

## ILLINOIS HOUSING DEVELOPMENT AUTHORITY

January 22, 2010

Pursuant to notification given January 15, 2010, the Members of the Illinois Housing Development Authority met for a regular meeting at 9:30 a.m., local time, January 22, 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
Floyd Gardner	Member
Mary Kane	Member (via telephone)
Mark Kochan	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
James Kregor	Controller
Barbara Manning	Chief Internal Auditor
Cami Freeman	Director of Business Development and Marketing, Single Family
Vanessa Hill	Manager, Homeownership 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
Neil O'Callaghan	Director, 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
Hazim Taib	Deputy Chief Financial Officer
Christian Froelich	Financial Program Manager
Bill Smirniotis	Managing Director of Homeownership Programs
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	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:**

Pual Fessler	Project NOW, Rock Island-Moline-Henry
Jennifer Rodriguez	Kankakee Community Development Agency
Katie Saylor	Kankakee Community Development Agency
Cathy Schluckebier	City of Quincy
Doug McDermid	Coles County
Tammy Scott	Machesney Park
Karen Lemmons	Machesney Park
Kristi Rameriz	Rock Island Economic Growth Corporation
Brian Hollenback	Rock Island Economic Growth Corporation
Mike Atkins	Rock Island Economic Growth Corporation
Leslie Mastroianni	City of Freeport
George Gaulrapp	City of Freeport
Debra Jackanicz	Crosswalk
Tim West	Crosswalk
Wayne Thompson	Tri-County
Susie Welch	Tri-County
Frankie Atwater	City of Moline
Janet Stewart	Mt. Prospect
Jim Kielly	JP Morgan Securities
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
Pavi Marengo	Schiff Hardin LLP
Jeremy Cannon	Mayor Brown
Susan Jun	Bank of America Merrill Lynch
Jeff Gertz	JP Morgan Securities
Elizabeth May	Chase
Kelly Maroney	Golden Oaks Senior Development Corporation
Mike Niehaus	Windsor Homes
Sarah Brachie	DuPage Habitat for Humanity Corporation
John Weis	Quincy Group LLC
Arby Smith	Ridge Estates Management Charleston, LLC
Jim Kiley	McKenzie Manager LLC
Peter Holsten	Holsten Real Estate

With a quorum consisting of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner and Mr. Kochan being present, Chairman Newman called the meeting to order at 9:33 a.m. Chairman Newman stated that Ms. Kane will be attending the meeting by telephone. He stated that Ms. Kane was not available to attend in person and is communicating with the Board by telephone from her office in Edwardsville, Illinois. He further stated that her communications will be received through a speakerphone in the Authority's boardroom, located in the Authority's office at 401 N. Michigan Avenue.

10-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 18, 2009.

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

10-IHDA-002            Executive Director Materre introduced Item 2 on the Agenda: Resolution Authorizing Mortgage Credit Certificate Program.

Mr. Smirniotis stated that this resolution is authorizing mortgage credit certificates ("MCCs") for the City of Naperville. Naperville has ceded the Authority \$6,411,550 in bond volume cap. This amount of volume cap will create \$8,014,437 in MCCs. Mr. Smirniotis further explained that MCCs can be used with any type of mortgage loan. MCC's cannot be used in conjunction with the Authority's first-time homebuyer program or any other mortgage loan financed with tax-exempt mortgage revenue bonds. Qualifying applicants enjoy the following program benefits: dollar-for-dollar reduction in federal income taxes, equal to twenty percent (20%) of the mortgage interest. The remaining eighty percent (80%) of the mortgage interest will continue to qualify as an itemized tax deduction. The specific dollar amount of the tax deduction depends on the amount of interest the borrower pays on a mortgage loan. Under Section 25(d) of the Internal Revenue Code, while the certificate credit rate on MCCs can vary between ten percent (10%) and fifty percent (50%), there is an aggregate limit on the credits that can be dispensed. The aggregate sum of the product of the certificate credit rate times the certified indebtedness amount for all of the credit certificates issued under the program cannot exceed twenty-five percent (25%) of the amount of the non-issued qualified mortgage bonds. Mr. Smirniotis recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Mr. Gardner and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of

Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner and Mr. Kochan.

10-IHDA-003

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

Ms. Hill stated that she will be presenting the next three resolutions seeking the Members' approval of three programs to be funded by the federal Home Investment Partnerships Program. Requests for applications under all three programs were released last fall. Three resolutions are asking for approval of just over \$20 million to 56 grantees across all three programs. Ms. Hill noted that a summary of each program has been attached behind each resolution.

