

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
DECEMBER 14, 2018 – BOARD MEETING MINUTES**

Pursuant to notification given at least 48 hours prior to the start of the meeting, the Members of the Illinois Housing Development Authority (the “Authority”) met for a regularly scheduled meeting on December 14, 2018, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

I. Opening

- A. Chairman Harris called the meeting to order at 11:01 a.m.
- B. A roll call was taken by Ms. Synowiecki. With a physical quorum consisting of Chairman Harris, Ms. Kane, Mr. Ramirez, Ms. Rapp and Mr. Tornatore, Chairman Harris called the meeting to order at 11:00 a.m. Vice Chairperson Davis did not attend the meeting.
- C. Chairman Harris indicated the next item on the agenda was related to rapid results. Executive Director Hamernik announced the rapid results project winner for the month of December, Jillian Black was acknowledged for her project idea.
- D. Chairman Harris indicated that Sandra Dodgens would like to make a public comment and speak to the members. Ms. Dodgens voiced concerns about **the** lack of accessible units. She indicated that elevators, kitchens and baths need to be usable. She said that income requirements should be more flexible.

Chairman Harris thanked her for her remarks and reassured her that accessibility is a top priority for the Authority.

II. Consent Agenda

Chairman Harris noted that there were eleven (11) Resolutions on the consent agenda. A motion to remove agenda item number II. B. 1. 2018-IHDA-216: Resolution Authorizing Agreement for Commercial Banking Services was made by Mr. Tornatore and seconded by Chairman Harris; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

A motion to table agenda item number II. B. 1. 2018-IHDA-216: Resolution Authorizing Agreement for Commercial Banking Services was made by Ms. Kane and seconded by Chairman Harris; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

Chairman Harris asked the Members if anyone had comments or wanted to remove any other resolutions from the consent agenda. The Members had no comments and did not seek the removal of any other resolutions. A motion to adopt the consent agenda resolutions was made by Mr. Tornatore and seconded by Ms. Kane and the ten (10) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

- A. Minutes

1. 2018-IHDA-215: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority Held on November 16, 2018.

B. Procurement Matters

2. 2018-IHDA-217: Resolution Authorizing Services Agreement for BondLink Investor Relations Website.
3. 2018-IHDA-218: Resolution Authorizing Service Agreement for Coffee Services
4. 2018-IHDA-219: Resolution Authorizing Purchase of an Automobile

C. Finance/Accounting Matters

1. 2018-IHDA-220: Resolution Authorizing a Return of 2017 Federal Tax Credits and Allocation of 2018 Federal Tax Credits for Johnson & Butler-Lindon Apartments
2. 2018-IHDA-221: Resolution Authorizing an Increase in Federal Tax Credits for Roosevelt Road Veterans Housing
3. 2018-IHDA-222: Resolution Authorizing a Return of 2017 Federal Tax Credits and Allocation of 2018 Federal Tax Credits for Tiger Senior Apartments
4. 2018-IHDA-223: Resolution Authorizing Re-structuring of a HOME Loan for Lincolnwood Estates

D. Asset Management Matters

1. 2018-IHDA-224: Resolution Authorizing an Extension of the Reserve Termination Date of the Loss Reserve Account for Corporation for Supportive Housing

E. Human Resources Matters

1. 2018-IHDA-225: Resolution Authorizing an Amendment to the Authority's Retirement Plan

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

A. Multifamily Matters

1. 2018-IHDA-226: Resolution Authorizing an Increase in Federal Tax Credits, State Tax Credits and a Trust Fund Loan for the Residences of Crystal Lake (PID-11391) Crystal Lake, Illinois.

Ms. Matkom stated that the Authority is designated as the low income housing tax credit agency for the State of Illinois ("Federal Tax Credits"), authorized to allocate Affordable

Housing Tax Credits (“State Tax Credits”) for the state of Illinois and designated the program administrator of the Illinois Affordable Housing Program (“Trust Fund Program”) under the Illinois Affordable Housing Act.

