

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE  
AND THE REGULAR MEETING OF THE COMMISSIONERS  
HELD ON SEPTEMBER 26 AND 27, 2006

Pursuant to the call of the Chairman and notice duly given, the meeting of the Committee of the Whole and the regular meeting of the Commissioners of the Virginia Housing Development Authority (the "Authority") were held on September 26 and 27, 2006 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

John P. McCann, Chairman  
Jay Fisette, Vice Chairman  
Douglas R. Fahl  
Charles McConnell  
William C. Shelton  
Gerald W. Hopkins  
Yvonne T. Allmond  
J. Braxton Powell  
Nancy K. O'Brien

COMMISSIONERS ABSENT:

Edward L. McCoy  
Terri M. Ceaser

OTHERS PRESENT:

Susan F. Dewey, Executive Director  
Donald L. Ritenour, Managing Director of Development  
Thomas A. Dolce, Managing Director of Servicing and Compliance  
Arthur N. Bowen, Managing Director of Finance and Administration  
Barbara Blankenship, Managing Director of Human Resources  
Janet W. Butler, Managing Director of Information Technology Services  
Tammy N. Taylor, Managing Director of Organizational Development and Learning  
Russ E. Wyatt, General Auditor  
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications  
J. Judson McKellar, Jr., General Counsel  
Paul M. Brennan, Deputy General Counsel  
John F. Hastings, Director of Multi-Family Development Programs  
Michele G. Watson, Director of Homeownership Programs  
James M. Chandler, Director of Low Income Housing Tax Credit Programs  
J. Michael Hawkins, Director of Community Housing  
Llewellyn C. Anderson, Business Planning Analyst  
Melody Barackman, Controller  
Tammy A. Tyler, Strategic Development Leader  
Barry Merchant, Policy Analyst  
Ronald A. Reger, Organizational Development Manager

Brian Matt, Public Relations Manager  
George Comstock, Authority contractor for Section 8 Housing Choice Voucher Program

Beginning at approximately 1:00 p.m. on September 26, 2006, the Commissioners and the members of the Board of Housing and Community Development held a joint luncheon meeting. All of the Commissioners listed above as present at the meeting were present at that time, except Commissioners Fahl and Powell who were not present and except Vice Chairman Fisette who joined the luncheon meeting in progress. During the meeting, Ms. Dewey discussed the different roles of the Authority and the Department of Housing and Community Development, the strategic goals of the Authority, and the framework being developed for the Virginia Housing Commission to create a state housing policy. Commissioner Shelton discussed the role of the Department of Housing and Community Development in community development, the principal housing issues being considered by the Department, and the integration of housing into the state's strategic, economic and urban plans and policies and into the state's plans to implement the Olmstead decision. Following these discussions, the luncheon meeting was adjourned at 2:15 p.m.

Chairman McCann called the meeting of the Committee of the Whole to order at 2:32 p.m. on September 26, 2006. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the Committee meeting, except Commissioners Shelton and Fahl who joined the Committee meeting in progress as noted below and thereafter remained present and except Commissioner Powell who was not present during the Committee meeting.

Chairman McCann welcomed Commissioner O'Brien to the Board. At this point, Commissioner Shelton joined the meeting.

Ms. Dewey reported that the Authority staff recommended that no changes be made to the Qualified Allocation Plan for the federal low-income housing tax credits for calendar year 2007 and that the staff hold forums to receive comments on changes to the Qualified Allocation Plan for calendar year 2008. During this report, Commissioner Fahl joined the meeting. The Commissioners and staff discussed recent issues relating to the Qualified Allocation Plan, and upon the conclusion of this discussion, it was the consensus that no changes be made to the Qualified Allocation Plan for calendar 2007 and that the staff proceed with the forums to receive comments on changes to the Qualified Allocation Plan for calendar year 2008.

Ms. Dewey presented an overview of the organizational structure of the Authority. Following this report, Mr. McKellar presented a report on the legal duties and responsibilities of the Commissioners.

Ms. Dewey presented the Board meeting schedule and agenda items for the remainder of fiscal year 2007. The Commissioners then discussed whether to change the date and place of the Board meeting in November or to cancel the meeting. Upon the conclusion of this discussion, it was the consensus of the Commissioners that the date and

place of the meeting be changed to 1:00 p.m. on November 29, 2006 in Norfolk, Virginia, at a location to be selected by the Chairman, provided that the Chairman may cancel the meeting if he determines that the meeting is not necessary.

