

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE COMMITTEE OF THE WHOLE
AND THE REGULAR MEETING OF THE COMMISSIONERS
HELD ON OCTOBER 11 AND 12, 2011

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 October 11 and 12, 2011 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia.

COMMISSIONERS PRESENT:

Charles McConnell, Chairman
Yvonne T. Allmond, Vice Chairman
Gerald W. Hopkins
Nancy K. O'Brien
Kermit E. Hale
William C. Shelton
Timothy M. Chapman
Charles L. Krum, Jr.

COMMISSIONERS ABSENT:

Manju Ganeriwala
Marjorie N. Leon
Jacqueline T. Black

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 Wiglesworth, Managing Director of Information Technology Services
Russ E. Wyatt, General Auditor
Tammy Neale, Chief Learning Officer
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership Programs
John F. Hastings, Director of Multi-Family Development Programs
James M. Chandler, Director of Low Income Housing Tax Credit Programs
Paul M. Brennan, Deputy General Counsel
Melody S. Barackman, Controller
J. Michael Hawkins, Director of Community Housing
Sharon B. Fairburn, Housing Choice Voucher Director
Sid Mohammad, Accounting Manager
Michael Stoneman, Multi-Family Owned Property Portfolio Manager
Llewellyn C. Anderson, Strategic Planner
Ronald A. Reger, Strategic Planner

Scott Heiry, Business Intelligence Manager
Barry Merchant, Policy Analyst

Chairman McConnell called the meeting of the Committee of the Whole to order at 2:03 p.m. on October 11, 2011. The Commissioners listed above as present at the meeting were present at that time and remained present throughout the meeting. Chairman McConnell welcomed Commissioner Krum back to the Board and congratulated Commissioner Hale on his reappointment to the Board.

Ms. Fairburn presented a report on the status of funding of the Section 8 Housing Choice Voucher Program in which she discussed with the Commissioners the following: the two types of funding - the subsidy payments and the administrative fees; the amount of subsidy funding in calendar year 2011; the use of the subsidy funds for rental payments to the landlords and for utility payments to the tenants; the amounts of monthly subsidy payments to date during calendar year 2011; the amounts of the subsidy reserve balance since the end of calendar year 2010; the restrictions on the amount of the subsidy reserve; the leasing rate of 97% supported by the subsidy funding; the projected reserve balance of \$2.1 million at the end of calendar year 2011; the monthly per unit subsidy amounts during calendar year 2011; the monthly subsidy utilization rates to date during calendar year 2011; the status of approval by Congress of subsidy funding for calendar year 2012; the amount of administrative fees in calendar year 2011; the formula for the calculation of the administrative fees; the published rates and percentages thereof used in calculating the administrative fees since calendar year 2007; the allocation of the administrative expenses in calendar year 2011; the amounts in the administrative fee reserve through calendar year 2012; the projected exhaustion of the administrative fee reserve by June 30, 2012; the financial impact on the Authority and the local agents of the voucher program budget for fiscal year 2013, including the projected need for approximately \$1 million in financial assistance from the Authority to cover internal department expenses for the program and to pay local agents; the status of federal legislation to appropriate the administrative fees for fiscal year 2012; and the financial ability of the local agents to withstand reductions in their administrative fees after fiscal year 2012.

Ms. Dewey, Mr. Hill, Mr. Bowen and Mr. Ritenour reported on the status of the Governor's Housing Policy Initiative. In this report, they discussed with the Commissioners the following matters: the need for a housing policy framework; the purposes of the Governor's Housing Policy Initiative; the four housing policy goals of the Governor's Housing Policy Initiative and the recommendations for those goals; the status of progress in addressing the housing policy recommendations, including the roles and responsibilities of the Authority and the Department of Housing and Community Development, the 2011 priorities for the policy goals, the areas of future focus for the policy goals, the current uncertainties impacting future policy directions, and the key state expectations of the Authority during the current economic uncertainty; the Authority's current program activities in support of the policy goals; and the uncertainties impacting the Authority's future support of the policy goals.

