

VIRGINIA HOUSING DEVELOPMENT AUTHORITY
MINUTES OF THE ANNUAL MEETING OF THE COMMISSIONERS
HELD ON AUGUST 13, 2024

Pursuant to the call of the Chair and notice duly given, the regular meeting of the Commissioners of the Virginia Housing Development Authority (“Virginia Housing”) was held on August 13, 2024, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

William C. Shelton, Acting Chair
Matthew Fields
Davon Gray
Bryan Horn
Abigail Johnson (Via Webex)
Michael Olivieri
David L. Richardson
Dare Ruffin
Donald E. Scoggins
Sarah B. Stedfast

COMMISSIONERS ABSENT:

Dominique Hicks-Whitaker

OTHERS PRESENT:

Tammy Neale, CEO
Fred Bryant, Chief Counsel
Tara Jenkins, Chief of Staff
Monique Johnson, Chief of Programs
Hil Richardson, Chief Financial Officer
Janet Wigglesworth, Chief of Operations
Herman Aparicio, Managing Director of Information Technology
JD Bondurant, Managing Director of Rental Housing
Andrew Burguiere, Managing Director of Capital Markets
David Henderson, Managing Director of Finance and Administration
Steven Mintz, Deputy Chief Counsel
Madelyn Peay, Managing Director of Community Outreach
Mike Urban, Managing Director of Homeownership
Lisa Watson, Managing Director of Human Resources
Marissa Arnold, Administrative Assistant
Ron Brown, Senior Desktop Support Analyst
Artonda Cheeseman, Executive Office Manager
Keandra Davis, Fellow
Michelle De La Cruz, Fellow
Lauren Dillard, Associate Tax Credit Allocation Officer

Bryce Dort, Audio Visual Technician
Sandy Edwards, Assistant to the Chief Executive Officer
Fabrizio Fasulo, Director of Policy and Planning
Stephanie Flanders, Director of Tax Credits
David Glassman, Director of Rental Housing Programs
Kyla Goldsmith-Ray, Communications Director
Michelle Jackson, Senior Executive Assistant
Monica Jefferson, Associate Chief
Salathia Johnson, Associate Chief
Jonathan, Kinsey, Senior Tax Credit Allocation Officer
Tommy Le, Senior Desktop Support Analyst
Jasmine Martin, Fellow
Ibraheem Masoud, Audit Intern
Charles Miller, Fellow
Cindy Patterson, Internal Audit Director
Hope Rutter, Director of Rental Housing Servicing
Yilla Smith, Director of Housing Opportunity Programs and Initiatives
Ryne Johnson, Astoria
Austin Pittman, The Lawson Companies

Acting Chair Shelton called the annual meeting of the Board of Commissioners to order at approximately 10:45 AM on August 13, 2024. Mr. Bryant noted that, due to the vacancy in the office of both the Chair and the Vice Chair, Commissioner Shelton was acting as Chair per Section 2.3 of the Bylaws as the Commissioner with longest uninterrupted tenure. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting. Per Virginia Housing's Amended and Restated Policy Governing Electronic Participation in Board Meetings dated February 22, 2023, Commissioner Johnson participated in the meeting via Webex from Lampedusa, Italy due to a personal matter.

Acting Chair Shelton welcomed Commissioners Fields, Olivieri and Ruffin.

Ms. Neale presented updates on (i) her transition into the role of CEO; (ii) Advisory Council meetings; (iii) the closeout of the Virginia Mortgage Relief Program (VMRP), and (iv) telling our story. Ms. Neale also introduced the four Virginia Housing Fellows (Ms. Davis, Ms. De La Cruz, Ms. Martin, and Mr. Miller) and Ms. Peay, Managing Director of Community Outreach.

Commissioner Horn provided an update on the recent activities of the Department of Housing and Community Development (DHCD). This included (i) the upcoming application deadline for the Affordable and Special Needs Housing (ASNH) program, (ii) an update on flood relief efforts, and (iii) DHCD's work on extending broadband service (including the BEAD and VATI programs).

