

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

February 19, 2010

Pursuant to notification given February 11, 2010, the Members of the Illinois Housing Development Authority met for a regular meeting at 9:30 a.m., local time, February 19, 2010, at the offices of the Illinois Housing Development Authority, 401 North Michigan Avenue, Suite 700, Chicago, Illinois.

Those present:

BOARD:

Robert Barker	Vice Chairman
Karen Davis	Treasurer
Floyd Gardner	Member
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
Thomas Chang	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
Mary Karnia	Neighborhood Stabilization Project Coordinator
Shelly Tucciarelli	Neighborhood Stabilization Program Administrator
Hazim Taib	Financial Asset Management
Christian Froelich	Financial Program Manager
Bill Smirniotis	Managing Director of Homeownership Programs
Linda Thurmond	Managing Director of Multifamily Programs
Jane Bilger	Senior Policy Director
Yvonne Dougé	Managing Director of Marketing and Communications
Tony Hernandez	Asset Management
Eric Von Battles	Asset Management
Diane Smith	Assistant Director, Asset Management
Adam Rogers	Multifamily Programs
Joanne Ryan	Manager of Investments

GUESTS:

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
Paul Marengo	Schiff Hardin LLP
Susan Jun	Bank of America Merryl Lynch
Jeff Gertz	JP Morgan Securities
Geoff Proulx	Morgan Stanley
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
Michael Sims	City of Peoria
Vivian Hudson	City of Granite City
Cheryll Boswell	METEC-Housing Counseling Resource Center
Karon Wolfe	Madison County Community Development
Dru Bergman	DuPage Homeownership Center, Inc.
Brigite Gossman	Hancock House, LLC
Mary Ellen Tamasy	LCRDC Vernon Hills SLF, LLC
Robert Helle	PSL Management LLC

With a quorum consisting of Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros being present, Vice-Chairman Barker called the meeting to order at 9:45 a.m.

10-IHDA-018 Vice-Chairman Barker introduced Item 1 on the Agenda: Resolution Approving the Minutes of the Meeting of the Members of the Illinois Housing Development Authority held on January 22, 2009.

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

10-IHDA-019A Executive Director Materre introduced Tab A under Item 2 on the Agenda: Resolution Authorizing Down Payment and Closing Cost Assistance Grants under the Illinois Affordable Housing Program – Home Buyer Program.

Mr. Van Der Woerd stated that he will be presenting two resolutions for approval by the Members, both of which are Home Buyer Programs. A description of the parameters and requirements of each program can be found in the summaries attached to the Resolutions.

The first Resolution is for down payment and closing cost grants that assist qualifying low and very low income households purchase homes of their choice. This program provides homebuyers at or below eighty percent (80%) of the area median income with a maximum grant of \$3,000 and homebuyers at or below fifty percent (50%) of the area median income a maximum grant of \$5,000. Homebuyers are expected to contribute \$1,000 of their own funds towards the purchase and undergo first time home buyer counseling. The grant funds are secured through a five year recapture agreement that is forgiven on a monthly basis. If the home is sold or transferred within the five year period, the remaining balance of the grant is due. The Authority recommends a total of \$729,000 in grant funds be allocated to four sponsor agencies. This will assist approximately 153 low income and 54 very low income households.

The four recommended sponsor agencies are:

STF-50261 City of Peoria. The Authority recommends \$249,000 in grant funds to assist 63 home buyers.

STF-50264 City of Granite City, who is a new applicant. The Authority recommends \$160,000 to assist 48 households.

STF-50266 METEC Housing Counseling Resource Center, who will be serving Peoria, Tazewell, Woodford, Marshall, Stark, and Knox counties.

METEC is also a new applicant. The Authority recommends \$70,000 be provided to serve 20 households. METEC's program will target five eligible households where a person with a disability resides.

STF-50271 Madison County Community Development. The Authority recommends \$250,000 to assist 76 households. Madison County Community Development will serve Madison County, excluding the City of Alton and Granite City.

