

VIRGINIA HOUSING DEVELOPMENT AUTHORITY  
MINUTES OF THE ANNUAL MEETING OF THE COMMISSIONERS  
HELD ON AUGUST 22-23, 2023

Pursuant to the call of the Chair and notice duly given, the annual meeting of the Commissioners of the Virginia Housing Development Authority (“Virginia Housing”) was held on August 22-23, 2023, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

William C. Shelton, Chair  
Thomas A. Gibson, IV, Vice Chair  
Nathalia Artus  
Davon Gray  
Dominique Hicks-Whitaker  
Bryan Horn  
Abigail Johnson  
Carlos Larrazabal  
David L. Richardson  
Donald E. Scoggins  
Sarah Stedfast

COMMISSIONERS ABSENT:

None

OTHERS PRESENT:

Susan F. Dewey, Chief Executive Officer  
Paul Brennan, Special Assistant to the CEO  
Fred Bryant, Chief Counsel  
Tammy Neale, Chief of Programs  
Hil Richardson, Chief Financial Officer  
Janet Wigglesworth, Chief of Operations  
Llew Anderson, Managing Director of Federal Programs  
Herman Aparicio, Managing Director of Information Technology  
JD Bondurant, Managing Director of Rental Housing  
David Henderson, Managing Director of Finance and Administration  
Monique Johnson, Managing Director of Community Outreach  
Janet Little, Acting Managing Director of Capital Markets  
Steve Mintz, Deputy Chief Counsel  
Mike Urban, Managing Director of Homeownership  
Lisa Watson, Managing Director of Human Resources  
Ron Brown, Senior Desktop Support Analyst  
Shannon Cribbs, Enterprise Portfolio Management Director  
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  
Everett Gardner, Associate Deputy Counsel  
Kyla Goldsmith-Ray, Communications Director  
Jacinda Hardy, Internal Staff Auditor  
Cindy Hii, Internal Audit Director  
Michelle Jackson, Senior Executive Assistant  
Tara Jenkins, Director of Executive Services  
Salathia Johnson, Associate Chief  
Chamara McCray, Senior Executive Assistant  
Maria Pruner, Associate Chief  
Yilla Smith, Associate Chief  
Jason Thompson, Associate Chief  
Adrienne Whitaker, Director of Diversity, Equity and Inclusion  
Savannah Carabin  
Ryne Johnson, Astoria

Prior to the commencement of the annual meeting on August 22, 2023, Commissioners Gray, Hicks-Whitaker, Larrazabal, Scoggins and Stedfast participated in a training session, for which separate notice was duly given, led by Ms. Goldsmith-Ray and Mr. Mintz. Ms. Goldsmith-Ray gave an overview of the functions of the Virginia Housing Communications Department (marketing, public relations, events, and creative) and shared some high-level communications tips to help Commissioners with speaking engagements and interactions with the media. Mr. Mintz discussed the legal responsibilities for Commissioners. Commissioners Shelton, Gibson, Artus, Horn, Johnson (who joined remotely as noted below), and Richardson subsequently joined the session and Ms. Dewey provided her CEO report on Virginia Housing's activities and operations. Ms. Dewey presented on efforts in: (i) addressing state housing needs; (ii) addressing unmet rental needs; (iii) strengthening first-time homeownership; (iv) delivering superior long-term financial and operational performance, and (v) telling our story. On the topic of addressing state housing needs, Ms. Dewey discussed (i) six recent community impact sessions staff held for developers, localities and others interested in affordable housing, (ii) the Planning District Commission (PDC) grants, (iii) the Interagency Leadership Team (ILT) focused on permanent supportive housing (PSH), and (iv) outreach to Hispanic pastors to provide education on Virginia Housing's programs. On the topic of addressing unmet rental needs, Ms. Dewey discussed (i) the Daffodil Gardens II development serving seniors in Gloucester, Matthews, Middlesex and surrounding counties, (ii) the Lodges at Autumn Willows development in Fairfax County, and (iii) the Westbrook at Brewer's Row development in Richmond. On the topic of first-time homeownership, Ms. Dewey discussed (i) the mortgage revenue bond financed program which launched June 30, (ii) the FY23 digital advertising campaign, and (iii) an upcoming Chatting it up Live session in Petersburg in September. On the topic of delivering superior long-term financial and operational performance, Ms. Dewey discussed (i) a recent Rental Housing Bond transaction funding loans for six developments, (ii) an update on Virginia Housing's Inclusion, Diversity, Equity and Access (IDEA) efforts, and (iii) the Homeownership Division meeting held in July. On the topic of telling our story, Ms. Dewey discussed (i) Virginia Housing's sponsorship of Design RVA's community day, (ii) staff's attendance at Senator Warner's Richmond Roundtable, (iii) Virginia Housing's recognition as a 2023 Top Employer for Interns by Virginia Talent + Opportunity Partnership, and