Mr. Chandler reported on the recommended changes to the Qualified Allocation Plan for the federal low-income housing tax credits and summarized the public comments

that had been received on the proposed changes. Ms. Dewey stated that the staff recommended that the Qualified Allocation Plan, as amended by the proposed changes, be intended to continue in effect during calendar years 2012 and 2013, and the Commissioners concurred with the recommendation. There then ensued a discussion of the proposed changes for the Northern Virginia new construction pool and the costs and benefits of the proposed increase in points for developments that are heated and cooled by geothermal heat pumps. Following this discussion, Mr. Chandler advised the Commissioners as to changes that had been requested by members of the public but were not recommended by the staff, and he reviewed programmatic changes that will be implemented by the staff but do not require changes to the Qualified Allocation Plan.

There being no further business, the meeting of the Committee of the Whole was adjourned at approximately 6:10 p.m. on October 11, 2011.

Chairman McConnell called the regular meeting of the Board of Commissioners to order at approximately 11:05 a.m. on October 12, 2011. 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.

The minutes of the meeting of the Committee of the Whole and the annual meeting of the Commissioners held on August 2 and 3, 2011 were approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

At the request of Ms. Dewey, the participants in the Leadership Development Program introduced themselves to the Commissioners.

On motion duly made and seconded, the resolution entitled "Resolution in Recognition and Appreciation of the Thirtieth Anniversary of Endependence Center, Inc.," dated October 12, 2011 in the form attached hereto was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting.

The resolution entitled "Resolution in Recognition and Appreciation of Thirty Years of Service by Mildred P. Hayes" dated October 12, 2011, was read by Mr. Reger, and on motion duly made and seconded, was approved in the form attached hereto by the affirmative vote of each of the Commissioners noted above as present at the meeting.

Chairman McConnell, on behalf of the Committee of the Whole, summarized the reports received and discussed by the Committee on the status of funding of the Section 8 Housing Choice Voucher Program, the status of the Governor's Housing Policy Initiative, and the proposed changes to the Qualified Allocation Plan for the federal low-income housing tax credit program.

Commissioner O'Brien, on behalf of the Programs Committee, reported that the Committee had received and discussed the proposed amendments to the Authority's Qualified Allocation Plan and recommended approval of such proposed amendments,

except as modified to include a limitation on the Northern Virginia new construction pool to the two-year period of 2012 and 2013 and not to include the proposed increase to 10 points for developments that are heated and cooled with a geothermal heat pump. Commissioner O'Brien noted that the Qualified Allocation Plan, as so amended, would be intended to continue in effect during calendar years 2012 and 2013. Commissioner O'Brien moved that the Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits, including the amendments to the Rules and Regulations for Allocation of Low-Income Housing Tax Credits, be approved in the form attached hereto, as amended in accordance with the recommendation of the Programs Committee, to be effective January 1, 2012 or such later date as such Plan shall be filed with the Registrar of Regulations after approval by the Governor and further moved that the staff evaluate the effectiveness of the Northern Virginia new construction pool during the two-year period and, in addition, that the staff be directed to review the rising costs of developments, which review shall include the costs and benefits of the environmental improvements for which points are awarded, including consideration by the staff of the awarding of points on the basis of the impact of the environmental improvements considered as a whole rather than individually and including an analysis of the benefits to the tenants and the environment as a result of the environmental improvements. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien reported that the Committee had reviewed, and had recommended approval of, a resolution to approve and ratify the reservation of federal low-income housing tax credits for a development known as Cedar Grove Apartments. Commissioner O'Brien moved approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated October 12, 2011, in the form attached hereto. This motion was approved by the affirmative vote of each of the Commissioners noted above as present at the meeting. Commissioner O'Brien summarized the staff reports that had been received and considered by the Committee on the status of the following matters: the delinquencies in the homeownership and multi-family loan programs; the Housing Choice Voucher Program; the delinquencies in the Authority's Ginnie Mae portfolio; the volume of calls to the Authority's contact center; the single family loan production; the enrollment in homeownership education courses; the Emergency Homeownership Loan Program; the multi-family loan production; the disposition of multi-family developments owned by the Authority; the Authority's emerging markets outreach efforts; and the Authority's marketing activities.