She then then stated pursuant to Resolution No. 2018-IHDA-075F, the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 1,500,000 in connection with the construction and permanent financing of a housing development commonly known as The Residences of Crystal Lake (“Development”) to the Turnstone Development Corp. (“Sponsor”) and the Sponsor has now applied to the Authority for and the Development is able to support additional 2018 Federal Tax Credits in the amount of 255,700 (“Tax Credit Increase”). She also stated that the Sponsor has applied to the Authority for FY19 State Tax Credits in the amount of 500,000 and a mortgage loan under the Trust Fund Program in an amount not to exceed \$2,120,000.00 (the “Trust Fund Loan”) in connection with the Development.

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

2. 2018-IHDA-227: Resolution Authorizing a Trust Fund Loan and an Increase in Federal Tax Credits for Anthony Place Ottawa. (PID-11404) Ottawa, Illinois.

Mr. Brennan stated that Anthony Place of Ottawa, LP (“Owner”) has requested that the Authority provide a second position construction mortgage loan and first position permanent mortgage loan under the Trust Fund Program in the amount of \$2,000,000.00 (the “Trust Fund Loan”) for a development located in Ottawa, Illinois and commonly known as Anthony Place Ottawa (“Development”).

He then stated that pursuant to Resolution No. 2018-IHDA-075G (“Initial Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 1,666,252 in connection with the Development. He further stated The Owner has determined that the Development is able to support additional Federal Tax Credits and has requested an allocation of additional Federal Tax Credits in the amount of 189,918 (“Tax Credit Increase”), as more fully described on the current Transaction Summary attached to the Resolution (the “Current Summary”).

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

3. 2018-IHDA-228: Resolution Authorizing a Trust Fund Loan, a Credit Advantage/Risk Sharing Loan and an Increase in Federal Tax Credits for Anthony Place Prairie Centre St. Charles (PID-11462) St. Charles, Illinois.

Mr. Brennan stated that the Authority has been designated the program administrator of the Risk Share Program wherein the Authority makes mortgage loans to borrowers, which loans are credit enhanced through insurance provided by the United States Department of

Housing and Urban Development (“HUD”). HUD and the Federal Financing Bank (“FFB”) have implemented a program pursuant to which FFB may acquire beneficial ownership of mortgage loans originated by the Authority and insured under the Risk Sharing Program (Risk Sharing Program”).

He then stated that Anthony Place St. Charles, LP (“Owner”) has requested the Authority make a second position construction to permanent loan under the Trust Fund Program in an amount not to exceed \$2,300,000 (“Trust Fund Loan”) and a third position construction loan under the Credit Advantage Program in an amount not to exceed the greater of \$2,500,000 or 85% of the loan to value of a multifamily housing development known as Anthony Place Prairie Centre St. Charles (“Development”) (“Credit Advantage Loan”), upon stabilization of the Development, the Credit Advantage Loan will become a permanent first position loan and may be credit enhanced under the Risk Sharing Program (“Risk Sharing Permanent Loan”; together with the Trust Fund Loan and Credit Advantage Loan, collectively, “Loans”), in the event the Authority determines that it is in its best interest in lieu of the Credit Advantage Loan.

He further stated that pursuant to Resolution No. 2018-IHDA-075L (“Initial Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 1,500,000 in connection with the Development and the Owner has determined that the Development is able to support additional Federal Tax Credits and has requested an allocation of additional Federal Tax Credits in the amount of 166,000 (“Tax Credit Increase”), as more fully described on the current Transaction Summary attached to the Resolution (the “Current Summary”).

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

4. 2018-IHDA-229: Resolution Authorizing a Trust Fund Loan and An Increase in Federal Tax Credits for Oak Field Place (PID-11585) Henry, Illinois.

Ms. Kumar stated that Oak Field Place, LP (“Owner”) has requested that the Authority provide a loan under the Trust Fund Program in an amount not to exceed \$1,500,000.00 (the “Trust Fund Loan”) for the a development located in Henry, Illinois and commonly known as Oak Field Place as described on **Exhibit A** attached to the Resolution (“Development”).

She then stated that pursuant to Resolution No. 2018-IHDA-075X (“Initial Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 611,508 in connection with Development. The Owner has now determined that the Development is able to support additional Federal Tax Credits and has requested an allocation of additional Federal Tax Credits in the amount of 44,967 (“Tax Credit Increase”), as more fully described on the current Transaction Summary attached to the Resolution (the “Current Summary”).

