

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

April 17, 2009

Pursuant to notification given April 10, 2009, the Members of the Illinois Housing Development Authority met for a regular meeting at 9:30 a.m., local time, April 17, 2009, 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
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
Barbara Manning	Chief 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	Finance and Development
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:

Geoff Proulx

Morgan Stanley

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

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

Dana Bunting

Goldman Sachs

Margaret Guarino

Bank of the America

Elizabeth May

JP Morgan Chase

With a quorum consisting of Vice-Chairman Barker, Ms. Davis, Ms. Kane, Mr. Kochan and Mr. Lampros being present, Vice-Chairman Barker called the meeting to order at 9:35 a.m.

09-IHDA-035 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 March 20, 2009.

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

09-IHDA-036 Executive Director Forney introduced Item 2 on the Agenda: Resolution Authorizing an Amendment with respect to certain Sponsors of Prior Resolution Authorizing Provision of Funds for Trust Fund Home Modification Program (STF-2761 thru 2773) under the Illinois Affordable Housing Program.

Mr. Smirniotis stated that the Resolution requests an amendment with respect to certain sponsors of a prior resolution authorizing the provision of funds for the Trust Fund Home Modification Program. Two sponsors have requested additional time to complete their projects. Both sponsors were initially granted one year to expend their funds. The first is Access Living of Metropolitan Chicago which had an initial closing on May 1, 2008 for \$220,000. The extension was requested due to the unexpected deaths of four clients. This slowed their implementation and required them to identify additional clients for the project. The second request is from Western Egyptian Economic Opportunity Council which had an initial closing on March 24, 2008 for \$165,000. The extension was requested due to a delay in the completion of roof work due to weather conditions. The work on both projects is anticipated to be complete by June 30th. Mr. Smirniotis suggested an extension to September 30, 2009, and 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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-037

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

Ms. Bilger stated that by Resolution No. 2009-IHDA-003 (the "Prior Resolution"), the Authority authorized the making of grants from the Homebuyer Assistance Program in a total amount not to exceed \$8,200,000 to the entities identified in Exhibit A attached the Resolution (collectively, the "Recipients") to cover certain administrative costs of the Recipients and to make HOME Loans in connection with proposed housing projects to be acquired and/or rehabilitated for low income households (collectively, the "Projects"). Nine of the Recipients were designated as a Community Housing Development Organization ("CHDO") to receive HOME funds allocated pursuant to 24 CFR 92.300 regarding use of HOME funds for investment in housing by CHDOs ("CHDO Set-Aside"). As a result of technical assistance review in March of 2009, an alternative structure has been recommended regarding the requisite activities undertaken by the CHDOs in order to qualify for CHDO Set-Aside funds. Ms. Bilger stated that the Authority desires to explore modifications to the existing Homebuyer Assistance Program to further expand the capacity for CHDOs in homeownership and single family development and to create an even greater impact on the development of affordable housing in Illinois. The Authority recommends that funding of the projects approved by the Prior Resolution be limited to a one year period, rather than a two year period, and that funding levels be reduced by approximately one-half of the amounts anticipated by the Prior Resolution. The Loan Committee has reviewed and revised funding amounts and has recommended that the total amount of the grants be reduced to an amount not to exceed \$4,300,000. The Loan Committee also recommended that the initial closing date for the Projects be extended to October 31, 2009. Ms. Bilger 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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-038A

Executive Director Forney introduced Tab A under Item 4 on the Agenda: Resolution Authorizing State Tax Credits (STC-10102-09) for Live Work Rock Island, Phase V, Rock Island, IL.

Ms. Poole stated that the Rock Island Economic Growth Corporation has applied to the Authority for State Tax Credits in connection with the

project known as Live Work Rock Island, Phase V, described in Exhibit A attached to the Resolution. The sponsor has provided down payment assistance, closing cost assistance and homeownership counseling along with covering the first year of homeowner's insurance to 37 homebuyers/employees who live in Rock Island. Ms. Poole recommended the Members' approval of State Tax Credits in the amount of \$119,360.

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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-038B

Executive Director Forney introduced Tab B under Item 4 on the Agenda: Resolution Amending Resolution No. 2008-IHDA-195I, Authorizing Forward Commitment of Federal Tax Credits for Disaster Relief (DTC-10036-09) for Thomas Place Fox Lake, Fox Lake, IL.

