

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

February 21, 2018

Pursuant to notification given February 16, 2018, the Members of the Illinois Housing Development Authority (the “Authority”) met for a regularly scheduled meeting on February 21, 2018, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

Those present (unless otherwise noted below as absent):

BOARD:

King Harris	Chairman
Karen Davis	Vice Chairperson
Lorraine Hocker	Member
Mary Kane	Member/Treasurer
Luz Ramirez	Member
Alyssa Rapp	Member
Sam Tornatore	Member/Secretary (absent)

STAFF:

Audra Hamernik	Executive Director
Debbie Olson	Chief of Staff/Assistant Executive Director
Maureen Ohle	General Counsel
Nandini Natarajan	CFO
Colleen Synowiecki	Executive Coordinator
Scot Berkey	Chief Operating Officer
Vanessa Boykin	Comptroller
Deb Erickson	Director, Operational Excellence
Jim Clark	Director, External Affairs
Christine Moran	Managing Director, Multifamily Financing
Peter Sellke	Director, Hardest Hit Fund
Tim Veenstra	Director, Asset Management
Walden Swenson	Director, Communications
Michelle Adams	Director, Administrative Services
Michael Ansani	Asset Management
Samuel Brennan	Multifamily Financing
Jamie Campbell	Multifamily Financing
John Chung	Finance
Monica Enriques	Community Affairs
Frostine Holmes	Multifamily Financing
Adam Kroshus	Multifamily Financing
Claudia Montoya	Multifamily Financing

GUESTS:

Paul Haley	Barclay
Phil Rooney	Barclays
Natalie Moretz	Citi
Nick Balbrano	Mayer Brown
Bob Cofelli	Zions Bank
Barbara Feldman	BAML
Susan Jun	Morgan Stanley

Jeff Proulx	Morgan Stanley
Patrice Mitchell	Wells Fargo
Kevin Barrey	Kutak Rock
Michael Baumrin	RBC
Bob foggio	Jefferies
John Germain	Jefferies
Chris Spelbring	Raymond James
Brad Scott	Raymond James
Ngozi O’Korator	Governor’s Office
Gary Gorman	Gorman & Co.
Debbi Albicht	Fox Valley Habitat
Nicole Murray	Will County Habitat
Richard Monocchio	HACC
Gene Calue	HACC
Dischard Gray	HACC
Alesia Hushaw	HACC
Michael Hudson	Dominium
J. Roberts	AHDVS
Sara Brackle Wagner	SBW Solutions
Ruby Revels	FVHFH

I. Opening

- A. With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp. Chairman Harris called the meeting to order at 11:00 a.m.
- B. A roll call was taken.
- C. Executive Director Hamernik announced the rapid results projects for the month of February. Barbara Hendrix was acknowledged for her project idea.
- D. Chairman Harris asked if anyone wanted to make any public comments. Richard Monocchio from the Cook County Housing Authority thanked the staff for their dedication.

II. Consent Agenda:

Chairman Harris noted that there were five (5) Resolutions on the consent agenda. He asked the Members if anyone had comments or wanted to remove any resolution from the consent agenda. The Members had no comments.

A motion to adopt the Consent Agenda Resolutions was made by Ms. Ramirez and seconded by Ms. Kane and the five (5) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

A. Minutes

1. 2018-IHDA-015: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority held on January 19, 2018.

B. Procurement Contracts

1. 2018-IHDA-016: Resolution Amending Contract with Korn/Ferry International.
2. 2018-IHDA-017: Resolution Authorizing Lease of Multi-Functional Devices from Xerox.

C. General Administrative Matters

1. 2018-IHDA-018: Resolution Ratifying Establishment of Loan Loss Reserve.

D. Multifamily Transactions

1. 2018-IHDA-019: Resolution Authorizing the Return of 2016 Federal Tax Credits and the Extension of the Commitment Expiration Date of a Credit Advantage/FFB Risk Sharing Permanent Loan for Garfield School Senior Residences.

III. Chairman Harris indicated that the Additional Resolutions noted on the Agenda would now be discussed.

A. Multifamily Transactions

1. 2018-IHDA-020: Resolution Authorizing State Tax Credits for Working Families Rebuilding Neighborhoods Phase II.