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

5. 2018-IHDA-230: Resolution Authorizing a Trust Fund Loan, an Increase in 2018 Federal Tax Credits and an Award of 2019 Federal Tax Credits for Spruce Village (PID-11295) Palatine, Illinois.

Mr. Brennan stated that Spruce Village, LP (the “Owner”) has requested that the Authority provide a loan under the Trust Fund Program in an amount not to exceed \$1,000,000.00 (the “Trust Fund Loan”) for a development located in Palatine, Illinois and commonly known as Spruce Village (“Development”).

He then stated that pursuant to Resolution No. 2018-IHDA-075A (“Initial Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 1,039,319 in connection with the Development. The Owner has determined that the Development is able to support additional Federal Tax Credits and has requested an allocation of additional 2018 Federal Tax Credits in the amount of 38,798 and 2019 Federal Tax Credits in the amount of 24,027 (collectively the “Tax Credit Increase”), as more fully described on the current Transaction Summary attached to the Resolution (the “Current Summary”).

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

6. 2018-IHDA-231: Resolution Authorizing a Return of 2017 Federal Tax Credits, Allocation of 2018 Federal Tax Credits, and Authorizing a Trust Fund Loan for Greenfield & Roodhouse Homes (PID-11415) Greenfield and Roodhouse, Illinois.

Mr. Brennan stated that pursuant to Resolution No. 2017-IHDA-358Q (“Prior Resolution”), the Authority was authorized to allocate 2017 Federal Tax Credits to Greene County Homes LP (the “Owner”) in the amount of 970,884 (“2017 Credits”) and 2018 Federal Tax Credits in the amount of 251,246 (“2018 Forward Credits”) in connection with a multifamily housing development known as Greenfield & Roodhouse Homes (the “Development”) as described and in **Exhibit A** attached to the Resolution.

He then stated that pursuant to Resolution No. 2017-IHDA-384 the Authority amended the Prior Resolution and was authorized to adjust the 2017 Credits down to 914,051 (“Adjusted 2017 Credits”) and adjust the 2018 Forward Credits up to 308,079 and due to extenuating circumstances beyond the control of the Owner, the Development has been delayed and the Authority has determined that the Development is in danger of not being completed by the date the Development must be placed in service, as more fully described on the transaction summary (“Summary”) attached to the Resolution.

He further stated that the Owner has requested that the Authority provide a loan under the Trust Fund Program in an amount not to exceed \$1,762,879.00 (the “Trust Fund Loan”) for the permanent financing of the Development.

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

7. 2018-IHDA-232: Resolution Authorizing a Trust Fund Loan and an Increase in Federal Tax Credits for Flax Meadow Townhomes (PID-11592) Highland, Illinois.

Ms. Matkom stated that Flax Meadow LP (the “Owner”) has requested that the Authority provide a second position construction mortgage loan and first position permanent mortgage loan under the Trust Fund Program in an amount not to exceed \$1,827,507.00 (the “Trust Fund Loan”) for a development located in Highland, Illinois and commonly known as Flax Meadow Townhomes (“Development”).

She then stated that pursuant to Resolution No. 2018-IHDA-075Z (“Initial Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 815,090 in connection with the acquisition, construction and permanent financing of the Development, as more fully described on the Transaction Summary attached to the Initial Resolution (the “Initial Summary”). The Owner has determined that the Development is able to support additional Federal Tax Credits and has requested an allocation of additional Federal Tax Credits in the amount of 114,910 (“Tax Credit Increase”).

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

B. Asset Management Matters

1. 2018-IHDA-233: Resolution Authorizing a Modification of HOME Loan for Carlinville Senior Housing (PID-40-213-01) Carlinville, Illinois.

