

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

January 16, 2009

Pursuant to notification given January 9, 2009, the Members of the Illinois Housing Development Authority met for a regular meeting at 9:30 a.m., local time, January 16, 2009, 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
Floyd Gardner III	Member
Mary Kane	Member
Mark Kochan	Member
George Lampros	Member

STAFF:

DeShana Forney	Executive Director
Jane Bilger	Chief of Staff/Assistant Executive Director
Mary Kenney	General Counsel
Kathryn Finn	Assistant General Counsel
Robert Kugel	Assistant Executive Director/Chief Financial Officer
James Kregor	Controller
DuWarn Porter	Research and Policy Manager
Barbara Manning	Chief Internal Auditor
William Kazan	Internal Auditor
Cami Freeman	Director of Single Family HOME/ Trust Fund Programs
Vanessa Hill	Single Family HOME/Trust Fund Programs
Michelle Adams	Director Administrative Services
Stephen Gladden	Assistant Director/Manager for Multifamily Underwriting
Tracy Wortham	Assistant Director, Human Resources
Steve Uitto	Director, Information Systems
Nicki Pecori	Finance and Development
Mary Karnia	Finance and Development
Omar Brown	Financial Asset Management
Hazim Taib	Financial Asset Management
Peggy Cullom	Managing Director Loan and Portfolio Management
Linda Thurmond	Managing Director for Multifamily Programs
Bill Smythe	Multifamily Programs
Tony Hernandez	Asset Management
Eric Von Battles	Asset Management
Diane Smith	Asset Management

Adonya Little	Multifamily Programs
Matt Palek	Multifamily Programs
Adam Rogers	Multifamily Programs
Adrienne Whitney	Financial Asset Management
Bill Smirniotis	Managing Director of Homeownership Programs

GUESTS:

Susan Jun	Merryl Lynch
Rhonda Jackson	BNY Mellon
Geoff Proulx	Morgan Stanley
Krista Kolis	Village of Brighton in Macoupin County
Khristina Vaughn	City of Carbondale
Doug McDermand	City of Charleston
Roy Adams	City of Hurst in Williamson County
Debra Jackanicz	City of Zeigler in Franklin County
Dennis Stevens	Richland County
Leslie Mastroianni	City of Freeport
Mary Artman	Northwestern Illinois Community Action Agency
McFarland Bragg	Limestone Township in Peoria County
Pamela Anderson	City of Pekin
Paul Fessler	Henry, Mercer, and Rock Island Counties
Cathy Schluckebier	City of Quincy
Richard Downey	City of Rock Falls in Whiteside County
Kevin Wiehardt	City of Nauvoo in Hancock County
Nora Boyer	Village of Arlington Heights in Cook County
Allen Gill	City of Carbondale in Jackson County
Paul White	C.E.F.S. Economic Opportunity Corporation
Bill McConnell	Habitat for Humanity of McLean County, Inc.
Robin Benson	Illinois Homeownership Coalition for People with Disabilities
Jenny Rodriguez	City of Kankakee
Noemi Bazaldua	City of Moline
Michael Janonis	Village of Mount Prospect
Brian Hollenback	Rock Island Economic Growth Corporation
Wayne Thompson	Tri-County Opportunities Council
Tia Allison	Wabash Area Development, Inc.
Robert Schroeder	Western Egyptian E.O.C. Inc.
Keith Brown	B.C.M.W. Community Services, Inc.
Deborah Dixon	Roseland Place, LP
Henry Morris	Briggs-Rosalind Phase One LP
William Davis	East Lake/Decatur Rental III, LP
Peter Levavi	WHP-IIC, LLC
Robert Helle	South Chicago SA Partners, LLC
Lee Pratter	Oakwood Shores Phase 2B(One) GP LLC

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

09-IHDA-001 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 December 19, 2008.

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

09-IHDA-002 Executive Director Forney introduced Item 2 on the Agenda: Resolution Authorizing Grants under the HOME Single Family Owner-Occupied Rehabilitation Program.