(iv) Ms. Dewey's presentation on affordable housing to the Kiwanis Club of Richmond. Commissioner Horn provided his report on behalf of the Department of Housing and Community Development (DHCD), including DHCD's recent awards of Affordable and Special Needs Housing Program (ASNH) funds, DHCD staff and board's work to finalize updates to the statewide building code, and the Broadband Equity, Access and Deployment Program (BEAD). The training and informational reports commenced at approximately 1:45 PM and ended at approximately 3:25 PM.

Chair Shelton called the annual meeting of the Board of Commissioners to order at approximately 3:30 PM on August 22, 2023. All the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting on August 22nd. Per Virginia Housing's Amended and Restated Policy Governing Electronic Participation in Board Meetings dated February 22, 2023, Mr. Bryant announced that Commissioner Johnson was participating in the meeting via Webex from Ås, Norway due to a personal matter.

On a motion duly made and seconded, resolutions dated August 22, 2023, entitled "Resolution of Recognition and Appreciation of Lisa R. Porter" and "Resolution of Recognition and Appreciation of Michael J. Schewel" in the forms attached hereto, were approved by the affirmative vote of the Commissioners noted above as present at the meeting.

Ms. Neale presented the fiscal year 2023 (FY23) REACH *Virginia* report and fiscal year 2024 (FY24) allocations. The report showed: (i) a FY23 allocation of \$89,457,542 and FY23 reservations and commitments totaling \$71,536,214, resulting in a carryover to FY24 of \$17,921,328; (ii) the positive impact of such allocation on Virginia Housing's Homeownership, Rental Housing and Community Outreach programs for FY23; (iii) FY24 REACH *Virginia* allocation of \$91,950,799, which creates a total of \$109,872,127 when combined with the carryover from FY23; (iv) a breakdown of such FY24 allocation by program, business unit and strategic goal category; and (v) that from fiscal year 2006 through FY24, Virginia Housing will have allocated approximately \$915 million to REACH *Virginia*, including \$75 million of Amazon Impact funds.

On a motion duly made and seconded and approved by the affirmative vote of each the Commissioners noted above as present at the meeting, the Board of Commissioners convened in closed session to consult with Virginia Housing's legal counsel and to receive briefings by staff members related to legal enforcement of a low-income housing tax credit extended use agreement requiring the provision of legal advice by such counsel in accordance with Section 2.2-3711.A.7 of the Code of Virginia and further Ms. Dewey, Ms. Neale, Mr. Bryant, Mr. Mintz and Mr. Bondurant were deemed necessary to be present or to reasonably aid the Board of Commissioners in its consideration of the aforesaid topic during the closed session. At the conclusion of the closed session, the Board of Commissioners reconvened in an open meeting. Each Commissioner noted above as present certified, by roll call vote, that to the best of his or her knowledge, only public business matters lawfully exempted from open meeting requirements under the Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the closed meeting by the Commissioners.

The meeting was recessed at approximately 4:45 PM.

Following the recess, Commissioners Shelton, Gibson, Artus, Gray, Hicks-Whitaker, Larrazabal, Scoggins and Stedfast and staff attended a dinner at the Virginia War Memorial recognizing former Commissioners Porter and Schewel.

