \$1,557,000 was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Ms. Dewey then advised the Commissioners of the upcoming distribution of tools to enhance employees use of technology and further creativity, and it was the consensus of the Commissioners that she proceed with such distribution. Commissioner Hale, on behalf of the Executive Committee, reported the recommendation of the Committee as to the salary of the Executive Director for fiscal year 2013. On motion duly made and seconded, a resolution to recommend approval of such recommendation was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner Hopkins, on behalf of the Executive Committee, reported that the Committee recommended that Commissioner Allmond be nominated for Chairman and Commissioner Hale be nominated for Vice Chairman at the August Board meeting.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 11:45 a.m.

Chairman McConnell called the regular meeting of the Board of Commissioners to order at approximately 11:50 a.m. 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..

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

The minutes of the retreat and regular meeting of the Commissioners held on March 25-27, 2012 were approved by the affirmative vote of each of the Commissioners then present at the meeting.

Commissioner Hale, on behalf of the Audit Committee, reported that the Committee had received a presentation from KPMG on its plan for the 2012 audit of the Authority's financial statements. Commissioner Hale summarized the reports received and considered by the Committee on the Authority's monthly financials and budget comparisons for the period ended April 30, 2012, the status of the Authority's Red Flags and Identity Theft Program, and the status of the internal audit schedule, reports and recommendations. During these reports, Commissioner Black joined the meeting.

Commissioner Hale, on behalf of the Operations Committee, summarized the staff reports that had been received and considered by the Committee on the status of the Project Management Office's portfolio of projects and on recent activities sponsored by the Organizational Development and Learning Division.

Commissioner O'Brien, on behalf of the Programs Committee, summarized the staff reports that had been received and considered by the Committee on the following matters: the homeownership and multi-family loan delinquencies; the delinquencies in the Authority's Ginnie Mae portfolio; the leasing rate, the Authority's participation in an administrative fee study, and the issuance of vouchers for homeless veterans in the Housing Choice Voucher Program; the volume of telephone calls received in the Authority's Contact Center; the single family loan production; the enrollment in the Authority's homeownership education courses; the administration of housing counseling grants; 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 O'Brien noted that the Committee had received and discussed a staff report on the final rankings for reservations of the federal low-income housing tax credits in 2012 and recommended that the staff proceed with the reservations of tax credits in accordance with the recommendation of the staff. Commissioner O'Brien reported that the Committee had received and discussed a staff report on the status of the cost containment study for the low-income housing tax credit program. Commissioner O'Brien reported that the Committee had received and discussed a staff report on the recommended allocations of REACH funds in fiscal year 2013 and that it was the consensus of the Committee that the staff proceed with the recommended allocations. Commissioner O'Brien reported that the Committee had received and discussed, and recommended approval of, a resolution to approve a mortgage loan to finance Arlington Mill Apartments. On motion duly made, the resolution entitled "Resolution Authorizing a Multi-Family Mortgage Loan to Finance Arlington Mill Apartments" dated June 6, 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 McConnell, on behalf of the Committee of the Whole, reported that the Committee had received and discussed staff reports on the Authority's accomplishments during fiscal year 2012 and on the proposed Fiscal Year 2013 Transitional Strategic Plan. On motion duly made, the Fiscal Year 2013 Transitional Strategic Plan was approved in

the form attached hereto by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McConnell reported that the Committee had received and discussed, and recommended approval of, the proposed operating budget for fiscal year 2013 and the recommendation of the Operations Committee and Executive Committee for the combined pool for staff merit and bonuses. On motion duly made and seconded, a resolution to approve the combined pool for staff merit and bonuses recommended by the Operations Committee and Executive Committee and to approve the resolution entitled "Resolution- Adoption of 2013 Fiscal Year Operating Budget" dated June 6, 2012 in the form attached hereto, as revised to include the portion of the pool representing the amount of merit increases to be determined by the Executive Director, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Chairman McConnell reported that the Committee had reviewed, and recommended approval of, the recommendations of the Executive Committee for the compensation of the Executive Director for fiscal year 2013. On motion duly made, a resolution to approve the salary of the Executive Director for fiscal year 2013 in accordance with the recommendations of the Executive Committee was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner Hopkins reported that the Committee had received and discussed the recommendation of the Executive Committee that Commissioner Allmond be nominated for Chairman and Commissioner Hale be nominated for Vice Chairman at the August Board meeting.