Ms. Hill stated that the Homebuyer Assistance Program offers low income households the opportunity to purchase their first home and ensures that this home will provide decent, safe and affordable housing. Assistance can be provided either in the form of acquisition assistance only or a combination of acquisition and rehabilitation assistance. Household income for all participants must be at or below eighty percent (80%) of the area median income and housing counseling is mandatory for all participants. When assistance is provided only with the acquisition of the property, the buyer can not receive more than \$10,000. These dollars can be used to fund both down-payment and closing costs associated with the purchase. Funds are provided in the form of a forgivable loan, with a portion of the loan amount forgiven each month over the five year affordability period. When assistance is provided for both the acquisition and rehabilitation of a home, buyers can not receive more than \$40,000 in total. These funds are provided in the form of a forgivable loan, with a portion of the loan amount forgiven each month over a five or ten year term, depending on the amount of assistance. Work completed on these homes often features repairs to the major systems and focuses on bringing the home up to current minimum housing standards and increasing the energy efficiency of the home. Ms. Hill stated that during the application round, the Authority received 16 applications requesting over \$5.1 million. All applications submitted met the requirements and the Authority proposed to fund a total of \$4,856,788 across the 16 grantees, as follows:

SHA-50244	Habitat for Humanity of McLean County, Inc.
SHA-50245	Illinois Assistive Technology Program
SHB-50246	BCMw Community Services
SHB-50247	C.E.F.S. Economic Opportunity Corporation
SHB-50248	City of Carbondale
SHB-50249	City of Freeport
SHB-50250	City of Kankakee
SHB-50251	City of Moline

SHB-50252 Northwestern Illinois Community Action Agency  
SHB-50253 Project NOW, Inc.  
SHB-50254 Rock Island Economic Growth Corporation  
SHB-50255 Tri-County Opportunities Council  
SHB-50256 Village of Mount Prospect  
SHB-50257 Wabash Area Development, Inc.  
SHB-50258 Western Egyptian E.O.C., Inc.  
SHB-50259 Western Illinois Regional Council

Ms. Hill stated that this list of proposed grantees and their respective funding amounts are attached to the Resolution as Exhibit B. These dollars will assist an estimated 147 households over a one-year period. Funding amounts for the proposed grantees range from \$31,500 on the lower end to a maximum of \$611,000. The program will address several of the priorities of the Housing Task Force including the preservation of affordable housing units and the serving of households who have special needs, are elderly, or are very low income or extremely low income. Ms. Hill recommended the Members' approval of the Resolution.

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

10-IHDA-004

Executive Director Materre introduced Item 4 on the Agenda: Resolution Authorizing Grants under the HOME Single Family Owner-Occupied Rehabilitation Program.

Ms. Hill stated that HOME Single Family Owner-Occupied Rehabilitation Program (the "SFOOR Program") assists low income homeowners with necessary repairs to their homes. The current condition of the home is usually substandard, often with elderly residents living in poor conditions. Common repairs made under the SFOOR Program include replacement of roofing, windows, wiring, furnaces, and others. These repairs preserve and improve the local housing stock as well as directly assist the owner. The maximum amount of assistance per household is \$40,000 and a contribution from the homeowner is not required. Funds are provided in the form of an interest free forgivable loan that is forgiven monthly over a five or ten year period, depending on the amount of assistance provided. While the household income can not exceed eighty percent (80%) of the area median income, assisted homeowners are often very low income and elderly. During the application round, the Authority received 35 applications requesting almost \$20 million. All of the applicants met the criteria and the Authority proposes to fund a total of \$13,991,648 to rehabilitate an estimated 338 homes over two years. The list of proposed grantees and their respective funding amounts is attached to the Resolution

as Exhibit B. Funding amounts for the proposed grantees range from \$211,000 on the lower end to a maximum of \$821,000. The recipients are:

