

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON JUNE 8, 2010

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 8, 2010 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Gerald W. Hopkins, Chairman
Charles McConnell, Vice Chairman
John P. McCann
William C. Shelton
Nancy K. O'Brien
Yvonne T. Allmond
Kermit E. Hale
Marjorie N. Leon
Jacqueline T. Black

COMMISSIONERS ABSENT:

Manju Ganeriwala
Jay Fisette

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
Janet W. Butler, Managing Director of Information Technology Services
Russ E. Wyatt, General Auditor
Tammy Neale, Chief Learning Officer
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Melody S. Barackman, Controller
J. Michael Hawkins, Director of Community Housing
Barry Merchant, Policy Analyst
Llewellyn C. Anderson, Strategic Planner
Ronald A. Reger, Strategic Planner
Scott Heiry, Business Intelligence Manager
Kathy Natale, Assistant Director of Business Systems
Sheila Phillips, Assistant Director of Project Management

Joseph K. Feaser, Business Performance Analyst
Linda Evans, Budget and Risk Management Analyst
Robert Halloran, Marketing Director
Debra Nilson, Changing Minds Community Services
Brenda Lee, Changing Minds Community Services

Chairman Hopkins called the meeting of the Committee of the Whole to order at 8:34 a.m. on June 8, 2010. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

Ms. Dewey presented a DVD video that is being distributed to borrowers who are 60 days delinquent on their single family mortgage loans financed by the Authority and that encourages the borrowers to contact the Authority in order to avoid foreclosure on their homes.

Ms. Dewey presented and discussed with the Commissioners the Authority's proposed Transitional Strategic Plan for fiscal year 2011.

Ms. Dewey, Mr. Bowen, Mr. Hill, Mr. Ritenour, Ms. Butler, Ms. Blankenship, Ms. Taylor, Ms. Barackman, and Mr. Dolce made presentations on the Authority's proposed annual budget for fiscal year 2011. During these presentations, the Commissioners and the staff discussed the following matters: (1) the market environment, including the current and projected economic and housing conditions, the Authority's transition to changes in the economic and regulatory environment, the changes in bond and mortgage interest rates since fiscal year 2004, the Authority's anticipated extraordinary expenses related to the housing crisis, and the recent regulatory changes affecting the Authority's programs and operations; (2) the trends since 2004 and projections for fiscal year 2011 with respect to the number of units and the dollar amount of loan production in the Authority's single family and multi-family loan programs and the dollar amount of single family and multi-family mortgage loan assets; (3) the net interest margins, non-interest expenses and excess revenue budgeted and projected for fiscal year 2010 and projected for fiscal year 2011 and the trends in net interest margins, administrative and programmatic expenses, and excess revenues since fiscal year 2004; (4) the sources and uses of funds in the proposed budget for fiscal year 2011; (5) the administrative expenses included in the proposed budget for extraordinary expenses related to the housing crisis, compensation and benefits, facilities and equipment, on-going and project related technology expenses, marketing and business partner support, conference, training and travel, and printing, postage and other expenses; (6) the programmatic expenses for finance and mortgage servicing, multi-family properties owned by the Authority, loan loss provision and expenses, administration of the Housing Choice Voucher Program, grants and program training, and ancillary fee income; (7) the expected impact on REACH *Virginia* based upon a 5-year average calculation, and (8) the non-monetary community support provided by the Authority. During the presentations, Mr. McKellar advised the Commissioners as to the status of the litigation on *The Views at Clarendon*.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 11:03 a.m.

Chairman Hopkins called the regular meeting of the Board of Commissioners to order at approximately 11:04 a.m. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the Board and Committee meetings on August 3 and 4, 2010, October 12 and 13, 2010, and December 7 and 8, 2010; the NCSHA Conference in Boston on October 2-5, 2010; the Governor's Housing Conference in Richmond on November 17-20, 2010; the receipt by the Authority of an award from the Richmond chapter of the American Planning Association for the Authority's mixed income, mixed use planning initiative; the upcoming broadcast on the Fairfax County public access channel of a taped show on homeownership education; and the recently commenced audit by the office of the HUD Inspector General of the administration by the Authority of the TCAP funding.