Commissioner Shelton reported on recent activities of the Department of Housing and Community Development, including the following: the status of the funding approved in the 2012 Session of the General Assembly for homelessness programs in fiscal year 2013 and for the Virginia Housing Trust Fund in fiscal year 2014; the status of the efforts by the Department, the Authority, and the state's social services agencies to assist persons with disabilities pursuant to the settlement by the Commonwealth with the U.S. Department of Justice and to possibly participate in the HUD Section 811 program; the submission by the Department of its application to HUD to serve as the Performance Based Contract Administrator for the Commonwealth; the upcoming expiration of the terms of five of the members of the Board of Housing and Community Development; and the revised format for the Governor's Housing Conference to be held November 14-16, 2012.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the status of activities by the Authority, the Department of Housing and Community Development and the state social services agencies for possible submission of a response to the notice of funding availability for the HUD Section 811 program; a meeting with Mr. Maurice Jones of HUD during the NCSHA Legislative Conference; the upcoming HAND awards luncheon at which the Authority is to receive the President's Choice Award; the Virginia Housing Coalition dinner on June 21, 2012 at which the "40 under 40 Awards" will be given; the Authority annual golf charity tournament held on May 24, 2012 at which six charitable organizations were each given \$25,000 contributions from the proceeds; and the 2013 Board retreat scheduled for April 7-9, 2013 in Virginia Beach. Following this report, Mr. Reger read a resolution by the Governor in recognition of the Authority's 40th

anniversary on July 1, 2012, and a video of the construction of the multi-family development vPointe, formerly The Views at Clarendon, was shown.

Ms. Dewey noted that the meeting was the last Board meeting for Commissioners McConnell, Hopkins and O'Brien and thanked them for their many years of service to the Authority.

There being no further business, the meeting was adjourned at approximately 12:38 p.m.

Yvonne T. Allmond, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON JUNE 5, 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 June 5, 2012 at the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMITTEE MEMBERS PRESENT:

Nancy K. O'Brien, Chairman
Charles McConnell
Timothy Chapman
Gerald W. Hopkins
William C. Shelton
Jacqueline T. Black

OTHER COMMISSIONERS PRESENT

Yvonne T. Allmond
Kermit E. Hale
Charles L. Krum, Jr.
Marjorie N. Leon

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., General Counsel
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, Strategic Business Planner
Ron Reger, Strategic Business Planner
Paul Brennan, Deputy General Counsel
Mike Stoneman, Multi-Family Owned Property Portfolio Manager
Robert Halloran, Marketing Director
Sharon Fairburn, Housing Choice Voucher Program Manager
Arthur N. Bowen, Managing Director of Finance and Administration
Melody S. Barackman, Controller
Russ E. Wyatt, General Auditor
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale, Chief Learning Officer

The meeting of the Programs Committee was called to order by Chairman O'Brien at approximately 3:35 p.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, except Commissioner Black who joined the meeting in progress as noted below and thereafter remained present during the meeting of the Committee.

On motion duly made and seconded, the minutes of the meeting of the Committee held on March 27, 2012 were approved by the affirmative vote of each of the members of the Committee then 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 May the overall delinquency rate, including foreclosures and bankruptcies, for the single-family loan portfolio had increased to 12.05% and the multi-family loan delinquency rate had decreased to 1.17%. Mr. Dolce reported that delinquency ratios continue to be below Ginnie Mae thresholds and that the total unpaid principal balance of the Ginnie Mae portfolio is \$353 million representing 2,568 loans. Mr. Dolce reported that the number of phone calls received by the Authority's Contact Center was 3,879 and that the majority of the contacts came from Richmond followed by Hampton Roads and Northern Virginia.

Ms. Fairburn reported that the lease-up rate in the Housing Choice Voucher Program was 95% and at this time VHDA expects to cover an administrative budget shortage in FY2013 of approximately \$120,000. Ms. Fairburn also reported that the Authority has been selected by HUD to participate in a national administrative fee study of the Housing Choice Voucher Program due to the Authority's high performance rating in past years. In addition, Ms. Fairburn reported that the Authority has received 25 additional Veterans Affairs Supportive Housing (VASH) vouchers.

Ms. Watson reported that the Authority purchased 2,460 single family loans for a total of \$360.5 million for the period July 1, 2011 to May 31, 2012. Ms. Watson noted that the Authority was on track to exceed FY2011 production and that 72% of the loans serve households with incomes below 80% of median income. During this report Commissioner Black joined the meeting.

