

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MINUTES
February 17, 2017**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on February 17, 2017 at 111 E. Wacker Drive, Chicago, Illinois at 9:02 a.m. Attending the meeting was Ms. Mary Kane and Mr. Sam Tornatore for the members. Also attending the meeting were Mr. Scott Schmitt of US Bank; Mr. Matt Engler of Barclays; Ms. Susan Jun of Morgan Stanley; Ms. Jennifer Fredericks, Ms. Merci Stahl and Mr. Mike Countryman of BNY Mellon; Ms. Rachel Smith of Mayer Brown; Mr. Kevin Murphy of Hawkins Delafield; Mr. Steve Abbey of Huntington Bank; Mr. John Germain of Jefferies and Ms. Barbara Feldman of Bank of America. For the Authority staff, Ms. Nandini Natarajan; Ms. Debbie Olson; Mr. John Chung; Peggy Torrens; Ms. Tara Pavlik; Mr. Neil O'Callaghan; Ms. Vanessa Boykin; Mr. Andrew Nestlehut; Mr. Kyle Nestlehut; Ms. Kris Jurmu; Mr. Matt Rangle; Ms. Jennifer Miller; Mr. Von Martin; Ms. Stacy Her and Ms. Lily Benitez were present.

Ms. Kane approved the January 20, 2017 Finance Committee meeting minutes as presented.

New Business

Resolution Authorizing the Issuance of Not to Exceed \$13,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Bonds, Series 2017A and Series 2017B (Sage Crest Hill Apartments).

Mr. Chung stated: This conduit transaction for your consideration this morning is for Multifamily Housing Revenue Bonds for Sage Crest Hill Apartments, Series 2017 A.

IHDA will issue Multifamily Housing Revenue Bonds Series 2017A and Series 2017B (Sage Crest Hills Apartments) conduit tax-exempt bonds to finance the acquisition and rehabilitation of Sage Crest Hills Apartments, containing 102 units located at 827 North Lake Street in Aurora. The Series A bonds will be short term and underwritten by Citibank in a public offering. The Series B bonds will be long term and privately placed. The B Series bonds will be subordinated to Series A bonds. Because of that, the interest on the B bonds will be paid only from surplus cash, meaning residual cash flow for after paying all expenses on the deal. It is a limited obligation with no credit risk to the Authority.

Ms. Kane asked: How long will the bonds be out?

Mr. Chung replied: The Series A bonds will be roughly two years and the B bonds will be approximately forty years.

Mr. Chung continued: The resolution request is for the authorization of both Series of bonds in aggregate not to exceed \$13 million. Final maturity of the A bonds no later than April 1, 2020 and April 1, 2062 for Series B bonds. The bond interest rate not to exceed 5% per annum for Series A and 10% for Series B.

Projected closing is March 29, 2017.

Discussion: Homeownership Mortgage Program Update.

Ms. Pavlik stated: Reservations for January 2017 at 370 first mortgage loans or \$43.82 million; 157 mortgage loans or \$21.63 million for GNMA and 213 mortgage loans or \$22.19 million for Fannie Mae or conventional.

Ms. Pavlik presented a slide showing prior year reservation comparisons for the month of January 2017. Reservations in January 2015 were \$20.6 million for GNMA and \$21.2 million for Fannie for a total of \$41.8 million.

Ms. Pavlik continued: Through January 2017 and over the life of the program, 99.23% of all borrowers have been utilizing our Down Payment Assistant Program; we have a 21.27% fallout rate and our current pipeline is \$116.15 million.

Overall 49% of our borrowers are using an FHA product, 1% for VA, 2% for USDA which is also in that GNMA bucket; 48% are Conventional.

Resolution Ratifying Loan Loss Reserve.

Ms. Boykin stated: For the Board's approval today will be the Ratification of the Establishment of Loan Loss Reserve as of December 31, 2016. The Loan Loss Reserves are at \$49,038,339 and the Mortgage Participation Certificate Reserve is at \$1,105,485.

ONGOING ACTIVITIES

Discussion: Monthly Interim Financial Statements.

Ms. Boykin discussed the Authority's Monthly Interim Financial Statements by highlighting the Total operating revenues, Government reimbursements and Total operating expenses.

Discussion: Revenue Bonds, 2017 Series A.

Ms. Natarajan discussed the Pricing Book for Revenue Bonds, 2017 Series A submitted by Citigroup.

Discussion: Multifamily Revenue Bonds, 2017 Series A (Cole Park).

Ms. Natarajan discussed the Final Pricing Book for Multifamily Revenue Bonds, 2017 Series A (Cole Park) submitted by Jefferies.

Discussion: Housing Bonds, 2017 Series A.

Ms. Natarajan discussed the Pricing Book for Housing Bonds, 2017 Series A submitted by Bank of America.

Ms. Kane adjourned the meeting at 9:56 a.m.