

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE REGIONAL AND REGULAR MEETING OF THE COMMISSIONERS
HELD ON APRIL 28-29, 2025

Pursuant to the call of the Chair and notice duly given, the regional and regular meeting of the Commissioners of the Virginia Housing Development Authority (“Virginia Housing”) was held on April 28-29, 2025, at the Hillsdale Conference Center, 550 Hillsdale Drive, Charlottesville, Virginia.

COMMISSIONERS PRESENT:

Sarah B. Stedfast, Chair
William C. Shelton, Vice Chair
Matthew Fields
Dominique Hicks-Whitaker
Bryan Horn
Michael Olivieri
David L. Richardson
Donald E. Scoggins

COMMISSIONERS ABSENT:

Davon Gray
Abigail Johnson
Dare Ruffin

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
Lisa Watson, Managing Director of Human Resources
Marissa Arnold, Executive Program Administrator
Artonda Cheeseman, Executive Office Manager
Sandy Edwards, Assistant to the Chief Executive Officer
Fabrizio Fasulo, Director of Policy and Planning
Stephanie Flanders, Director of Tax Credits
Carol Jackson, Regional Portfolio Manager

Monica Jefferson, Associate Chief
Cindy Patterson, Internal Audit Director
Frances Stanley, Policy Analyst
Chris Thompson, Director of Strategic Housing
Maggie Beal, Deputy Secretary of Commerce and Trade
Luis Lopez-Stipes, Assistant Secretary of Commerce and Trade
Abby Tammen, Charlottesville Area Association of Realtors
Josh White, Charlottesville Area Association of Realtors
Alicia Garcia, Piedmont Housing Alliance
Alexander Ikefuna, City of Charlottesville
Christine Jacobs, Thomas Jefferson Planning District Commission
William Park, Pinnacle Construction & Development Corp.
Dan Rosensweig, Habitat for Humanity of Greater Charlottesville
Kelly Eplee, Habitat for Humanity of Greater Charlottesville
Ansel Caine, Caine Mitter

Chair Stedfast called the regional and regular meeting of the Board of Commissioners to order at approximately 8:58 AM on April 28, 2025. All the Commissioners listed above as present at the meeting were present at that time and remained present throughout April 28th, except Commissioner Richardson who did not attend the meeting on April 28th and Commissioners Horn and Hicks-Whitaker who left the meeting on the 28th as noted below.

Ms. Neale presented updates on (i) her recent meetings with the new Secretary of Commerce and Trade, Juan Pablo Segura, and other housing partners, (ii) housing legislation passed in the 2025 General Assembly session, (iii) recent Advisory Council meetings, (iv) several recent housing-related events where she or staff have represented Virginia Housing, and (v) a reminder of the 2025 Virginia Housing charity golf event on May 22, 2025. Ms. Neale informed the Board that she will soon be scheduling individual touch points with Commissioners. Ms. Neale introduced Ms. Beal, who was in attendance the morning of the 28th and recognized Ms. Beal's assistance with the upcoming announcements of projects selected for the Workforce Housing Investment Program.

Commissioner Horn provided an update on the recent activities of the Department of Housing and Community Development (DHCD). This included updates on (i) the upcoming study and report on the prevalence of deed fraud in Virginia to be conducted by Virginia Housing with assistance from DHCD, (ii) DHCD's affordable and special needs housing program, (iii) DHCD's work extending broadband service in Virginia, and (iv) DHCD's disaster relief efforts, including the Community Development Block Grant Disaster Recovery program (CDBG-DR).

Ms. Johnson led an informational presentation and open discussion on the Resources Enabling Affordable Community Housing (REACH) program, the Fiscal Year 2025 REACH allocation, mid-year highlights, program trends, and strategies for the Fiscal Year 2026 REACH allocation.

Ms. Gill-Gordon led a presentation and discussion on Community Outreach's grant program commitments for the last five fiscal years, Virginia Housing's support for the housing delivery network, and the outcomes and impacts of Community Outreach's grant programs.

Ms. Neale introduced Mr. Lopez-Stipes, who was in attendance the morning of the 28th.

Mr. Bondurant led a presentation and discussion on key demographic, economic, and housing trends among tenants in Virginia Housing-assisted rental housing developments.