Ms. Dewey then reviewed the strategic planning framework for fiscal year 2008 and examples of goal statements for the 2008 strategic plan.

Ms. Dewey next advised the Commissioners as to the search for a new Authority office in Wytheville and reported on the site recommended by the staff for the office. Following a discussion of the site, Commissioner McConnell moved that the Committee recommend approval of the purchase of the real property located at 105 East Main Street, in Wytheville, Virginia, for a purchase price determined by the Executive Director to be appropriate and reasonable and further recommend that the Executive Director or other authorized officer of the Authority designated by her be authorized to execute the purchase contract and such other documents, instruments and agreements, and to take such action, as she shall determine to be necessary or appropriate to effect the purchase of such real property. This motion was seconded by Commissioner Hopkins and was approved by the affirmative vote of each of the Commissioners then present at the meeting.

Ms. Dewey presented the final organizational performance report for fiscal year 2006. In this report, Ms. Dewey advised the Commissioners as to the increase in net revenues due principally to the requirement by the U. S. Department of Housing and Urban Development that excess Section 8 Housing Choice Voucher subsidy funds be included as revenues of the Authority without any offsetting liability.

The Commissioners then discussed with Ms. Dewey her performance objectives and competencies for fiscal year 2007 and by consensus approved such objectives and competencies.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 5:35 p.m. on September 26, 2006.

Chairman McCann called the regular meeting of the Board of Commissioners to order at approximately 11:20 a.m. on September 27, 2006. All of the Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting.

No members of the public requested an opportunity to make any comments during the public comment period of the meeting.

On motion duly made and seconded, the minutes of the meeting of the Committee of the Whole and the annual meeting of the Commissioners held on July 31 and August 1, 2006 were approved by the affirmative vote of each of the Commissioners then present at the meeting, except Commissioner O'Brien who abstained.

Chairman McCann, on behalf of the Committee of the Whole, reported that the Committee had received and discussed, and had by consensus approved, the staff recommendation that no changes be made to the Qualified Allocation Plan for allocation of the federal low-income housing tax credits for calendar year 2007 and that forums be held by the staff to receive comments on proposed changes to the Qualified Allocation Plan for calendar year 2008. Chairman McCann further reported that the Committee received and discussed reports on the organizational structure of the Authority, the legal duties and responsibilities of the Commissioners, the strategic planning framework for fiscal year 2008, the site recommended by the staff for the Authority office in Wytheville, and the final organizational performance report for fiscal year 2006. Commissioner McCann next reported that the Committee had reviewed, discussed and approved the Executive Director's performance objectives and competencies for fiscal year 2007. Chairman McCann advised the Commissioners that the Committee had by consensus approved the change of the date and place of the November Board meeting to 1:00 p.m. on November 29, 2006 in Norfolk, Virginia, at a location to be selected by him, provided that he may cancel the meeting if he determines that the meeting is not necessary. Chairman McCann reported that the Committee recommended that the Authority proceed with the purchase of the property located at 105 East Main Street in Wytheville for its office in Southwest Virginia. Vice Chairman Fiset moved approval of the purchase of the real property located at 105 East Main Street, in Wytheville, Virginia, for a purchase price determined by the Executive Director to be appropriate and reasonable and further moved that the Executive Director or other authorized officer of the Authority designated by her be authorized to execute the purchase contract and such other documents, instruments and agreements, and to take such action, as she shall determine to be necessary or appropriate to effect the purchase of such real property. This motion was seconded by Commissioner McConnell and was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner McConnell, on behalf of the Programs Committee, reported that the Committee had reviewed and discussed staff reports on the following matters: the homeownership and multi-family loan production; the single family and multi-family loan delinquencies; and an update on the Housing Choice Voucher Program. Commissioner McConnell next reported that the Committee had reviewed, and recommended approval of, a resolution to approve and ratify a reservation of federal low-income housing tax credits for Hunters Ridge Apartments. On motion duly made and seconded, the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated September 27, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McConnell next reported that the Committee had reviewed, and recommended approval of, a resolution to repeal the Rules and Regulations for Home Rehabilitation Loans. On motion duly made and seconded, the resolution entitled "Resolution Repealing Rules and Regulations for Home Rehabilitation Loans" dated September 27, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McConnell next reported that the Committee had reviewed, and recommended approval of, a resolution to amend the Rules and Regulations for the Virginia Housing Fund. On