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 Mr. Gardner; the Resolution was adopted by the affirmative votes of Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-019B

Executive Director Materre introduced Tab B under Item 2 on the Agenda: Resolution Authorizing Subordinate Loans and Down Payment and Closing Cost Assistance Grants under the Illinois Affordable Housing Program – Home Buyer Program.

Mr. Van Der Woerd stated that the purpose of this Resolution is to provide subordinate loans and down payment and closing cost grants to income eligible homebuyers. The combination of loan and grant assistance increases a low income household's ability to purchase a home in the higher cost areas of the State. Households at or below eighty percent (80%) of the area median income can receive a maximum loan of \$20,000 and a grant of \$3,000. Households at or below fifty percent (50%) of the area median income can receive up to \$30,000 in loan funds and \$5,000 in grant funds towards their home purchase. Grant funds are secured through a five year, forgivable recapture agreement. The loan funds have a 30 year term at zero percent (0%) interest and carry no payments. The loan is due upon maturity or when the home is transferred or sold. Each homebuyer is expected to contribute \$1,000 towards the purchase and to participate in first time home buyer counseling. Mr. Van Der Woerd stated that the Authority recommends a total of \$899,000 in loan and grant funds be available to two sponsor agencies. These funds will assist 33 low income and four very low income households. The Sponsors are:

STF-50262 DuPage Homeownership Center, Inc., where homebuyers will receive a first mortgage from a lender, a second mortgage from Harris Bank, and a third mortgage from the Authority. The recommendation is for \$550,000 in loan funds and \$83,000 in grant funds to assist approximately 27 households.

STF-50267 Oak Park Regional Housing Center, who will focus their funds in the western Cook County suburbs, a historically underserved area. Oak Park Regional Housing Center has identified the following communities as targets for their program: Bellwood, Elmwood Park, Forest Park, Maywood, Berwyn, Broadview, and Oak Park. The recommendation is for \$230,000 in loan funds and \$36,000 in grant funds to assist ten households.

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 Mr. Gardner; the Resolution was adopted by the affirmative votes of Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-020A

Executive Director Materre introduced Tab A under Item 3 on the Agenda: For DuPage Habitat 2009 Scattered Site Homes Addison, Villa Park and Glendale Heights, Illinois (Amending Resolution No. 2009-IHDA-173B)

Mr. Weglarz stated that by Resolution No. 2009-IHDA-173B (the "Initial Resolution"), the Authority previously authorized the allocation of Illinois Affordable Housing Tax Credits to DuPage Habitat for Humanity Corporation (the "Sponsor") in the amount of \$104,976 in connection with a proposed housing project to be known as DuPage Habitat 2009 Scattered Site Homes (the "Project"). The Initial Resolution identified a targeted population at or below fifty percent (50%) area median income. During the drafting of the regulatory agreement a technical error was found in the original application and the Sponsor has requested that the targeted population be changed from fifty percent (50%) of the area median income to sixty percent (60%) of the area median income ("AMI Increase"). The summary of the Project attached to this Resolution sets forth the AMI Increase and the other material terms and conditions of the Project. Mr. Weglarz recommended the Members' approval of the Resolution.

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

10-IHDA-020B Executive Director Materre introduced Tab B under Item 3 on the Agenda: For DuPage Habitat for Humanity Pioneer Prairie Phase II, West Chicago, Illinois (Amending Resolution No. 2009-IHDA-173C).

Mr. Weglarz stated that by Resolution No. 2009-IHDA-173C (the “Initial Resolution”), the Authority previously authorized the allocation of Illinois Affordable Housing Tax Credits to DuPage Habitat for Humanity Corporation (the “Sponsor”) in the amount of \$43,257 in connection with a proposed housing project to be known as DuPage Habitat for Humanity Pioneer Prairie Phase II (the “Project”). The Initial Resolution identified a targeted population at or below fifty percent (50%) of the area median income. During the drafting of the regulatory agreement a technical error was found in the original application and the Sponsor has requested that the targeted population be changed from fifty percent (50%) of the area median income to sixty percent (60%) of the area median income (“AMI Increase”). The summary of the Project attached to this Resolution sets forth the AMI Increase and the other material terms and conditions of the Project. Mr. Weglarz recommended the Members’ approval of the Resolution.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-020C Executive Director Materre introduced Tab C under Item 3 on the Agenda: For Northern Fox Valley Habitat for Humanity Scattered Site 2009 Elgin and Carpentersville, Illinois (Amending Resolution No. 2009-IHDA-173E).

