

## ILLINOIS HOUSING DEVELOPMENT AUTHORITY

March 19, 2010

Pursuant to notification given March 12, 2010, the Members of the Illinois Housing Development Authority met for a regular meeting at 9:30 a.m., local time, March 19, 2010, at the offices of the Illinois Housing Development Authority, 401 North Michigan Avenue, Suite 700, Chicago, Illinois.

Those present:

### **BOARD:**

Terry Newman	Chairman
Robert Barker	Vice-Chairman
Karen Davis	Treasurer
Mary Kane	Member
George Lampros	Member

### **STAFF:**

Gloria Materre	Executive Director
Phil Culpepper	Deputy Executive Director/Chief of Staff
Mary Kenney	General Counsel
Kathryn Finn	Assistant General Counsel
Robert Kugel	Assistant Executive Director/Chief Financial Officer
Barbara Manning	Chief Internal Auditor
Cami Freeman	Director of Business Development and Marketing, Single Family
Michelle Adams	Director Administrative Services
Stephen Gladden	Assistant Director/Manager for Multifamily Underwriting
Tracy Wortham	Assistant Director, Human Resources
Steve Uitto	Director, Information Technology
Neil O'Callaghan	Managing Director of Information Technology
Nicki Pecori	Director, Finance and Development
Adonya Little	Neighborhood Stabilization Manager
Mary Karnia	Neighborhood Stabilization Project Coordinator
Shelly Tucciarelli	Neighborhood Stabilization Program Administrator
Yvonne Dougé	Managing Director of Marketing and Communications
Hazim Taib	Deputy Chief Financial Officer
Christian Froelich	Financial Program Manager
Tara Pavlik	Homeownership Programs/Director of Originations and Operations
Bill Smirniotis	Director of Homeownership Counseling and Outreach
Jan Van Der Woerd	Homeownership Program
Peggy Cullom	Managing Director Loan and Portfolio Management
Linda Thurmond	Managing Director of Multifamily Programs
Jane Bilger	Senior Policy Director
Bill Smythe	Finance and Development
Tony Hernandez	Director, Asset Management
Eric Von Battles	Asset Management

Diane Smith	Assistant Director, Asset Management
Matt Palek	Multifamily Programs
Adam Rogers	Multifamily Programs
Tara Peele	Multifamily Programs
Adrienne Whitney	Financial Asset Management

**GUESTS:**

Kristen Komara	Resurrection Project
Erica Page	Housing Action Illinois
Mary Goering	Reba Place Development Corporation
Claudia Montoya	Bickerdike Redevelopment Corporation
Michelle Pulce	Illinois Association of Community Action Agencies
Marisol Miramontes	CEDA in Cook County
John Day	DuPage County Housing Authority
Nancy McDonald	The City of Rockford
Eric Brasel	The City of Rockford
Clint Cole	The Winnebago County Housing Authority
Lisa Tapper	The Affordable Housing Corporation in Lake County
Liz Eakins	Lazarus House in Kane County
Mary Gallardo	The Rock Island Housing Authority
Clint Gingerich	The Rock Island Housing Authority
Jennifer Rodriguez	Kankakee Community Development Agency
Katie Saylor	Kankakee Community Development Agency
Kristi Rameriz	Rock Island Economic Growth Corporation
Brian Hollenback	Rock Island Economic Growth Corporation
Mike Atkins	Rock Island Economic Growth Corporation
Michael Moore	Marshall Springs LLC
Daniel Burke	Preservation of Affordable Housing, Inc.
Bobby Thapar	Mercy Housing Lakefront
Andrea Traudt	Bickerdike Redevelopment Corporation
Jim Kielly	JP Morgan Securities
Jeromy Cannon	Mayer Brown
Bill Daley	Morgan Stanley
Bob Foggio	Morgan Stanley
Dana Bunting	Goldman Sachs
Tom Monico	Thomas & Thomas Assc.
Jerry Wallack	Kutak Rock
Mike Pizzuto	Stough Group
Clarence Bourne	Loop Capital
Paul Marengo	Schiff Hardin LLP
Susan Jun	Bank of America Merrill Lynch
Jeff Gertz	JP Morgan Securities
Elizabeth May	Chase

With a quorum consisting of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros being present, Chairman Newman called the meeting to order at 9:33 a.m.