Mr. Brennan stated that the Authority is the low income housing tax credit agency for the State of Illinois (“State Tax Credit Agency”) and the IHDA Act designates the Authority as the low income housing tax credit agency for the State of Illinois (“Federal Tax Credit Agency”) to allocate federal low income housing tax credits (“Federal Tax Credits”).

He then stated that the Fox Valley Habitat for Humanity has applied to the Authority for FY18 State Tax Credits in the amount of 185,401, in connection with the acquisition, construction and permanent financing of three vacant lots located in Aurora, as described in Exhibit A attached to the Resolution and to be known collectively as Working Families Rebuilding Neighborhoods Phase II.

A motion to approve the Resolution was made by Ms. Rapp and seconded by Vice Chairperson Davis; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

2. 2098-IHDA-021: Resolution Authorizing State Tax Credits for Building Strong in Will County.

Mr. Brennan stated that the Will County Habitat for Humanity has applied to the Authority for FY18 State Tax Credits in the amount of 257,935, in connection with the acquisition, rehabilitation and permanent financing of three vacant lots located in Crest Hill and Joliet, as described in Exhibit A attached to the Resolution and to be known collectively as Building Strong in Will County.

A motion to approve the Resolution was made by Vice Chairperson Davis and seconded by Ms. Kane; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

3. 2018-IHDA-022: Resolution Authorizing State Tax Credits for Bristol Place Residences.

Ms. Montoya stated that the Bristol Place Residences, LP has applied to the Authority for FY18 State Tax Credits in the amount of 1,344,500, in connection with the acquisition, construction and permanent financing of a housing development located in Champaign, as described in Exhibit A attached to the Resolution and to be known as Bristol Place Residences.

A motion to approve the Resolution was made by Ms. Kane and seconded by Ms. Hocker; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

B. Multifamily/Finance Transactions

Mr. Kroshus presented the Multifamily portion of the following Resolutions:

1. Golden Towers I & II/Juniper Tower

- a. 2018-IHDA-023: Resolution Authorizing Conduit Loan for Golden Towers I & II and Juniper Tower.

Mr. Kroshus stated that Authority acquires funds to make loans (individually, a “Conduit Loan”) for affordable housing developments through the issuance of tax-exempt multifamily mortgage revenue notes (each, a “Note”); immediately upon the closing of a Conduit Loan, such Conduit Loan is assigned to a third party, to be determined on or before the closing date of such Conduit Loan.

He then stated that Southern County Community Housing, LLC has requested that the Authority make a Conduit Loan in an amount not to exceed \$15,000,000.00 for the acquisition, rehabilitation and permanent financing of two multifamily housing developments located in Chicago Heights and Park Forest, described in Exhibit A attached to the Resolution and known as Golden Towers I & II and Juniper Tower.

A motion to approve the Resolution was made by Vice Chairperson Davis and seconded by Ms. Kane; and the motion was adopted by the affirmative votes of

Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

2. Richard Flowers Homes

- a. 2018-IHDA-025: Resolution Authorizing Conduit Loan and State Tax Credits for Richard Flowers Homes.

Mr. Kroshus stated that the Richard Flowers Community Housing, LLC has requested that the Authority make a Conduit Loan in an amount not to exceed \$12,000,000.00 and for FY18 State Tax Credits in the amount of 610,300 in connection with the acquisition, rehabilitation and permanent financing of a multifamily housing development known as Richard Flowers Homes (“Development”).

A motion to approve the Resolution was made by Ms. Kane and seconded by Vice Chairperson Davis; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

3. Edward Brown & Turlington West

- a. 2018-IHDA-027: Resolution Authorizing Conduit Loan and Modification of HOME Loan Repayment Terms for Edward Brown Apartments and Turlington West Apartments.

Mr. Kroshus stated that the Authority administers the HOME Investment Partnerships Program (“HOME Program”) in Illinois.

He then stated that the South Suburban Senior Living, LLC (“Owner”) has requested that the Authority make a Conduit Loan in an amount not to exceed \$17,000,000.00 for the acquisition, rehabilitation and permanent financing of two multifamily housing developments located in Robbins/Harvey, as described in the summary of the Development (“Summary”) attached to the Resolution and known as Edward Brown Apartments & Turlington West Apartments (collectively the “Development”).