Commissioner Hale, on behalf of the Audit Committee, reported that the Committee had received and discussed with representatives of KPMG its audit of the Authority's financial statements for fiscal year 2011 and that KPMG had given its unqualified opinion on the audit and did not identify any deficiencies in internal control over financial reporting that KPMG considered to be material weaknesses. Commissioner Hale advised the Commissioners that the staff would be proceeding with a request for proposals for accounting firms to perform the annual audit of the Authority's financial statements. Commissioner Hale summarized the reports received and considered by the Committee on the Authority's monthly financials and budget comparisons for the period ended August 31, 2011 and on the status of the internal audit schedule, reports and recommendations.

Commissioner Hale, on behalf of the Operations Committee, summarized the staff reports that had been received and considered by the Committee on the status of employee benefits, the administration of merit awards and bonuses for the staff, the Leadership Development Program and other recent activities sponsored by the Organizational, Development and Learning Division, the status of the programs and projects of the Project Management Office, and the development of the portal for the Commissioners on the Authority's website.

Commissioner Shelton presented his report on activities of the Department of Housing and Community Development in which he advised the Commissioners that the Department intends to resubmit its proposal for administering Section 8 subsidy under the Performance Based Contract Administration program when HUD initiates the process, that approximately 300 homes had been acquired by the Department under the Neighborhood Stabilization Program of which approximately half had been purchased by homebuyers, and that substantial reductions in funding for the HOME program and other federal programs was expected in the federal budget for fiscal year 2012.

Ms. Dewey presented her report on operations in which she advised the Commissioners of the following matters: the Governor's Housing Conference in Hampton on November 16-18, 2011; the Board and Committee meetings on December 6 and 7, 2011 and February 7 and 8, 2012; the Board retreat at the Berry Hill Resort and Conference Center in South Boston on March 25-27, 2012; and a recent article in Style Magazine on New Manchester Flats financed by the Authority.

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

Charles McConnell, Chairman

J. Judson McKellar, Jr.
Assistant Secretary

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE PROGRAMS COMMITTEE
HELD ON OCTOBER 12, 2011

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 (the "Authority") was held on October 12, 2011 at the offices of the Authority, 601 South Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Nancy K. O'Brien, Chairman
Charles McConnell
William C. Shelton
Timothy M. Chapman
Gerald W. Hopkins

OTHER COMMISSIONERS PRESENT:

Yvonne T. Allmond
Kermit E. Hale
Charles L. Krum, Jr.

COMMITTEE MEMBERS ABSENT:

Jacqueline T. Black

OTHERS PRESENT:

Susan F. Dewey, Executive Director
Donald L. Ritenour, Managing Director of Development
Herb H. Hill, Jr., Managing Director of Policy, Planning, and Communications
J. Judson McKellar, Jr., General Counsel
Michele G. Watson, Director of Homeownership 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
Barry Merchant, Senior Policy Analyst
Arthur N. Bowen, Managing Director of Finance and Administration
Russ E. Wyatt, General Auditor
Paul Brennan, Deputy General Counsel
Ron Reger, Strategic Business Planner
Mike Stoneman, Multi-Family Owned Property Portfolio Manager
Robert Halloran, Marketing Director
Tammy Neale, Chief Learning Officer
Barbara Blankenship, Director of Human Resources
Sharon Fairburn, Housing Choice Voucher Program Manager
Scott Heiry, Business Intelligence Manager
Melody Barackman, Controller
Sandy Case, Default Administration Manager
Llewellyn Anderson, Strategic Business Planner