Mr. Smirniotis stated that the Single Family Owner-Occupied Rehabilitation Program (SFOOR program) is a HOME program funded by HUD that provides for the rehabilitation of owner-occupied homes. SFOOR's main objective is to improve and preserve the community's housing stock and to assist low, very low, and extremely low income homeowners maintain their homes by rehabilitating them to minimum housing standards. Mr. Smirniotis referred the Members to the Board materials. Mr. Smirniotis stated that SFOOR offers forgivable zero interest loans to income-qualified homeowners. Loans range from \$4,000 to \$40,000 per home and are forgiven over a 5 or 10 year period, depending on the amount of assistance provided. Many of the homeowners assisted are the elderly and those below 50% AMI, which are very low income. During the application round, IHDA received 21 applications requesting a total of \$6.3 million in funding. IHDA proposes to fund a total of \$4.6 million with an estimated 108 housing units for rehabilitation. Funding amounts per agency range from \$154,000 on the lower end to a maximum of \$410,000. Mr. Smirniotis stated that Exhibit A attached to the Resolution provides the 20 recipients to receive the funding:

HO-50051 Village of Brighton
HO-50052 City of Carbondale
HO-50053 City of Charleston

HO-50054 City of Hurst
HO-50055 Coles County Regional Planning and Development
HO-50056 City of Zeigler
HO-50057 Village of Waltonville
HO-50058 Embarras River Basin Agency, Inc.
HO-50059 City of Freeport
HO-50060 City of Greenville
HO-50061 City of Mattoon
HO-50063 City of Mount Olive
HO-50064 Northwestern Illinois Community Action Agency
HO-50065 Peoria Citizens Committee for Economic Opportunity
HO-50066 City of Pekin
HO-50067 Project NOW, Inc.
HO-50068 City of Quincy
HO-50069 City of Rock Falls
HO-50070 Ewing Township
HO-50071 City of Nauvoo

Mr. Smirniotis recommended the Members' approval of the grant not to exceed \$4,600,000.

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

09-IHDA-003

Executive Director Forney introduced Item 3 on the Agenda: Resolution Authorizing Grants under the HOME Homebuyer Assistance Program.

Mr. Smirniotis introduced another HOME program, the Homebuyer Assistance Program. He stated that this program offers acquisition only or acquisition combined with rehabilitation assistance to low income households. The main objective is to increase and preserve the supply of safe, decent and affordable homes. For the acquisition only program, acquisition assistance is capped at \$10,000. This amount is a combination of downpayment and closing cost assistance. Closing costs cannot exceed \$2,000. Loans are zero interest and forgivable over 5 years. For the acquisition combined with rehabilitation program, the maximum assistance per unit is \$40,000. Of this \$40,000, \$10,000 is for acquisition, and the rest may be used for necessary rehabilitation. Assistance is provided through forgivable zero interest loans to income-qualified households. Loans are forgiven over a 5 or 10 year period, depending on the amount of assistance provided. Mr. Smirniotis stated that this year IHDA has included the American Dream Downpayment Initiative, also known as ADDI, into this program. There are a few differences between

ADDI and the Homebuyer Assistance Program. In the ADDI Program, assistance is limited to acquisition only projects, no rehabilitation is involved, and the total maximum funding limit per unit is higher at \$14,999 versus the \$10,000 limit that was presented in the acquisition only component of the Homebuyer Assistance Program. The households assisted must also be a first-time homebuyer. During the application round, IHDA received 19 applications requesting a total of \$10.1 million. IHDA proposes to fund a total of \$8.2 million with an estimated 253 assisted households. Funding amounts per agency range from \$42,000 on the lower end to a maximum of \$880,000. Mr. Smirniotis stated that Exhibit A attached to the Resolution provides the 17 recipients of the funding:

SHB-50034 Village of Arlington Heights
SHB-50035 City of Carbondale
SHB-50036 C.E.F.S. Economic Opportunity Corporation
SHB-50038 City of Freeport
SHA-50039 Habitat for Humanity of McLean County, Inc.
SHA-50040 Illinois Assistive Technology Program
SHB-50041 City of Kankakee
SHB-50042 City of Moline
SHB-50043 Village of Mount Prospect
SHB-50044 Northwestern Illinois Community Action Agency
SHB-50045 Project NOW, Inc.
SHB-50046 Rock Island Economic Growth Corporation
SHB-50047 Tri-County Opportunities Council
SHB-50048 Wabash Area Development, Inc.
SHB-50049 Western Egyptian E.O.C., Inc.
SHB-50050 Western Illinois Regional Council
SHB-50073 BCMW Community Services

Mr. Smirniotis recommended the Members' approval of the grant not to exceed \$8,200,000.