Ms. Watson presented a report on the Homeownership Education Program noting that the Authority anticipates conducting a total of 412 classes consisting of an estimated 3,458 participants for FY2012. Ms. Watson also reported that staff is administering six grants supporting housing education and foreclosure prevention for a total of \$1.5 million.

Mr. Hastings presented a report on multi-family loan production for the period March 20 to May 27, 2012. In this report, Mr. Hastings advised the Committee that six developments consisting of 519 units had been approved for mortgage loans in the total principal amount of approximately \$36.5 million. Mr. Hastings also noted that 67% of the developments were supported with REACH funding.

Mr. Stoneman presented a report on the status of the disposition of the multi-family developments owned by the Authority. Mr. Stoneman reported that the portfolio consisted of 12 developments that were not sold or under contract and that one new acquisition through

foreclosure had occurred, one development had sold at the foreclosure sale and one sale had closed since the last report.

Mr. Hawkins presented reports on the Authority's outreach to the African American and Hispanic markets between April 2012 and May 2012. In this report, Mr. Hawkins stated that the Authority participated in two major Hispanic events. Mr. Hawkins also reported that staff continues to assist Habitat Virginia with capacity building and board development efforts for a new Habitat affiliate to serve rural housing needs in Surry and Sussex counties. Mr. Hawkins provided an update on the Authority's Mixed Use/Mixed Income program noting that with the support of REACH financing, developments must target 10% more of the units to households with incomes below 80% of median income.

Mr. Hill presented an update on the Authority's marketing activities. In this report, Mr. Hill noted that the Authority continues to provide marketing efforts for The Independence in Charlottesville and that occupancy has increased to 24 residents and four pending move-ins. Mr. Hill also reported that Ms. Dewey was featured as the cover story of Richmond's Metro Business on May 21. Following this report, Commissioners Krum, Leon, Almond and Hale joined the meeting in progress.

Mr. Chandler presented a report on the final rankings for reservations of the low income housing tax credits in 2012 and recommended that the staff proceed with reservations of tax credits for the developments having scores high enough to receive tax credits in each of the pools, the developments in the Tier One At-Large pool, and the Jefferson Brookville Apartments. The staff also recommended the approval of a reservation of tax credits for The Shell which has a score high enough to receive tax credits but has a per unit cost that exceeds HUD's 221(d)(3) cost limits. It was the consensus of the Committee that the staff proceed with such reservations of tax credits as recommended by the staff.

Mr. Chandler reported that the contract for the cost containment study on the Low Income Housing Tax Credit Program has been awarded to Novogradac and Company, LLP and that forums have been scheduled for June 13, June 18 and June 21 to discuss preliminary results of the study.

Mr. Ritenour presented the FY2013 REACH program allocations noting that an estimated \$4.7 million in REACH had been set aside for grant programs. Mr. Ritenour also noted that there was increased focus on serving households with extremely low income and special needs housing.

Mr. Ritenour presented a resolution authorizing a mortgage loan to finance Arlington Mill Apartments and to be secured by a leasehold interest in the property. Following a discussion, Commissioner Hopkins moved that the Committee recommend approval of the resolution titled "Resolution Authorizing a Multi-family Mortgage Loan to Finance Arlington Mill Apartments" dated June 6, 2012. This motion was seconded by Commissioner Black and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

There being no further business, the meeting was adjourned at 5:50 p.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE

HELD ON June 5, 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 June 5, 2012 at the Virginia Housing Center, 4224 Cox Road, Glen Allen, VA 23060.

COMMITTEE MEMBERS PRESENT:

Kermit E. Hale, Chairman
Yvonne T. Allmond
Charles L. Krum, Jr.
Marjorie N. Leon
Charlie McConnell

COMMITTEE MEMBERS ABSENT:

Manju Ganeriwala

OTHERS PRESENT:

Melody Barackman, Controller
Barbara Blankenship, Managing Director of Human Resources
Arthur N. Bowen, III, Managing Director of Finance & Administration
Donna Craver, KPMG
Jared Davis, KPMG
Susan Dewey, Executive Director
Judson McKellar, General Counsel
Tammy Neale, Chief Learning Officer
Jeff Quann, Assistant Counsel
Russ E. Wyatt, General Auditor
Michelle Jackson, Office Manager

The meeting of the Audit Committee was called to order by Committee Chairman Hale at approximately 2:34 p.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 March 27, 2012 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Barackman introduced the new KPMG audit team, including rotation of a new partner, Donna Craver, and reviewed the audit schedule.