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 meetings of the Commissioners held on April 11-13, 2010 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 in Recognition and Appreciation of the 30th Anniversary of Pathway Homes, Inc." dated June 8, 2010, in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner O'Brien, on behalf of the Programs Committee, reported that the Committee had received and discussed a staff report on the final rankings for reservations of the federal low-income housing tax credits and exchange funds in 2010 and that the Committee recommended that the staff proceed with the reservations of tax credits and exchange funds for the developments having scores high enough to receive tax credits in each of the pools and the four developments in the Tier One At-Large Pool, subject to such adjustments as may be necessary if federal law authorizing the exchange funds is not enacted. It was the consensus of the Commissioners that the staff proceed as recommended by the Committee. Commissioner O'Brien next reported that the Committee had received and discussed, and recommended approval of, a proposed change to the calculation of the amount of annual funding for REACH *Virginia* that would be based on an average of the Authority's excess revenues over a five year period rather than the three year period currently used in the calculation. Commissioner O'Brien moved that the annual amount of the Authority net assets to be dedicated, on a present value basis as determined by the Authority, to reduce the interest rates or otherwise provide housing subsidies under its programs shall be equal to 15% of the average of the Authority's excess revenues (as unadjusted for the effect of GASB 31) for the immediately preceding five fiscal years. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien noted that, during a transitional period in fiscal years 2011, 2012 and 2013, the

current unallocated annual amounts from prior years would be applied to the funding of the annual amounts in those fiscal years in order to fund the difference between the annual amounts calculated on the basis of three years and five years. Commissioner O'Brien advised the Commissioners that the Committee had received a report on the proposed mortgage loan financing by the Authority of the Patrick Henry Hotel Apartments in Roanoke and had authorized the staff to proceed with the underwriting of the mortgage loan. Commissioner O'Brien reported that the Committee had received and discussed, and recommended approval of, a proposed mortgage loan to finance Buckingham Village 3. Mr. McKellar advised the Commissioners that because the mortgage loan is to be secured by a leasehold estate, the approval by the Commissioners of the financing of the mortgage loan was required by the resolution entitled "Amended and Restated Resolution Adopting Policy on the Financing of Leasehold Estates" adopted by the Board of Commissioners on May 6, 2008. Commissioner O'Brien moved approval of the resolution entitled "Resolution Authorizing a Multi-Family Mortgage Loan to Finance Buckingham Village 3" in the form attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien summarized the staff reports that had been received and considered by the Committee on the following matters: homeownership and multi-family loan delinquencies; the leasing rate in the housing choice voucher program; delinquencies in the Authority's Ginnie Mae portfolio; single family and multi-family loan production; the status of the disposition of multi-family developments owned by the Authority; the status of the Authority's emerging markets outreach efforts; and the Authority's marketing activities. Commissioner O'Brien advised the Commissioners that two tenants of James Bland apartments in Alexandria and a representative of VOICE had addressed the Committee to express their concerns about the relocation of tenants in the apartments and that the Committee had requested the staff to review the complaints and any issues of compliance with the applicable requirements under the low-income housing tax credit program.

Commissioner Allmond, on behalf of the Audit Committee, reported that the Committee had received a presentation from KPMG on its plan for the 2011 audit of the Authority's financial statements. Commissioner Allmond summarized the reports received and considered by the Committee on the Authority's monthly financials and budget comparisons for the period ended April 30, 2010 and on the status of the internal audit schedule, reports and recommendations. Commissioner Allmond advised the Commissioners that the staff and Commissioners would be receiving a questionnaire requesting disclosure of any related party transactions with the Authority in order for Ms. Dewey and Mr. Bowen to make the certification as to such transactions in connection with the audit of the Authority's financial statements for fiscal year 2010.