The meeting of the Programs Committee was called to order by Chairman O'Brien at approximately 9:02 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 3, 2011 were approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

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

Mr. Chandler presented the recommended changes to the Qualified Allocation Plan for the federal low-income housing tax credits. Commissioner Hopkins moved that the Committee recommend approval of the Plan of the Virginia Housing Development Authority for the Allocation of Low-Income Housing Tax Credits, including the amendments to the Rules and Regulations for Allocation of Low-Income Housing Tax Credits, in the form presented at the meeting, as amended to include a limitation on the Northern Virginia new construction pool to the two-year period of 2012 and 2013 and not to include the proposed increase to 10 points for developments that are heated and cooled with a geothermal heat pump, to be effective January 1, 2012 or such later date as such Plan shall be filed with the Registrar of Regulations after approval by the Governor and further moved that the Committee recommend that the staff evaluate the effectiveness of the Northern Virginia new construction pool during the two-year period and, in addition, that the staff be directed to review the rising costs of developments, which review shall include the costs and benefits of the environmental improvements for which points are awarded, including consideration by the staff of the awarding of points on the basis of the impact of the environmental improvements considered as a whole rather than individually and including an analysis of the benefits to the tenants and the environment as a result of the environmental improvements. 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. Following this discussion, Commissioners Allmond, Hale, and Krum left the meeting.

Mr. Chandler presented a resolution to approve and ratify the reservations of federal low-income housing tax credits for a development known as Cedar Grove Apartments. Commissioner Shelton moved that the Committee recommend approval of the resolution entitled "Resolution Approving and Ratifying Reservation of Federal Low-Income Housing Tax Credits" dated October 12, 2011. This motion was seconded by Commissioner Hopkins and was approved by the affirmative vote of each of the members of the Committee noted above as present at the meeting.

Ms. Case presented reports on the status of delinquencies and foreclosures in the homeownership and multi-family loan portfolios. Ms. Case advised the Committee that since the last report to the Committee the overall delinquency rate for the single-family loan portfolio had increased to 12.71% as of September 30, 2011 and that the overall delinquency rate for the multi-family loan portfolio remained basically unchanged at 1.44% as of September 30, 2011.

Ms. Fairburn provided an update to the Housing Choice Voucher Program noting that the program is 95% leased as of October 1, 2011. Ms. Fairburn also reported that a reduction by the federal government to the calendar year 2012 administrative fee is expected and that the Authority may need to increase financial support to the program. Ms. Fairburn reported that the annual Section 8 Management Assessment Program Certification for the Housing Choice Voucher Program approved by the Commissioners resulted in the Authority being awarded a High Performance rating for 2011.

Ms. Case reported that the delinquency rates for the single family loans in the Ginnie Mae portfolio continue to be below Ginnie Mae thresholds and that the total principal balance of the Ginnie Mae portfolio is \$372 million representing 2,267 loans. Ms. Case reported that the number of phone calls received by the Authority's Contact Center for August and September was 4,048 and that the majority of the contacts came from Richmond followed by Northern Virginia and Hampton Roads.

Ms. Watson reported that single family loan production for the first quarter in fiscal year 2012 was 620 loans in the total principal amount of \$90 million. Ms. Watson noted that loan production was down approximately 17% from the first quarter last year.

Ms. Watson presented a report on the Homeownership Education Program noting that for the first quarter in fiscal year 2012, 735 in-class participants and 1,645 online class participants had completed the course. Ms. Watson also reported that 1,428 borrowers were screened for eligibility under the Emergency Homeowners Loan Program and that six have been approved by the U.S. Department of Housing and Urban Development. Ms. Watson noted that the U.S. Department of Housing and Urban Development will be establishing a formal appeals process for borrowers that were denied eligibility.