Ms. Barackman reported excess revenue before GASB adjustments for the month of April was \$8.2 million vs. plan of \$9.9 million. Year-to-date earnings of \$65.9 million were behind plan at the end of April by \$3.6 million. She also reported that net interest margin to date was \$10.3 million ahead primarily because of lower cost of debt. Investment earnings improved by \$3.2 million, but mortgage loan income lagged behind by \$5.5 million as the rate of pay-

downs and pay-offs slightly outpaced new loan production. Programmatic expenses to date exceeded budget by \$17.9 million due to additional loan losses and the need for additional reserves for potential future losses. She reported that administrative expenses remain under budget in all categories by a total of \$3.5 million to date, with the largest deferrals occurring in facilities and technology projects. She also reported that net assets increased by \$73 million since last June, resulting in excess capital of \$2.4 billion or 25% of total assets.

Mr. McKellar reported that the federal Fair and Accurate Credit Transactions Act (FACTA) and implementing guidelines issued by the Federal Trade Commission required the Authority to have policies, procedures and programs to detect, prevent and mitigate identity theft. He reported that in response to this requirement, in 2009 the Audit committee approved VHDA's Red Flags and Identity Theft Prevention Program. He also reported that the Authority is in compliance with the program, that there have been no instances of identity theft, and that there have been no statutory or regulatory changes in the past year that would require any changes to the program at this time.

Mr. Wyatt reported on the status of the Audit Schedule and reports issued since the last meeting. He 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.

There being no further business, the meeting was adjourned at 3:03 p.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE OPERATIONS COMMITTEE
HELD ON June 5, 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 June 5, 2012 at the Virginia Housing Center, 4224 Cox Road, South Glen Allen, VA 23060.

COMMITTEE MEMBERS PRESENT:

Kermit E. Hale, Chairman
Yvonne T. Allmond
Charles L. Krum, Jr.
Marjorie N. Leon
Charlie McConnell

COMMITTEE MEMBERS ABSENT:

Manju Ganeriwala

OTHERS PRESENT:

Melody Barackman, Controller
Barbara Blankenship, Managing Director of Human Resources
Arthur N. Bowen, III, Managing Director of Finance & Administration
Susan Dewey, Executive Director
Judson McKellar, General Counsel
Tammy Neale, Chief Learning Officer
Shelia Phillips, Assistant Director of Project Management
Russ E. Wyatt, General Auditor
Michelle Jackson, Office Manager

The meeting of the Operations Committee was called to order by Committee Chairman Hale at approximately 3:03 p.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 March 27, 2012 were approved as amended by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Phillips provided an update on the PMO Portfolio. She also provided an update on the Single Family Solutions Suite (SFSS) Program.

Ms. Neale provided an update on work performed by OD&L in professional development, succession management, change management, and associate engagement.

Ms. Blankenship gave the Human Resources update discussing Compensation and Benefits and how it would relate to the budget for Merit Administration.

There being no further business, the meeting was adjourned at 4:19 p.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE
HELD ON JUNE 5, 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 June 5, 2012 at the Authority's offices at the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMISSIONERS PRESENT:

Charles McConnell, Chairman
Yvonne T. Allmond
Nancy K. O'Brien
Kit Hale
Gerald Hopkins

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Barbara Blankenship, Managing Director of Human Resources

Chairman McConnell called the meeting of the Committee to order at approximately 6:20 p.m. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

Ms. Dewey discussed with the members of the Committee the process for nominations of the Chairman and Vice Chairman of the Board of Commissioners. It was the consensus of the Committee to recommend the nomination of Commissioner Allmond as Chairman and Commissioner Hale as Vice Chairman at the August Board meeting.

The members of the Committee discussed the recommendation of the Operations Committee for the combined pool for staff merit and bonuses. It was the consensus of the Committee to recommend approval of the recommendation of the Operations Committee. Following this discussion, Ms. Dewey left the meeting.

The members of the Committee reviewed and discussed options provided by Ms. Blankenship for the Executive Director's compensation and concurred on the salary that the Committee would recommend to the full Board. Any bonus is to be discussed at the August meeting.

There being no further business, the meeting was adjourned at approximately 7:30 p.m.