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

09-IHDA-004

Executive Director Forney introduced Item 4 on the Agenda: Resolution Authorizing Grants for the Operating of Community Housing Development Organizations under the HOME Homebuyer Assistance Program.

Mr. Smirniotis stated that this resolution is for operating grants for the Community Housing Development Organizations, also known as CHDOs.

CHDOs are HUD-designated community based organizations that have the capacity to develop affordable housing for the communities they serve. To qualify as a CHDO, a non profit must meet certain requirements pertaining to their legal status, organizational structure, and capacity and experience. According to HUD regulations, at least 15% of the total HOME allocation must be set aside for these qualifying non profits to carry out affordable housing production. Statutorily, CHDOs are unable to receive administrative funds. In lieu of administrative funds, CHDOs are eligible to receive CHDO operating funds. These funds are only available to CHDOs currently running a HOME-funded Homebuyer Assistance Program with IHDA. HOME operating grants will be provided to CHDO's over a two year period. The grant amount is estimated at \$3,750 per unit, which is approximately 10% of the maximum \$40,000 limit per home, and up to a maximum of \$60,000 for two years. Mr. Smirniotis stated that the following nine CHDOs are requesting a total of \$502,500. Grants range from \$30,000 - \$60,000 per agency, as presented in Exhibit A attached to the resolution:

SHB-50036	C.E.F.S. Economic Opportunity Corporation
SHB-50044	Northwestern Illinois Community Action Agency
SHB-50045	Project NOW, Inc.
SHB-50046	Rock Island Economic Growth Corporation
SHB-50047	Tri-County Opportunities Council
SHB-50048	Wabash Area Development, Inc.
SHB-50049	Western Egyptian E.O.C., Inc.
SHB-50050	Western Illinois Regional Council
SHB-50073	BCMw Community Services

Mr. Smirniotis recommended the Members' approval of the grant not to exceed \$502,500.

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

09-IHDA-005A

Executive Director Forney introduced Tab A under Item 5 on the Agenda: Resolution Authorizing State Tax Credits for Roseland Place (STC-10012-09), Chicago, IL.

Mr. Rangel stated that NHS Redevelopment Corporation has applied to the Authority for State Tax Credits in connection with the construction of a multifamily housing development to be known as Roseland Place, described on Exhibit A attached to this Resolution. The proposal is to construct a five-story building in Chicago, adjacent to a recently opened 124 unit Supportive Living Facility, consisting of 60 one-bedroom units.

Fifty-nine of the units will be targeted to households at 50% of the Area Median Income. The City of Chicago will donate the land for the project to NHS Redevelopment Corporation. Mr. Rangel recommended the Members' approval of State Tax Credits in the amount of \$340,000.

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

09-IHDA-005B

Executive Director Forney introduced Tab B under Item 5 on the Agenda: Resolution Authorizing Federal Tax Credits for Wabash Crossing Phase III, Decatur, IL (FTC-2615-09) (Amending Resolution No. 2008-IHDA-161B).

Ms. Tucciarelli stated that East Lake/Decatur Rental III, LP (the "Sponsor") was allocated Federal Tax Credits (the "Prior Credits") pursuant to Resolution No. 2008-IHDA-161B for the acquisition, construction and permanent financing of a multifamily housing development to be known as Wabash Crossing Phase III, described on Exhibit A attached to this Resolution. This project will be the third phase of a rental development for the Decatur Housing Authority and will consist of 90 units. There will be 68 two-bedroom units and 22 three-bedroom units at 60%, 50%, and 30% AMI. The Decatur Housing Authority will support 35 units through an Annual Contributions Contract and 29 units through project based Section 8. Residents of those units will pay 30% of their income toward rent. Ms. Tucciarelli stated that due to circumstances beyond the Sponsor's control, the project has been delayed and the Authority has determined that the project is in danger of not being completed by the date the project must be placed in service, as more fully described on the summary of the project attached to this Resolution. The Sponsor has returned the Prior Credits to the Authority and has requested that the Authority make a new allocation reservation of Federal Tax Credits for the Project from the Authority's Federal Tax Credit allocation authority for the year 2009 as authorized in Section III.11 of the Authority's Qualified Allocation Plan governing the allocation of tax credits, as more fully described on Exhibit B attached to this resolution. Ms. Tucciarelli recommended the Members' approval of an exchange of 2007 and 2008 Federal Tax Credits in the amount of \$1,045,000, to 2009 Federal Tax Credits.