Mr. Weglarz stated that by Resolution No. 2009-IHDA-173E (the “Initial Resolution”), the Authority previously authorized the allocation of Illinois Affordable Housing Tax Credits to Habitat for Humanity of Northern Fox Valley (the “Sponsor”) in the amount of \$266,089 in connection with a proposed housing project to be known as Northern Fox Valley Habitat for Humanity Scattered Site 2009 (the “Project”). The Initial Resolution identified a targeted population at or below fifty percent (50%) of the area median income. During the drafting of the regulatory agreement a technical error was found in the original application and the Sponsor has requested that the targeted population be changed from fifty percent (50%) of the area median income to sixty percent (60%) of the area median income (“AMI Increase”). The summary of the Project attached to this

Resolution sets forth the AMI Increase and the other material terms and conditions of the Project. Mr. Weglarz recommended the Members' approval of the Resolution.

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

10-IHDA-021A

Executive Director Materre introduced Tab A under Item 4 on the Agenda: Resolution Amending and Restating Resolution No. 2009-IHDA-139D, Authorizing Federal Tax Credits (FTC-2944-09); State Tax Credits (STC-2944-10); and Funds under the Equity Replacement Program (TCAP-2944-0115-01; SEC1602-2944-0115-01) for Hancock House, Chicago, Illinois.

Ms. D. Freeman stated that the structure of financing as set forth in Resolution No. 2009-IHDA-139D and the summary of the Project (as hereinafter defined) (collectively, the "October Resolution") presented to the Members on October 16, 2009 has changed and the Authority desires to amend and restate the October Resolution in its entirety as follows: Ms. D. Freeman stated that by Resolution No. 2008-IHDA-147G, Brownlow, Belton, Sullivan, Arms, NFP (the "Sponsor") was awarded 2008 Federal Tax Credits in the amount of \$800,000. The Sponsor was unable to syndicate all of the 2008 Federal Tax Credits and seeks to return all but \$1,538 of its 2008 Federal Tax Credits (the "2008 Retained Tax Credit Reservation"). The Sponsor has applied to the Authority for funds from the Equity Replacement Program in the amount of \$7,051,607 for the construction and permanent financing of a multifamily housing development to be located on the real estate legally described on Exhibit A attached to this Resolution and known as Hancock House (the "Project"). 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. Pursuant to Section III.11 of the Authority's Qualified Allocation Plan governing the allocation of Federal Tax Credits (the "QAP"), the Sponsor has requested that it be allowed to return to the Authority the 2008 Retained Federal Tax Credit Reservation and has requested that the Authority make a new allocation reservation of Federal Tax Credits for the Project from the 2009 Authority Housing Credit Ceiling (as defined in the QAP) in the same amount. The Sponsor has also applied to the Authority for a reservation of State Tax Credits in the amount of \$225,000 in connection with the Project. Ms. Freeman recommended the Members' approval of the exchange of the 2008 Retained Federal Tax Credit

Reservation for a 2009 Federal Tax Credit Reservation in the amount of \$1,538; approval of a TCAP mortgage loan or grant with a recapture provision in an amount not to exceed \$2,883,201; approval of a Section 1602 grant with a recapture provision in an amount not to exceed \$4,168,406; and a reservation of State Tax Credits in an amount not to exceed \$225,000.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021B

Executive Director Materre introduced Tab B under Item 4 on the Agenda: Resolution Authorizing State Tax Credits (STC-10122-10), a Loan (MHR-10122-01), and Funds under the Equity Replacement Program (SEC1602-10122-0214-02) for Prairie Meadows Homes, Hoopston, Illinois.