HO-50209	B.C.M.W. Community Services
HO-50210	CEFS Economic Opportunity Corporation
HO-50211	City of Bloomington
HO-50212	City of Canton
HO-50213	City of Carbondale
HO-50214	City of Carterville
HO-50215	City of Charleston
HO-50216	City of Christopher
HO-50217	City of Freeport
HO-50218	City of Greenville
HO-50219	City of Kankakee
HO-50220	City of Mattoon
HO-50221	City of Moline
HO-50222	City of Mount Olive
HO-50223	City of Pekin
HO-50224	City of Quincy
HO-50225	City of Rock Falls
HO-50226	City of West Frankfort
HO-50227	Coles County
HO-50228	Community Contacts, Inc
HO-50229	Embarras River Basin Agency, Inc.
HO-50230	Northwestern Illinois Community Action Agency
HO-50231	Peoria Citizens Committee for Economic Opportunity, Inc.
HO-50232	Project NOW, Inc.
HO-50233	Rock Island Economic Growth Corporation, Inc.
HO-50234	Tri-County Opportunities Council
HO-50235	Two Rivers Regional Council of Public Officials
HO-50236	Village of Brighton
HO-50237	Village of Bush
HO-50238	Village of DeSoto
HO-50239	Village of Machesney Park
HO-50240	Village of West City
HO-50241	Wabash Area Development, Inc.
HO-50242	Western Egyptian Economic Opportunity Council
HO-50243	Western Illinois Regional Council

Ms. Hill stated that the SFOOR Program addresses several of the priorities of the Housing Task Force including the preservation of affordable housing units and the serving of households who have special needs, are elderly, or are very low or extremely low income. She presented the map with highlighted areas of the state that will be served by the 2010 grantees. New areas being served this year include the city of Bloomington; Ashmore and Oakland in Coles County, Canton in Fulton County, Bush in

Williamson County and DeSoto in Jackson County. Ms. Hill recommended the Members' approval of the Resolution.

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, Mr. Gardner and Mr. Kochan.

10-IHDA-005

Executive Director Materre introduced Item 5 on the Agenda: Resolution Authorizing Grants under the HOME Small Rental Properties Program.

Ms. Hill stated that the objective of Small Rental Properties Program ("SRPP") is to increase and preserve the supply of safe, decent and affordable rental housing stock. To accomplish this, the program provides financing to small rental property owners for the rehabilitation of rental units, often single family homes. The rehabbed units must be rented to households earning sixty percent (60%) or less of area median income. Ms. Hill further stated that the Authority does not grant the money directly to landlords, but instead works through units of local government. The local governments identify landlords within their respective communities, provide the landlords with SRPP dollars in the form of a forgivable zero interest loan, and confirms continuing compliance with the rental requirements. The maximum per unit loan is \$14,999 and the loan is forgiven at the end of a five year period. SRPP does not provide all of the project financing; the property owner must contribute at least twenty-five percent (25%) of the rehabilitation costs. During the application round, the Authority received five applications requesting almost \$2 million. All applicants have experience in operating the program in the past and the Authority recommended funding a total of \$1,385,907 to rehabilitate 88 units over two years. The proposed grantees are:

HS-50204	City of Freeport
HS-50205	City of Herrin
HS-50206	City of Moline
HS-50207	City of Quincy
HS-50208	City of Rock Falls

The list of proposed grantees and their respective funding amounts is attached to the resolution as Exhibit B. The City of Rock Falls will be receiving \$125,991 while all other grantees will receive \$314,979. This program meets several Housing Task Force Initiatives. It will preserve low income units and provide rental opportunities for households who are very low and extremely low income and the elderly. Ms. Hill 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, Mr. Gardner and Mr. Kochan.

At 9:55 a.m. Ms. Kane joined the meeting by telephone.

10-IHDA-009F

Executive Director Materre introduced Tab F under Item 9 on the Agenda: Resolution Extending Loan Term for The Suites of Autumn Green at Wright Campus (Amending Resolution No. 2009-IHDA-174A).

Mr. Weglarz stated that by Resolution No. 2009-IHDA-174A (the "Initial Resolution") the Authority previously authorized the making of loans to Senior Suites Chicago Wright Campus, LLC (the "Borrower") under the Authority's HOME Program in the amount of \$1,402,386 and under the Authority's Illinois Affordable Housing Trust Fund (the "Trust Fund") in the amount of \$1,250,000 in connection with a proposed housing project to be known as The Suites of Autumn Green at Wright Campus (the "Project"). The term of the HOME and Trust Fund loans in the Initial Resolution was for 20 years. The Borrower has renegotiated terms with its senior lender, Harris Bank, to be 30 years and has requested the Authority to make its loans co-terminus and change the loan terms to 30 years. Mr. Weglarz recommended the Members' approval of the change.

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

At 9:58 a.m. Ms. Kane ended her attendance by telephone.

10-IHDA-006

Executive Director Materre introduced Item 6 on the Agenda: Resolution Expending Single Family Trust Fund Down Payment Assistance Second Mortgage Loan Program (Amending Resolution No. 2009-IHDA-79).

