

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGULAR MEETING OF THE COMMISSIONERS  
HELD ON FEBRUARY 27, 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 February 27, 2024, at the offices of Virginia Housing, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

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

COMMISSIONERS ABSENT:

Davon Gray  
Carlos Larrazabal

OTHERS PRESENT:

Janet Wiglesworth, Interim Chief Executive Officer  
Fred Bryant, Chief Counsel  
Tammy Neale, Chief of Programs  
Hil Richardson, Chief Financial Officer  
Herman Aparicio, Managing Director of Information Technology  
JD Bondurant, Managing Director of Rental Housing  
Andrew Burguiere, Managing Director of Capital Markets Appointee  
David Henderson, Managing Director of Finance and Administration  
Monique Johnson, Managing Director of Community Outreach  
Steve Mintz, Deputy Chief Counsel  
Mike Urban, Managing Director of Homeownership  
Lisa Watson, Managing Director of Human Resources  
Marissa Arnold, Administrative Assistant  
DJ Benway, Senior Policy Analyst  
Demas Boudreaux, Government Liaison  
Ron Brown, Senior Desktop Support Analyst  
Shannon Cribbs, Enterprise Portfolio Management Director  
Keandra Davis, Fellow  
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  
Margaret Giron, Senior Claims/Recovery Officer  
Kyla Goldsmith-Ray, Communications Director  
Cindy Hii, Internal Audit Director  
Michelle Jackson, Senior Executive Assistant  
Tara Jenkins, Director of Executive Services  
Salathia Johnson, Associate Chief  
Jasmine Martin, Fellow  
Chamara McCray, Senior Executive Assistant  
Malika Mickey, Program Delivery Manager  
Peter Milana, Finance Reporting Accountant  
Charles Miller, Fellow  
Michelle Prosser, Director of Talent Development  
Maria Pruner, Associate Chief  
Vashity Richardson, Mortgage Generalist  
Yilla Smith, Director of Housing Opportunity Programs and Initiatives  
Jason Thompson, Associate Chief  
Adrienne Whitaker, Director of Diversity, Equity and Inclusion  
Laura Leigh Neville, Heidrick & Struggles  
Elizabeth Zessman, Heidrick & Struggles

Chair Gibson called the regular meeting of the Board of Commissioners to order at approximately 1:35 PM on February 27, 2024. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting, except Commissioner Hicks-Whitaker who left the meeting as noted below.

Ms. Wiglesworth presented a report on Virginia Housing's activities and operations in which she advised the Commissioners 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. Wiglesworth discussed (i) a grant to the Virginia Association of Housing and Community Development Officials (VAHCDO), (ii) Community Outreach's upcoming Community Resource Connection Series to educate partners on Community Impact Grants and the new Innovation Program, (iii) the Falls Church Resettlement Event in connection with the Afghan Support Center, and (iv) priority bills Virginia Housing is tracking in the 2024 General Assembly session. On the topic of addressing unmet rental needs, Ms. Wiglesworth discussed (i) the schedule for calendar year 2024 updates to the Qualified Allocation Plan (QAP), (ii) the 3500 West View development in Henrico, (iii) the Oak Grove development in Richmond, and (iii) the Dewitt-Warton Building in Lynchburg. On the topic of first-time homeownership, Ms. Wiglesworth discussed (i) USDA/Rural Development's recent meeting hosted by Virginia Housing at our Headquarters, (ii) an update on the expanded Homeownership program limits announced December 15, 2023, and (iii) metrics on the recent digital advertising campaign. On the topic of delivering superior long-term financial and operational performance, Ms. Wiglesworth discussed (i) the sale of \$177.1 million in Rental Housing tax-exempt bonds on February 21st, (ii) updates on the Inclusion, Diversity, Equity and Access (IDEA) initiatives, and

(iii) the recent Homeownership Division staff meeting recognizing mid-year accomplishments. On the topic of telling our story, Ms. Wiglesworth discussed (i) Advisory Council updates, (ii) the first annual Affordable Housing Heroes event honoring our top Realtors, (iii) Virginia Housing's receipt of the Affiliate of the Year award from the Southwest Virginia Association of Realtors, and (iv) Virginia Housing's receipt of an award from the Realtist Network of Northern Virginia. Ms. Wiglesworth also congratulated Chair Gibson on his recent promotion to the rank of Major and Commissioner Scoggins on the birth of his first grandchild.

Chair Gibson recognized the members of the Emerging Leaders Program in attendance.

Commissioner Horn provided an update on the Department of Housing and Community Development (DHCD) affordable housing programs, in particular the Virginia Housing Trust Fund (VHTF). Commissioner Horn discussed DHCD's Affordable and Special Needs Housing (ASNH) Program, the Homeless and Special Needs Housing (HSNH) Program, recent loan production totals for such programs, and current and proposed funding for the VHTF.

Ms. Neale and Mr. Fasulo provided a report on Virginia Housing's programmatic and operational activities for the first half of FY24. The report summarized the production and key accomplishments in the programmatic areas, capital markets activity, and Virginia Housing's financial performance.

Mr. Urban provided a Borrower Characteristics report on Virginia Housing's Homeownership Lending programs, including regional distribution of lending activities, borrower race and ethnicity data, sales prices of homes financed, and the credit standing of Virginia Housing borrowers.

Mr. Bondurant gave a Rental Characteristics report on Virginia Housing's rental housing loan portfolio, focusing on geographic distribution of developments, the applicable maximum tenant income limits, and applicable maximum rent restrictions.

