

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON FEBRUARY 26, 2025

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 February 26, 2025, 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
Dominique Hicks-Whitaker
Bryan Horn
Abigail Johnson (Via Webex)
Michael Olivieri
David L. Richardson
Dare Ruffin
Donald E. Scoggins

COMMISSIONERS 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
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
Tatiana Angulo, Fellow (via Webex)
Marissa Arnold, Executive Program Administrator
Shayla Bailey, Internal Staff Auditor
Artonda Cheeseman, Executive Office Manager
Sandy Edwards, Assistant to the Chief Executive Officer
Fabrizio Fasulo, Director of Policy and Planning

Tavish Grade, Audio Visual Technician
Jazlyn Green, Senior Talent Development Specialist
Pamela Holmes, Director of Homeownership Servicing
Michelle Jackson, Senior Executive Assistant
Salathia Johnson, Associate Chief
Jake Naugle, Director of Homeownership Lending
Cindy Patterson, Internal Audit Director
Michelle Prosser, Director of Talent Development
Maria Pruner, Associate Chief
Hope Rutter, Director of Rental Housing Servicing
Mindy Sanders, Lead Internal Auditor
Keyron Scott, Internal Staff Auditor
Jason Thompson, Associate Chief
Adrienne Whitaker, Director of Diversity, Equity and Inclusion
Lore'yna Adkins, Legal Specialist
Anitra Anderson, Rental Compliance Support Officer
Andrea Blinn, Senior Construction Control Officer
Cary Boswell, Senior Program Compliance Officer
Joshua Briere, Marketing and Social Media Specialist
Mark Cantu, Asset Manager
Patrick Dwier, Rental Compliance Support Officer
Rosie Hackett, Senior Quality Housing Officer
Ryan Harrison, Senior IT Resource Analyst
Troy Hendrickson, Collections Supervisor
Tawnia Jeffrey, Senior Program Compliance Officer
Johnathan Kinsey, Senior Tax Credit Allocation Officer
Talya Lindsay, Quality Review Analyst
Kathleen Lucas, Quality Review Analyst
Michael MacKenzie, Associate Policy Analyst
Ashley McKnight, Paralegal
Jonathan Neeley, Communications Specialist
Tiera Pringle, Senior Staff Accountant
Elizabeth Wells, Associate Loan Program Underwriter
Jacqueline Whitehead, Senior Tax Credit Contract Specialist
Monica Williams, Quality Review Analyst
Crystal Woodson, Senior Staff Accountant

Chair Stedfast called the regular meeting of the Board of Commissioners to order at approximately 10:40 AM on February 26, 2025. All 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 August 13, 2024, Mr. Bryant noted that Commissioner Johnson was participating in the meeting via Webex from Bologna, Italy due to personal matter.

Ms. Neale recognized the Emerging Leaders Program (ELP) participants present at the meeting. Ms. Neale presented updates on (i) her visits with General Assembly members, other

elected officials, and legislative partners, (ii) her attendance at several key legislative receptions and meetings, (iii) a recent meeting in Richmond with partners representing the counties of Lee, Scott, Wise and Dickenson and the City of Norton, and (iv) a recent meeting in Richmond between Virginia Housing staff and Commissioner Fields, Board members of the Buchanan County Industrial Development Authority and staff of the Buchanan County tourism office. Mr. Bryant discussed a presentation on Virginia Housing and its programs to the House Appropriations Subcommittee for Commerce, Agriculture & Natural Resources on January 15th and provided an overview of affordable housing legislation and budget items from the 2025 General Assembly session. Ms. Neale discussed Virginia Housing's monitoring and assessing of federal Executive Orders and directives impacting federal housing programs, federal agency staffing, and the upcoming National Council of State Housing Agencies (NCSHA) legislative conference she will attend in March in Washington, DC. Ms. Neale concluded her report by briefly noting the information in the Board materials on the Workforce Housing Investment Program, recent Advisory Council meetings, and several recent housing-related events where she or staff have represented Virginia Housing.

Commissioner Horn provided an update on the recent activities of the Department of Housing and Community Development (DHCD). This included updates on (i) the current application round for the local housing authority pool of private activity bond cap administered by DHCD, (ii) DHCD's work extending broadband service (including the VATI and BEAD programs), (iii) DHCD's flood relief efforts, and (iv) the 2025 General Assembly session.

Ms. Johnson, Mr. Bondurant, Ms. Peay and Mr. Urban presented highlights of the FY25 performance report. This report included programmatic and operational performance data for the first six months of the fiscal year.

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 12:00 to 12:30 PM.

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

Mr. Urban provided an overview of Virginia Housing homeownership programs and their support of middle-income and entry-level Virginia homebuyers. This included a description of bond and non-bond program income and sales price limits, borrowers' characteristics (average credit scores, regional distribution, borrower race and ethnicity, and debt-to-income data), a description of Virginia Housing's down payment and closing cost assistance programs, and details of specialty programs for first-generation homebuyers and community land trusts.