Mr. Smirniotis stated that the purpose of this Resolution is to expand the use of the single family trust fund monies in the amount of \$1,225,000 that was approved at the June 2009 Board meeting. The funds will be used for tax credit advance loan program in conjunction with the Authority's 30 year Home Start Mortgage. Since June 2009 not all the monies have been expended. This is due to the lower volume of loans being originated not only in total, but also by the under 80 AMI population. The Authority has

developed an additional program to assist first-time homebuyers with down payment assistance. The description is attached to the resolution as Exhibit A. This now offers the homebuyers an additional option for assistance with the purchase of their home. The Down Payment Assistance Loan Program allows the borrower three percent (3%) of the purchase price of the home, with a maximum of \$6,000, as a ten year, zero percent (0%) interest, non-amortizing forgivable loan. The loan may be applied towards the down payment or closing costs. To utilize this program, the rate on the first mortgage is increased by one-half of one percent. Mr. Smirniotis stated that the terms of this product are similar to the tax credit advance loan, except it is designed for the borrower who does not intend to use the federal tax credit to repay the loan. This Resolution would allow the trust fund monies to be used in both the Tax Credit Advance Loan Program and also the Down Payment Assistance Loan Program, giving the borrower two options for assistance. Mr. Smirniotis recommended the Members' approval of the Resolution.

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

10-IHDA-007

Executive Director Materre introduced Item 7 on the Agenda: Resolution Amending Prior Resolutions with respect to Certain Terms of the Residential Retrofit Energy Efficiency Program (Amending Resolutions No. 2009-IHDA-100 and 2009-IHDA-101).

Ms. Hill stated that this Resolution amends two previously approved Resolutions pertaining to the Residential Retrofit Energy Efficiency Program. The program funds the installation of various energy saving measures into single family homes occupied by low income households. The Department of Commerce and Economic Opportunity ("DCEO") administers the program and awarded the Authority funds in June of 2009. The Authority then made these funds available to subgrantees, listed in Exhibit A attached to the Resolution, in order to install these energy saving measures in homes that were being rehabilitated through other Authority's programs. Ms. Hill stated that there are three actions that would be authorized by this resolution. First, DCEO has offered to make additional funds available to the Authority through the program and the Authority would be authorized to accept the \$300,991 currently offered as well as any additional funds DCEO may make available in the future. Second, The Authority would be authorized to make these additional funds available to the previously identified subgrantees:

RET-50170

BCMw Community Services, Inc.

RET-50171	City of Carbondale
RET-50172	City of Charleston
RET-50173	City of Greenville
RET-50174	City of Mattoon
RET-50175	City of Mount Olive
RET-50176	City of Nauvoo
RET-50177	City of Zeigler
RET-50178	Coles County
RET-50179	Project NOW
RET-50180	Tri-County Opportunities Council, Inc.
RET-50181	Village of Brighton
RET-50182	Village of Waltonville
RET-50183	Western Egyptian
RET-50184	Western Illinois Regional Council (WIRC)
RET-50185	City of Freeport
RET-50186	Village of Machesney Park

Finally, the resolution authorizes the use of the Authority's administrative dollars to reimburse subgrantees for installed energy measures until funds from DCEO are available. There have been unanticipated administrative delays in DCEO's processing of the Authority's award documents and provision of the funds. Ms. Hill stated that the ability to temporarily utilize the Authority's administrative dollars would allow the program to operate smoothly and prevent the subgrantees from having to carry the cost of items already purchased or work already completed. The Authority would use the administrative funds only as necessary and all funds would be reimbursed as soon as the DCEO funds are available. Ms. Hill 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, Mr. Gardner and Mr. Kochan.

10-IHDA-008A

Executive Director Materre introduced Tab A under Item 8 on the Agenda: Resolution Authorizing State Tax Credits (STC-10153-10) for Hairpin Lofts, Chicago, Illinois.

Ms. Poniecki stated that Hairpin Lofts, LLC has applied to the Authority for State Tax Credits in connection with the new construction of a multifamily housing development known as Hairpin Lofts, described on Exhibit A attached to this Resolution. This will be a rehabilitation of a six-story building that had been vacant above the first floor for decades. After rehabilitation, floors three through six will contain 28 rental units, the

second floor will contain a 7,000 square foot arts center, and the first floor will contain 8,000 square feet of retail space. Ms. Poniecki 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 Mr. Barker and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner and Mr. Kochan.