Commissioner Hicks-Whitaker left the meeting following Mr. Bondurant's presentation and did not return to the meeting.

Ms. Mickey presented a report on the Virginia Mortgage Relief Program (VMRP), including program background, total disbursed for homeowner assistance, program impact, and Virginia Housing's plans to disburse the remaining funds and to wind down the program.

Mr. Fasulo provided an informational summary of Board Brief #13: "A Look Ahead at 2024 Rental Issues." The brief provided an overview of the status of the rental market and highlights issues to be considered by Virginia Housing's Rental Housing division.

Mr. Fasulo presented a summary of the process and timeline for developing Virginia Housing's next Strategic Plan, including plans for stakeholder input. The new strategic plan is expected to be adopted by the full Board in August of 2025 and to be effective as of January 1, 2026.

Chair Gibson opened the floor for discussion of other Board matters. There were no Commissioners wishing to raise topics for general discussion. Chair Gibson thanked the Commissioners and staff for their work and support during the CEO recruitment process.

Chair Gibson, on behalf of the Executive Committee, reported that the Committee took the following actions in its meeting that morning: (i) approved the minutes of the Committee's December 12, 2023 and January 31 - February 12, 2024 meetings; (ii) reviewed and discussed the Agenda for the Board Meeting; and (iii) held a closed session with regard to office and meeting space, with a more detailed discussion with the full Board later in the meeting as noted below. Chair Gibson also noted that he would provide an update on the CEO recruitment later in the meeting.

Mr. Henderson reported on the financials and budget, specifically with respect to Virginia Housing's financial statements as of December: (i) excess revenues over expenses (before GASB adjustment) of \$3.0 million for the month, which is \$0.2 million above budget and \$0.6 million above last year, (ii) year to date, Virginia Housing achieved \$52.3 million in excess expenses over revenue (before GASB Adjustments), which is \$35.4 million better than budget and \$46.8 million higher than last year; (iii) year to date net interest margin of \$139.5 million, which is \$3.9 million above budget and \$54.0 million above last year; (iv) year to date programmatic expenses were \$6.8 million higher than budget due to higher than budgeted housing relief program expenses (\$2.0 million) and higher loan loss provision and expenses (\$7.9 million) offset by lower MSR amortization, loan acquisition & pooling expense (\$1.4 million); (v) year to date administrative expenses are \$10.4 million lower than budget mostly due to lower than budget staffing costs (\$6.7 million) and below budget projects & technology (\$2.8 million); (vi) total assets of \$10.3 billion, an increase of \$993.7 million above last year; (vii) total liabilities of \$6.5 billion, an increase of \$874.7 million above last year, with the average cost of debt at 3.44% versus 3.06% last year; (viii) a net position of \$3.8 billion, an increase of \$119.0 million from last year, an annualized increase of 3.2%; (ix) annualized interest return of 4.67%, which is 0.46% above budget and 4.96% higher than last year; (x) total market value of investments (excluding cash) was \$2.86 billion, including a \$59.7 million decrease in GASB 31 market value adjustments, with 71.9% of investments held in money market instruments and 28.0% held in mortgage backed securities ("MBS"); (xi) a total mortgage portfolio of \$14.2 billion (including loans serviced for the government sponsored entities ("GSEs"), a \$664.5 million increase over last year; (xii) total assets and GSE servicing of \$16.4 billion, a \$1.07 billion increase over last year; and (xiii) interest subsidy costs of \$6.47 million, which reflects the cost to Virginia Housing of REACH *Virginia* loan subsidies.

Mr. Richardson (i) discussed the prior and anticipated bond issuance calendar; (ii) presented a salient features memorandum for the Commonwealth Mortgage Bonds, 2023 Series E-1 Non-AMT (tax exempt) and 2024 A-Taxable; and (iii) reviewed a chart showing Virginia Housing's Private Activity Bond Allocation as of February 15, 2024.

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 December 12-13, 2023, and (ii) a resolution entitled "Resolution Approving the PHA 5-Year and Annual Plans for the Virginia Housing Development Authority for the Housing Choice Voucher Program."

Chair Gibson introduced Ms. Zessman and Ms. Neville of Heidrick & Struggles, the executive search firm assisting with the CEO recruitment, and gave an update on the CEO recruitment process and expected timeline for CEO selection. Chair Gibson stated that the planned March 18<sup>th</sup> meeting of the Board would be in-person only and stressed the importance of Commissioners attending.

A motion that that the Board convene in closed session, in accordance with Section 2.2-3711.A.3 of the Code of Virginia, for discussion and consideration of the acquisition of lease of real property for a public purpose, where discussion in an open meeting would adversely affect the bargaining position or negotiating strategy of Virginia Housing and further that Ms. Wigglesworth, Ms. Neale, Mr. Bryant, Mr. Richardson, Mr. Mintz and Ms. Jenkins, who were deemed necessary to be present or would reasonably aid the Board in its consideration of the aforesaid topic, be present during the closed session was duly made, seconded and approved by the affirmative vote of the Commissioners present.

Having completed the aforesaid discussion, the Board reconvened in open session. At Mr. Bryant's request, each Commissioner 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 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.

A motion to authorize the Interim Chief Executive Officer and the permanent Chief Executive Officer, as the case may be, to enter into a contract to lease office and meeting space after consultation with the Chair and Vice Chair of the Board of Commissioners was duly made, seconded and approved by the affirmative vote of the Commissioners then present.

There being no further business, the meeting was adjourned at approximately 4:40 PM.

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Thomas A. Gibson, IV, Chair

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Fred W. Bryant, Assistant Secretary