motion duly made and seconded, the resolution entitled “Resolution Amending Rules and Regulations for the Virginia Housing Fund” dated September 27, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner McConnell reported that the Committee had received and discussed staff reports on the following: a proposed \$250 million pilot single family interest only loan program to be financed by taxable bonds, a single family FHA-insured loan program being considered by Congress for credit challenged borrowers, the proposed financing of a mixed income, mixed use homeownership development to be known as the Gateway at SoNo, and the status of the Authority’s minority outreach efforts. Commissioner McConnell next reported that the Committee received a staff report and recommendation on the proposed financing of a multi-family mortgage loan for Courthouse Crossings Apartments. On motion duly made and seconded, the resolution entitled “Resolution Authorizing a Multi-Family Mortgage Loan to Finance Courthouse Crossings Apartments” dated September 27, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Commissioner Allmond, on behalf of the Audit Committee, reported that the Committee had received and discussed a report presented by KPMG LLP on its annual audit of the Authority and that KPMG LLP had issued a clean audit report and did not report any material management issues. Commissioner Allmond advised the Commissioners that the Committee had met with representatives of KPMG LLP without the presence of the Authority staff and had received a positive report. Commissioner Allmond next reported that the Committee had received and discussed a report from Mr. Bowen on the Authority’s monthly financials and budget comparison for the period ended June 30, 2006, and reports from Mr. Wyatt on the status of the internal audit schedule and reports and on the status of the investigation into the complaints by Mr. Charles Pool.

Commissioner Allmond, on behalf of the Operations Committee, reported that the Committee had received and discussed reports on the performance management process and on the capital projects for the Virginia Housing Center on Cox Road, the proposed office site in Wytheville, and the renovation of the Authority’s offices. Commissioner Allmond next reported that the Committee had reviewed, and recommended approval of, a resolution to approve the trustee for the Authority’s retiree health care plan. On motion duly made and seconded, the resolution entitled “Resolution Approving Selection of Trustee for the Virginia Housing Authority Retiree Health Care Plan” dated September 27, 2006, in the form attached hereto, was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Ms. Dewey’s presented her report on operations in which she advised the Commissioners of the receipt by the Authority of an annual award from NCSHA for Lender Search on the Authority’s website. Ms. Dewey next presented resolutions in recognition of the 25<sup>th</sup> anniversary of the Falls Church Housing Corporation and the 40<sup>th</sup> anniversary of the Fairfax County Redevelopment and Housing Authority. On motion duly made and seconded, the resolutions entitled “Resolution in Recognition and Appreciation of the Twenty-Fifth Anniversary of Falls Church Housing Corporation” and

“Resolution in Recognition and Appreciation of the Fortieth Anniversary of Fairfax County Redevelopment and Housing Authority” dated September 27, 2006, in the forms attached hereto, were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Ms. Dewey advised the Commissioners as to the agenda for the Governor’s Housing Conference, a grant writing workshop to be held by the Authority with the Department of Housing and Community Development and the U. S. Department of Housing and Urban Development, recent articles in The Richmond-Times Dispatch regarding affordable housing, and a study conducted by George Mason University on affordable housing in Fairfax County.

There being no further business, the meeting was adjourned at approximately 11:50 a.m.

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John P. McCann, Chairman

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J. Judson McKellar, Jr.  
Assistant Secretary

**VIRGINIA HOUSING DEVELOPMENT AUTHORITY**

**MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE**

**HELD ON SEPTEMBER 27, 2006**

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Programs Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 27, 2006, at 601 South Belvidere Street, Richmond, Virginia.