10-IHDA-008B

Executive Director Materre introduced Tab B under Item 8 on the Agenda: Resolution Ratifying Allocation of Federal Tax Credits at Expanded Project Site for Lynwood Senior Housing Phase II, Lynwood, Illinois (Amending resolution No. 2009-IHDA-096E, Authorizing Federal Tax Credits (FTC-10057-09).

Ms. D. Freeman stated that pursuant to Resolution No. 2009-IHDA-096E (the "Prior Resolution"), the Authority made a reservation of Federal Tax Credits to Lynwood Senior Housing L.P. Phase II (the "Sponsor") in the amount of \$1,035,861 (the "2009 Federal Tax Credits") in connection with the construction of a multifamily housing development known as Lynwood Senior Housing Phase II (the "Project"), described in Exhibit A attached to this Resolution. The Village of Lynwood has requested that the Sponsor purchase an additional two acres of land in order to avoid cross easements with the neighboring parcel. Pursuant to Section III.10 of the Authority's Qualified Allocation Plan governing the allocation of Federal Tax Credits, the Sponsor has requested a modification of the Project as described in Exhibit B (the "Expanded Site"), attached to the Resolution. Ms. Freeman recommended the Members' ratification of the 2009 Federal Tax Credits for the Project at the Expanded Site.

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, Mr. Gardner and Mr. Kochan.

10-IHDA-009A

Executive Director Materre introduced Tab A under Item 9 on the Agenda: Resolution Amending and Restating Resolution No. 2009-IHDA-174B, Authorizing a Loan (MHR-10056-01) and Funds under the Equity Replacement Program (TCAP-10056-0221-01; SEC1602-10056-0221-02) for Spring Valley Senior Housing Phase II, Spring Valley, Illinois.

Ms. D. Freeman stated that the structure of financing, as set forth in Resolution 2009-IHDA-174B and the summary of the project (collectively, the “December Resolution”) presented to the Members on December 18, 2009, has changed and the Authority desires to amend and restate the December resolution in its entirety as follows: Ms. Freeman stated that pursuant to Resolution No. 2009-IHDA-096D, Spring Valley Senior Housing LP. II (the “Sponsor”) was awarded Federal Tax Credits in the amount of \$786,546 (the “2009 Federal Tax Credits”); the Sponsor was unable to syndicate all of the 2009 Federal Tax Credits; accordingly, the Sponsor seeks to return all but \$1,000 of its 2009 Federal Tax Credits and has applied to the Authority for funds for the construction and permanent financing of a multifamily housing development known as Spring Valley Senior Housing Phase II (the “Project”), described on Exhibit A attached to this Resolution. The proposed new construction independent elderly housing will consist of 50 one-bedroom, single-story townhomes arranged in ten clusters. It will serve residents over 62 years of age with incomes between thirty percent (30%) and sixty percent (60%) of area medial income. Ms. Freeman recommended the Members’ approval of a first position loan under the HOME Program in an amount not to exceed \$2,000,000 (the “HOME Loan”), a second position loan under the Equity Replacement Program-TCAP in an amount not to exceed \$4,584,198 and a grant under the Equity Replacement Program-Section 1602 in an amount not to exceed \$2,389,466. Ms. Freeman recommended the Members’ approval of the Resolution.

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

10-IHDA-009B

Executive Director Materre introduced Tab B under Item 9 on the Agenda: Resolution Amending and Restating Resolution No. 2009-IHDA-153B, Authorizing Funds under the Equity Replacement Program (TCAP-2887-0101; SEC1602-2887-0101-01) for Twenty First Homes, Granite City, Illinois.

Ms. D. Freeman stated that the structure of financing, as set forth in Resolution No. 2009-IHDA-153B and the summary of the project (collectively, the “November Resolution”) presented to the Members on November 20, 2009, has changed and the Authority desires to amend and restate the November Resolution in its entirety as follows: Ms. Freeman stated that pursuant to Resolution No. 2009-IHDA-162B, Twenty First Homes, LP (the “Sponsor”) was awarded Federal Tax Credits in the amount of \$480,572 (the “2008 Federal Tax Credits”). The Sponsor was unable to syndicate the 2008 Federal Tax Credits; accordingly, the

Sponsor seeks to return all of its 2008 Federal Tax Credits and has applied to the Authority for funds for the construction and permanent financing of a multifamily housing development to be known as Twenty First Homes, described on Exhibit A attached to this Resolution. The Sponsor proposes to develop 20 single family homes, to be built on scattered-sites in an aging residential neighborhood. The homes will be rented for the first 15 years, after which they will be converted to homeownership. Ms. Freeman recommended the Members' approval of a first position loan under the HOME Program in an amount not to exceed \$670,000 and a grant under the Equity Replacement Program-Section 1602 in an amount not to exceed \$3,865,965.