Commissioner Allmond, on behalf of the Operations Committee, summarized the staff reports that had been received and considered by the Committee on ITS projects and recent activities sponsored by the Organizational, Development and Learning Division.

Chairman Hopkins, on behalf of the Committee of the Whole, reported that the Committee had reviewed and discussed, and recommended approval of, the Transitional Strategic Plan for fiscal year 2011. Chairman Hopkins then moved approval of the Transitional Strategic Plan in the form attached hereto. This motion was approved by the

affirmative vote of each of the Commissioners noted above as present at the meeting. Chairman Hopkins next reported that the Committee had reviewed and discussed the Authority's proposed budget for fiscal year 2011. The Commissioners then discussed merit increases and bonuses for the staff as recommended by the Operations Committee and Executive Committee, and it was the consensus of the Commissioners that the amount of \$1.5 million be approved for merit increases and bonuses. On motion duly made and seconded, the resolution entitled "Resolution- Adoption of 2011 Fiscal Year Operating Budget" dated June 8, 2010 in the form attached hereto, as revised to include such portion of the \$1.5 million as shall be deemed by management to be merit increases, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

There being no further business, the meeting was adjourned at approximately 11:55 a.m.

Gerald W. Hopkins, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON JUNE 7, 2010

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 7, 2010 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Nancy K. O'Brien, Committee Chairman
William C. Shelton
Charles McConnell
Marjorie N. Leon
Jacqueline Black

OTHER COMMISSIONERS PRESENT

John P. McCann
Kermit E. Hale
Yvonne Allmond
Gerald W. Hopkins

COMMITTEE MEMBER ABSENT:

Jay Fisette

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
Ronald A. Reger, Strategic Business Planner
Mike Stoneman, Multi-Family Owned Property Portfolio Manager
Art Bowen, Managing Director of Finance and Administration
Russ Wyatt, General Auditor
Tammy Neale, Chief Learning Officer
Barbara Blankenship, Managing Director of Human Resources
Bob Halloran, Marketing Director
Costa Canavos, Community Housing Officer
Paul Brennan, Deputy General Counsel
Llewellyn C. Anderson, Strategic Business Planner

Janet Aylor, Department of the Treasury
Dee Dee Tostanoski, Virginians Organized for Interfaith Community Engagement
Charlene Walker, Resident of James Bland Apartments
Deborah Mobley, Resident of James Bland Apartments
Jennifer Knox, Virginians Organized for Interfaith Community Engagement
Duane Kay, Virginians Organized for Interfaith Community Engagement

The meeting of the Programs Committee was called to order by Committee Chairman O'Brien at approximately 4:20 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 Commissioners Shelton and 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 April 13, 2010 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Commissioner O'Brien called for public comments. Ms. Walker, Ms. Mobley and Reverend Kay expressed to the Committee their concerns regarding the relocation and transfer process of tenants and the reimbursement of the tenants' moving expenses in connection with the renovation of James Bland Apartments in Alexandria. Ms. Walker and Reverend Kay requested that the Authority investigate compliance with its policies and procedures relating to the relocation and transfer of tenants. Commissioners O'Brien thanked the speakers for their comments, and it was the consensus of the Committee that the staff review the complaints and any issues of compliance with the applicable requirements under the low-income housing tax credit program. Subsequent to this discussion, Commissioners Allmond, Hopkins, Hale, and McCann left the meeting.

Mr. Chandler presented a report on the final rankings for reservations of the low income housing tax credits and exchange funds. During the discussion of this presentation, Commissioner Shelton joined the meeting. It was the consensus of the Committee to recommend that the staff proceed with the reservations of tax credits and exchange funds for the developments having scores high enough to receive tax credits in each of the pools and the four developments in the Tier One At-Large Pool, subject to such adjustments as may be necessary if federal law authorizing the exchange funds is not enacted.