He further stated that pursuant to Resolution No. 2017-IHDA-296 (“Prior Resolution”) the Authority was authorized to make a second position loan to the Owner under the HOME Program in an amount not to exceed \$4,088,707.00 (the “HOME Loan”) in connection with the financing of the Development. The Owner has requested the repayment terms of the HOME Loan be changed from previously approved annual hard debt payment to an annual surplus cash payment in accordance with the terms described in the Summary attached to this Resolution.

A motion to approve the Resolution was made by Vice Chairperson Davis and seconded by Ms. Hocker; and the motion was adopted by the affirmative votes of

Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

Mr. Chung presented the Finance portion of the following resolutions:

1. Golden Towers I & II/Juniper Tower

- b. 2018-IHDA-024: Resolution Authorizing the Issuance of Not to Exceed \$15,000,000 Aggregate Principal Amount of Multifamily Mortgage Revenue Note, 2018 Series A.

Mr. Chung stated that this Resolution authorizes the issuance by Authority of not to exceed \$15,000,000 in aggregate principal amount of its Multifamily Mortgage Revenue Note, 2018 Series A (Golden Towers I & II and Juniper Tower) (the "Note"). This Resolution also authorizes the Authority to enter into a Funding Loan Agreement and a Borrower Loan Agreement.

He then stated that the Note would be issued to provide funds to be applied to make a loan to Southern County Community Housing, LLC (the "Borrower"), to finance the acquisition and rehabilitation of Golden Towers I & II and Juniper Tower, containing a total of 233 units located at 1704/1706 East End Avenue, Chicago Heights, Illinois 60411 (Golden Towers I & II) and 350 Juniper Street, Park Forest, Illinois 60466 (Juniper Tower). The Note will be purchased directly by BMO Harris Bank N.A., or an affiliate thereof. The Note will be issued with interest rates and a final maturity date to be established in the Funding Loan Agreement and the Borrower Loan Agreement. The Note will be a special limited obligation and will not be a general obligation of the Authority.

He further stated that this is a delegation Resolution. Issuance of the Note will require the use of volume cap in an aggregate amount not to exceed \$15,000,000. Such volume cap will be allocated to the Note by the Authority.

2. Richard Flowers Homes

- b. 2018-IHDA-026: Resolution Authorizing the Issuance of Not to Exceed \$12,000,000 Aggregate Principal Amount of Multifamily Mortgage Revenue Note, 2018 Series C.

Mr. Chung stated that this Resolution authorizes the issuance by the Authority of not to exceed \$12,000,000 in aggregate principal amount of its Multifamily Mortgage Revenue Note, 2018 Series C (Richard Flowers Homes) (the "Note"). This Resolution also authorizes the Authority to enter into a Funding Loan Agreement and a Borrower Loan Agreement.

He then stated that the Note would be issued to provide funds to be applied to make a loan to Richard Flowers Community Housing, LLC (the "Borrower"), to finance the acquisition and rehabilitation of Richard Flowers Homes, containing a total of

100 units located at 13900 South Grace Avenue, Robbins, Illinois. The Note will be purchased directly by BMO Harris Bank N.A., or an affiliate thereof. The Note will be issued with interest rates and a final maturity date to be established in the Funding Loan Agreement and the Borrower Loan Agreement. The Note will be a special limited obligation and will not be a general obligation of the Authority.

He further stated that this is a delegation Resolution. Issuance of the Note will require the use of volume cap in an aggregate amount not to exceed \$12,000,000. Such volume cap will be allocated to the Note by the Authority.

3. Edward Brown & Turlington West

- b. 2018-IHDA-028: Resolution Authorizing the Issuance of Not to Exceed \$17,000,000 Aggregate Principal Amount of Multifamily Mortgage Revenue Note, 2018 Series B.

Mr. Chung stated that this Resolution authorizes the issuance by the Illinois Housing Development Authority (the "Authority") of not to exceed \$17,000,000 in aggregate principal amount of its Multifamily Mortgage Revenue Note, 2018 Series B (Edward Brown and Turlington West) (the "Note"). This Resolution also authorizes the Authority to enter into a Funding Loan Agreement and a Borrower Loan Agreement.