Mr. Fasulo presented Board Brief #16 - Qualified Allocation Plan (QAP) Primer. Mr. Fasulo noted that the QAP outlines the criteria for awarding federal low-income housing tax credits

(LIHTCs) to the developers of affordable rental housing properties and is a key housing policy document for the Commonwealth.

Mr. Fasulo updated the Commissioners regarding progress on, and the process for, developing Virginia Housing's next Strategic Plan.

The meeting was recessed for lunch from 11:55 AM to 12:30 PM.

Acting Chair Shelton reconvened the meeting at approximately 12:30 PM. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the remainder of the meeting.

Ms. Johnson provided an update on the utilization of FY24 REACH *Virginia* resources and FY25 REACH *Virginia* funding allocations. The FY2025 allocation is \$144,401,508.

Ms. Flanders provided an informational update on the applications received in the 2024 application round for state Housing Opportunity Tax Credits (HOTC). Final HOTC rankings are expected to be presented at the October Board meeting for approval.

Ms. Smith provided a brief update on the planned launch of a Project Based Voucher (PBV) program. Virginia Housing expects to launch the program in CY24 and project based up to one hundred (100) units during the inaugural year.

Ms. Johnson and Mr. Fasulo presented highlights of the FY24 Year-End Performance Report, which included programmatic and operational performance data for FY24.

Mr. Mintz presented amended and restated versions of Virginia Housing's existing policies governing (i) electronic participation by Commissioners in Board meetings, and (ii) all-virtual Board meetings to conform to changes to the Virginia Freedom of Information Act (FOIA) that became effective July 1, 2024. As permitted by changes to FOIA, the amended policy on all-virtual meetings permits the Board and Committees to conduct three (3) such meetings per calendar year (an increase from two (2) all-virtual meetings provided for in the prior version of the policy). A motion was duly made, seconded, and approved by the affirmative vote of each of the Commissioners present to adopt the amended and restated policies in the form presented.

Mr. Bryant presented Resolutions of recognition and appreciation for former Commissioners Artus, Gibson, and Larrazabal. A motion was duly made, seconded, and approved by the affirmative vote of each of the Commissioners present to adopt the resolutions in the form presented.

Acting Chair Shelton opened the floor for discussion of other Board matters. No matters were raised by Commissioners for discussion.

Commissioner Stedfast, on behalf of the Audit Committee, reported that, at its meeting that morning, the Committee (i) approved the minutes of the Committee's May 7th meeting; (ii) received a report from Ms. Patterson on the Internal Audit Department's (IA) recent activities

including the remediation status of past audit issues, the Inclusion, Diversity, Equity and Access (“IDEA”) scorecard by department, and ongoing audits; and (iii) received a report from Ms. Patterson on IA’s methodology for determining its FY25 Risk-Based Audit Plan and the programs and operations on which IA will focus in FY25.

Acting Chair Shelton, on behalf of the Executive Committee, reported that, at its meeting that morning, the Committee took the following actions (i) approved the minutes of its May 7th meeting, (ii) reviewed the Board meeting agenda, (iii) heard a report from Mr. Mintz on the amended and restated policies for electronic participation by Commissioners in Board meetings and all-virtual Board meetings, (iv) discussed FY25 CEO performance management and goals, with final goals expected to be adopted at the October meeting of the Committee, (v) received an update on the status of the negotiation of a lease for replacement office space in Henrico County for Virginia Housing staff, (vi) met in closed session regarding an unsolicited confidential proposal received under the Public-Private Education Facilities and Infrastructure Act of 2002 (PPEA), and (vii) as the Nominating Committee, nominated Commissioner Stedfast for Chair and Commissioner Shelton for Vice Chair.