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, Mr. Gardner and Mr. Kochan.

10-IHDA-009C

Executive Director Materre introduced Tab C under Item 9 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10041-0231-01) for Residences at Fountain Square, Waukegan, Illinois.

Mr. Rogers stated that Residences at Fountain Square, LLC (the "Sponsor") has applied to the Authority for funds under the Equity Replacement Program for the construction and permanent financing of a multifamily housing development known as the Residences at Fountain Square, described on Exhibit A attached to this Resolution. The Sponsor proposes to develop a six-story project for independent elderly in the newly developed Fountain Square area of Waukegan. Twenty percent (20%) of the units will be assisted by project based Section 8 vouchers with a minimum term of 15 years. Mr. Rogers recommended the Members' approval of a Section 1602 grant in the amount of \$2,729,324.

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

10-IHDA-009D

Executive Director Materre introduced Tab D under Item 9 on the Agenda: Resolution Authorizing and Increase in Funds under the Equity Replacement Program (SEC1602-10042-0223-02) for Franklin Square Apartments, Quincy, Illinois.

Ms. Poniecki stated that by Resolution No. 2009-IHDA-174E (the “Prior Resolution”), Franklin Square Apartments, LP (the “Sponsor”) was authorized to receive a grant of 1602 Funds in an amount not to exceed \$1,881,024 for the construction of a multifamily housing development known as Franklin Square Apartments, described on Exhibit A attached to this Resolution. Since the adoption of the Prior Resolution, the Authority has determined that an increase to the reserves for the Project is required; such increases are reflected in the summary of the Project attached to this Resolution. The Sponsor has applied to the Authority for an increase to the 1602 Grant in the amount of \$117,000 for a total 1602 Grant amount of \$1,998,024. Ms. Poniecki recommended the Members’ approval of the increase.

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

10-IHDA-009E

Executive Director Materre introduced Tab E under Item 9 on the Agenda: Resolution Authorizing Federal Tax Credits (FTC-10052-09) and Funds under the Equity Replacement Program (TCAP-10052-0213-02; SEC1602-10052-0213-02) for Nehemiah Homes II, Springfield, Illinois.

Ms. Peele stated that by Resolution No. 2009-IHDA-096G (the “Prior Resolution”), Nehemiah Affordable Housing II, L.P. (the “Sponsor”) was awarded Federal Tax Credits for the year 2009 in the amount of \$566,980 (the “2009 Federal Tax Credits”). The Sponsor was unable to syndicate all of the 2009 Federal Tax Credits; accordingly, the Sponsor seeks to return all but \$1,000 of the 2009 Federal Tax Credits and has applied to the Authority for funds under the Equity Replacement Program for the construction and permanent financing of a multifamily housing development known as Nehemiah Homes II, described on Exhibit A attached to this Resolution. Phase I of this project, in Springfield’s Eastside neighborhood, was completed in 2008. It maintains a waiting list of 42 pre-qualified project based Section 8 voucher holders and 86 low-income tenants. Phase II will consist of scattered site single-family homes. At the end of the tax-credit compliance period, the units will be converted to home ownership. Ms. Peele recommended the Members’ approval of a first position loan under the Equity Replacement Program-TCAP in amount not to exceed \$3,612,452 and a grant under the Equity Replacement Program-Section 1602 in an amount not to exceed \$1,748,302. Ms. Peele Recommended the Members’ approval of the Resolution.

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 Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner and Mr. Kochan.

10-IHDA-010

Executive Director Materre introduced Item 10 on the Agenda: Resolution Amending Financial Management Policy (Amending Resolution No. 2009-IHDA-108).

Ms. Whitney stated that by Resolution No. 2005-IHDA-058 (the "Prior Resolution"), the Authority authorized and established a new financial management policy (the "Policy"). The current list of authorized financial institutions and counterparties under the Policy is set forth in Exhibit B to the Policy. Ms. Whitney stated that it is necessary, from time to time, to update the list of authorized financial institutions and counterparties, indicating the prospective list of such approved financial institutions and counterparties ("Revised Exhibit B"). Ms. Whitney stated that the Revised Exhibit B is attached to the Resolution and recommended the Members' approval.