Mr. Ritenour presented a proposed change to the REACH *Virginia* subsidy calculation that would base the amount of annual funding on an average of the Authority's excess revenues over a five year period rather than the three year period currently used in the calculation. Mr. Ritenour noted that, during a transitional period in fiscal years 2011, 2012 and 2013, the current unallocated annual amounts from prior years would be applied to the funding of the annual amounts in those fiscal years in order to fund the difference between the annual amounts calculated on the basis of three years

and five years. Commissioner Shelton moved that the Committee recommend that the annual amount of the Authority net assets to be dedicated, on a present value basis as determined by the Authority, to reduce the interest rates or otherwise provide housing subsidies under its programs shall be equal to 15% of the average of the Authority's excess revenues (as unadjusted for the effect of GASB 31) for the immediately preceding five fiscal years. This motion was seconded by Commissioner McConnell and was approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Mr. Ritenour and Mr. Canavos presented a report on the proposed mortgage loan financing of the Patrick Henry Hotel located in Roanoke. During the discussion of this development, Commissioner Black joined the meeting. It was the consensus of the Committee that the staff proceed with the underwriting of the mortgage loan.

Mr. Ritenour presented a report on a proposed mortgage loan to finance Buckingham Village 3, a multi-family development that is to be secured by a leasehold estate. Mr. McKellar advised the Commissioners that because the mortgage loan is to be secured by a leasehold estate, the approval by the Commissioners of the financing of the mortgage loan was required by the resolution entitled "Amended and Restated Resolution Adopting Policy on the Financing of Leasehold Estates" adopted by the Board of Commissioners on May 6, 2008. Commissioner Shelton moved that the Committee recommend approval of the resolution entitled "Resolution Authorizing a Multi-Family Mortgage Loan to Finance Buckingham Village 3". This motion was seconded by Commissioner Leon and was 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 delinquencies and foreclosures in the homeownership and multi-family loan portfolios. In this report, Mr. Dolce noted that in April 2010 the single family loan delinquencies increased slightly to 10.54% and the multi-family loan delinquencies remained at 1.16%.

Mr. Dolce reported that the lease-up rate in the Housing Choice Voucher Program was 97%. Mr. Dolce noted that the Authority had received 50 additional vouchers to issue to homeless veterans and will be applying for 200 additional vouchers for non-elderly disabled households.

Mr. Dolce presented a report on the single family loan delinquencies in the Authority's Ginnie Mae portfolio as of May 3, 2010. In this report, Mr. Dolce noted that the Authority's delinquencies in the Ginnie Mae portfolio continue to be well within the requirements of Ginnie Mae.

Mr. Dolce advised the Committee that the Authority had identified nine single family units as being constructed with toxic drywall and that the total loan balances on those units is approximately \$1.3 million.

Mr. Ritenour and Ms. Watson presented a report on homeownership loan production for the period April 1, 2010 through May 31, 2010. In this report, Ms. Watson noted that 76% of the loan production was to households with incomes less than 80% of the state median income. Ms. Watson reported that approximately 1,100 loans had been reserved with expected closing dates prior to July 1, 2010 and that the significant increase in loan reservations is due to the expiration of the federal homebuyer tax credit on June 30th.

Mr. Ritenour and Mr. Hastings presented a report on multi-family loan production for the period of April 6, 2010 to June 1, 2010. In this report, Mr. Hastings advised the Committee that 15 developments consisting of 702 units had been approved for mortgage loans in the total principal amount of approximately \$26 million. Mr. Hastings also noted that more than 12 of the developments were supported with REACH funding and anticipated production for FY2010 was between 4,800 and 5,000 units.

Mr. Ritenour and Mr. Stoneman presented a report on the status of the disposition of the multi-family developments owned by the Authority. Mr. Stoneman reported that one development had been added to the Authority's owned multi-family portfolio bringing the total to 12 developments on which no sales contract is pending.