10-IHDA-031 Chairman Newman introduced Item 1 on the Agenda: Resolution Approving the Minutes of the Meeting of the Members of the Illinois Housing Development Authority held on February 19, 2010.

A motion to adopt the Minutes was made by Vice-Chairman Barker and seconded by Mr. Lampros; the Minutes were adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-032A Executive Director Materre introduced Tab A under Item 2 on the Agenda: Resolution Extending Commitment of Loan Funds for Resurrection Homes (STF-2537-02) under the Illinois Affordable Housing Program.

Mr. Van Der Woerd stated that he will be presenting four resolutions for the Members' approval. The first three resolutions are requests to extend the term of projects that were originally funded in 2007 and 2008; two are new construction projects and one is a gut-rehab development. The common objective for these developments has been to create new housing stock for low income homebuyers and then develop affordable purchase scenarios by layering subsidies from private and public sources including the Authority. The Authority's Trust Fund loans for these projects provide low income purchasers with down payment assistance loans. Buyers are required to contribute their own funds towards the purchase and to participate in first time homebuyer counseling. The first three projects have struggled to complete their overall programmatic goals due to the changes in the housing market. Tighter lending restrictions, low appraised values, construction delays, and the unstable job market are all reasons for slower, less productive developments, but the sponsors have all experienced growing buyer interest in their homes. The Authority has assessed where each project stands currently. From that the Authority determined the amount of remaining funds to be extended.

The Resolution under Tab A is for the Resurrection Homes development. The project was originally provided with \$250,000 in loan funds and \$30,000 in grant funds to assist ten low income buyers. In the two year period which ended February 28th, the sponsor has sold three homes and the program has \$175,000 remaining. The request is for \$100,000 of the loan funds to be extended for one year to February 28, 2011 to assist four buyers with \$25,000 loans. The sponsor, the Resurrection Project, has one single family home near completion, and a three unit condo building that

is eighty percent complete. Mr. Van Der Woerd stated that the Authority is not requesting to extend the grant funds originally allocated. He recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Lampros; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-032B

Executive Director Materre introduced Tab B under Item 2 on the Agenda: Resolution Extending Commitment of Loan Funds and Ratifying Accurate Maximum Loan Amounts for 602 Mulford Mixed-Income Condominium Project (STF-2672-02) under the Illinois Affordable Housing Program.

Mr. Van Der Woerd stated that 602 Mulford Mixed-Income Condominium Project is a twelve unit gut-rehab development located in Evanston. The Authority originally provided \$168,000 to assist nine low income buyers with loan funds, and the sponsor, the Reba Place Development Corporation, was able to assist four households in their two year funding period which ended November 19, 2009 and \$92,000 was left unused. Mr. Van Der Woerd stated that the project summary included in the board materials has been modified to coincide with the original executed funding agreement; which allowed buyers whose annual incomes are at or below eighty percent of the area median income to receive up to \$16,000 in loan funds and buyers whose annual incomes are at or below sixty percent of the area median income to receive up to \$22,000 in loan funds. These loans can take second or third lien position. The request is for the remaining \$92,000 to be extended as all construction work is complete. There are five units remaining, two of which are under contract and three are still available. The Authority is requesting to extend the commitment of the remaining loan funds to November 19, 2010. Mr. Van Der Woerd recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-032C

Executive Director Materre introduced Tab C under Item 2 on the Agenda: Resolution Extending Commitment of Loan Funds for Bickerdike Redevelopment Corporation (STF-2677-02) under the Illinois Affordable Housing Program.