He then stated that the Note would be issued to provide funds to be applied to make a loan to South Suburban Senior Living, LLC, an Illinois limited liability company (the "Borrower"), to finance the acquisition and rehabilitation of Edward Brown and Turlington West, containing a total of 223 units located at 3210 W. 139th Street, Robbins, Illinois (Edward Brown) and 15306 Robey Avenue, Harvey, Illinois (Turlington West). The Note will be purchased directly by BMO Harris Bank N.A., or an affiliate thereof. The Note will be issued with interest rates and a final maturity date to be established in the Funding Loan Agreement and the Borrower Loan Agreement. The Note will be a special limited obligation and will not be a general obligation of the Authority.

He further stated that this is a delegation Resolution. Issuance of the Note will require the use of volume cap in an aggregate amount not to exceed \$17,000,000. Such volume cap will be allocated to the Note by the Authority.

A motion to approve Resolutions 2018-IHDA-024, 2018-IHDA-026 and 2018-IHDA-028 was made by Ms. Rapp and seconded by Ms. Kane; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

C. Community Affairs Matters

1. 2018-IHDA-029: Resolution Authorizing the Authority to Enter into Agreements with Grantees in Connection with the Land Bank Capacity Program.

Ms. Enriquez stated that Attorney General Lisa Madigan (the “AG”), in conjunction with other state attorney general, the U.S. Department of Justice and the U.S. Department of Housing and Urban Development, secured a settlement with the nation’s largest banks that has provided \$25 billion in assistance to homeowners harmed by fraudulent foreclosure and mortgage servicing practices. The AG dedicated approximately \$70 million in funding from the national foreclosure settlement for housing counseling services and relief efforts for Illinois communities fraught with vacant and abandoned properties that have been hardest hit by foreclosure. On December 21, 2012, the AG released the National Foreclosure Settlement Awards Counseling and Community Revitalization Request for Qualifications and Proposals (the “RFQ/P”); the Authority submitted a response to the RFP/Q and on July 17, 2013, the Authority was awarded \$2,500,000 (the “Funds”) under the RFQ/P as described in more detail in Exhibit A attached to the Resolution.

She then stated that pursuant to Resolution No. 2017-IHDA-321 (the “Prior Resolution”), the Authority was authorized to enter into a distribution agreement with the State, as represented by the AG, in order to memorialize the Authority’s receipt and use of the Funds, and on September 7, 2017, the Authority entered into such Distribution Agreement (“Distribution Agreement”). Pursuant to the Prior Resolution, the Authority issued a request for applications in order to distribute: (i) up to \$1,650,000.00 of the Funds for the creation and operation of land banks to revitalize affordable housing; and (ii) up to \$150,000.00 of the Funds to create a technical assistance network to help build capacity and sustainability of communities and land banks (collectively, the “Land Bank Capacity Program”).

She further stated that the Authority will enter into grant agreements with qualified applicants (“Grantees”) to use the proceeds of the Funds for such eligible uses under the Land Bank Capacity Program as more fully described in the Summary attached to the resolution.

Chairman Harris stated it will be an interesting effort. He mentioned the success that Cook County Land Bank and South Suburban Land Bank have had.

A motion to approve the Resolution was made by Ms. Rapp and seconded by Ms. Hocker; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

D. Asset Management Transactions

1. 2018-IHDA-030: Resolution Authorizing a Transfer of Physical Assets and Assignment and Assumption of HOME Loan and FAF Loan for Turnberry Village II.

Mr. Ansani stated that on June 1, 2003, the Authority provided the following financing to TVA II, L.P. (the “Owner”) for the acquisition, construction and permanent financing of a multifamily housing development commonly known as Turnberry Village II located in Bloomington, Illinois (the “Development”): (i) a first position mortgage loan in the

original principal amount of \$5,230,000.00 (the “AMBAC Loan”); (ii) a second position mortgage loan in the original principal amount of \$3,072,768.00 (the “HOME Loan”); (iii) a third position mortgage loan in the original principal amount of \$1,376,054.00 (the “FAF Loan” together with the HOME Loan are collectively the “Junior Loans”); and (iv) allocated federal low income housing tax credits (“Tax Credits”).