Ms. D. Freeman stated that by Resolution No. 2009-IHDA-105C Prairie Meadows Homes, LLC (the "Sponsor") was awarded Federal Tax Credits in the amount of \$356,072 (the "2009 Federal Tax Credits"). The Sponsor was unable to syndicate all of the 2009 Federal Tax Credits as set forth more fully in the summary attached to this Resolution. Accordingly, the Sponsor seeks to return all 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 to be located on the real estate legally described on Exhibit A attached to this Resolution and known as Prairie Meadows Homes. Ms. Freeman recommended the Members' approval of a grant of Section 1602 funds in an amount not to exceed \$2,446,136; approval of a State tax Credit reservation in an amount not to exceed \$200,000; and approval of a HOME loan in an amount not to exceed \$2,000,000.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021C

Executive Director Materre introduced Tab C under Item 4 on the Agenda: Resolution Extending Commitment Date for Carbondale Neighbors, Carbondale, Illinois (Amending Resolution No. 2009-IHDA-153A).

Ms. D. Freeman stated that by Resolution No. 2009-IHDA-153A ("the Prior Resolution") Carbondale Neighbors, LP (the "Sponsor") was

awarded funds under the Equity Replacement Program for the construction and permanent financing of a multifamily housing development to be known as Carbondale Neighbors. The commitment to provide the funds (the "Commitment Date") expired February 1, 2010. The Sponsor has requested the Authority extend the Commitment Date to April 30, 2010. Ms. Freeman recommended the Members' approval of the Resolution.

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

10-IHDA-021D

Executive Director Materre introduced Tab D under Item 4 on the Agenda: Resolution Authorizing State Tax Credits (STC-10154-10) and Funds under the Equity Replacement Program (SEC1602-10154-0216-02) for Victory Centre of Vernon Hills SLF in Vernon Hills, Illinois.

Mr. Wegrarz stated that Vernon Hills SLF Associates, L.P. (the "Sponsor") has applied to the Authority for funds for the construction and permanent financing of a multifamily housing development described on Exhibit A attached to this Resolution and known as Victory Centre of Vernon Hills SLF. The Sponsor proposes to acquire the site from the Village of Vernon Hills and construct a building as a supportive living facility for seniors. Mr. Wegrarz recommended the Members' approval of a Section 1602 grant in an amount not to exceed \$1,346,626, and approval of State Tax Credits in the amount of \$230,000.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021E

Executive Director Materre introduced Tab E under Item 4 on the Agenda: Resolution Authorizing State Tax Credits (STC-10155-10) and Funds under the Equity Replacement Program (SEC1602-10155-0215-02) for Victory Centre of Vernon Hills SA in Vernon Hills, Illinois.

Mr. Wegrarz stated that Vernon Hills SA Associates, L.P. (the "Sponsor") has applied to the Authority for funds in connection with the acquisition of a multifamily housing development described on Exhibit A attached to this Resolution and known as Victory Centre of Vernon Hills SA. The Sponsor proposes to acquire the site from the Village of Vernon Hills and

construct independent apartments for seniors. Mr. Weglarz recommended the Members' approval of a Section 1602 grant in an amount not to exceed \$3,845,051, and approval of State Tax Credits in the amount of \$195,000.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021F

Executive Director Materre introduced Tab F under Item 4 on the Agenda: Resolution Authorizing Funds under the Equity Replacement Program (SEC1602-10027-0205-02) for Lexington Farms Subdivision in Jerseyville, Illinois.

Mr. Weglarz stated that Capstone Development Group, LLC (the "Sponsor") has applied to the Authority for funds for the construction and permanent financing of a multifamily housing development described on Exhibit A attached to this Resolution and known as Lexington Farms Subdivision. The Sponsor proposes to build a 32 unit single-family subdivision with a plan to convert to homeownership after 15 years. Mr. Weglarz recommended the Members' approval of a Section 1602 grant in an amount not to exceed \$1,646,295.

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

10-IHDA-021G

Executive Director Materre introduced Tab G under Item 4 on the Agenda: Resolution Extending Commitment Date for Sinai Village (Amending Resolution No. 2009-IHDA-153D).