Mr. Van Der Woerd stated that the 26th Ward New Homes development is a new construction project in the Humboldt Park neighborhood. The Authority originally provided \$750,000 in loan funds to Bickerdike Redevelopment Corporation to assist 32 low income buyers, each buyer receiving up to \$23,437. Home prices in this area have been significantly impacted by the market shift and so far this development has only sold three homes. The commitment for the funds expires on March 21, 2010 and the Authority recommends a six month extension, to September 21, 2010, making \$140,622 in loan funds available to six homebuyers. Presently, three condo units are eighty percent complete, one single family home is complete, and two single family homes are half built. Mr. Van Der Woerd recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-032D

Executive Director Materre introduced Tab D under Item 2 on the Agenda: Resolution Authorizing Grant under the Illinois Affordable Housing Program for Foreclosure Intervention and Homeowner Outreach Program (STF-50273-01).

Mr. Van Der Woerd stated that this Resolution is a separate project from the three previous. It requests grant funds for the second phase of a technical assistance grant for the Foreclosure Intervention and Homeowner Outreach Program. Grant funds will provide support to counseling agencies that participate in foreclosure prevention events that the Authority participates in, such as Homeowner Outreach Days or the Mortgage Relief Project. The Authority has been providing monetary support for counseling work at these events since 2008 or 16 events thus far. The events are valuable to the community as an educational platform for homeowners regarding foreclosure. Homeowners can speak with housing officials, lenders, and counselors at these events. Most importantly, distressed homeowners can begin the foreclosure prevention process by working to get a loan modification or loan restructuring. Participation at these events continues to be strong and there is a growing need for counselor support. The total grant request for \$250,000 dollars has three specific parts. The first part is for \$92,500 and will be used to compensate counselor participation at the events. Counseling agencies will receive \$250 for the first counselor that participates at the event and \$100 for each additional counselor. The second part is for \$150,000 designated for post event compensation to counselors that extend their services beyond the event for the clients they have seen. If the counselor sees a client at the event and then provides additional counseling services,

they will receive \$100 for that file. This will defray some of the counselor costs while also creating a connection between clients and counselors during and after the event. The third part of the grant is \$7,500 for technical assistance work provided by Housing Action Illinois who is the sponsor for the overall grant. They will assist the Authority in organizing and administrating the program by securing counseling agencies for these events and facilitating the reporting and payments to the counseling agencies that participate. Mr. Van Der Woerd stated that this grant will strengthen the counselor participation and follow up with clients attending these foreclosure outreach events. Attendance levels vary significantly by event, but the Authority anticipates that the funds will support between 12 and 20 events and the funds will be used within two years. Mr. Van Der Woerd recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Mr. Lampros and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-033

Executive Director Materre introduced Item 3 on the Agenda: Resolution Authorizing Execution of Single Family Mortgage Purchase Agreements with Additional Financial Institutions.

Mr. Smirniotis stated that by Resolutions No. 2008-IHDA-88; 2008-IHDA-201; 2009-IHDA-044, 2009-IHDA-109 and 2009-IHDA-165, the Authority allowed additional financial institutions to originate loans under the Homeowner Mortgage Revenue Bond Program ("Program"). The Authority desires to continue to purchase mortgage Loans and has determined it is in its best interests to allow additional financial institutions to participate in the Program. Mr. Smirniotis stated that the Authority desires to enter into the Agreement with the additional financial institutions as set forth in bold type in Exhibit B attached to this resolution in order to purchase the mortgage loans. Mr. Smirniotis recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Lampros; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-034

Executive Director Materre introduced Item 4 on the Agenda: Resolution Amending Resolution No. 2010-IHDA-006 Authorizing Single family Trust Fund Down Payment Assistance Second Mortgage Loan Program.