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

09-IHDA-005C Executive Director Forney introduced Tab C under Item 5 on the Agenda: Resolution Authorizing a Forward Commitment of Federal Tax Credits (FTC-2862-09) for Westhaven Park IIC, Chicago, IL (Amending Resolution No. 2008-IHDA-111A).

Ms. Tucciarelli stated that the Authority's Qualified Allocation Plan governing the allocation of tax credits permits the Authority to make a forward reservation from the Authority's tax credit allocation Authority for the year 2009. WHP-IIC, LLC (the "Sponsor") was allocated Federal Tax Credits in the amount of \$1,600,000 by Resolution No. 2008-IHDA-111A for the construction of a multifamily housing development known as Westhaven Park IIC, described on Exhibit A attached to this Resolution. This is the third phase of rental development planned for the former Henry Horner Homes. It will contain 92 rental units of which 78 units will be targeting incomes at 30%, 50%, and 60% AMI. Ms. Tucciarelli recommended the Members' approval of a 2009 Forward Commitment of Federal Tax Credit in the amount of \$1,600,000.

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

09-IHDA-005D Executive Director Forney introduced Tab D under Item 5 on the Agenda: Resolution Authorizing a Partial Forward Commitment of Federal Tax Credits (FTC-2874-08 & FTC-2874-09) for Victory Centre of South Chicago Senior Apartments, Chicago, IL (Amending Resolution No. 2008-IHDA-178F).

Ms. Tucciarelli stated that South Chicago SA Associates, L.P. (the "Sponsor") was allocated Federal Tax Credits in the amount of \$1,381,578 by Resolution No. 2008-IHDA-178F for the construction of a multifamily housing development known as Victory Centre of South Chicago Senior Apartments, described on Exhibit A attached to this Resolution. The proposed new construction elderly development will consist of a five story elevator building with 72 one-bedroom apartments that will be leased to senior residents age 62 and over and 15,000 square feet of community space. Ms. Tucciarelli recommended the Members' approval of 2008 Federal Tax Credits in the amount of \$634,172 and a 2009 partial forward commitment in Federal Tax Credits in the amount of \$1,380,303.

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, Mr. Kochan and Mr. Lampros. Mr. Gardner abstained from voting.

09-IHDA-005E Executive Director Forney introduced Tab E under Item 5 on the Agenda: Resolution Authorizing a Forward Commitment of Federal Tax Credits (FTC-2957-09) for Oakwood Shores Phase 2B(One), Chicago, IL (Amending Resolution No. 2008-IHDA-161G).

Ms. Tucciarelli stated that Oakwood Shores Phase 2B(One) Associates Limited Partnership was allocated Federal Tax Credits in the amount of \$1,500,000 by Resolution No. 2008-IHDA-161G for the construction of a new family development to be known as Oakwood Shores Phase 2B(One), described on Exhibit A attached to the Resolution. The project consists of the new construction of 75 units and is the fourth phase in the HOPE VI revitalization of Chicago's Ida B. Wells and Madden Park public housing developments. This is a mixed-income development ranging from 40% AMI to market rate units, incorporating a mix of building types. The townhomes, six flats, rental units will include one to four bedrooms. Ms. Tucciarelli recommended the Members' approval of a 2009 forward commitment of Federal Tax Credits in the amount of \$1,500,000.

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

09-IHDA-014 Executive Director Forney introduced Item 6 on the Agenda: Resolution Amending Resolution No. 2006-IHDA-172H to Provide that the Permanent Loan be Made Under the Risk Share Program for Liberty meadow Estates, Phase I, Joliet, IL.