Mr. Hawkins presented reports on the Authority's outreach to the African American and Hispanic markets for periods between March 2010 and May 2010. In this report, Mr. Hawkins stated that the staff had participated in various homeownership education and foreclosure counseling sessions.

Mr. Hill presented an update on the Authority's marketing activities. In this presentation, Mr. Hill noted that the Authority is participating in various forms of social media, including Facebook and Twitter.

There being no further business, the meeting of the Committee was adjourned at approximately 6:00 p.m.

Minutes of the Meeting of the Audit Committee Held on June 7, 2010

The meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on June 7, 2010 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

Committee Members Present	Yvonne Allmond John P. McCann Kit Hale
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Other Commissioners Present	Gerald Hopkins
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Others Present	Arthur N. Bowen, III, Managing Director of Finance & Administration Russ E. Wyatt, General Auditor Melody Barackman, Controller Barbara Blankenship, Managing Director of Human Resources Tammy Neale, Chief Learning Officer, ODL Michelle Edmonds, Sr. Executive Assistant Rob Churchman, KPMG Kathy Glass, KPMG Janet Aylor, Treasurer's Office
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Meeting Called to Order	The meeting was called to order at 4:40 p.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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Approval of the Minutes	On motion duly made by Commissioner McCann and seconded by Commissioner Hale, the minutes of the Audit Committee meeting of April 13, 2010 were approved.
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FY 2010 Audit Entrance Discussion with KPMG	Rob Churchman and Kathy Glass of KPMG discussed their plan and methodology for the 2010 audit. Processes to be reviewed in the current year include: lending, bond management, treasury management, investment management and financial reporting (includes investments). Planning and interim fieldwork to be performed from June 7 to June 18, 2010. Year-end fieldwork from mid August 2010 until mid September 2010. KPMG will issue audited financial statements, which are due to the Governor's Office within 90 days of fiscal year end (anticipated release date September 20, 2010). The management letter and OMB Circular No. A-133 reports
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**FY 2010 Audit
Entrance
Discussion with
KPMG (cont'd)**

will be issued concurrent with audited financial statements (anticipated release date September 20, 2010). REAC filing submission deadline is expected to be March 31, 2011. KPMG will update the Board on the status of its findings prior to issuance of the final report. Kathy will coordinate with Melody and Art to have this meeting scheduled.

The following critical, significant and additional risk audit areas have been identified for the June 2010 audit:

- Mortgage loans receivable – valuation of allowance for loan losses;
- Investments – valuation of hard to value investments, (if any);
- Cash/cash equivalents, capital assets;
- Investments in rental property;
- Notes and bonds payable
- Accounts payable, accrued expenses
- Information Technology – new systems (if implemented);
- OMB Circular A-133 audit;
- Ginnie Mae MBS program; and
- New Federal programs included in A-133 audit.

Two new GASB updates are required this year: 1) financial reporting for intangible assets and 2) financial reporting for derivative instruments.

Also, the General Auditor reported that annually KPMG asks Susan, Art and Melody to sign a Representation Letter expressing, among other things, that all “related party” transactions have been properly recorded or disclosed in the financial statements. To provide them with the information necessary to express this opinion, all members of VHDA’s staff and Board will be asked to complete a questionnaire disclosing whether they, a member of their family, or any entity they have an ownership interest in or they can significantly influence have had transactions with VHDA over the last fiscal year. All Board members will be getting the questionnaire in early July asking that they disclose this information to VHDA.

**Report on
Monthly
Financials**

The Controller, Melody Barackman, discussed the April 2010 financial highlights. Ten months into the fiscal year, excess revenues before GASB 31 adjustments totals \$63 million, or \$7.5 million ahead of plan.

Mortgage loan interest income is ahead of plan by \$12.5 million while GNMA servicing income is behind plan by \$2.2 million, as all but \$200 million of single-family production has been retained in the portfolio rather than converted to GNMA securities.

