

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON OCTOBER 23, 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 October 23, 2024, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

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

COMMISSIONERS ABSENT:

Dominique Hicks-Whitaker

OTHERS PRESENT:

Tammy Neale, Chief Executive Officer
Fred Bryant, Chief Counsel
Tara Jenkins, Chief of Staff
Monique Johnson, Chief of Programs
Hil Richardson, Chief Financial Officer
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
Demas Boudreaux, Government Liaison
Artonda Cheeseman, Executive Office Manager
Phillip Cunningham, Assistant Director of Tax Credit Programs
Lauren Dillard, Tax Credit Allocation Officer
Sandy Edwards, Assistant to the Chief Executive Officer
Fabrizio Fasulo, Director of Policy and Planning
Stephanie Flanders, Director of Tax Credits

Everett Gardner, Associate Deputy Counsel
Tavish Grade, Audio Visual Technician
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
Cindy Patterson, Internal Audit Director
Maria Pruner, Associate Chief
Jordan Tawney, Associate Tax Credit Allocation Officer
Chris Thompson, Director of Strategic Housing
Jason Thompson, Associate Chief
Adrienne Whitaker, Director of Diversity, Equity and Inclusion
Kimberly Dyke-Harsley, Johnson Health Center (via Webex)
Ryne Johnson, Astoria
Mark Slack, Kanawha Realty Advisors (via Webex)
An unidentified member of the public (via Webex)

Chair Stedfast called the regular meeting of the Board of Commissioners to order at approximately 11:10 AM on October 23, 2024. All the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Johnson who joined the meeting as noted below, Commissioner Horn who left and rejoined the meeting as noted below, and Commissioner Gray who left the meeting as noted below. Per Virginia Housing's Amended and Restated Policy Governing Electronic Participation in Board Meetings dated August 13, 2024, Mr. Bryant noted that Commissioner Johnson would subsequently join the meeting and participate in the meeting via Webex from Bologna, Italy due to a personal matter.

Chair Stedfast opened the floor for public comments. There being no one wishing to comment, Chair Stedfast closed the public comment period.

Commissioner Horn left the meeting at this point and subsequently rejoined as noted below.

Ms. Flanders presented the Housing Opportunity Tax Credits (HOTC) final rankings. Staff's recommendation was to award 2024 HOTCs and pre-allocate all the 2025 HOTCs to the developments shown on the report in the Board materials. Commissioner Johnson joined the meeting during the presentation and remained present throughout the remainder of the meeting. Following the presentation and discussion by Commissioners, a motion to authorize staff to proceed with the reservations of the HOTC in accordance with staff's recommendations for the CY24 and CY25 HOTC final rankings was approved by the affirmative vote of the Commissioners then present.

Prior to the Qualified Allocation Plan (QAP) agenda item, Mr. Bryant announced that Commissioners Shelton and Fields had filed with Virginia Housing disclosures of the potential for a personal interest in a transaction that is subject to the QAP due to their professional roles.

Commissioner Shelton is a member of the Board of Directors of Locus (formerly known as Virginia Community Capital) and the Board of Directors of the Locus Impact Fund. Commissioner Fields is the Buchanan County Director of Economic Development & Tourism and the Director of the Buchanan County Industrial Development Authority. He also serves on the board of directors for People Inc., the Buchanan County Chamber of Commerce and the Heart of Appalachia Regional Tourism Authority. Mr. Bryant stated that, under the Virginia State and Local Government Conflict of Interests Act, their participation in this topic was permissible because they are members of a broad business, profession, occupation, or group of three or more persons the members of which could be affected by QAP and they have affirmed that they are able to participate in the QAP approval fairly, objectively, and in the public interest, notwithstanding any personal interest.