He then stated that the HOME Loan is evidenced by a Promissory Note dated as of June 1, 2003 and modified on September 30, 2011 (the “HOME Note”), secured by a Second Mortgage, Security Agreement and Collateral Assignment of Rents and Leases dated as of June 1, 2003 (the “HOME Mortgage”), and governed by a Regulatory and Land Use Restriction Agreement dated as of June 1, 2003 and modified on September 30, 2011 (the “HOME Regulatory Agreement” together with the HOME Note and the HOME Mortgage are collectively the “HOME Loan Documents”), the FAF Loan is evidenced by a Mortgage Note dated as of June 1, 2003 (the “FAF Note”), secured by a Junior Mortgage, Security Agreement and Assignment of Rents and Leases dated as of June 1, 2003 (the “FAF Mortgage”), and governed by a Regulatory and Land Use Restriction Agreement dated as of June 1, 2003 (the “FAF Regulatory Agreement” together with the FAF Note, the FAF Mortgage and the HOME Loan Documents are collectively the “Junior Loan Documents”) and the allocation of Tax Credits is evidenced by the Low Income Housing Tax Credit Extended Use Agreement dated as of June 1, 2003 (the “EUA”).

He further stated that the Owner desires to refinance the AMBAC Loan with a new first position mortgage loan from CIBC Bank USA in the amount of \$2,202,617.00 (“CIBC Loan”); subordinate the Junior Loans to the CIBC Loan; and transfer 100% of its ownership interests in the Development to an entity that will be owned or controlled by Bloomington Leased Housing Associates VI, LLC (“New Owner”) and the New Owner desires to assume all of the obligations of the Owner under the Junior Loans, Junior Loan Documents and the EUA (collectively the “Transfer and Assumption”), all as more fully described in the summary of the Development (“Summary”) attached to the Resolution.

Ms. Rapp asked if this development will have a new owner. Mr. Ansani stated that it does.

A motion to approve the Resolution was made by Mr. Ramirez and seconded by Ms. Hocker; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

E. Information Technology Matters

1. 2018-IHDA-031: Resolution Authorizing the Contract for Services and Equipment in Connection with Data Backup Strategy.

Mr. Berkey stated that due to the growth of the Authority, has determined that it needs the following: 1) an assessment of the Current Backup Strategy with detailed proprietary engineering designs and recommendations for improvement (“Assessment”) and 2) to purchase equipment and support services as specified by the Assessment (“Equipment”)

for the purpose of implementing a new data backup strategy (“New Backup Strategy”). He then explained that pursuant to the Illinois Procurement Code, 30 ILCS 500/1 et. seq. (“Procurement Code”) the Authority pursued an emergency procurement to enter into an emergency contract with Dell Marketing LP (“Dell”) due to the urgency to establish the New Backup Strategy (“Emergency Agreement”).

Mr. Berkey requested approval to enter into the Emergency Agreement to have Dell provide the Assessment and to purchase the Equipment from Dell for the period of February 21, 2018 through May 22, 2018 (“Emergency Agreement Term”) at a total cost not to exceed \$800,000.00 based on the estimates provided on Exhibit A attached to the Resolution.

Ms. Rapp stated that this is a necessary step for the Authority. She said in the past, portions of the IT budget have not been used so there is room for the expense. Chairman Harris stated that this is just the first step and there will be more to come.

A motion to approve the Resolution was made by Ms. Rapp and seconded by Ms. Ramirez; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

IV. Committee Minutes

- A. Finance Committee Report, Ms. Kane introduced the Finance Committee Report from the February 21, 2018 meeting. Ms. Kane recommended the Members’ approval of the minutes from the January 19, 2018 Finance Committee meeting.

A motion to approve the Resolution was made by Ms. Kane and seconded by Ms. Rapp; and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez and Ms. Rapp.

V. Chairman Harris referred the Members to the electronic Board book material for the Committee Materials:

- A. IHDA Finance Committee January 19, 2018 Meeting Agenda & Materials.

VI. Written Reports:

Chairman Harris referred the Members to the electronic Board book material for the following reports: Hardest Hit Fund, Authority Financial Statements, Contract List, IHDA Investment Portfolio, Communications, External Relations and Legislative Affairs.

VII. Adjournment: The meeting adjourned at 11:23 a.m. Chairman Harris stated that the 2018 Annual Governors Conference will begin shortly over at the Hyatt Regency.