Mr. Smirniotis stated that by Resolution No. 2010-IHDA-006 (the “Prior Resolution”), the Authority amended Resolution No. 2009-IHDA-79 which authorized a program (“Down Payment Assistance Loan Program”) in a cumulative amount not to exceed \$1,225,000 whereby the Authority could provide eligible borrowers a second position mortgage loan from the Trust Fund Program to be utilized as down payment assistance for eligible single family residences; the mortgage loans issued under the Down Payment Assistance Loan Program were to be secured by or issued in conjunction with the federal homebuyer tax credit authorized under the American Recovery and Reinvestment Act of 2009. The Prior Resolution provided, among other terms, that the loans would be in the amount of three and one-half percent of the purchase price. Mr. Smirniotis stated that the Authority would like to amend those terms to provide that the loans may be in the amount up to five percent of the purchase price. The other terms, conditions and program limitations as set out in the Prior Resolution remain unaffected. Mr. Smirniotis referred the Members to a program description attached as Exhibit A to the Resolution. He recommended the Members’ approval.

A motion to adopt the Resolution was made by Mr. Lampros and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035A

Executive Director Materre introduced Tab A under Item 5 on the Agenda: Resolution Authorizing State Tax Credits (STC-10177-10) for Northeastwood Shores, Chicago, Illinois.

Mr. Rangel stated that HWA-850 Eastwood Limited Partnership (the “Sponsor”) has applied to the Authority for State Tax Credits in connection with the rehabilitation of a multifamily housing development known as Northeastwood Shores, described on Exhibit A attached to this Resolution. The Sponsor proposes the rehabilitation of a 231-unit high rise building in the Uptown neighborhood. Mr. Rangel recommended the Members’ approval of the State Tax Credits in the amount of \$1,500,000.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Lampros; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035B Executive Director Materre introduced Tab B under Item 5 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (TCAP-10156-0209-02; SEC1602-10156-0209-02) for Faust Landmark Apartments, Rockford, Illinois.

Mr. Rangel stated that by Resolution No. 2009-IHDA-105K Rockford Faust Limited Partnership (the "Sponsor") was awarded Federal Tax Credits in the amount of \$1,675,127 (the "2009 Federal Tax Credits"), for the construction and permanent financing of a multifamily housing development known as Faust Landmark Apartments (the "Project"), described on Exhibit A attached to this Resolution. The Sponsor was able to syndicate the 2009 Federal Tax Credits, but for a lesser net cent raise that initially expected; accordingly, the sale of the 2009 Federal Tax Credits has generated a lesser amount of equity for the Project, which has created a gap in the Project's financing. In order to continue with the Project, the Sponsor has applied to the Authority for funds under the Equity Replacement Program. The Project is the acquisition and rehabilitation of an existing project-based Section 8 elderly development in Rockford. Mr. Rangel recommended the Members' approval of a TCAP mortgage loan or grant in an amount not to exceed \$969,877 and approval of a Section 1602 grant in an amount not to exceed \$646,584.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035C Executive Director Materre introduced Tab C under Item 5 on the Agenda: Resolution Authorizing Loans (HTF-10116-01) and Funds under the Equity Replacement Program (SEC1602-10116-0227-02) for Woodlawn Center South Apartments, Chicago, Illinois.

Mr. Rangel stated that WCS Preservation Associates Limited Partnership (the "Sponsor") has applied to the Authority for funds for the construction and permanent financing of a multifamily housing development known as Woodlawn Center South Apartments (the "Project"), described on Exhibit A attached to this Resolution. The Sponsor proposes to construct two three-story buildings consisting of 67 units. Sixty of the units will be available for tenants whose incomes are at or below sixty percent of the area median income. Mr. Rangel recommended the Members' approval of a Trust Fund loan in an amount not to exceed \$1,000,000 and approval of a Section 1602 grant in an amount not to exceed \$2,984,436.