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**Report on
Monthly
Financials**
(cont'd)

Investment results to date are negatively impacted by \$8.8 million due to additional write-offs of certain mortgage-backed security holdings. However, these losses are more than offset by unrealized gains in GASB 31 mark-to-market adjustments, totaling \$28 million.

Administrative expenses and discretionary spending have been effectively managed to perform \$3.3 million better than budget, with the largest savings occurring in associate compensation and benefits.

Programmatic expenses to date are only slightly behind budget, however the cost of loan losses and loss provisions have thus far exceeded budget by \$6.4 million. Actual losses on single-family loans arising from short sales, foreclosure costs or REO market declines have totaled \$16.6 million to date, or \$5.6 million over budget. Provision for loan loss reserves of both single and multi-family have exceeded budget by \$2 million to date.

Ancillary fee income is \$3.3 million ahead of budget primarily from tax credit fees collected on the increase in tax credit application and compliance monitoring, an outcome in large part of the TCAP and Exchange programs. Also the HCV costs have run \$2 million better than budget.

**Internal Audit
Report**

The General Auditor reported on the status of the audit schedule indicating that two audits were completed since the last Committee meeting: REACH Programs and Network Services. The General Auditor indicated that a standard report with discussion items was issued for these audits where issues were identified and discussed with management but did not rise to the level of needing to be addressed by the Audit Committee. The General Auditor also reported that there were no adverse reports issued since the last Committee meeting.

The General Auditor further reported on the status of audits in progress as follows: 1) Program Compliance/HDS/WCMS Application System (closing phase); 2) Investments/SS&C/Lightning Application System (fieldwork phase); 3) Annual Loan Investment Confirmations (fieldwork phase); 4) Business Systems (overview phase); 5) Policy, Planning & Communication (overview phase); and 6) Ginnie Mae (overview phase).

The General Auditor also reported that the Audit schedule is on track to be completed as planned and that there are no control concerns that were previously reported that have not been addressed by management.

The General Auditor then gave a status update of the Enterprise Risk Management Project indicating that the new Risk and Control Self-Assessment System is being used by management to certify controls for FY 2010 and he is monitoring the progress of this effort.

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Adjournment

There being no further business, Commissioner Allmond moved for adjournment of the meeting at 5:25 p.m.

Russ E. Wyatt
General Auditor

Yvonne Allmond
Chairman

ODL Update Tammy Neale gave an update on learning events and associate activities sponsored by her area such as 1) hosting retirement education seminars through Vanguard; 2) Lunch-N-Learn workshops on Generations at Work and Workplace Wellness; 3) Managing Conflict Through a Collaborative Process; and 4) a mandatory training class being developed for associates on e-mail best practices. Tammy also reported on associate volunteer events such as Richmond Rebuilding Together as well as efforts of the Green Team and the Recognition and Fun Team.

HR Update The Committee discussed various options for performance-based compensation related to FY 2010 performance. These options will be discussed further in the Executive Committee meeting and at the full Board meeting.

Adjournment There being no further business, Commissioner Allmond adjourned the meeting at approximately 6:30 p.m.

Arthur N. Bowen, III
Managing Director of Finance &
Administration

Yvonne Allmond
Chairman

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE EXECUTIVE COMMITTEE
HELD ON JUNE 7, 2010

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 7, 2010 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Gerald W. Hopkins, Chairman
Charles McConnell
Yvonne T. Allmond
Nancy K. O'Brien
John P. McCann

OTHERS PRESENT:

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

Chairman Hopkins called the meeting of the Committee to order at approximately 6:50 p.m. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

The members of the Committee discussed the merit and bonus recommended by the Operations Committee. The members of the Committee also discussed the information needed to evaluate the fiscal year 2010 performance of the Executive Director in August.

There being no further business, the meeting was adjourned at approximately 7:20 p.m.