Ms. Tucciarelli stated that the President of the United States declared 18 Illinois counties as federal disaster areas on June 24, 2008 due to severe flooding caused by Hurricane Ike (the "Affected Counties"); the Affected Counties are set forth in Exhibit A attached to this Resolution. The Emergency Tax Extenders and Alternative Minimum Tax Relief Act of 2008 (public law number 110-343) provides for a per capita allocation of \$8 in Federal Tax Credits based on the population of the Affected Counties (the "2008 Illinois Disaster Tax Credits"). The 2008 Illinois Disaster Tax Credits total \$12,122,168. Pursuant to Resolution No. 2008-IHDA-195I, the Authority made a forward reservation of 2009 Illinois Disaster Tax Credits to TPA Fox Lake, L.P. (the "Sponsor") in connection with the acquisition, new construction and permanent financing of a multifamily housing development (the "Project") with a common address of 100 S. Route 12, Fox Lake, Illinois (the "Current Site"). Due to certain issues between the owners of the Current Site, the Sponsor has determined that completion of the Project at the Current Site would be severely delayed and the Sponsor has requested a modification, pursuant to Section III.3 of the Authority's Qualified Allocation Plan (the "QAP") governing the allocation of tax credits, and desires to continue with the Project at a new location with a common address of Route 134 and Nippersink Road, Fox Lake, Illinois (the "New Site"), which is located on the real estate described in Exhibit B attached to this Resolution. Pursuant to Section III.3 of the QAP, the Sponsor has requested that the Authority issue a forward reservation of 2009 Illinois Disaster Tax Credits in the amount of \$2,415,464 to the Sponsor for the Project at the New Site. Ms. Tucciarelli 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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-039

Executive Director Forney introduced Item 5 on the Agenda: Resolution Authorizing a Grant (HTF-10003-01) and a Loan (HTF-10003-02) for The Corporation for Supportive Housing Illinois Supportive Housing Institute under the Illinois Affordable Housing Trust Fund Program (Amending Resolution No. 2008-IHDA-196H).

Mr. Rogers stated that by Resolution No. 2008-IHDA-196H (the "Prior Resolution"), the Authority had previously authorized the making of a grant (the "Grant") from the Trust Fund Program in the amount of \$500,000 to Corporation for Supportive Housing to build and improve the capacity of third party organizations to develop affordable special needs housing. The Sponsor has requested that the Grant instead be made in the form of a Trust Fund Loan and a Trust Fund Grant in the amount of \$150,000 and \$350,000 respectively. Mr. Rogers 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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-040

Executive Director Forney introduced Item 6 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 provides for periodic ratification of all financial management transactions made pursuant to the policy. A summary of the Transactions made during the period from January 1, 2009 to March 31, 2009 is attached to this Resolution as Exhibit A. Ms. Whitney recommended the members' ratify the Resolution.

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

09-IHDA-042

Executive Director Forney introduced Item 7 on the Agenda: Resolution Authorizing the Substitution of Collateral for St. James Senior Estates (AMB and HTF-2243).

Mr. Von Battles stated that the Authority has previously made two (2) mortgage loans to Crete Senior Housing, LLC, an Illinois limited liability company (the "Owner"), as follows: (i) a loan from the AMBAC Program in the original principal amount of \$1,739,000 (the "AMBAC Loan") and (ii) a loan from the Trust Fund Program in the original principal amount of \$1,111,000. The proceeds of both loans were used to finance the acquisition, construction and permanent financing of a multifamily housing development commonly known as St. James Senior Estates, located in Crete, Illinois (the "Development"). An entity controlled by the Owner desires to construct a forty-five (45) unit multifamily housing development on real estate it owns adjacent to the Development (the "Crete Phase II Project"); the Authority has allocated Federal Tax Credits to the Crete Phase II Project, pursuant to Resolution No. 2008-IHDA-111E, and the Authority may provide additional financing to the Crete Phase II Project. To meet the City of Crete's zoning setback requirements for the Crete Phase II Project, the Owner desires to deed a certain portion of the undeveloped real estate along the north property line of the Development to the Crete Phase II Project in exchange for an approximately equal parcel of real estate along same property line. As a result, the net acreage of the Development will remain approximately the same and there will be no other adverse impact on the Development. Mr. Von Battles 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, Ms. Kane, Mr. Kochan and Mr. Lampros