A motion to adopt the Resolution was made by Vice-Chairman Barker and seconded by Ms. Kane; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035D

Executive Director Materre introduced Tab D under Item 5 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10032-0207-02) for Crestside Village Apartments, Marshall, Illinois.

Ms. Peele stated that she will be presenting three projects – all brought to the Authority by Star Development of Rockford, IL (the “Sponsor”). Ms. Peele stated that some information is common across all three projects. Crestside Village Apartments, Marshall Springs Apartments and Lake Matherville Manor each received Disaster Tax Credit allocations. Since receiving the Members’ approval for Disaster Tax Credits, the Sponsor was unable to secure an equity investor for these developments and applied under Round II of the Authority’s Equity Replacement Program (the “ERP”) in order to fill the financing gap created by the lack of equity investment. All three projects involve the acquisition and rehabilitation of rental housing financed through the USDA Rural Development housing program. ERP funding would be used to preserve affordable, subsidized housing and to modernize the buildings through improvements in appearance, safety, accessibility, and energy efficiency. Each of these projects target households earning less than sixty percent of the area median income and offer rental subsidies through Rural Development.

Crestside Village Apartments is an independent elderly property with 23 one- and two-bedroom units, located on two sites. It will preserve all of its units as affordable housing for low-income elderly households, and all units will continue to receive rental subsidies through Rural Development. Total project costs are just over \$1.8 million or approximately \$80,000 per unit. Ms. Peele recommended the Members’ approval of a Section 1602 grant in the amount of \$991,185. The project’s other sources include the assumption of the original Rural Development loan, a loan from the seller, and an owner equity contribution.

A motion to adopt the Resolution was made by Mr. Lampros and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035E Executive Director Materre introduced Tab E under Item 5 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10031-0206-02) for Marshall Springs Apartments, Marshall, Illinois.

Ms. Peele stated that Marshall Springs Apartments is a family property located on two sites also located in Marshall, Illinois, and built in 1978. It will preserve all 28 of its one-, two- and three-bedroom units as affordable housing for low-income households, including 26 units that receive rental subsidies through Rural Development. The request is for a Section 1602 grant in the amount of \$1,375,709. The project's other sources include a loan from Midwest Housing Capital, the assumption of the original Rural Development loan, a loan from the seller, and an owner equity contribution. Total project costs are just under \$2.3 million or approximately \$82,000 per unit. Ms. Peele recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035F Executive Director Materre introduced Tab F under Item 5 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10033-0208-02) for Lake Matherville Manor, Matherville, Illinois.

Ms. Peele stated that Lake Matherville Manor is located in Matherville, Illinois and was developed in 1975. It is a family property that will preserve all 24 of its one- and two-bedroom units as affordable housing for low-income households, including 23 units that receive rental subsidies through Rural Development. The request is for a Section 1602 grant in the amount of \$1,042,146. The project's other sources include the assumption of the original Rural Development loan, a loan from the seller, and an owner equity contribution. Total project costs are just over \$1.9 million or approximately \$80,000 per unit. Ms. Peele recommended the Members' approval of a Section 1602 grant in an amount not to exceed \$1,042,146.

A motion to adopt the Resolution was made by Mr. Lampros and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-035G

Executive Director Materre introduced Tab G under Item 5 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10055-0203-02); a Loan under the Trust Fund Program (HTF-10055-01); and a Loan under the HOME Investment Partnerships Program (MHR-10055-01) for Shorewood Horizon, Shorewood, Illinois.