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

10-IHDA-011

Executive Director Materre introduced Item 11 on the Agenda: Supplemental Resolution Amending the Amended and Restated 2009 Series B Resolution Authorizing the Issuance of Not to Exceed \$200,000,000 Principal Amount Homeowner Mortgage Revenue Bonds, 2009 Series B (Taxable Program Bonds) (Resolution 2009-IHDA-177).

Mr. Kugel stated that this Supplemental Resolution amends the Authority's Amended and Restated 2009 Series B Resolution originally adopted on November 20, 2009 and amended and restated in its entirety on December 18, 2009, in order to change certain redemption provisions to comply with rating agency requirements. Mr. Kugel recommended the Members' approval of the Resolution.

A motion to adopt the Resolution was made by Mr. Barker and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of

Chairman Newman, Vice-Chairman Barker, Ms. Davis, Mr. Gardner and Mr. Kochan.

10-IHDA-012

Executive Director Materre introduced Item 12 on the Agenda: Resolution Amending and Restating Resolution 2009-IHDA-129, which in turn amended and Restated Resolution No. 2008-IHDA-180, and which in turn Amended and Restated Resolution No. 2008-IHDA-074; Authorizing the Issuance of Not to Exceed \$3,000,000 Multifamily Housing revenue Bond, Series 2010 (Willow Heights Apartments) (Non-AMT).

Mr. Froelich stated that this Resolution authorizes the issuance of a not to exceed \$3,000,000 in aggregate principal amount of Multifamily Housing Revenue Bond, Series 2010 (Willow Heights Apartments) (Non-AMT) (whether singular or plural, the "Bonds"). This Resolution also authorizes the Authority to enter into a Bond Issuance and Placement Agreement, Loan Agreement and Pledge Agreement, in substantially the forms attached to this Resolution, setting forth the terms of the Bonds, subject to completion in accordance with the Determination. This Resolution amends and restates Resolution 2009 IHDA-129, adopted on September 18, 2009, which in turn amended and restated Resolution No. 2008-IHDA-180, adopted on November 21, 2008, which in turn amended and restated Resolution No. 2008-IHDA-074, adopted on May 16, 2008. The Bonds would be issued to provide funds to be applied to make a new mortgage loan to Willow Heights Apartment Associates Limited Partnership, a Wisconsin limited partnership, for the purpose of financing the acquisition and rehabilitation of Willow Heights Apartments, a 64-unit multifamily residential rental development located at 1460 Wellington Way, Decatur, Illinois. The Bonds will be purchased by U.S. Bank National Association. Mr. Froelich recommended the Members' approval of the Resolution.

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

10-IHDA-013

Executive Director Materre introduced Item 13 on the Agenda: Resolution Ratifying Establishment of Loan Loss Reserve.

Mr. Kregor stated that the Authority has reviewed its loan portfolio as December 31, 2009 for each of the accounts the Authority has established in connection with the various programs of the Authority (the "Accounts"). As part of this review, the Authority has reviewed its loan loss reserves (the "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 this Resolution. Mr. Kregor 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, Mr. Gardner and Mr. Kochan.

10-IHDA-014

Executive Director Materre introduced Item 14 on the Agenda: Resolution Authorizing Application to the United States Department of Housing and Urban Development and Contract for Services Related to HUD's Project Based Section 8 Contract Administration.

Mr. DeLong stated that the purpose of this Resolution is to authorize a vendor to partner with the Authority for the purpose of responding to an request for proposals to be issued by the United States Department of Housing and Urban Development (the "HUD RFP"), the scope of which is to perform contract administration duties for the HUD Section 8 properties in Illinois, which consists of over 500 developments with more than 43,000 units of affordable housing. The selected vendor will assist the Authority in preparing a response to the HUD RFP. If the Authority is awarded the contract under the HUD RFP, the vendor would also perform many of the required contract administration duties. Mr. DeLong further stated that Quadel Consulting Corporation (the "Vendor") was chosen pursuant to the Illinois Procurement Code, 30 ILCS 500/1 et seq. and a scoring methodology which evaluated the following: experience in Section 8 contract administration; staff qualifications; references; proposed plan for handling the transition from the existing HUD contractor to the Authority; a presentation addressing these same evaluation criteria; and pricing. The Authority's RFP required respondents to provide their recommendation as to the total amount of the bid that should be submitted in response to the HUD RFP and to provide a proposed split of the total amount of the bid between the Vendor and the Authority. The final amount of the bid to HUD and the split between the vendor and the Authority will be determined after reviewing the HUD RFP and the new form of contract for contract administration services. The contract with HUD will be for ten years. It is anticipated that the contract with the Vendor will be for three years with one year renewal options covering the balance of the ten years. The exact terms will be determined when HUD makes an award under the HUD RFP. The Authority will not enter into a contract with the Vendor unless the Authority is awarded the contract by

HUD. Mr. DeLong recommended the Members' approval of the Resolution.