Ms. Flanders presented the final 2025 QAP for adoption. Ms. Flanders noted that the recommended amendments to the QAP were made after receiving stakeholder input, publication of the proposed changes in the *Virginia Register of Regulations*, publishing public notice, and holding a public hearing. Staff's recommendation was to adopt the QAP in the form proposed at the June Board meeting. Ms. Flanders also noted that, following Board approval, the Governor would be requested to approve the QAP, per the requirements of Section 42 of the Internal Revenue Code. Following the presentation and discussion by Commissioners, a motion to adopt the Resolution entitled "Resolution Amending and Restating the Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits including Rules and Regulations" dated October 23, 2024, as contained in the Board materials was approved by the affirmative vote of the Commissioners then present.

Commissioner Horn rejoined the meeting and remained present throughout the remainder of the meeting.

Chair Stedfast reported that the Executive Committee had approved the FY25 Virginia Chief Executive Officer Goals at its meeting that morning. Ms. Neale then reviewed her goals with the Commissioners.

Ms. Neale presented updates on (i) fall conferences and events, (ii) a 180-day recap of her transition into the role of Chief Executive Officer; (iii) Advisory Council meetings; (iv) efforts with respect to economic development and housing, and (v) telling our story. Ms. Neale also congratulated Commissioner Gray in his appointment to the National Conference of State Housing Boards and Commissioner Stedfast on her receipt of the 2024 Bill Axelle Lifetime Achievement Award and induction as President of the Virginia Mortgage Bankers Association. Ms. Neale also summarized the process for tracking and responding to inquiries from legislators and other stakeholders and provided an update on the launch of a Project Based Voucher (PBV) program. Based on comments from Commissioners, Ms. Neale will include additional information on Virginia Housing's Advisory Councils in her report at the next meeting.

The meeting was recessed for lunch from 12:25 PM to 12:55 PM.

Chair Stedfast reconvened the meeting at approximately 12:55 PM. All Commissioners listed above as present at the meeting were present at that time and remained present throughout the remainder of the meeting, except Commissioner Gray who left the meeting as noted below.

Commissioner Horn provided an update on the recent activities of the Department of Housing and Community Development (DHCD). This included (i) the allocation of private activity bond cap from the local housing authority and governor's pools, (ii) efforts with respect to Executive Order 39 on permit issuance, (iii) an update on flood relief efforts, (iv) DHCD's work on extending broadband service (including the BEAD program and "Make Ready" funds), and (v) the upcoming Virginia Governor's Housing Conference.

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

Ms. Johnson provided a brief informational overview of initiatives supporting low-wealth renters working toward the goal of homeownership. Within this discussion, she also described the homeownership voucher program. Commissioners and staff also discussed the need to incentivize builders to develop starter homes and a desire to see homeownership education provided to the public at an earlier age.

Chair Stedfast opened the floor for discussion of other Board matters. Commissioner Shelton mentioned a housing summit in Danville focusing on economic development and housing as a good example of Virginia Housing creating a spark of activity and then letting it gain traction among others.

Commissioner Gray, on behalf of the Audit Committee, reported that, at its meeting that morning, the Committee (i) approved the minutes of the Committee's August 13th meeting, (ii) received a "clean" audit report from Clifton Larson Allen LLP (CLA), Virginia Housing's external auditor, on CLA's audit of Virginia Housing's financial statements as of June 30, 2024, (iii) received an informational update from Ms. Patterson on Internal Audit's recent and ongoing activities, (iv) adopted an updated Audit Committee Charter, and (v) adopted an updated Audit Department Charter.

Chair Stedfast, 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 August 13th meeting, (ii) reviewed the Board meeting agenda, (iii) adopted FY25 Chief Executive Officer goals, (iv) received an update from Ms. Neale on her actions and accomplishments in her first 6 months in the Chief Executive Officer role, (v) received a recommendation from Mr. Mintz regarding preliminary work on a new parking deck at the HQ site, and (vi) approved staff to make a payment up to \$450,000 to Hourigan Construction to complete a fully designed permittable set of construction plans for a proposed 4-level freestanding parking deck at the Virginia Housing headquarters property, which will allow submission by Hourigan of a detailed guaranteed maximum price (GMP) proposal for building the deck, with any further action on the GMP proposal to be subject to final approval by the Executive Committee.