**COMMITTEE MEMBERS PRESENT:**

Charles McConnell, Committee Chairman  
William C. Shelton  
Jay Fisette  
Gerald W. Hopkins  
Douglas R. Fahl

**OTHER COMMISSIONERS PRESENT**

John P. McCann  
Yvonne T. Allmond  
Braxton Powell  
Nancy O'Brien

**OTHERS PRESENT:**

Susan F. Dewey, Executive Director  
Donald L. Ritenour, Managing Director of Development  
Thomas A. Dolce, Managing Director of Servicing and Compliance  
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications  
Paul M. Brennan, Deputy General Counsel  
Michele G. Watson, Director of Homeownership Development Programs  
John F. Hastings, Director of Multi-Family Development Programs  
James M. Chandler, Director of Low Income Housing Tax Credit Programs  
J. Michael Hawkins, Director of Community Housing  
Llewellyn C. Anderson, Strategic Planner  
Tammy A. Tyler, Strategic Development Leader  
Melody S. Barackman, Controller  
Ronald A. Reger, Organizational Development Manager  
J. Judson McKellar, Jr., General Counsel  
Toni M. Ostrowski, Senior Community Housing Officer  
Hil Richardson, Jr., Senior Finance Manager  
Costa Canavos, Community Housing Officer  
Christopher Hilbert, Senior Community Housing Officer  
Richard Taylor, Government Relations Manager  
Tammy N. Taylor, Managing Director of Organizational Development and Learning  
Barbara Blankenship, Managing Director of Human Resources

The meeting of the Committee was called to order by Committee Chairman McConnell at approximately 9:40 a.m. All of 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 motion duly made and seconded, the minutes of the meeting of the Committee held on

August 1, 2006 were approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Ritenour and Ms. Watson presented the Bi-monthly Homeownership Loan Reservation Production Report. Ms. Watson reported that VHDA is on track to meet the Authority's "most probable" production estimate for fiscal year 2007, which is approximately 12% less than loan production in fiscal year 2006. Ms. Watson also reported that the Authority will be launching a pilot interest only, taxable bond financed loan program and that the impact of this program on single family loan production is uncertain at this time. Mr. Ritenour and Ms. Watson also indicated that the allocations of the Sponsoring Partnership And Revitalizing Communities (SPARC) program are being used more rapidly than expected.

Mr. Hastings reviewed the Bi-monthly Multi-family Loan Production Report. In his report, Mr. Hastings noted that ten of the 13 developments committed during the period were assisted with REACH funds. Mr. Hastings also reported that the Authority is on track to reach its multi-family loan production estimate of 4,000 units for fiscal year 2006. In addition, Mr. Hastings requested the Committee to recommend Board approval of the mortgage loan financing for Courthouse Crossings Apartments, which was not included in the most recent Board Approval Requests. Commissioner Fahl moved that the Committee recommend approval of the resolution entitled "Resolution Authorizing a Multi-Family Mortgage Loan to Finance Courthouse Crossings Apartments" dated September 27, 2006. This motion was seconded by Commissioner Shelton and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. Dolce presented reports on the status of delinquencies and foreclosures in the homeownership and multifamily loan servicing portfolios. Mr. Dolce also reported that the servicing of the Authority's single family loans formerly serviced by Charter One had been transferred to the Authority. Mr. Dolce noted that the delinquency rate for homeownership had increased slightly to 5.68% and that the multifamily delinquency rate had decreased to 0.68% as of the end of July. Mr. Dolce also presented an update on the Housing Choice Voucher Program in which he stated that leasing was at 97% for August. In addition, with regard to assistance provided to Hurricane Katrina victims, Mr. Dolce noted that 100 out of a possible 160 housing choice vouchers for victims of Hurricane Katrina had been used for leases and that 43 households with housing choice vouchers were in the process of locating housing units. At this time, the Committee recognized Mr. Dolce for his outstanding performance in the servicing of the VHDA homeownership portfolio.