Mr. Johnson stated that by Resolution No. 2006-IHDA-172H (the "Prior Resolution"), the Authority previously was authorized to make a loan up to \$4,000,000 under the Authority's Ambac Program in connection with the permanent loan financing of a multifamily housing development to be known as Liberty Meadows Estates, Phase I. The construction financing closed in September 2007 and the project is currently under construction. Mr. Johnson stated that major credit rating agencies have previously downgraded Ambac's credit rating to a rating that will be unacceptable to the participant lender, AFL-CIO Housing Investment Trust. To maintain an acceptable credit rating the Authority wants to obtain the credit rating of HUD through their Risk Share Program ("Risk Share Program"). Briggs-Rosalind Phase One, L.P. has requested that the Authority substitute the loan under the Ambac Program with a loan financed under

the Risk Share Program. Mr. Johnson stated that the Loan Committee has reviewed the request and has recommended the Members' approval to replace the loan under the Ambac Program with a loan under the Risk Share Program in an amount not to exceed \$3,700,000.

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, Mr. Gardner, Mr. Kochan and Mr. Lampros.

09-IHDA-006

Executive Director Forney introduced Item 7 on the Agenda: Resolution Ratifying Financial Management Transactions.

Ms. Whitney stated that pursuant to Resolution No. 2005-IHDA-058, the Authority authorized and established a financial management policy that provided for periodic ratification of all financial management transactions. Ms. Whitney presented the Financial Management Transactions Summary for the period of October 1 to December 31, 2008, attached to the Resolution as Exhibit A. Mr. Kugel and Ms. Bilger added a few comments to this presentation. Ms. Whitney recommended the Members' approval of the Resolution.

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

09-IHDA-007

Executive Director Forney introduced Item 8 on the Agenda: Resolution Ratifying Establishment of Loan Loss Reserve.

Mr. Kregor stated that the Authority has reviewed its loan portfolio as of December 31, 2008 for each of the accounts the Authority has established in connection with the various programs of the Authority. As part of this review, the Authority has reviewed its loan loss reserves. Mr. Kregor stated that it is necessary that the Reserves reflect current conditions of its loan portfolio. Based upon the review of estimated losses in connection with the loans in each of the Accounts, the Authority has determined the appropriate Reserves for each of the Accounts as set forth on Exhibit A attached to the Resolution. Mr. Kregor presented the reserve balances and 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, Mr. Gardner, Mr. Kochan and Mr. Lampros.

09-IHDA-008

Executive Director Forney introduced Item 9 on the Agenda: Resolution Authorizing an Interagency Agreement with the Illinois Department of Human Services and Illinois Department of Commerce and Economic Opportunity Regarding the Neighborhood Stabilization Program

Ms. Bilger stated that in accordance with the Housing and Economic Recovery Act of 2008 enacted July 30, 2008, the United States Department of Housing and Urban Development has allocated \$53,113,044 in connection with the Neighborhood Stabilization Program (the "NSP") for the purpose of providing targeted assistance to state and local governments for the acquisition and redevelopment of abandoned and foreclosed properties within the State. The Illinois Department of Human Services (the "DHS") was authorized, by letter dated October 15, 2008 from Governor Rod R. Blagojevich, as the designated State agency to administer the NSP. The Authority, DHS and the Department of Commerce and Economic Opportunity (the "DCEO") have determined it would be mutually beneficial to the State and their respective agencies to jointly implement and administer the NSP. Ms. Bilger stated that the Authority, DHS and DCEO desire to enter into an interagency agreement, substantially in the form attached to this Resolution as Exhibit A, whereby DHS will administer the NSP and DCEO and the Authority will assist in the implementation of specified programs under the NSP. Ms. Bilger recommended the Members' approval of the Resolution.

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

09-IHDA-010

Executive Director Forney introduced Item 10 on the Agenda: Resolution Approving Issuance of Debenture to HUD for Marywood Apartment Homes (RS-285).

Ms. Kenney stated that the Authority has issued Multifamily Housing Revenue Bonds, Series 2003 (Marywood Apartment Homes) (the "Bonds") pursuant to Resolution No. 2003-IHDA-016. The principal and interest payments on the Bonds were insured under the Risk Share Program ("Risk Share Insurance") of the United States Department of Housing and Urban Development ("HUD"). Marywood Apartment

Homes, L. P. has defaulted under the loans made by the Authority for Marywood Apartment Homes. The Authority has filed a foreclosure action in Kane County and has filed a claim with HUD for payment of the Risk Share Insurance. HUD has paid the Risk Share Insurance to the Authority and the Authority has taken the proceeds of the Risk Share Insurance and redeemed the Bonds. Ms. Kenney stated that the Risk Share Insurance regulations require the Authority to issue to HUD a debenture ("Debenture") in the amount of \$14,884,995.48, which is the amount of the proceeds of the Risk Share Insurance provided by HUD. The Debenture shall bear interest at the annual rate of five percent (5%), retroactive to November 14, 2008 and shall have a term of five (5) years. Ms. Kenney recommended the Members' approval of this Resolution.