09-IHDA-043

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 March 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"). 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 Mr. Kochan and seconded by Ms. Davis; the Resolution was adopted by the affirmative votes of Vice-Chairman Barker, Ms. Davis, Ms. Kane, Mr. Kochan and Mr. Lampros

09-IHDA-044 Executive Director Forney introduced Item 9 on the Agenda: Resolution Authorizing Execution of Single Family Mortgage Purchase Agreements with Additional Financial Institutions.

Mr. Smirniotis stated that by Resolution No. 2008-IHDA-046, the Authority entered into an agreement (the "Agreement"), as set forth in Exhibit A attached to this Resolution, with financial institutions participating in the Homeowner Mortgage Revenue Bond Program in order to purchase single family mortgage loans (the "Mortgages Loans"). The Authority desires to continue to purchase the Mortgage Loans and desires to enter into the Agreement with the additional financial institutions as set forth in Exhibit B attached to this resolution. Mr. Smirniotis recommended the Members' approval of the Resolution.

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

09-IHDA-045 Executive Director Forney introduced Item 10 on the Agenda: Resolution Authorizing an Agreement with Benedict Group, Inc.

Mr. O'Callaghan stated that pursuant to Resolution No. 2008-IHDA-105, the Authority has previously entered into an agreement with the Benedict Group, Inc. (the "Vendor") for support of certain loan servicing software (the "Software"), which expires on June 30, 2009. The Authority has a continuing need for the Software and has determined it is necessary to enter into a new agreement with the Vendor (the "New Agreement"). The Authority desires to enter into the New Agreement with the Vendor for the one (1) year period from July 1, 2009 to June 30, 2010 at a fee not to exceed \$50,000. Mr. O'Callaghan 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, Ms. Kane, Mr. Kochan and Mr. Lampros.

09-IHDA-046 Executive Director Forney introduced Item 11 on the Agenda: Resolution Authorizing an Agreement with The Mitas Group, Inc.

Mr. O'Callaghan stated that by Resolution No. 2008-IHDA-68, the Authority has previously entered into an agreement with the Mitas Group, Inc. (the "Vendor") for support of certain loan servicing software (the

“Software”), which expires on June 30, 2009. The Authority has a continuing need for the Software and has determined it is necessary to enter into a new agreement (the “New Agreement”) with the Vendor. The Authority desires to enter into the New Agreement with the Vendor for the one (1) year period from July 1, 2009 to June 30, 2010 at a fee not to exceed \$75,000. Mr. O’Callaghan recommended the Members’ approval of the Resolution.

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

Presentation 1 For Presentation 1, Finance Committee Report, Mr. Barker recommended the Members’ approval of the minutes from the March 20, 2008, Finance Committee meeting.

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

Presentation 2 For Presentation 2, Multifamily Status Report as of March 31, 2009. Vice-Chairman Barker referred the Members to the Board materials.

Presentation 3 For Presentation 3, Asset Management Committee Minutes, Mr. Lampros recommended the Members’ approval of the minutes from January 16, 2009 Asset Management Committee meeting.

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

Presentation 4 For Presentation 4, Vice-Chairman Barker referred the Members to the Board materials for follow up information regarding a resolution presented at the March 20, 2009 meeting, Resolution N0. 2009-IHDA-031.

Vice-Chairman Barker introduced Jeff Gerts from JP Morgan who gave a short market report.

Vice-Chairman Barker moved that the Board retire immediately to a closed session pursuant to Section 2(c)(1),(5), (6) and (7) of the Opening Meetings Act to discuss the following subjects: compensation, sale/purchase of real estate, sale/purchase of securities. Mr. Kochan seconded the motion, voting was done by a roll-call vote, and the Board approved the motion by the affirmative votes of Vice-Chairman Barker, Ms. Davis, Ms. Kane, Mr. Kochan and Mr. Lampros.

There being no further business, Vice-Chairman Barker adjourned the meeting at 10:58 a.m. to the closed session. The closed session adjourned at 11:57 a.m.