Mr. Chandler and Mr. Ritenour presented the resolution to approve and ratify the reservations of federal low-income housing tax credits for Hunters Ridge Apartments. Commissioner Hopkins moved that the Committee recommend approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated September 27, 2006. This motion was seconded by Commissioner Fisette and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Mr. McKellar presented resolutions to repeal the rules and regulations for the Home Rehabilitation Loans and to approve amendments to the rules and regulations for the Virginia Housing Fund that would include REACH *Virginia*. Commissioner Hopkins moved that the Committee recommend approval of the resolutions entitled "Resolution Repealing Rules And Regulations For Home Rehabilitation Loans" dated September 27, 2006 and "Resolution Amending

Rules and Regulations For the Virginia Housing Fund”, dated September 27, 2006. This motion was seconded by Commissioner Shelton and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Ms. Watson and Mr. Ritenour presented a memorandum on a new pilot single-family interest-only taxable bond financed loan program. Ms. Watson stated that this program is intended to provide an alternative loan product to first-time homebuyers residing in high cost areas whose incomes exceed VHDA’s first-time homebuyer limitations but cannot qualify for a loan due to appreciating home values. Ms. Watson also noted that this program would provide refinancing for homeowners who are at risk of foreclosure due to increases in their monthly payments on their adjustable rate mortgage loans. Ms. Watson stated that the program is expected to be launched as a \$250 million pilot in late fall. In addition, Ms. Watson reported that a second program under development that addresses borrower’s credit challenges has been deferred until Congress has enacted legislation authorizing the Federal Housing Administration to launch its program with a similar objective.

The REACH Team consisting of Mr. Hawkins, Ms. Ostrowski, Mr. Hilbert, and Mr. Canavos presented a report on the Gateway at Sono, which is a mixed income, mixed use single family construction loan pilot in the Southern Norfolk area. The team reported that the project consists of 133 residential condominiums and loft apartments for homeownership and approximately 56,000 square feet of for-sale retail/office space. The REACH Team also reported that the project would be completed in three phases. Commissioners McCann, Powell, O’Brien, and Almond joined the meeting during the presentation.

Mr. Hawkins and Mr. Ritenour presented an overview of the Hispanic and African American outreach activities.

There being no further business, the meeting was adjourned at 11:12 a.m.

## Minutes of the Meeting of the Audit Committee Held on September 27, 2006

The meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 27, 2006 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

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<b>Committee Members Present</b>	Yvonne Toms Allmond, Chairman Braxton Powell Nancy O'Brien
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<b>Other Commissioners Present</b>	John P. McCann
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<b>Others Present</b>	Susan F. Dewey, Executive Director Arthur N. Bowen, III, Managing Director of Finance & Administration Russ E. Wyatt, General Auditor Melody Barackman, Controller Kevin Strecker, KPMG Donna Craver, KPMG Michelle S. Edmonds, Sr. Executive Assistant
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<b>Meeting Called to Order</b>	The meeting was called to order at 9:38 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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<b>Approval of the Minutes</b>	Commissioner Powell moved approval of the minutes of the meeting of the Audit Committee dated August 1, 2006. Commissioner Allmond seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting except Commissioner O'Brien who abstained.
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<b>FY 2006 Audited Financials</b>	<p>Art Bowen and Melody Barackman reviewed VHDA's completed financial statements for FY 2006.</p> <p>Kevin Strecker and Donna Craver of KPMG, VHDA's external auditors, reported the results of their recently completed audit of VHDA's financial statements for the fiscal year ending June 30, 2006. The reports presented by KPMG included their management letter and single audit report, which indicated that they noted no matters involving internal control and its operation that were considered to be material weaknesses. The Committee then met with just KPMG to discuss any matters which KPMG believed the Committee should be aware of.</p>
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**Audit Committee Minutes**  
**September 27, 2006**

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**Report on  
Monthly  
Financials and  
Budget  
Comparisons**

Art Bowen reviewed the Report on Monthly Financials and Budget Comparison for the 12 months ended June 30, 2006. Art noted the addition of the GASB 31 Adjustment for Investments that will now be included in the monthly financials. Melody indicated the Authority has changed its method of accounting for HAP. Upon receipt and disbursement of HCV program funds, revenues and expenses will be recorded and any excess or deficiency in program funds will be reported in the change in net assets, monthly.

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**Executive  
Summary/  
Internal Audit  
Report**

The General Auditor reviewed the updated schedule of audits with the Committee and reported that the annual confirmations of loans and investments have been completed. The General Auditor also reported that the audits currently in progress, and their status, included: 1) HCV – completed and awaiting reply; 2) Investments – completed and awaiting closing; and 3) General Accounting – Field Work. The General Auditor then reported that no adverse reports have been issued since the last meeting.