Mr. Rogers stated that by Resolution No. 2009-IHDA-153D (the "Prior Resolution"), Mt. Sinai Development Corporation (the "Sponsor") was awarded funds under the Equity Replacement Program for the construction and permanent financing of a multifamily housing development known as Sinai Village. The commitment to provide the funds (the "Commitment Date") expired February 1, 2010. The Sponsor has requested the Authority extend the Commitment Date to February 16, 2010. Mr. Rogers 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021H Executive Director Materre introduced Tab H under Item 4 on the Agenda: Resolution Extending the Commitment Date for Resolution No. 2009-IHDA-174F for Ridge Estates of Charleston, Charleston, Illinois.

Ms. Geer stated that pursuant to Resolution No. 2009-IHDA-074F, the Authority was authorized to make a 2009 Federal Tax Credit reservation amount, make a Trust Fund loan, and make a TCAP loan under Title XII and a 1602 Grant under Section 1602 of American Recovery Reinvestment Act to Ridge Estates of Charleston, Limited Partnership (the "Sponsor") for the construction and permanent financing of a multifamily housing development known as Ridge Estates of Charleston (the "Project"). The commitment for the funding expired February 12, 2010 (the "Expiration Date"). Due to processing delays related to the financing of the Project, the Sponsor has requested that the Expiration Date be extended to May 28, 2010. Ms. Geer requested 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021I Executive Director Materre introduced Tab I under Item 4 on the Agenda: Resolution Authorizing Loan (MHR-10063-01) and Funds under the Equity replacement Program (TCAP-10063-0128-02; SEC1602-10063-0218-02) for Monmouth Farms, Monmouth, Illinois.

Ms. Poniecki stated that by Resolution No. 2009-IHDA-096I (the "Prior Resolution"), DDG Monmouth LP (the "Sponsor") was awarded Federal Tax Credits for the year 2009 in the amount of \$725,500 (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 financing for the construction and permanent financing of a multifamily housing development described on Exhibit A attached to this Resolution and known as Monmouth Farms (the "Project"). The Project is an employer-assisted permanent housing development that will consist of 25 buildings and will target entry level factory workers and their families who seek employment opportunities with the local food processing plant

of Farmland Foods, the area's largest employer, yet commute up to 100 miles daily to seek affordable housing. Ms. Ponicki recommended the Members' approval of a HOME loan in an amount not to exceed \$1,200,000; approval of a TCAP mortgage loan in an amount not to exceed \$1,500,000; and approval of a Section 1602 grant in an amount not to exceed \$6,014,643.

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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-021J

Executive Director Materre introduced Tab J under Item 4 on the Agenda: Resolution Extending the Commitment Date for Resolution No. 2009-IHDA-174C for Crane Meadows Apartments, Zion, Illinois.

Mr. Johnson stated that the Authority has been authorized by Resolution No. 2009-IHDA-174C to increase the 2009 Federal Disaster Tax Credit amount and make a TCAP loan under Title XII of American Recovery Reinvestment Act to DKI-Zion G.P., LLC (the "Sponsor"). The commitment for the funding expired February 12, 2010 (the "Expiration Date"). Due to processing delays the Sponsor has requested that the Expiration Date be extended to May 31, 2010. Mr. Johnson recommended the Members' approval of the Resolution.

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

Ms. Kane noted that the commitment date for the previous resolution for Ridge Estates of Charleston expired before the Members had made a motion to approve the extension. Ms. Kane requested clarification.

Ms. Kenney explained that the project in question actually closed but the Authority needed the authorization to extend the commitment expiration dates. Ms. Kenney added that the Authority recently came upon the stimulus deadline for the expenditure of seventy-five percent (75%) of its TCAP funds, which was February 16, 2010 and so Members can see a lot of extensions of commitments because the Authority lined up all projects and tried to put pressure on developers to close by that date to make sure that the Authority could meet its expenditure commitment under federal legislation. The Authority met its commitment. Ms. Kenney further stated

that the Authority didn't anticipate that all the projects would close by February 16, 2010, but that's the reason for seeing so many extensions at this time.

10-IHDA-022 Executive Director Materre introduced Item 5 on the Agenda: Resolution Ratifying Financial Management Transactions.