Mr. Henderson reported on the financials and budget, specifically with respect to Virginia Housing's financial statements as of August: (i) excess expenses over revenues (before GASB adjustment) of \$2.0 million for the month, which is \$5.6 million under budget and \$6.9 million below last year, (ii) year to date, Virginia Housing achieved \$10.9 million in excess revenue over expenses (before GASB Adjustments), which is \$4.3 million under budget and \$4.8 million below last year; (iii) year to date net interest margin of \$48.9 million, which is \$1.7 million under budget but \$2.7 million above last year; (iv) year to date programmatic expenses were \$0.9 million lower than budget: MSR amort, Loan Acquisition & Pooling Costs were \$1.3 million higher than budget which were offset by \$1.5 million in lower than budgeted costs in Financing (Cost of Issuance); (v) year to date administrative expenses are \$1.8 million lower than budget mostly due to lower than budget staffing costs (\$0.8 million) and below budget projects & technology costs (\$0.5 million); (vi) total assets of nearly \$11 billion, an increase of \$1.6 billion above last year; (vii) total liabilities of \$7.1 billion, an increase of \$1.5 billion above last year, with the average cost of debt at 3.79% versus 3.40% last year; (viii) a net position of \$3.9 billion, an increase of \$98.9 million from last year, an annualized increase of 2.6%; (ix) annual investment interest return of 4.88%, which is 0.55% above budget and 0.45% higher than last year; (x) total market value of investments (excluding cash) was \$2.45 billion, including a \$56.1 million decrease in GASB 31 market value adjustments, with 69.1% of investments held in money market instruments and 30.7% held in mortgage backed securities ("MBS"); (xi) a total mortgage portfolio of \$15.0 billion (including loans serviced for the government sponsored entities ("GSEs"), a \$1.0 billion increase over last year; (xii) total assets and GSE servicing of \$16.9 billion, a \$1.4 billion increase over last year; and (xiii) year to date interest subsidy costs of \$2.3 million, which reflects the cost to Virginia Housing of REACH Virginia loan subsidies.

Following Mr. Henderson's report, Commissioner Gray left the meeting and did not return.

Mr. Burguiere (i) discussed the prior and anticipated bond issuance calendar; (ii) presented salient features memoranda for the Commonwealth Mortgage Bonds, 2024 Series D Non-AMT (tax exempt), 2024 E-Taxable and 2024 F Non-AMT (tax-exempt) and the Rental Housing Bonds, 2024 Series G Non-AMT (tax-exempt) and Series H-Non—AMT (tax-exempt); and (iii) reviewed a chart showing Virginia Housing's Private Activity Bond Allocation as of October 7, 2024. Mr. Burguiere also briefly described the revolving credit facilities Virginia Housing is entering into with Bank of America and Wells Fargo Bank.

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 then present: (i) minutes of the regular meeting of the Commissioners held on August 13, 2024, and (ii) a resolution entitled "Resolution Authorizing Revolving Credit Agreement" dated October 23, 2024.

There being no further business, the meeting was adjourned at approximately 2:00 PM on October 23, 2024.

Sarah B. Stedfast, Chair

Fred W. Bryant, Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE EXECUTIVE COMMITTEE
HELD ON OCTOBER 23, 2024

Pursuant to the call of the Committee Chair and notice duly given, the meeting of the Executive Committee of the Board of Commissioners of the Virginia Housing Development Authority (“Virginia Housing”) was held on October 23, 2024, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Sarah B. Stedfast, Chair
Davon Gray
David L. Richardson
William C. Shelton

COMMITTEE MEMBERS ABSENT:

None

OTHERS PRESENT:

Tammy Neale, Chief Executive Officer
Fred Bryant, Chief Counsel
Tara Jenkins, Chief of Staff
Monique Johnson, Chief of Programs
Hil Richardson, Chief Financial Officer
Lisa Watson, Managing Director of Human Resources
Steven Mintz, Deputy Chief Counsel
Artonda Cheeseman, Executive Office Manager

The meeting of the Executive Committee was called to order by Chair Stedfast at approximately 9:00 AM on October 23, 2024. 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 Committee meeting held on August 13, 2024, were approved by the affirmative vote of the Commissioners present at the meeting.