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, Mr. Gardner, Mr. Kochan and Mr. Lampros.

09-IHDA-011

Executive Director Forney introduced Item 11 on the Agenda: Resolution Authorizing Execution of Agreement in Connection with Audit of Lake Shore Plaza (ML-181).

Mr. Kazan stated that the Authority owns a housing development located at 445 East Ohio, Chicago, IL, known in the Authority's records as Lake Shore Plaza (ML-181) (the "Development"). The Authority has determined that it is necessary to conduct an audit of the Development's financial statements as of December 31, 2008. The Authority desires to enter into an agreement with Reznick Group, P.C. to conduct the audit for the period from approximately February 1, 2009 to September 30, 2009 at a fee not to exceed \$12,950. Mr. Kazan recommended the Members' approval of the Resolution

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

09-IHDA-012

Executive Director Forney introduced Item 12 on the Agenda: Resolution Authorizing Restatement of IHDA Retirement Plan.

Ms. Jones stated that the Authority maintains a "grandfathered" governmental retirement plan (the "Retirement Plan") for its employees, as the Retirement Plan was established prior to May 7, 1986. Because the Retirement Plan was established and is maintained for employees of a

governmental unit and pursuant to the remedial amendment cycle of the Internal Revenue Service (the "IRS"), the Authority must submit the Retirement Plan to the IRS once every ten (10) years so that the IRS can (i) review and approve any changes to the Retirement Plan as required by the Code and (ii) issue a letter of determination. Ms. Jones stated that the Retirement Plan was last submitted to the IRS for review in 1998 and the IRS issued its favorable letter of determination on December 16, 1998. The Authority must file for a new letter of determination (the "New Determination Letter") by January 31, 2009. Prior to seeking the New Determination Letter from the IRS, the Authority has determined it is necessary to amend and restate the Retirement Plan (the "Restated Plan") substantially in the form attached to this Resolution as Exhibit A, in order to include all amendments required by the Code since the last restatement. Ms. Jones recommended the Members' approval of the Restated Plan and its submission to the IRS for review in order to receive the New Determination Letter.

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

09-IHDA-013

Executive Director Forney introduced Item 13 on the Agenda: Resolution Authorizing a Lease Agreement with Hewlett Packard Company for Desktop Computers.

Mr. Uitto stated that approximately one third of the Authority's desktop computers (the "Desktops") must be replaced this fiscal year. The Illinois Department of Central Management Services (the "CMS") has entered into a Master Contract (the "Master Contract") with Hewlett Packard Company (the "Vendor") to provide the Desktops to state agencies. The Authority desires to enter into a Lease Agreement with the Vendor to provide the Desktops for the three (3) year period from approximately February 1, 2009 to January 31, 2012 at a fee not to exceed \$69,000. Mr. Uitto recommended the Members' approval of the request.

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

Presentation 1

For Presentation 1, Finance Committee Report, Mr. Barker recommended the Members' approval of the minutes from the December 19, 2008, Finance Committee meeting.

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

Presentation 2 For Presentation 2, Multifamily Status Report as of December 31, 2008. Chairman Newman referred the Members to the Board materials.

Presentation 3 For Presentation 3, Asset Management Committee Minutes, Ms. Davis recommended the Members' approval of the minutes from the December 19, 2008 Committee meeting.

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

Report: Geoff Proulx from Morgan Stanley gave a short overview of the present underperformance of Municipal Bonds.

Chairman Newman moved that the Board retire immediately to a closed session pursuant to Section 2 (c) (i) and (ii) of the Opening Meetings Act to discuss the following subjects: Personnel and Litigation. Mr. Lampros seconded the motion; voting was done by a roll-call vote, and the Board approved the motion by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane, Mr. Kochan and Mr. Lampros.

There being no further business, Chairman Newman adjourned the meeting at 10:32 a.m. and the Board retired immediately to the closed session. The closed session adjourned at 10:50 a.m.