

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

January 20, 2017

Pursuant to notification given January 18, 2017, the Members of the Illinois Housing Development Authority (the “Authority”) met for a regular scheduled meeting on January 20, 2017, 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
Mary Kane	Member
Harlan Karp	Member
Alyssa Rapp	Member
Sam Tornatore	Member

STAFF:

Audra Hamernik	Executive Director
Debbie Olson	Chief of Staff
Maureen Ohle	General Counsel
Colleen Synowiecki	Executive Coordinator
Kevin O’Connor	Internal Auditor
Christine Moran	Director, Multifamily Financing
Andrew DeCoux	Director, Multifamily Financing
Michelle Adams	Director, Administrative Services
Neil O’Callaghan	Managing Director, Information Technology
Nicki Pecori Fioretti	Director, Community Affairs
Tim Veenstra	Director, Asset Management
Tracy Wortham	Director, Human Resources
Peter Sellke	Director, Hardest Hit Fund
Cami Freeman	Director, Marketing & Communications
John Chung	Assistant Director, Finance Structuring
Andrew Nestlehut	Senior Manager, Investments, Treasury Ops
Claudia Montoya	Multifamily Programs
Michael Ansani	Asset Management
Cheryl Cooper	Asset Management
Robyn Jones	Associate Corporate & Compliance Counsel

GUESTS:

Scott Schmitt	U.S. Bank
Jennifer Fredericks	BNYM
Merci Stahl	BNYM
Natasha Narmoysk	BNYM
Clarence Bourne	Loop Capital
John Janicik	Meyer Brown
Tom Coomes	Citigroup
Caleb Jewell	Applegate

Kevin Barrey	Kutak Rock
David Block	Evergreen
Nicolette Jargens Tammingo	Evergreen
Kevin Bourd	Evergreen
Doug Antonio	Susan Fetserth
Sara Wick	Related
John Gorman	Jefferies
David Petroni	PIRHL
Torian Priestly	IBG
Lisa Mordel	IBG
Eddy Benooit	IBG
David Northern	LCHA

I. Call to Order & Roll Call

With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore, Chairman Harris called the meeting to order at 10:00 a.m. A roll call was taken.

II. Consent Agenda: Chairman Harris noted that there were ten (10) Resolutions on the consent agenda. He asked the Members if anyone had comments or wanted to remove any resolution from the consent agenda.

A motion to adopt the Consent Agenda Resolutions was made by Mr. Tornatore and seconded by Ms. Davis; the ten (10) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

1. Minutes

- A. 2017-IHDA-196: Resolution Approving the Minutes of the Special Meeting of the Members of the Illinois Housing Development Authority held on December 15, 2016.
- B. 2017-IHDA-197: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority held on December 16, 2016.

2. Procurement Contracts

- A. 2017-IHDA-198: Resolution Authorizing Execution of Agreement with National Cinemedia, LLC.
- B. 2017-IHDA-199: Resolution Authorizing the Purchase of Dell Compellent Storage Equipment.

3. General Administrative Matters

- A. 2017-IHDA-200: Resolution Authorizing Repeal of Current Rules and Adoption of New Rules for Access to Public Records of the Illinois Housing Development Authority.
- B. 2017-IHDA-201: Resolution Ratifying Permitted Financial Activities.
- C. 2017-IHDA-202: Resolution Amending Financial Management Policy.
- D. 2017-IHDA-203: Resolution Authority Reaffirmation of the Audit Committee Charter.

4. Other Matters

- A. 2017-IHDA-204: Resolution Authorizing an Extension of the Commitment Expiration Date for Cole Park.
- B. 2017-IHDA-205: Resolution Amending Resolution 2016-IHDA-174, which Amended Resolution 2016-IHDA-086; Resolution Authorizing the Issuance of Not to Exceed \$60,000,000 Multifamily Revenue Bonds, 2016 Series A and 2016 Series B.

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

1. Multifamily Transactions

- A. Executive Director Hamernik introduced the following agenda item: 17-IHDA-206 Resolution Authorizing Tax Exempt Loan, Construction Bridge Loan and FFB Risk Sharing Loan for Oak Tree Towers (PID-11370) Downers Grove, Illinois.