Ms. Flanders provided an overview of Virginia Housing's Low-Income Housing Tax Credit (LIHTC) program, including a look back from 2020 – 2024 and an update on the calendar year 2025 9% LIHTC application round.

Over lunch, Ms. Tammen and Mr. White discussed the Charlottesville Area Association of Realtors' role, initiatives, advocacy, and strategic priorities; an overview of the Charlottesville single-family housing market; and the Hillsdale Conference Center.

Mr. Fasulo provided an economic and housing market analysis of the Charlottesville region to provide important context for the regional housing panel that followed his presentation.

Mr. Thompson led a regional housing panel consisting of Ms. Garcia, Mr. Ikefuna, Ms. Jacobs, and Mr. Park in a discussion of their respective entity's efforts to address affordable housing needs and challenges in the Charlottesville area.

Commissioners Horn and Hicks-Whitaker left the meeting following the panel and did not return to the meeting on the 28th.

Staff and the Commissioners then present at the meeting participated in a bus tour viewing multiple Virginia Housing financed properties and including a stop at the Kindlewood development. During the bus tour, Ms. Garcia spoke to Commissioners about the Kindlewood development and Mr. Rosensweig and Mr. Eplee spoke to Commissioners about the Southwood development.

At approximately 4:42 PM, Chair Stedfast declared the meeting to be recessed until the following morning.

Chair Stedfast reconvened the meeting at approximately 8:35 AM on April 29, 2025. All the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting on April 29th, except Commissioner Hicks-Whitaker, who left the meeting on the 29th as noted below.

Mr. Fasulo provided a progress report on the Virginia Housing Opportunity 2025 Strategic Metrics.

Mr. Urban provided an overview of the impact of recent programmatic changes to the Homeownership program, which expanded eligibility for more middle-income homebuyers.

Mr. Caine gave an overview of Homeownership Financing and Program Economics at Virginia Housing.

Ms. Peay and Mr. Fasulo provide an overview of the Housing Choice Voucher Program (HCVP), including how it operates, who it serves, and its impact in Virginia. They also outlined key benefits and persistent challenges affecting program effectiveness, such as housing supply constraints and landlord participation. There was a discussion of potential methods of assisting HCVP tenants that desire to move to homeownership, including through the HUD Family Self-Sufficiency (FSS) Program, and staff will address that issue at a future meeting.

Ms. Peay provided an update on the Project Based Voucher (PBV) Program and next steps. She noted that the Consent Agenda contained a Resolution approving the award of fifty-one PBV units in four recommended projects aligned with Virginia Housing's mission to advance affordable housing. Staff will examine whether a policy overlay on which developments receive PBVs is appropriate in future PBV awards.

Ms. Neale provided an overview of federal funds received by Virginia Housing; recent changes in federal housing policies, cuts and freezing of federal funding, and reduction of federal staffing levels; potential privatization of Fannie Mae and Freddie Mac; increases in construction costs; construction labor shortages; greater need for gap funding in rental housing developments; and the impact of such changes on Virginia Housing operations, bond markets, and the Commonwealth's housing delivery network. Ms. Neale described Virginia Housing's coordination with the Secretary of Commerce and Trade on these issues. Ms. Neale also described opportunities these policies and changes could create with respect to decreased regulations which could accelerate deal timelines, a possible emphasis on affordable housing in Opportunity Zones, potential use of federal lands for affordable housing, and the possibility of a nimbler federal government.

Chair Stedfast opened the floor for discussion of other Board matters. The consensus of the Board was that they would like to continue to hear updates on federal housing policies. Commissioner Shelton posed the question of what additional initiatives Virginia Housing could be doing to address current affordable housing challenges and encouraged staff to consider innovative ways to address housing needs. Commissioner Scoggins inquired about Virginia Housing's policy and advocacy team and process. Staff will examine presenting an overview of that topic at a future meeting.

Commissioner Hicks-Whitaker left the meeting following the other Board matters discussion and did not return to the meeting.