Mr. Henderson reported on the financials and budget, specifically with respect to Virginia Housing’s financial statements as of June: (i) excess expenses over revenues (before GASB adjustment) of \$8.7 million for the month, which is \$11.5 million under budget and \$30.0 million below last year, (ii) year to date, Virginia Housing achieved \$81.6 million in excess revenue over expenses (before GASB Adjustments), which is \$47.8 million better than budget and \$18.2 million higher than last year; (iii) year to date net interest margin of \$280.6 million, which is \$9.4 million above budget and \$61.2 million above last year; (iv) year to date programmatic expenses were \$22.3 million higher than budget: a \$30.5 million expense in the loan loss provision & expenses was offset by lower financing (cost of issuance) expense (\$1.2 million) and program and partners (\$0.8 million); (v) year to date administrative expenses are \$12.2 million lower than budget mostly due to lower than budget staffing costs (\$8.5 million) and below budget projects & technology (\$3.3 million); (vi) total assets of \$10.9 billion, an increase of \$1.6 billion above last year; (vii) total liabilities of \$7.0 billion, an increase of \$1.5 billion above last year, with the average cost of debt at 3.58% versus 3.18% last year; (viii) a net position of \$3.9 billion, an increase of \$74.3 million from last year, an annualized increase of 2.0%; (ix) annual investment interest return of 4.63%, which is 0.67% above budget and 2.83% higher than last year; (x) total market value of investments (excluding cash) was \$2.78 billion, including a \$76.5 million decrease in GASB 31 market value adjustments, with 71.6% of investments held in money market instruments and 28.3% held in mortgage backed securities (“MBS”); (xi) a total mortgage portfolio of \$14.7 billion (including loans serviced for the government sponsored entities (“GSEs”), a \$891.2 million increase over last year; (xii) total assets and GSE servicing of \$16.9 billion, a \$1.49 billion increase over last year; and (xiii) interest subsidy costs of \$12.9 million, which reflects the cost to Virginia Housing of REACH Virginia loan subsidies.

Mr. Burguiere (i) discussed the prior and anticipated bond issuance calendar; (ii) presented salient features memoranda for the Commonwealth Mortgage Bonds, 2023 Series E-5 Non-AMT (tax exempt) and 2024 D-Taxable and the Rental Housing Bonds, 2024 Series F Taxable and Series G-Taxable; and (iii) reviewed a chart showing Virginia Housing’s Private Activity Bond Allocation as of August 1, 2024.

Mr. Richardson provided an update on Virginia Housing’s responses to the recommendations of the Joint Legislative Audit & Review Commission (JLARC) contained in its two reports, issued in 2021 and 2022, involving Virginia Housing.

On a motion duly made and seconded to approve the consent agenda, the following, in the forms attached hereto, were approved by the affirmative vote of the Commissioners present, except Commissioners Stedfast, Fields, Ruffin and Olivieri who abstained: (i) minutes of the regular meeting of the Commissioners held on June 26, 2024, (ii) a resolution entitled “Resolution Approving and Ratifying 9% Federal Low-Income Housing Tax Credit Awards” dated August 13, 2024, (iii) a resolution entitled “Resolution Approving Housing Choice Voucher Section 8 Management Assessment Program Certification” dated August 13, 2024, and (iv) a resolution entitled “Resolution of Board of Directors and Certificate of Authorized Signatures” for transactions with Ginnie Mae dated August 13, 2024.

Acting Chair Shelton reported that the Executive Committee, at its meeting that morning, had recommended the nomination of Commissioner Stedfast for Chair and Commissioner Shelton for Vice Chair. Acting Chair Shelton led the vote for Chair of the Board. On a motion duly made and seconded, the Board elected, by the vote of each of the Commissioners noted above as present at the meeting, Commissioner Stedfast as Chair of the Board of Commissioners.

Chair Stedfast then assumed the chair and led the vote for Vice Chair. On a motion duly made and seconded, the Board elected, by the vote of each of the Commissioners noted above as present at the meeting, Commissioner Shelton as Vice Chair of the Board of Commissioners.

There being no further business, the meeting was adjourned at approximately 2:55 PM on August 13, 2024.

Sarah B Stedfast, Chair

Fred W. Bryant, Assistant Secretary