The Committee reviewed and discussed the agenda for the Board Meeting.

Ms. Neale provided an informational update on her actions and accomplishments in her first 6 months in the Chief Executive Officer role. Ms. Neale also summarized the process for tracking and responding to inquiries from legislators and other stakeholders.

Ms. Neale reviewed her proposed FY25 Virginia Housing Chief Executive Officer Goals with the Committee. Following a discussion of the goals, a motion that the Committee approve the FY25 Virginia Housing Chief Executive Officer Goals as presented was approved by the affirmative vote of the Commissioners present at the meeting. Ms. Neale also summarized the FY24 year-end compensation for her direct reports. The Committee members commented on the

need for staff to begin the preparation of the FY25 Chief Executive Officer evaluation tool and provided guidance regarding staff's upcoming work on the year-end compensation structure, including analysis of market comparables.

Mr. Mintz gave a presentation on the potential construction of a parking deck on the Virginia Housing headquarters (HQ) property. Following discussion, a motion authorizing staff to make a payment up to \$450,000 to Hourigan Construction (Hourigan) to complete a fully designed permittable set of construction plans for a proposed 4-level freestanding parking deck at the HQ property, which will allow submission by Hourigan of a detailed guaranteed maximum price (GMP) proposal for building the deck, with any further action on the GMP proposal being subject to final approval by the Executive Committee was approved by the affirmative vote of the Commissioners present at the meeting.

There being no further business, the meeting was adjourned at approximately 10:02 AM on October 23, 2024.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE
HELD ON OCTOBER 23, 2024

Pursuant to the call of the Committee Chair and notice duly given, the meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority (“Virginia Housing”) was held on October 23, 2024, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Davon Gray, Chair
Donald E. Scoggins
William C. Shelton
Michael Olivieri

COMMITTEE MEMBERS ABSENT:

Dominique Hicks-Whitaker

OTHERS PRESENT

Tammy Neale, Chief Executive Officer
Fred W. Bryant, Chief Counsel
Tara Jenkins, Chief of Staff
Monique Johnson, Chief of Programs
Hil Richardson, Chief Financial Officer
David Henderson, Managing Director of Finance and Administration
Steven Mintz, Deputy Chief Counsel
Artonda Cheeseman, Executive Office Manager
Cindy Patterson, Internal Audit Director
Gaby Miller, Clifton Larson Allen LLP (CLA)

The meeting of the Audit Committee was called to order by Chair Gray at approximately 10:05 a.m. on October 23, 2024. 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 Audit Committee held on August 13, 2024, were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Ms. Miller gave a presentation on Financial Audit Results from CLA’s audit. She noted no negative results and no findings. The single audits this year is GNMA, Mortgage Insurance Guarantee Program, and HCVP. CLA is also preparing the housing choice voucher program’s Real Estate Assessment Center (REAC) submission to HUD for Virginia Housing as they have done before.

Ms. Patterson gave a presentation on Internal Audit Updates, including on-going audits and recommendations. No material findings were reported. Based on a recommendation from the

Committee, staff will include a tracking sheet on responses to audit findings in the Board materials for each Committee meeting.

Ms. Patterson led the Committee through reaffirming the Audit Committee Charter. As revised, on proper motion and second it was adopted by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Ms. Patterson gave a presentation on reaffirming the Audit Department Charter. As revised, on proper motion and second it was adopted by the affirmative vote of each of the Commissioners noted above as present at the meeting.

The Commissioners noted a desire for the Committee to review and update, as necessary, the two charters annually at its October meeting.

The Chair and staff collected the Committee members' Audit Committee Certification and Disclosure forms.

There being no further business, the Chair adjourned the meeting at approximately 11:00 a.m. on October 23, 2024.