Mr. Rogers stated that by Resolution No. 2009-IHDA-096H Shorewood Horizon Limited Partnership (the “Sponsor”) was awarded 2009 Federal Tax Credits in the amount of \$893,363 for the construction and permanent financing of a multifamily housing development known as Shorewood Horizon (the “Project”). The Sponsor has revised the legal description for the Project to the legal description as set forth on Exhibit A in order to correct the lot number and to remove an area determined by the Village of Shorewood to be a low-grade wetland which was created by runoff from adjacent properties (the “Revised Legal Description”). Pursuant to Section III.10 of the Authority’s Qualified Allocation Plan governing the allocation of Federal Tax Credits, the Sponsor seeks the approval of the Authority for the Revised Legal Description for the Project. The Authority has determined that it is in its best interest to approve the Revised Legal Description for the Project and to issue the 2009 Federal Tax Credits to the Sponsor for the Project. The Sponsor has also applied for financing for the Project. Mr. Rogers recommended the Members’ approval of a Section 1602 grant in an amount of \$1,109,237; Trust Fund loan in an amount of \$1,250,000 and a HOME loan amount in an amount of \$2,000,000.

A motion to adopt the Resolution was made by Vice-Chairman Barker and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-036

Executive Director Materre introduced Item 6 on the Agenda: Resolution Authorizing a Grant for (HTF-10175-01) for the Technical Assistance and Training Program to Community Based Developers under the Illinois Affordable Housing Trust Fund Program.

Mr. Rogers stated that Housing Action Illinois (“HAI”) has applied to the Authority for a grant from the Trust Fund Program in an amount not to

exceed \$50,000 (the “Grant”) to build and improve the capacity of new or existing third-party organizations to develop affordable special needs housing (collectively, the “Project”). HAI was founded in 1986 to promote programs that help with technical assistance and training programs to community based developers. If funded, HAI will provide technical assistance in three service delivery areas: direct technical assistance, training workshops, and creating reference materials. Mr. Rogers recommended the Members’ approval of the Grant.

A motion to adopt the Resolution was made by Vice-Chairman Barker and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-037

Executive Director Materre introduced Item 7 on the Agenda: Resolution Authorizing Entering into a Consortium Funding Agreement for the Northwestern Illinois Housing Coalition under the Neighborhood Stabilization Program 2.

Ms. Bilger stated that, enacted by the Housing and Economic Recovery Act 2008 (HERA) and appropriated under the American Recovery and Reinvestment Act (ARRA), the Neighborhood Stabilization Program 2 (NSP2) was established to stabilize neighborhoods whose viability has been damaged by the economic effects of the properties that have been foreclosed upon and abandoned. On January 14, 2010, the US Department of Housing and Urban Development (HUD) awarded a combined total \$1.93 billion in NSP2 grants to 56 grantees nationwide. The Rock Island Economic Growth Corporation, an Illinois non-for-profit corporation, (GROWTH) who is representing the Northwestern Illinois Housing Coalition (NWIL) was awarded \$18.5 million to implement an NSP2 program in their area. The Authority joined the coalition in order to assist GROWTH to develop and implement the NSP2 grant monitoring plan for NWIL. All NSP activities must benefit households and communities of low, moderate or middle income. The Authority intends to enter into the Consortium Funding Agreement with GROWTH to document the monitoring plan scope of services. The proposed agreement is attached as Exhibit A to the Resolution. Ms. Bilger stated that the Authority is eligible to receive funding for administrative costs incurred in the operations of NSP2. She recommended the Members’ approval of the Resolution.

A motion to adopt the Resolution was made by Vice-Chairman Barker and seconded by Mr. Lampros; the Resolution was adopted by the affirmative

votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

10-IHDA-038

Executive Director Materre introduced Item 8 on the Agenda: Resolution Authorizing Grants to Local Administering Agencies under the Rental Housing Support Program.

Ms. Lasker stated that the Rental Housing Support Program (“Program”) is a state funded rental assistance program that serves severely low income households in Illinois. The Program has two components to it. One side contracts with agencies around the state, called “Local Administering Agencies” to work in their communities. The other side of the Program, called the “Long Term Operating Support Program” contracts directly with developers. Ms. Lasker stated that she is presenting a resolution for the LAA side.