The General Auditor reported on the status of outstanding Audit issues indicating that all issues reported by Audit have been addressed by management with the exception that the MF Compliance Department has not yet made the HDS system fully functional with regard to scheduling reviews or reporting upcoming or late audits. The General Auditor also reported that MF Compliance had implemented mitigating controls (a spreadsheet schedule and management oversight) that will remain in place until the system scheduling and monitoring feature is fully functional.

The General Auditor then reported that progress is proceeding on the three-year phased implementation of the requirements of the Sarbanes-Oxley Act. Year one of the plan will involve the development and implementation of automated tools necessary to manage SOX requirements. Three different vendor systems are being considered as well as an internally developed system.

The General Auditor then reported that he has completed his first draft of his report regarding issues raised by Mr. Pool in his letter to the Chairman of the Board dated July 23, 2006. The General Auditor reported that he should be able to present his findings to the Audit Committee at its next meeting.

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**Adjournment**

There being no further business, Commissioner Allmond moved for adjournment of the meeting at 10:29 a.m. Commissioner Powell seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

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**Audit Committee Minutes**  
**September 27, 2006**

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Russ E. Wyatt  
General Auditor

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Yvonne Toms Allmond  
Chairman

## Minutes of the Meeting of the Operations Committee Held on September 27, 2006

The meeting of the Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority was held on September 27, 2006 at the offices of the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia.

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<b>Committee Members Present</b>	Yvonne Toms Allmond, Chairman John P. McCann Braxton Powell Nancy O'Brien
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<b>Others Present</b>	Arthur N. Bowen, III, Managing Director of Finance & Administration Russ E. Wyatt, General Auditor Melody Barackman, Controller Barbara Blankenship, Managing Director of Human Resources Tammy Taylor, Managing Director of Organizational Development and Learning Michelle S. Edmonds, Sr. Executive Assistant
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<b>Meeting Called to Order</b>	The meeting was called to order at 10:30 a.m. All of the members of the Committee noted above as being present at the meeting were present at that time and remained present throughout the meeting.
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<b>Approval of the Minutes</b>	Commissioner McCann moved approval of the minutes of the meeting of the Operations Committee dated August 1, 2006. Commissioner Powell seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting except Commissioner O'Brien who abstained.
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<b>Performance Management Update</b>	Barbara Blankenship, Managing Director of Human Resources, provided a handout outlining summary data from the FY '06 performance management process. Associates will receive any salary adjustment and/or a separate bonus check on October 11, 2006.
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<b>Capital Project Update</b>	Art Bowen, Managing Director of Finance & Administration, provided a verbal update on the status of capital projects. Bids for the renovation of the Cox Road building have been received and reviewed. Four bidders were pre-qualified and three bids were received including one bid from a certified SWAM vendor. Canavan Construction was the low bidder with a bid amount of \$2.52 million. Once the
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**Operations Committee Minutes**  
**September 27, 2006**

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**Capital Project Update** (cont'd) construction contract is signed (by the end of the week), demolition will begin immediately thereafter. The project is expected to take approximately six months. Immediately after this, renovation work of the HQ building will begin, including renovation of the handicapped entrance. With regards to Wytheville HQ, a suitable building has been identified and staff will move forward with the contract for an architect and engineer, pending Board approval.

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**Trustee of VHDA Retiree Health Care Plan** Art Bowen reported that a new retiree health care plan has been drafted and approved. One aspect of the new plan is that funds (approximately \$12,000) will be held in trust outside of VHDA. VHDA has completed a procurement for a Plan Trustee, with the award going to SunTrust Bank. A Board resolution formally appointing SunTrust Bank as Plan Trustee is required. The resolution also authorizes the Executive Director to take any other actions necessary to implement the Trust and the Plan. Commissioner McCann moved that this resolution be recommended to the Board for approval. Commissioner O'Brien seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

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**November Board Meeting** Due to scheduling of the Governor's Housing Conference in November, Commissioner McCann noted the possibility of canceling the November meeting. If there are items needing the attention of the Board, we may possibly have a short meeting at some point during the conference.

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**Adjournment** There being no further business, Commissioner Allmond moved for adjournment of the meeting at 10:44 a.m. Commissioner O'Brien seconded this motion. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

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Arthur N. Bowen, III  
Managing Director of Finance &  
Administration

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Yvonne Toms Allmond  
Chairman