Chair Shelton reconvened the meeting at approximately 9:00 AM on August 23, 2023. All the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting on the 23<sup>rd</sup>, except Commissioner Richardson who was not present on the 23<sup>rd</sup>. Per Virginia Housing's Amended and Restated Policy Governing Electronic Participation in Board Meetings dated February 22, 2023, Mr. Bryant announced that Commissioner Johnson was participating in the meeting via Webex from Ås, Norway due to a personal matter.

Ms. Flanders presented an overview of the 2023 Housing Opportunity Tax Credit (HOTC) application round and preliminary scoring. The 2023 round is limited to new construction and adaptive reuse developments to address the housing inventory shortage and developments in jurisdictions with populations less than 35,000 have priority for funding, with the latter reflecting a statutory priority. Five developments meet the less than 35,000 population priority and, if all five were funded, it would result in a forward allocation of a portion of the 2024 HOTCs, which is permitted by the regulations applicable to the program. Final rankings will be presented at a subsequent meeting of the Board.

Ms. Anderson gave an update on the Virginia Mortgage Relief Program (VMRP) administered by Virginia Housing. Ms. Anderson reported that, as of August 21, 2023, Virginia Housing had disbursed approximately \$180 million to nearly 12,500 homeowners statewide. Considering this rate of disbursement, Virginia Housing has announced that additional applications will not be taken after October 1, 2023, and expects that program funds will be fully expended by December 31, 2023. Ms. Anderson reviewed the communication plan to inform all participants and stakeholders of these dates.

Ms. Neale, Ms. Johnson, Ms. Anderson, Mr. Bondurant, Mr. Urban, and Mr. Richardson presented the FY23 Year-End Performance Report. Performance reports are provided to the Board semi-annually in February and August to provide relevant data and information on Virginia Housing's accomplishments in the four programmatic areas and the Capital Markets and Finance groups for the Board to assess organizational performance. Highlights from the report included the following for FY23: (i) over 550 grants for housing counseling, community market support, accessibility, and network capacity, resulting in nearly \$11.8 million in support of Virginia Housing's partners and the housing delivery network, (ii) as of June 30, 2023, disbursement of VMRP assistance of over \$162 million to over 10,700 homeowners statewide, (iii) \$483 million in Rental Housing financing to support 2,848 units and nearly \$1 billion in total development cost, (iv) over 3,800 Homeownership loans for over \$900 million dollars, including 1,093 loans to Black first-time homebuyers, 743 of whom are under the age of 45, (v) approximately \$16 billion in combined Virginia Housing assets and mortgage-backed securities, an increase in net position of \$38 million year-over-year, and (vi) the securitization of over \$915 million in homeownership mortgage loans and five rental housing bond transactions (approximately \$202 million of tax-

exempt bond proceeds and \$60 million of taxable bond proceeds) for a FY23 financing total of roughly \$1.2 billion.

Chair Shelton, on behalf of the Executive Committee, reported the following with respect to its meeting on August 22, 2023: (i) the Committee met in closed session to discuss Ms. Dewey's FY23 performance and her retirement announcement, and (ii) the Committee plans to meet again on Tuesday, September 5 at 3:00 PM to continue that discussion and the recruitment of the next CEO, including a discussion of procuring an outside executive recruitment firm to assist the Committee in a rigorous and nationwide search.

Mr. Richardson reported that there were no additional updates since the June Board meeting on Virginia Housing's progress on responses to the recommendations in the reports on affordable housing in Virginia and the operations of Virginia Housing prepared by JLARC.