Ms. Ryan stated that by Resolution No. 2005 IHDA-058, the Authority authorized and established a financial management policy (the "Policy") that provided for periodic ratification of all financial management transactions made pursuant to the Policy (collectively, the "Transactions"). A summary of the Transactions made during the period from October 1, 2009 to December 31, 2009 is attached to this Resolution as Exhibit A. Ms. Ryan 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-023 Executive Director Materre introduced Item 6 on the Agenda: Resolution Authorizing an Interagency Agreement with the Department of Commerce and Economic Opportunity for the Housing Activities under the Community Development Block Grant (CDBG) Disaster Recovery 1800 "IKE" Program.

Ms. Bilger stated that this Resolution will authorize the Authority to enter into an Interagency Agreement with Illinois Department of Commerce and Economic Opportunity ("DCEO") regarding the Community Development Block Grant-Disaster Recovery ("IKE") Program. The IKE Program was authorized and appropriated by the federal Consolidated Security Disaster Assistance and Continuing Appropriations Act of 2009 to assist communities in addressing disaster relief and restoration of infrastructure, housing, and economic revitalization in areas affected in 2008 by flooding, hurricanes and other natural disasters. The U.S. Department of Housing and Urban Development allocated over \$169 million to DCEO to implement the IKE Program. Forty-one counties were included in the disaster declarations eligible for receipt of this funding. The IKE Program grant requires that a portion of the funding be used to fund affordable rental housing in designated disaster counties. DCEO will provide \$4,898,456 in funding to the Authority to implement the following housing activities:

Affordable Rental Housing Program - \$18.9 million - Targeted activities include: public housing small capital grants for rehabilitation; energy and accessibility improvements; capital improvement grants for preservation of rental developments in rural communities; permanent supportive housing development; small rental properties program; and new construction and rehabilitation for rental housing;

Homeownership Community Stabilization Program - \$20 million – Targeted activities include: acquisition and rehabilitation of residential properties for re-use as affordable housing to address the significant impact of natural disasters, foreclosure and economic crisis on communities.

All IKE Program activities must benefit households and communities of low or moderate income in designated counties. The Authority will work on preparation and release of application guidelines for eligible program activities, project review, selection, and award of program grants, oversight of program implementation and project completion. Up to five percent (5%) of the grant may be used for administrative costs. Ms. Bilger recommended the Members' approval of the Resolution.

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

10-IHDA-024

Executive Director Materre introduced Item 7 on the Agenda: Resolution Ratifying the Establishment of Owner's Equity in Liberty Meadows Estates Risk Share Loan – 2462.

Ms. Hillock stated that the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., provides that the Authority shall, by resolution, establish owner's equity in a development at the time of making the final mortgage advance and that equity shall consist of the difference between the amount of the mortgage loan and the total cost of the development. The difference between the amount of the mortgage loan and the total cost of Liberty Meadows Estates is \$11,619,499.75. Ms. Hillock 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-025 Executive Director Materre introduced Item 8 on the Agenda: Resolution Ratifying the Establishment of Owner's Equity in Historic Pacesetter Risk Share Loan – 2472.

Ms. Hillock stated that the Illinois Housing Development Act, 20 ILCS 3805/1 et seq., provides that the Authority shall, by resolution, establish owner's equity in a development at the time of making the final mortgage advance and that equity shall consist of the difference between the amount of the mortgage loan and the total cost of the development. The difference between the amount of the mortgage loan and the total cost of Historic Pacesetter is \$11,265,963. Ms. Hillock recommended the Members' approval of the 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-026 Executive Director Materre introduced Item 9 on the Agenda: Resolution Authorizing Appointment of Legislative Firms.