Chair Stedfast opened the floor for discussion of other Board matters. There were no issues raised by Commissioners. Chair Stedfast then congratulated Ms. Neale on her forty years with Virginia Housing.

Chair Stedfast, on behalf of the Executive Committee, reported that, at its meeting that morning, the Committee took the following actions (i) approved the December 12, 2024, Committee meeting minutes; (ii) reviewed the Board meeting Agenda; (iii) received a report from Ms. Neale on recent events attended and activities in her role as Chief Executive Officer; (iv) Ms. Wigglesworth and Mr. Mintz provided an update on the parking deck for headquarters; (v) the Committee adopted a motion authorizing staff to work with outside counsel to prepare a construction contract with Hourigan Construction to build the deck at a guaranteed maximum price of \$14.96 million and to prepare a recommendation to proceed with such construction for presentation to, and adoption by, the Executive Committee and full Board in April; (vi) Ms. Peay provided an update on two recent engagements with the Department of Housing and Urban Development (HUD) regarding the Housing Choice Voucher Program (HCVP); and (vii) Ms. Peay updated the Committee on the application round for “project basing” of a small number (less than 100) of Virginia Housing-administered housing choice vouchers.

Commissioner Gray, on behalf of the Audit Committee, reported that, at its meeting that morning, the Committee took the following actions (i) approved the minutes of its October 23, 2024 meeting; (ii) Information Security, Enterprise Risk, and Homeownership Quality Control staff reported on the “three lines of defense” for risk management, governance, and internal controls, and (iii) Ms. Patterson provided an update on Internal Audit’s ongoing projects and priorities, the remediation status of past audit issues, and the status of ongoing audits.

Mr. Henderson reported on the financials and budget, specifically with respect to Virginia Housing’s financial statements as of December: (i) year to date, Virginia Housing achieved \$35.6 million in excess revenue over expenses (before GASB Adjustments), which is \$9.7 million less than budget and \$16.8 million below last year; (ii) year to date net interest margin of \$146.4 million, which is \$5.3 million under budget but \$6.9 million above last year; (iii) year to date programmatic expenses were \$10.5 million greater than budget: MSR amort, Loan Acquisition & Pooling Costs were \$2.8 million higher than budget and the loan loss provision and expenses were \$7.7 million higher than budget; (iv) year to date administrative expenses are \$6.3 million lower than budget mostly due to lower than budget staffing costs (\$4.1 million) and below budget projects & technology costs (\$2.6 million); (v) total assets of \$11.8 billion, an increase of \$1.5 billion above last year; (vi) total liabilities of \$8.0 billion, an increase of \$1.5 billion above last year, with the average cost of debt at 3.8% versus 3.44% last year; (vii) a net position of \$3.9 billion, an increase of \$48.6 million from last year, an annualized increase of 1.6%; (viii) annual investment interest return of 4.48%, which is 0.31% above budget and 0.10% lower than last year; (ix) total market value of investments (excluding cash) was \$3.0 billion, including a \$76.5 million decrease in GASB 31 market value adjustments, with 75.4% of investments held in money market instruments and 24.5% held in mortgage backed securities (“MBS”); (x) a total mortgage portfolio of \$15.2 billion (including loans serviced for the government sponsored entities (“GSEs”)), a \$1.0 billion increase over last year; (xi) total assets and GSE servicing of \$17.7 billion, a \$1.2 billion increase over last year; and (xii) year to date interest subsidy costs of \$8.4 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) reviewed Virginia Housing’s private activity bond cap allocation as of January 28, 2025; and (iii) presented

salient features memoranda for the Commonwealth Mortgage Bonds, 2024 Series F-1 Non-AMT (tax exempt), 2025 B-Taxable and Rental Housing Bonds, 2025 Series B-Non-AMT (tax-exempt).

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: (i) minutes of the regular meeting of the Commissioners held on December 12, 2024, and (ii) a resolution entitled “Resolution Approving the PHA Plan for Virginia Housing for the Housing Choice Voucher Program” dated February 26, 2025.

There being no further business, the meeting was adjourned at approximately 2:05 PM on February 26, 2025.

Sarah B. Stedfast, Chair

Fred W. Bryant, Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE EXECUTIVE COMMITTEE
HELD ON FEBRUARY 26, 2025

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 February 26, 2025, 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
Janet Wigglesworth, Chief of Operations
Steven Mintz, Deputy Chief Counsel
Madelyn Peay, Managing Director of Community Outreach
Artonda Cheeseman, Executive Office Manager

The meeting of the Executive Committee was called to order by Chair Stedfast at approximately 8:30 AM on February 26, 2025. 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 Shelton who left the meeting as noted below.

On a motion duly made and seconded, the minutes of the Committee meeting held on December 12, 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 update on her recent activities as Chief Executive Officer, including efforts regarding succession management, a staff compensation study, and support for the state Administration’s priorities. Ms. Neale also discussed Virginia Housing’s monitoring and assessing of federal Executive Orders and directives impacting federal housing programs, federal agency staffing, and the upcoming National Council of State Housing Agencies (NCSHA) legislative conference she will attend in March in Washington, DC. Chair Stedfast commended Ms. Neale on her follow through on her Chief Executive Officer timeline, goals and priorities.