Ms. Montoya stated that the Authority administers the Risk Sharing Program and that the Oak Tree Senior LP (“Owner”) has requested a first position short term tax exempt loan in an amount not to exceed \$23,000,000.00 (“Tax Exempt Loan”) for which the Authority will use funds from sources available to the Authority including, but not limited to (i) proceeds from the incurrence of debt, (ii) sale of the Authority’s housing bonds or (iii) funds from the Authority’s administrative fund; a second position short term taxable loan in an amount not to exceed \$5,000,000.00 (“Taxable Loan”) for which the Authority will use funds from sources available to the Authority including, but not limited to (i) proceeds from the incurrence of debt or (ii) funds from the Authority’s administrative fund; and a permanent loan under the FFB/542(c) Risk Sharing Program in an amount not to exceed \$23,000,000.00 or 87% loan to value, whichever is greater (“FFB Risk Sharing Loan”, together with the Tax Exempt Loan and the Taxable Loan, collectively, the “Loans”); upon completion of the rehabilitation, the FFB Risk Sharing Loan will be the permanent first position loan and will be credit enhanced under the FFB/542(c) Risk Sharing Program, as described in Exhibit A attached to the Resolution.

Ms. Kane stated that the Finance Committee voted to increase the loan amount to \$25,000,000.00.

A motion to amend the Resolution was made by Ms. Kane and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

## 2. Bond Transactions

- A. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-207 Resolution Authorizing the Issuance of Not to Exceed \$23,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Notes, Series 2017 (Oak Tree Towers).

Mr. Chung stated that this Resolution authorizes the issuance by the Authority of not to exceed \$23,000,000 in aggregate principal amount of its Multifamily Housing Revenue Notes, 2017 Series (Oak Tree Towers) (the "Notes"). This Resolution also authorizes the Authority to enter into a Funding Loan Agreement and a Borrower Loan Agreement in substantially the forms attached to this Resolution, setting forth the terms of the Bonds

He then stated that the Notes would be issued to provide funds to be applied to make a loan to Oak Tree Senior LP (the "Borrower"), to finance the acquisition and rehabilitation of the Oak Tree Towers which will then be issued as variable rate Notes . The Bonds will be a special limited obligation and will not be a general obligation of the Authority. She further stated that issuance of the Notes will require the use of volume cap in an aggregate amount not to exceed \$23,000,000 and that this is a delegation Resolution.

Ms. Kane stated that in connection with the prior resolution the Finance Committee voted to increase the loan amount to \$25,000,000.00. Ms. Kane then made a motion to amend the Resolution and the motion was seconded by Mr. Karp; the motion to amend the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

## 3. Asset Management Transactions

- A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-208: Resolution Authorizing a Temporary Replacement of a General Partner for The Glen.

Ms. Cooper stated that on May 22, 2006, the Authority made a first position mortgage loan under the HOME Program to Manteno Limited Partnership ("Owner"), in the original principal amount of \$3,806,000.00 ("HOME Loan"), for the acquisition, construction and

permanent financing of a multifamily housing development known as The Glen in Manteno (“Development”). She then stated that BCCC, Inc., is the special limited partner of Owner (“Special Limited Partner”) and that the Special Limited Partner sent a default letter to the administrative general partner and AHC citing defaults (“LPA Defaults”) under the terms and conditions of that certain limited partnership agreement by and among the Administrative General Partner, AHC, the Limited Partner, and the Special Limited Partner (“LP Agreement”) and the LPA Defaults have not been cured, and the Special Limited Partner, pursuant to the LP Agreement, seeks to remove the administrative general partner. The Owner has requested that the Authority consent to a temporary GP replacement for the administrative general partner for a period of up to one year, until a permanent replacement general partner can be found and, after approval from the Authority, admitted as a general partner under the LP Agreement as described in the summary attached to the Resolution.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- B. Executive Director Hamernik introduced the following agenda item: 16-IHDA-209: Resolution Authorizing a Change in General Partner for Faust Landmark Apartments.