Mr. Hastings presented a report on multi-family loan production for the period July 26 – October 4, 2011. In this report, Mr. Hastings advised the Committee that eight multi-family developments consisting of 1,018 units had been approved for mortgage loans in the total principal amount of approximately \$32.9 million. Mr. Hastings also noted that 75% of the developments were supported with REACH funding.

Mr. Stoneman presented a report on the status of the disposition of the multi-family developments owned by the Authority. Mr. Stoneman reported that the portfolio consisted of 13 developments that were not sold or under contract and that no new acquisitions had occurred since the last report.

Mr. Hawkins presented reports on the Authority's outreach to the African American and Hispanic markets between August 2011 and September 2011. In this report, Mr. Hawkins stated that the staff has participated in weekend events supporting Hispanic Heritage Month which began in mid-September and ends in mid-October. Mr. Hawkins also reported that the Authority has continued ongoing outreach efforts to the planning community by conducting a two-day training class entitled "Revitalizing Neighborhoods through Housing and Economic Development."

Mr. Hill and Mr. Halloran presented reports on the Authority's marketing activities. In this report, Mr. Halloran and Mr. Hill noted that the Authority had created

and produced a 30-second television commercial, modified Mobile Mortgage Office newspaper advertisements, and coordinated radio and TV interviews. Mr. Halloran also reported that the Authority was working in partnership with the staff at The Independence on a campaign in support of increasing the occupancy rate.

There being no further business, the meeting was adjourned at 10:52 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE AUDIT COMMITTEE
HELD ON OCTOBER 12, 2011

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Audit Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on October 12, 2011 at the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Kermit E. Hale, Chairman
Charles L. Krum, Jr.
Yvonne T. Allmond

COMMITTEE MEMBERS ABSENT:

Manju Ganeriwala
Marjorie N. Leon

OTHERS PRESENT:

Arthur N. Bowen, III, Managing Director of Finance & Administration
Russ E. Wyatt, General Auditor
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale, Chief Learning Officer
Melody Barackman, Controller
Rob Churchman, KPMG
Du'Neika Easley, KPMG
Maria Barrow, Office Manager

The meeting of the Audit Committee was called to order by Committee Chairman Hale at approximately 9:30 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.

Representatives from KPMG reported the results of their recently-completed audit of VHDA's financials for the FY 2011. The reports presented by KPMG included their opinion letter and report on internal controls, noting that they did not identify any deficiencies in internal control over financial reporting that they considered to be material weaknesses. They also presented a report to the Committee describing their responsibilities for expressing an opinion on the fair presentation of the financial statements. The KPMG representatives also reported on their audit results, that there were no significant changes to their audit plan as discussed on June 7, 2011, and that an unqualified opinion was issued on the financial statements on September 20, 2011. They also described the following reports issued:

- Report on the Basic Financial Statements and Supplementary Information
- Report on Internal Control over Financial Reporting and on Compliance with Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards

- Report on Compliance with Requirements That Could Have a Director and Material Effect on Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133, Report of Federal Expenditures
- US Treasury's New Issue Bond Program
- GNMA's Securitization Program, and
- the State's housing funds: VPRF and CPHF

The Committee then met with KPMG, without the presence of staff, to discuss any matters of which KPMG believed the Committee should be aware.

After VHDA staff returned to the meeting, Melody Barackman reported that while the audit staff was new to our account this year (with the exception of audit partner, Rob Churchman), the audit was conducted professionally, concluded within our deadlines, and rendered no significant issues.

KPMG representatives left the meeting at this time.

Art Bowen, Russ Wyatt and Ms. Barackman noted that this audit was the final engagement under KPMG's current contract and reported that over the next several weeks VHDA will begin a process to request proposals from interested accounting firms to perform future independent audits. Ms. Allmond agreed to be the Audit Committee representative in the selection process.

