

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON FEBRUARY 5 AND 6, 2013

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 February 5 and 6, 2013, at the offices of the Virginia Housing Center, 4224 Cox Road, Glen Allen, Virginia.

COMMISSIONERS PRESENT:

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

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Deputy Director of Programs
Thomas A. Dolce, Managing Director of Homeownership
Arthur N. Bowen, Managing Director of Rental Housing
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., Deputy of Legal and Finance
Paul M. Brennan, General Counsel
Llewellyn C. Anderson, Director of Executive Services
John F. Hastings, Director of Multi-Family Development Programs
Ronald A. Reger, Enterprise Risk Manager
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Melody S. Barackman, Controller
Sandy Edwards, Executive Assistant
J. Michael Hawkins, Director of Community Housing
Shelia Phillips, Assistant Director of Project Management
Robert Halloran, Marketing Director
Cindy Puller, Systems Administrator
J.D. Boudurant, Strategic Business Planner
Patrick Carey, Director of Finance

Toni Ostrowski, Assistant Director Homeownership and Lending Programs
Brian Matt, Public Relations Manager
Paula Otto, Executive Director, Virginia State Lottery
Robyn Gray, Esq., McGuire Woods
Yvonne Henderson, Procurement Specialist
Mary Dickson, Loss Mitigation Team Lead
J.C. Corbett, Security Supervisor
Joe Claiborne, Procurement Assistant
Barbara Layman, Administrative Services Manager
Tony Howard, Loan Servicing Administrator
Eric Carter, Assistant Director, Single Family Default

Chairman Allmond called the meeting of the Committee of the Whole to order at 2:35 p.m. on February 5, 2013. 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.

Mr. Ritenour presented the midyear performance update on the utilization of REACH *Virginia* funds supporting targeted initiatives and estimated usage for the second half of fiscal year 2013. In his report, he discussed the following: the programs currently being assisted by REACH *Virginia* funds; the anticipated utilization of REACH *Virginia* funds in the second half of fiscal year 2013; and the decline in the Authority's net revenues and the impact of such decline on the amount of funds for REACH.

Ms. Otto made a presentation on issues relating to public relations, which included training on handling media inquiries. During this report, Commissioner Black joined the meeting.

Upon conclusion of Ms. Otto's presentation, the meeting of the Committee of the Whole was recessed at approximately 5:58 p.m. on February 5, 2013.

Chairman Allmond reconvened the meeting of the Committee of the Whole at 9:05 a.m. on February 6, 2013. All of the Commissioners listed above as present at the meeting were present at that time, except Commissioners Ganeriwala and Fahl who joined the meeting in progress as noted below and thereafter remained present during the meeting and except Commissioner Hyland who was not present at the meeting of the Committee of the Whole on February 6, 2013.

Ms. Gray made a presentation on legal matters relating to employee relations. During this presentation, Commissioners Ganeriwala and Fahl joined the meeting.

Ms. Dewey presented a report on the Authority's organizational performance through the six month period ending on December 31, 2012. In this report, Ms. Dewey advised the Commissioners as to current market and economic conditions and challenges affecting achievement of the Authority's goals and reviewed the status of the following outcomes in the Authority's fiscal year 2013 strategic plan: single family and multi-family loan production; regulatory compliance, including new challenges in providing

down payment assistance; management of risk in the single family and multi-family loan programs; implementation of a new secondary marketing system and the replacement of the homeownership loan origination system; and assistance in the development of the state housing policy.

Mr. Brennan presented a bond limitations resolution which will provide for the sale and issuance of the Authority's single family Homeownership Mortgage Bonds through May 31, 2014. In his report, he advised the Committee that this resolution sets forth the limitations on the bonds which are to be issued in a maximum principal amount of \$500 million and that this resolution authorizes the use and distribution of the form of official statement for such bonds. Following this presentation, Mr. McKellar gave an update on the number of bond issues for the first six months of the fiscal year.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 11:10 a.m.

Chairman Allmond called the regular meeting of the Board of Commissioners to order at approximately 11:10 a.m. on February 6, 2013. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Hyland.

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 December 4 and 5, 2012 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Mary A. Dickson" dated February 6, 2013, was read by Mr. Reger, 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.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Yvonne C. Henderson" dated February 6, 2013, was read by Mr. Reger, 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.

Commissioner Allmond reported that the Committee had received and discussed the Bond Limitations Resolution for the Authority's Homeownership Mortgage Bonds that (i) provides for issuance of Homeownership Mortgage Bonds in aggregate amounts not to exceed \$500 million, (ii) provides for the sale of the Homeownership Mortgage Bonds not later than May 31, 2014 and (iii) authorizes the distribution of one or more preliminary and final official statements for the Homeownership Mortgage Bonds in substantially the form thereof presented at the meeting. On motion duly made and seconded, the resolution entitled "Bond Limitations Resolution" dated February 6, 2013, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Chairman Allmond, on behalf of the Executive Committee, reported that the Committee discussed the change in format for this Board meeting.

Chairman Allmond, on behalf of the Committee of the Whole, summarized the presentations to the Committee on issues relating to public relations and on legal matters relating to employee relations.

Commissioner Shelton reported on recent activities of the Department of Housing and Community Development, including the following: status of the bill in the General Assembly that would incorporate the Housing Trust Fund into the Partnership Revolving Fund; status of a housing plan due to the Department of Justice in March; and the process for developing a five year plan for spending funds to be received from the Department of Housing and Urban Development.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the Board Retreat to be held at Town Center in Virginia Beach on April 7-9, 2013; the NCSHA Legislative Conference in March; and a meeting to be held with representatives of the Federal Home Loan Bank of Atlanta and state housing finance agencies.

There being no further business, the meeting was adjourned at approximately 11:40 a.m.

Yvonne T. Allmond, Chairman

Paul M. Brennan
Assistant Secretary