Mr. Ansani stated that on June 30, 2010, the Authority made a third position mortgage loan from the TCAP Program in the original principal amount of \$969,877.00 (“TCAP Loan”); made a fourth position grant from 1602 Funds in the original principal amount of \$646,584.00 (“1602 Grant”) and allocated federal tax credits to Rockford Faust Limited Partnership (“Owner”) for the acquisition, rehabilitation, and permanent financing of a multifamily housing development known as Faust Landmark Apartments. He then stated that AHDF-Rockford Faust G/P, L.L.C., is the general partner of the Owner (“General Partner”) and the General Partner desires to sell its general partner interest in the Owner to Related- Rockford Faust GP, LLC (“New General Partner”). Mr. Ansani then requested the Members approval to the change in general partner from the General Partner to the New General Partner substantially in accordance with the summary attached to the Resolution.

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- C. Executive Director Hamernik introduced the following agenda item: 16-IHDA-210: Resolution Authorizing a Loan Modification for Minerva Place.

Mr. Ansani stated that on May 30, 1996, the Authority made a junior mortgage loan under the Illinois Affordable Housing Program in the original principal amount of \$215,045.00 (“TF Loan”) to Minerva Place, Inc. (“Owner”) for the rehabilitation and permanent financing of the housing development known as Minerva Place located (“Development”). He then stated that pursuant to the terms of the TF Loan, Owner is required to make monthly principal and interest payment in the amount of the \$691.67, with any outstanding balance due on January 1, 2017 (“Maturity Date”). He further stated that the Owner has requested that the Authority modify the TF Loan as follows: (i) extend the Maturity Date to January 1, 2022;

(ii) reduce the interest rate to 0% (from 1%); and (iii) increase the monthly payment to a principal only amount of \$1,317.00, all as more fully described in the summary attached to the resolution.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

#### 4. HHF Matters

- A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-211: Resolution Authorizing the Illinois Housing Development Authority to Enter into Agreements with Sponsors for the Illinois Hardest Hit Fund Reverse Mortgage Assistance Program.

Mr. Sellke stated that the Authority submitted a successful proposal to Treasury for the use of funds allocated to the HHF Program to develop and implement the Illinois Hardest Hit Fund Homeowner Emergency Loan Program (“HHF HELP”) in order to help prevent foreclosures and stabilize housing markets in Illinois. He then stated that the Authority and Treasury entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement, as amended and as may be further amended from time to time (collectively, “HFA Agreement”) and that the Authority is requesting to make certain changes to the terms and conditions of HELP.

Mr. Selke then stated that pursuant to Resolution No. 2016-IHDA-063 and 2016-IHDA-081, the Authority was authorized to enter into agreements to provide certain services for HHF HELP Program (individually, an “Agreement” and collectively, “Agreements”) with the agencies (“Sponsors”) listed in the Resolution. He then stated that pursuant to Resolution No. 2016-IHDA-195, the Authority was authorized to establish and fund the Reverse Mortgage Assistance Program (“RMA Program”) and the Sponsors will assist the Authority in implementing the RMA Program through the screening and presenting to the Authority of eligible borrowers pursuant to the requirements of RMA Program (“Eligible Borrower”) along with supporting documentation and a loan package in compliance with RMA Program (collectively, “Services”), as more fully set forth in the Sponsor Services summary attached to the Resolution (“Summary”) and the Sponsors will receive payment for performance of the Services of approximately \$1,250.00 for each Eligible Borrower submitted to and approved by the Authority (an “Individual Sponsor Payment”).

He also stated that the Authority seeks to amend the Agreements with the Sponsors to add the Services required for the RMA Program (collectively, the “Amendments”) and to make the Individual Sponsor Payment to the Sponsors for such Services.

Out of an abundance of caution Ms. Olson did not participate in the Loan Committee discussion regarding this Resolution.

Ms. Davis asked if these Sponsors were located throughout the state. Mr. Selke stated that they were located mostly in Chicago, but the applications are completed via telephone.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Karp; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

IV. Chairman Harris indicated that the Committee Minutes would now be considered.

1. Finance Committee Report, Ms. Kane presented the Finance Committee Report from the January 20, 2017 meeting. Ms. Kane recommended the Members' approval of the minutes from the December 16, 2016 Finance Committee meeting.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Tornatore; the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

V. 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, and IHDA Investment Portfolio.

VI. Public Comments – other than responses to Member questions during the course of the meeting, no public comments were made.

VII. Adjournment: Chairman Harris adjourned the meeting at 10:17 a.m.