Ms. Stewart stated that Carlinville Senior Housing L.P. I (“Owner”) previously received a first mortgage loan from the Authority in the original principal amount of \$1,345,513.00 from the HOME Program (the “HOME Loan”). The HOME Loan was made for the purpose of financing the acquisition, construction and permanent financing of the Carlinville Senior Housing (“Development”). She then stated that the Owner has requested that the Authority modify the HOME Loan as follows: (i) extend the maturity date from January 1, 2019 to January 1, 2039; (ii) reduce the interest rate from 1% to 0%; (iii) increase the annual debt service payments from \$15,000.00 to \$17,500.00 to be applied solely to pay down the principal amount of the HOME Loan; and (iv) require that 50% of annual cash flow be deposited into the Owner’s replacement reserve account held with the Authority (together, the “HOME Loan Modification”).

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

2. 2018-IHDA-234: Resolution Authorizing a Partial Release of Collateral for Thresholds Build Illinois Housing (BIBP-10555) Chicago, Illinois.

Mr. Gladden stated that the Authority has previously made a grant from the BIBP Program to THI-15 LLC (“Grantee”) in the total amount of \$2,600,000.00 (the “Grant”) for the acquisition and rehabilitation of approximately 20 permanent supportive housing units located on scattered sites throughout Chicago, Illinois (“Development”). He then stated that as a part of the Development, the Grantee purchased, rehabilitated and is renting out 5815 N. Sheridan Road, Unit 514 and 800 South Wells, Unit 1306, Chicago, Illinois (collectively the “Units”) and financed the Units from the proceeds of the Grant as follows:

- a. Unit 514: a first position grant in the original principal amount of \$104,000.00 evidenced by a Mortgage Note and secured by a Mortgage, Security Agreement and Assignment of Rents and Leases, a Regulatory Agreement and other grant documents (“514 Grant Documents”); and
- b. Unit 1306: a first position grant in the original principal amount of \$128,000.00 evidenced by a Mortgage Note and secured by a Mortgage, Security Agreement and Assignment of Rents and Leases, a Regulatory Agreement and other grant documents (“1306 Grant Documents” together with the 514 Grant Documents are collectively the “Grant Documents”).

He further stated that the Grantee and the other unit owners at 5815 N. Sheridan Road and 800 South Wells, Chicago, Illinois (collectively the “Buildings”) have voted to sell all of the units in the Buildings, and in connection with the sales, Grantee has requested that the Authority release the Grant Documents (“Release”) and in consideration for the Release, Grantee has agreed to utilize the proceeds from the sale of the Units to purchase and rehabilitate two (2) new units in buildings and in neighborhoods within the same geographic constraints as applied to the Units, and to record a mortgage and regulatory agreement against the new units (the “Project”).

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

IV. Committee Minutes

- A. Finance Committee Report, Ms. Kane introduced the Finance Committee Report from the December 14, 2018 meeting. Ms. Kane recommended the Members’ approval of the minutes from the November 16, 2018 Finance Committee meeting.

A motion to approve the Minutes was made by Ms. Kane and seconded by Mr. Tornatore; the motion was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

- B. Audit Committee Report, Mr. Tornatore introduced the Audit Committee Report from the December 14, 2018 meeting. Mr. Tornatore recommended the Members' approval of the minutes from the September 21, 2018 Audit Committee meeting.

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

V. Executive Closed Session

At 11:28 a.m. Chairman Harris made a motion that the Board retire immediately to closed session pursuant to Sections 2(c)(1) and 2(c)(29) of the Open Meetings Act to discuss the employment, compensation, discipline, performance, or dismissal of specific employees and audit matters and the motion was seconded by Mr. Tornatore; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

Closed session adjourned at 11:56 a.m. Open session reconvened at 11:57 a.m. Chairman Harris stated that no action had been taken.

VI. Committee Materials

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

- A. IHDA Finance Committee December 14, 2018 Meeting Agenda and Materials.
B. IHDA Audit Committee December 14, 2018 Meeting Agenda and Materials.

VII. Written Reports:

Chairman Harris referred the Members to the electronic Board book material for the following reports: Hardest Hit Fund, Authority Financial Statements, Accounting Payments Report, Investment Holdings, Communications, External Relations and Operational Excellence.

VIII. Adjournment:

Chairman Harris then asked for a motion to adjourn the meeting. A motion to adjourn was made by Ms. Rapp and seconded by Chairman Harris. All Members present affirmed such motion.

The meeting adjourned at 11:59 a.m.