On motion duly made and seconded, the minutes of the meeting of the Committee held on August 3, 2011 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Barackman reviewed highlights of the Authority's monthly financials and budget comparisons for the period ending August 31, 2011. Ms. Barackman reported that excess revenues before GASB adjustments for the month of August totaled \$8.7 million, within \$26 thousand of plan. She reported that year-to-date earnings total \$15.4 million (\$1.2 million behind plan). She also reported that mortgage loan interest income is behind plan by \$730 thousand. Ms. Barackman also reported that new Single-Family loan production remains below prior years and current year planned levels and that investment income continues to improve and is \$800 thousand ahead of year-to-date plan. She also noted that with interest expense lower than expected, the Net Interest Margin is ahead of plan by almost \$1.0 million. She reported that programmatic expenses YTD exceed budget by \$3.1 million after two months. She also reported that loan losses and expenses at \$8.1 million exceed plan by \$2.6 million. Ms. Barackman reported that operating costs of multi-family owned properties and HCV program are also over-budget for July & August. She reported that administrative expenses are better than budget in all administrative categories by at total of almost \$900 thousand and that total assets have decreased since June 30 by \$50 million to \$9.59 billion, primarily due to reductions in outstanding mortgage loan balances. She reported that loan pay-downs and pay-offs continue to exceed the rate of new production. She noted, however, that net assets have increased after two months by \$21 million, resulting in excess capital of \$2.34 billion or 24.4% of total assets.

Mr. Wyatt reported on the status of the Audit Schedule and reports issued since the last Committee meeting. Mr. Wyatt indicated that no adverse audit reports have been issued since the last Committee meeting and there are no control concerns that were previously reported to the Audit Committee that have not been successfully addressed by management. He also reported that although the Audit Division recently had a resignation, they currently remain on track to complete the 5-year schedule as planned and are hopeful to fill the position before it adversely affects the schedule

There being no further business, the meeting was adjourned at 10:13 a.m.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

MINUTES OF THE MEETING OF THE OPERATIONS COMMITTEE
HELD ON OCTOBER 12, 2011

Pursuant to the call of the Committee Chairman and notice duly given, the meeting of the Operations Committee of the Board of Commissioners of the Virginia Housing Development Authority (the "Authority") was held on October 12, 2011 at the Virginia Housing Development Authority, 601 S. Belvidere Street, Richmond, Virginia 23220.

COMMITTEE MEMBERS PRESENT:

Kermit E. Hale, Chairman
Charles L. Krum, Jr.
Yvonne T. Allmond

COMMITTEE MEMBERS ABSENT:

Manju Ganeriwala
Marjorie N. Leon

OTHERS PRESENT:

Arthur N. Bowen, III, Managing Director of Finance & Administration
Russ E. Wyatt, General Auditor
Barbara Blankenship, Managing Director of Human Resources
Tammy Neale, Chief Learning Officer
Janet Wiglesworth, Managing Director of Information Technology Services
Shelia Phillips, Assistant Director of Project Management
Melody Barackman, Controller
Maria Barrow, Office Manager

The meeting of the Operations Committee was called to order by Committee Chairman Hale at approximately 10:15 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 a motion duly made and seconded, the minutes of the meeting of the Committee held on August 3, 2011 were approved by the affirmative vote of each of the members of the Committee then present at the meeting.

Ms. Blankenship gave an overview of Performance Management and Merit Administration. In addition she gave a Benefit Update for 2012.

Ms. Neale reviewed professional development and associate activities since the August meeting, highlighting the VHDA Leadership Development Program and the Commonwealth of Virginia Campaign.

Ms. Phillips provided a high-level update on the current Project Management Office (PMO) Portfolio. She also provided an update on the progress of Phase II of the

Enterprise Resource Planning Program (ERP) and of the Single Family Solution Suite Program.

Susan Dewey reported on a proposed new process for getting the Board mailing materials to the Board which would include an electronic format or Board Portal for use by the Board. Janet Wiglesworth reported on what is available and what can be rolled out in several phases. Commissioners Hale and Allmond agreed to work with Ms. Wiglesworth on the implementation of this for the Board.

There being no further business, the meeting was adjourned at 10:55 a.m.