Ms. Kenney stated that of the Authority needs legislative services (the "Services"). Pursuant to the Illinois Procurement Code, the Authority issued a request for proposals and received nine responses from legislative firms who desire to provide the Services. It has been determined that the legislative firms of McGuire Woods Consulting, LLC and Illinois Governmental Consulting Group, LLC (collectively, the "Legislative Firms") are best able to provide the Services consistent with the Authority's needs. The Authority desires to engage the Legislative Firms to provide the Services and enter into such contracts (the "Contracts") for a two-year period from March 1, 2010 to February 29, 2012 (the "Term Period") on such terms and conditions as they deem to be in the best interest of the Authority. Upon expiration, the Term Period may be renewed for an additional one-year period from March 1, 2012 to February 28, 2013 (the "Extended Term Period") subject to the approval by the Members of the Authority. The Authority also desires to make periodic payments to the Legislative Firms pursuant to their respective Contracts in a total amount not to exceed \$60,000 (the "Contract Amount") per firm per year (i.e. \$5,000 per month per firm). The Contract Amount shall apply to the Extended Term Period. Ms. Kenney recommended the Members' approval of the Resolution.

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

10-IHDA-027

Executive Director Materre introduced Item 10 on the Agenda: Resolution Adopting the Audit Committee Charter.

Ms. Manning stated that Article IV of the By-Laws of the Authority authorizes the designation of committees consisting of two or more Members of the Authority. Each committee, to the extent provided in a resolution passed by the Members of the Authority, may exercise the powers of the Authority in the transaction of the affairs of the Authority. Pursuant to previously adopted resolutions the Audit Committee has been established to address the affairs of the Authority with respect to the functions of the Internal Audit Department of the Authority. Ms. Manning stated that the Audit Committee desires to adopt the charter (the "Audit Committee Charter") as set forth in Exhibit A attached to this Resolution, in order to assist in fulfilling its oversight responsibilities for the financial reporting process, the system of internal control, the audit process, and the Authority's process for monitoring compliance with laws and regulations and the code of conduct. Ms. Manning 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-028

Executive Director Materre introduced Item 11 on the Agenda: Resolution Authorizing an Agreement for Graphic Design Services.

Ms. Dougé stated that the Members gave approval in January 2010 for the Authority to enter into an agreement with Robertz & Kobold Incorporated (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. She further stated that the Authority requires the professional services of a graphic designer to assist with the design and production of various forms of marketing collateral, which consists 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. Pursuant to the Illinois Procurement Code, the Authority published a request for proposals, evaluated proposals and determined that the Vendor, the most well-qualified respondent, has the requisite skills and experience to provide the Marketing Collateral. Ms. Dougé recommended the Members’ approval for the Authority to enter into an agreement with the Vendor to provide the Marketing Collateral for the one (1) year period from approximately March 1, 2010 through February 28, 2011, at a total cost not to exceed \$64,000. If the Vendor performs satisfactorily, the Authority also desires the option to renew the Agreement, at the Authority’s sole discretion, for an additional one (1) year period from approximately March 1, 2011 through February 28, 2012, at a total cost not to exceed \$64,000. Ms. Dougé requested 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

10-IHDA-029

Executive Director Materre introduced Item 12 on the Agenda: Resolution Authorizing Amendment of Loan Documents for Union Square Apartments (HTF-983 & FAF-018).

Mr. Von Battles stated that the Authority has previously made a second mortgage loan in the amount of \$500,000 and a third mortgage loan in the amount of \$500,000 (collectively, the “Loans”) to American National Bank and Trust Company of Chicago (the “Trustee”), not personally, but solely as Trustee under a Trust Agreement dated April 1, 1985, and known as Trust Number 63906 (the “Trust Agreement”), and Union Square Limited Partnership, the sole beneficiary under the Trust Agreement (the “Owner”; the Trustee and the Owner are sometimes collectively referred to in this Resolution as the “Borrower”), for the acquisition, rehabilitation and permanent financing of a 284 unit multifamily housing development located at 902 South 25th Street, Springfield, Illinois (the “Development”). The Loans are presently subordinate to a first mortgage loan insured by the U.S. Department of Housing and Urban Development (“HUD”) and made by Wells Fargo (“Senior Lender”) in the principal sum of \$2,957,758. The Authority has previously allocated federal tax credits in amount of \$840,958 (the “Federal Tax Credits”) to the Owner. The Borrower desires to convert up to one hundred forty (140) two-bedroom duplex units into seventy (70) four-bedroom single family home units (the “Unit Conversion”) for the purpose of improving the Development’s