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

10-IHDA-015

Executive Director Materre introduced Item 15 on the Agenda: Resolution Authorizing an Agreement for Graphic Design Services.

Ms. Dougé stated that the Authority from time to time requires the professional services of a graphic designer to assist with the design and production of its annual report (the "Annual Report"), and various forms of marketing collateral, which consist of media/information kit folders, brochures, stationary, fact sheets, various electronic templates, and materials for the annual affordable housing conference (collectively, the "Marketing Collateral"), all of which the Authority utilizes to promote its affordable housing programs. The production of the Annual Report and the Marketing Collateral is referred to herein as the "Services". Pursuant to the Illinois Procurement Code, 30 ILCS 500/1 et. seq., the Authority published a request for proposals, evaluated proposals and determined that Robertz & Kobold Incorporated (the "Vendor"), the most well-qualified respondent, has the requisite skills and experience to provide the Services. Ms. Dougé stated that the Authority desires to enter into an agreement (the "Agreement") with the Vendor to provide the Services for the one (1) year period from approximately February 1, 2010 through January 31, 2011, with an option to renew the Agreement, at the Authority's sole discretion, for an additional one (1) year period from approximately February 1, 2011 through January 31, 2012, with a total annual cost not to exceed \$120,000.

A discussion developed regarding the need for a more detailed presentation covering the entire budget for marketing activities. Chairman Newman recommended the Resolution be amended to authorize an agreement for the production of the Annual Report only. Ms. Kenney requested the Members' approval to amend the written record of the Resolution. Ms. Dougé recommended the Members' approval for the Authority to enter into an agreement with the Vendor for the production of the Annual Report for the one year period from approximately February 1, 2010 through January 31, 2011, with an option to renew the Agreement, at the Authority's sole discretion, for an additional one year period from approximately February 1, 2011 through January 31, 2012, with a total annual cost not to exceed \$56,000.

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

10-IHDA-016

Executive Director Materre introduced Item 16 on the Agenda: Resolution Authorizing Renewal of Agreement with Emphasys Software.

Mr. O'Callaghan stated that the Authority has previously entered into an agreement with Emphasys Software (the "Vendor") for certain computer software the Authority utilizes in connection with its Tax Credit Programs. Mr. O'Callaghan stated that the current agreement with the Vendor expires on March 31, 2010 and the Authority desires to renew the current agreement with the Vendor, pursuant to the small purchase provision of the Illinois Procurement Code, for the one year period from April 1, 2010 to March 31, 2011 at a fee not to exceed \$17,000. Mr. O'Callaghan recommended the Members' approval of the Resolution.

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

10-IHDA-017

Executive Director Materre introduced Item 17 on the Agenda: Resolution Authorizing Renewal of Agreement with The Mitas Group, Inc.

Mr. O'Callaghan stated that the Authority has previously entered into an agreement with The Mitas Group, Inc. (the "Vendor") for certain computer software the Authority utilizes in connection with its Section 8 and Rental Housing Support Programs. Mr. O'Callaghan stated that the current agreement with the Vendor expires on March 31, 2010 and the Authority desires to renew the Current Agreement (the "New Agreement") with the Vendor, pursuant to the small purchase provision of the Illinois Procurement Code, for the one year period from April 1, 2010 to March 31, 2011. Mr. O'Callaghan stated that the Authority wishes to include in the New Agreement the option to obtain additional training for the software from the Vendor. The annual fee to lease the software under the New Agreement shall not exceed \$47,000 and the annual fee for additional training for the software under the New Agreement shall not exceed \$8,000. Mr. O'Callaghan stated that the total annual fee under the New

Agreement shall not exceed \$55,000. He recommended the Members' approval of the Resolution.

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

Presentation 1 For Presentation 1, Finance Committee Report, Chairman Newman recommended the Members' approval of the minutes from the December 18, 2009, Finance Committee meeting.

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

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

Chairman Newman invited Bob Foggio from Morgan Stanley to give a short review on the housing market and interest rates.

Director Materre informed the Members and guests about the passing one of the Authority's valuable employees, Richard Hastings. She stated that the memorial service was attended by an impressive number of co-workers and friends that paid him last respects.

There being no further business, Vice-Chairman Barker adjourned the meeting at 10:46 a.m.