The Program is funded through real estate document recording fees collected throughout the State. There is some decrease in collections due to the economy, but revenues have begun to increase in the last few months. For the LAA portion of the program, there is \$8 million available outside of Chicago for fiscal year 2010, which is less than previous rounds. Ms. Lasker further stated that households in the Program are at extremely low income, with incomes at thirty percent and below of the area median income. The Program also encourages targeting for households with special needs through outreach performed by the Local Administering Agencies. Program funding must be allocated pro-rata to the four geographic regions listed on the slide, and based on US Census data for very low income households paying more than thirty percent of their income for rent. Pursuant to the legislation the Program is being operated by the Chicago Low Income Housing Trust Fund within the City of Chicago (“City”). Funding for the City for fiscal year 2010 was approved at a previous meeting. Ms. Lasker stated that funding recommendations are being brought to the Members’ attention for the remaining areas. During the fiscal year 2010 application round the Authority received 13 applications for funding, 11 of which are recommended for funding at this time. The applications were assessed using five criteria: experience; capacity; ability to meet the needs of the community; readiness to proceed; and targeting to special needs. Obtaining new areas of coverage was also a major factor in our recommendations. Nine of the recommended agencies are currently participating from previous application rounds. The funding being recommended today will increase the number of units in their areas. Currently there are roughly 720 units under contract from the first two application rounds. Ms. Lasker presented a slide that showed the areas already under the contract and those targeting new areas for coverage.

The requests from the agencies were more than three times the amount that was available. The Authority worked with agencies to stay within the budget limits and have arrived at recommended funding amounts. These amounts include a ten percent administrative fee for the operation of the Program. The following sponsors were recommended for funding:

Affordable Housing Corporation of Lake County  
Community and Economic Development Association  
DuPage County Housing Authority  
Housing Choice Partners  
Lazarus House  
Illinois Association of Community Action Agencies  
Kankakee County Housing Authority  
Kendall County Housing Authority  
Winnebago County Housing Authority  
City of Rockford-Human Services Department  
Housing Authority of the City of Rock Island  
Ms. Lasker recommended the Members' approval of the Resolution.

Chairman Newman asked one of the representatives if the NSP dollars were going to be used for rental assistance in Rock Island. The representative said a different agency got the funding, and they were not collaborating. Ms. Bilger added that they could use NSP dollars for rental assistance but that the Rock Island agency wasn't going to do that. Brian Hollenbeck from the Rock Island agency agreed.

Vice-Chairman Barker asked Ms. Lasker about the denials. Ms. Lasker said that they were denied because the Authority had a threshold for points that was not met because of poor performance under previous contracts and because the Authority is trying hard to get into new areas. Those combined with a lesser amount of funding than in previous years made it hard to justify funding the applications.

A motion to adopt the Resolution was made by Mr. Lampros and seconded by Vice-Chairman Barker; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Lampros.

#### Presentation 1

For Presentation 1, Finance Committee Report, Chairman Newman recommended the Members' approval of the minutes from the February 19, 2010, Finance Committee meeting.

A motion to adopt the Minutes was made by Vice-Chairman Barker and seconded by Ms. Davis; the Minutes were adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Gardner.

Presentation 2 For Presentation 2, Multifamily Status Report as of December 31, 2009, Chairman Newman referred the Members to the Board materials.

Presentation 3 For Presentation 3, Asset Management Committee Report, Chairman Newman recommended the Members' approval of the minutes from the December 18, 2009 Asset Management Committee meeting.

A motion to adopt the Minutes was made by Ms. Davis and seconded by Vice-Chairman Barker; the Minutes were adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Ms. Kane and Mr. Gardner.

Presentation 4 For Presentation 4, 2010/11 Communications and Marketing Plan, Chairman Newman referred the Members to the Board materials.

Chairman Newman invited Susan Jun from Bank of America to talk about the current market.

There being no further business, Chairman Newman adjourned the meeting at 10:28 a.m.