marketability and sustainability. The Borrower desires that the Authority consent to the Unit Conversion and amend the loan documents to reflect the new total unit count and the adjusted affordability restrictions (the "Amendment"). The Owner has previously received an opinion letter from DLA Piper LLP (the "Opinion Letter") that states that the Unit Conversion should not jeopardize the eligibility to claim any remaining Federal Tax Credits and should not cause a recapture. Mr. Von Battles stated that the Loan Committee has reviewed the Borrower's request and has recommended that the Authority consent to the Unit Conversion and the Amendment on the condition of receiving consent for the Unit Conversion from Senior Lender, HUD and the Owner's limited partner and obtaining the Opinion Letter addressed to the Authority. Ms. Von Battles recommended the Members' approval of the Resolution.

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

10-IHDA-030

Executive Director Materre introduced Item 13 on the Agenda: Resolution Authorizing a Listing Agreement for Boulevard Manor (HTF-1176).

Mr. Hernandez stated that the Authority has previously made a first mortgage loan in the amount of \$1,000,000 to Wanda and Martin Grant, d/b/a Grant and Associates (the "Former Owner") for the acquisition, rehabilitation and permanent financing of two buildings located at 1338 South Albany and 1246 South Lawndale in Chicago, Illinois (the "Development"). The Authority has a mortgage lien and there is no other outstanding indebtedness. The Authority filed a foreclosure action against the Former Owner and on April 20, 2009 a sheriff's sale of the Development (the "Sale") was held. Mr. Hernandez stated that the Authority was the high bidder at the Sale with a bid of \$210,000. Pursuant to the Sale, a Judicial Sale Deed for each building was conveyed to the Authority by the Judicial Sales Corporation as the selling officer for the court. The Authority needs the services of a licensed real estate broker to facilitate the sale of the Development (the "Services"); and has been determined that Building #1 Realty Services Inc. (the "Broker") is best able to provide the Services consistent with the Authority's needs. Pursuant to the small purchase provision of the Illinois Procurement Code, 30 ILCS 500/20-20, the Authority desires to enter into a listing agreement with the Broker to provide the Services; provided however, that (i) the listed sale price shall be \$200,000; and (ii) the Broker's commission shall be six percent (6%) of the gross negotiated sales price. Mr. Hernandez 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 Vice-Chairman Barker, Ms. Davis, Mr. Gardner, Ms. Kane and Mr. Lampros.

Presentation 1 For Presentation 1, Finance Committee Report, Vice-Chairman Barker recommended the Members' approval of the Minutes from the January 22, 2010, Finance Committee meeting.

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

Presentation 2 For Presentation 2, Multifamily Status Report as of January 31, 2010. Vice-Chairman Barker referred the Members to the Board materials.

Presentation 3 For Presentation 2, Audit Committee Report, Vice-Chairman Barker recommended the Members' approval of the Minutes from the November 20, 2009, Audit Committee meeting.

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

Executive Director Materre highlighted a number of successfully closed projects in timely manner. Ms. Matterre stated that Illinois had closed 20 projects with \$71 million in TCAP funds and \$44 million in 1602 funds, resulting in \$230 million in construction and 1,081 new units of affordable housing. Ms. Materre congratulated staff for a job well done and lot of hard work.

Vice-Chairman Barker invited Geoff Proulx from Morgan Stanley to give a short review on the housing market and interest rates.

Ms. Kenney stated that certain provisions of Public Act 96-0555 concerning the State's "revolving door" prohibition require that the Governor adopt a policy listing all positions under his jurisdiction and control that by the nature of the position's duties may have the authority to participate personally and substantially in the award of State contracts or

in State regulatory or licensing decisions. Since the Members are listed as part of this policy, Ms. Kenney provided the Notice and Acknowledgment of Receipt of Public Act 96-0555 Revolving Door Provisions for the Members' signature.

There being no further business, Vice-Chairman Barker adjourned the meeting at 10:42 a.m.