Chair Stedfast, on behalf of the Executive Committee, reported that, at its meeting the previous morning, the Committee took the following actions (i) approved the April 1, 2025, 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) received a report from Mr. Mintz on the parking deck for Virginia Housing's Headquarters including pertinent details of the parking deck (size, location, cost of \$14.9 million, general

contractor, and timeline), that the deck will address current and future staff and visitor parking needs, and Virginia Housing expects to engage a vendor to manage paid parking by the public on nights and weekends, particularly around events at the new amphitheater on Second Street; (v) the Committee adopted a motion to recommend to the full Board the adoption of a Resolution, in the form contained in the Board materials, to enter into a Comprehensive Agreement with Hourigan Construction for the construction of the parking deck at the Virginia Housing Headquarters site; and (vi) the Committee met in closed session with representatives of Mercer to discuss the Chief Executive Officer performance evaluation and compensation methodology for Fiscal Year 2025, with final action expected in August. Chair Stedfast noted that a member of the public had attended the Executive Committee meeting and had submitted an e-mail in opposition to the parking deck.

In Commissioner Gray's absence, Commissioner Shelton, on behalf of the Audit Committee, reported that, at its meeting that morning, the Committee approved the minutes of its February 26, 2025, meeting and received a report from Ms. Gabby Miller of CliftonLarsonAllen, Virginia Housing's outside auditors, on the results of the Fiscal Year 2024 Single Audit. Such audit included the following programs: (i) Mortgage Insurance and Guarantees, (ii) Ginnie Mae MBS, and (iii) Housing Choice Voucher Program (HCVP), and made six findings of Significant Deficiencies with respect to the HCVP program. Commissioner Shelton reported that staff were working to address the findings and that there were no Financial Statement findings. Last, Commissioner Shelton reported that Ms. Patterson had provided an update on 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 February: (i) year to date, Virginia Housing achieved \$57.2 million in excess revenue over expenses (before GASB Adjustments), which is \$3.2 million less than budget and \$16.2 million below last year; (ii) year to date net interest margin of \$195.6 million, which is \$6.6 million under budget but \$9.1 million above last year; (iii) year to date programmatic expenses were \$9.0 million greater than budget: MSR amort, Loan Acquisition & Pooling Costs were \$3.6 million higher than budget and the loan loss provision and expenses were \$6.8 million higher than budget; (iv) year to date administrative expenses are \$6.2 million lower than budget mostly due to lower than budget staffing costs (\$3.3 million) and below budget projects & technology costs (\$3.8 million); (v) total assets of \$12.0 billion, an increase of \$1.7 billion above last year; (vi) total liabilities of \$8.1 billion, an increase of \$1.6 billion above last year, with the average cost of debt at 3.84% versus 3.51% last year; (vii) a net position of \$3.9 billion, an increase of \$79.1 million from last year, an annualized increase of 2.1%; (viii) annual investment interest return of 4.44%, which is 0.32% above budget and 0.24% lower than last year; (ix) total market value of investments (excluding cash) was \$3.1 billion, including a \$63.7 million decrease in GASB 31 market value adjustments, with 76.1% of investments held in money market instruments and 23.8% held in mortgage backed securities ("MBS"); (x) a total mortgage portfolio of \$15.3 billion (including loans serviced for the government sponsored entities ("GSEs")), a \$975.9 million increase over last year; (xi) total assets and GSE servicing of \$17.7 billion, a \$1.3 billion increase over last year; and (xii) year to date interest subsidy costs of \$11.2 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 April 7, 2025; and (iii) presented a

salient features memorandum for the Commonwealth Mortgage Bonds, 2024 Series F-2 Non-AMT (tax exempt) and 2025 C-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 February 26, 2025, (ii) a Resolution dated April 29, 2025, entitled “Virginia Housing Development Authority Enters Into the Comprehensive Agreement with Hourigan Construction Corp. Pursuant to § 56-575.9 of the Code of Virginia” for the construction of the parking deck at the Virginia Housing Headquarters site, (iii) a Resolution dated April 29, 2025, entitled “Resolution Approving the Selected Project-Based Voucher Projects for the Housing Choice Voucher Program”, (iv) a “Bond Limitations Resolution” dated April 29, 2025, for the Commonwealth Mortgage Bonds and a “Bond Limitations Resolution” dated April 29, 2025, for the Rental Housing Bonds, and (v) a “Resolution of Board of Directors and Certificate of Authorized Signatures” for transacting business with the Government National Mortgage Association (“Ginnie Mae”) dated April 29, 2025.

There being no further business, the meeting was adjourned at approximately 12:00 PM on April 29, 2025.

Sarah B. Stedfast, Chair

Fred W. Bryant, Assistant Secretary