Commissioner Shelton left the meeting following Ms. Neale's report and did not return.

Ms. Wiglesworth and Mr. Mintz gave an update on the status of the plans for a 281-space parking deck at the Virginia Housing Headquarters (HQ) and noted that the parking deck will address existing parking needs at HQ, projected additional utilization of the HQ building, and is supportive of development taking place in the surrounding area and the City of Richmond's priorities. Ms. Wiglesworth and Mr. Mintz reported that staff had worked with Hourigan Construction (Hourigan) to complete a fully designed permittable set of construction plans for the proposed 4-level parking deck and obtained a guaranteed maximum price (GMP) proposal of \$14,961,009 for construction, not including security cameras and fire alarm tie-ins. Construction is expected to take 15 months and, assuming a Spring 2025 start, a Summer 2026 completion. Staff has also received confirmation from an outside consultant (MGAC) that the GMP is appropriate. The next step in the process will be working with outside counsel (McGuire Woods) to prepare a construction contract. On a motion duly made and seconded and approved by the affirmative vote of the members of the Committee then present, the Committee authorized staff to (i) work with outside counsel and pay the appropriate legal fees for the preparation of a construction contract for the HQ parking deck at the guaranteed maximum price of \$14,961,009 (not including security cameras and fire alarm tie-ins), and (ii) prepare a recommendation to proceed with such construction for presentation to, and adoption by, the Executive Committee and full Board in April.

Ms. Peay provided an informational update on two recent engagements with the Department of Housing and Urban Development (HUD) regarding the Housing Choice Voucher Program (HCVP). Virginia Housing has provided the requested documents to HUD for both requests and is awaiting responses and next steps from HUD.

Ms. Peay provided an informational update on the HCVP Department's work on "project basing" a small number (less than 100) of Virginia Housing-administered Housing Choice Vouchers. Ms. Peay reported that Virginia Housing has received applications for the project-based vouchers (PBVs) and staff will present a recommendation on selection of awardees at the April meeting for approval.

There being no further business, the meeting was adjourned at approximately 9:18 AM on February 26, 2025.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE AUDIT COMMITTEE
HELD ON FEBRUARY 26, 2025

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 February 26, 2025, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMITTEE MEMBERS PRESENT:

Davon Gray, Chair
Donald E. Scoggins
Michael Olivieri
Dominique Hicks-Whitaker
William C. Shelton

COMMITTEE MEMBERS ABSENT:

None

OTHERS PRESENT

Sarah B. Stedfast, Commissioner and Board Chair
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
Janet Wigglesworth, Chief of Operations
Herman Aparicio, Managing Director of Information Technology
JD Bondurant, Managing Director of Rental Housing
David Henderson, Managing Director of Finance and Administration
Steven Mintz, Deputy Chief Counsel
Artonda Cheeseman, Executive Office Manager
Clifton Dickens, Information Security Manager
David K. Kohan, Director of Information Security and Risk Management
Chris Moran, Senior Compliance Officer
Cindy Patterson, Internal Audit Director
Jeff Quann, Senior Counsel Manager
Hope Rutter, Director of Rental Housing Servicing
Justin Short, Risk Manager

The meeting of the Audit Committee was called to order by Chair Gray at approximately 9:33 a.m. on February 26, 2025. 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 for Commissioner Shelton who joined the meeting as noted below.

On a motion duly made and seconded, the minutes of the meeting of the Audit Committee held on October 23, 2024, were approved by the affirmative vote of each of the Commissioners then present at the meeting.

Ms. Patterson introduced the topic of “three lines of defense” for risk management, governance, and internal controls, which is a recommended structure of the Institute of Internal Auditors. Mr. Moran described the work his team does for Homeownership compliance and quality control. Mr. Dickens explained the work his team does to promote and maintain information security and to reduce the chances Virginia Housing will be a cybercrime victim. Mr. Short presented the work his team does regarding risk management, governance, and business continuity. In response to questions from Commissioner Scoggins, Mr. Kohan provided some examples of information security risks that his team has encountered and briefly discussed a recent penetration test of Virginia Housing’s computer systems conducted by an outside vendor.

Commissioner Shelton joined the meeting following this presentation and remained present throughout the remainder of the meeting.

Ms. Patterson gave an update on Internal Audit’s review of the logical access and controls for Strategy (McCracken) and eDocs. She explained the nature of deficiencies found and the status of resolutions of those deficiencies that are underway.

Ms. Patterson then reported out on the Internal Audit’s Open Audit Dashboard. Commissioner Shelton asked that, in future reports, staff identify open items that are not expected to be remediated by the applicable deadline.

There being no further business, the Chair adjourned the meeting at approximately 10:20 a.m. on February 26, 2025.