Mr. Henderson and Mr. Richardson reported on the financials and budget, specifically with respect to Virginia Housing's financial statements as of June: (i) excess revenues over expenses (before GASB adjustment) of \$21.3 million for the month, which is \$16.1 million above budget and \$16.3 million above last year, (ii) year to date, Virginia Housing achieved \$63.5 million in excess expenses over revenue (before GASB Adjustments), which is \$1.0 million better than budget but \$67.5 million lower than last year; (iii) year to date net interest margin of \$219.4 million, which is \$37.9 million less than budget and \$1.2 million below last year; (iv) year to date programmatic expenses were \$48.6 million lower than budget due to lower than budgeted loan loss provision and expenses (\$35.7 million), lower financing costs (\$5.8 million), lower MSR amortization, loan acquisition and pooling (\$2.6 million) and lower than budgeted programs and partners expenses (\$4.7 million); (v) year to date administrative expenses are \$17.9 million lower than budget mostly due to lower than budget staffing costs (\$12.0 million), below budget projects and technology (\$3.5 million) and below plan services, insurance and other (\$1.5 million); (vi) total assets of \$9.3 billion, a decrease of \$339.6 million below last year; (vii) total liabilities of \$5.5 billion, a decrease of \$377.9 million below last year, with the average cost of debt at 3.18% versus 2.74% last year; (viii) annualized interest return of 1.80%, which is 0.94% below budget but 0.36% higher than last year; (ix) total market value of investments (excluding cash) was \$2.2 billion, including a \$69.7 million decrease in GASB 31 market value adjustments, with 59.7% of investments held in money market instruments, 38.0% held in mortgage backed securities ("MBS"), 2.2% in U.S. Government Agencies and Treasury Obligations and 0.1% in asset backed securities; (x) a net position of \$3.78 billion, an increase of \$38.3 million from last year; (xi) a total mortgage portfolio of \$13.8 billion (including loans serviced for the government sponsored entities ("GSEs"), a \$599.0 million increase over last year; and (xii) total assets and GSE servicing of \$16.1 billion, a \$10.6 million decrease over last year.

Mr. Richardson discussed the prior and anticipated bond issuance calendar and presented a salient features memorandum for the Rental Housing Bonds, 2023 Series E-Non-AMT (tax-exempt) and Series F-Taxable.

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 June 27-28, 2023, (ii) a resolution entitled "Resolution Approving and Ratifying Reservations of Federal Low-Income Housing Tax

Credits,” (iii) a resolution entitled “Resolution in Recognition and Appreciation of Thirty Years of Service by Artonda Cheeseman,” (iv) a resolution entitled “Resolution Approving Housing Choice Voucher Section 8 Management Assessment Program Certification,” (v) a resolution entitled “Resolution - Authorized Officers Responsible for Financial Transactions with Fannie Mae,” (vi) a resolution entitled “Resolution of the Board of Commissioners of the Virginia Housing Development Authority” approving authorized officers for financial transactions with Freddie Mac, and (vii) a resolution entitled “Resolution of Board of Directors and Certificate of Authorized Signatures” approving authorized officers for financial transactions with Ginnie Mae. Mr. Bryant noted that the minutes of the August 22, 2023, special meeting of the Board originally included as an item on the consent agenda would be approved at the October meeting.

Chair Shelton reported that the Executive Committee, at the June Board meeting, had recommended the nomination of Commissioner Gibson for Chair and Commissioner Artus for Vice Chair. Chair Shelton declared the floor open for nominations for Chair. Commissioner Artus nominated Commissioner Gibson and Commissioner Larrazabal seconded the nomination. There being no further nominations, the floor was closed. Commissioner Gibson was elected Chair by the affirmative vote of each of the Commissioners then present at the meeting. Chair Gibson then assumed the chair and declared the floor open for nominations for Vice Chair. Commissioner Shelton nominated Commissioner Artus and Commissioner Larrazabal seconded the nomination. There being no further nominations, the floor was closed. Commissioner Artus was elected Vice Chair by the affirmative vote of each of the Commissioners then present at the meeting.

Ms. Dewey and the Commissioners thanked Commissioner Shelton for his service as Chair of the Board.

Chair Gibson thanked the Board for electing him as Chair, expressed a desire to meet individually with each member of the Board for input on the coming year, designated Commissioner Richardson as Chair of the Finance Committee, designated Commissioner Stedfast as the Chair of the Audit Committee, and stated that the Executive Committee will serve as the search Committee for the new CEO, with an initial meeting planned for September 5th.

There being no further business, the meeting was adjourned at approximately 11:20 AM.

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Thomas A. Gibson, IV, Chair

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Fred Bryant, Assistant Secretary