

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MINUTES
July 21, 2017**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on July 21, 2017 at 111 E. Wacker Drive, Chicago, Illinois at 10:00 a.m. Attending the meeting were Ms. Mary Kane, Mr. Sam Tornatore, Mr. King Harris via phone, Ms. Karen Davis, Ms. Luz Ramirez and Ms. Alyssa Rapp for the members. Also attending the meeting were Ms. Susan Jun of Morgan Stanley; Mr. John Janicik and Ms. Bianca Sarrato of Mayer Brown; Ms. Barbara Feldman of Bank of America; Ms. Jennifer Fredericks of BNY Mellon; Mr. John Germain of Jefferies; Ms. Natalie Moretz of Citibank; Mr. Steve Washington of Ice Miller; Mr. Steve Abbey of Huntington Bank; Mr. Jeff Gertz of JP Morgan; Mr. Larry Pusateri of Lightegale Group; Ms. Nicole Jackson of Applegate & Torne-Thomsen and Mr. David Petroni of PIRHL. For the Authority staff, Ms. Nandini Natarajan; Ms. Audra Hamernik; Ms. Deb Olson; Ms. Maureen Ohle; Mr. John Chung; Ms. Vanessa Boykin; Mr. Andrew Nestlehut; Ms. Christine Moran; Mr. Andy Decoux; Ms. Tara Pavlik; Ms. Mary Ellen Woods; Ms. Peggy Torrens. Mr. Adam Kroshus; Ms. Stacy Her and Ms. Lily Benitez were present.

Mr. Tornatore recommended the June 16, 2017 Finance Committee meeting minutes be presented to the full board for approval.

Ongoing Activity

Discussion: Homeownership Mortgage Program Update.

Ms. Pavlik stated: Reservations for June 2017 at 677 first mortgage loans or \$85.80 million; 258 mortgage loans or \$36.11 million for GNMA and 419 mortgage loans or \$49.69 million for Fannie Mae or conventional.

Ms. Pavlik presented a slide showing prior year reservation comparisons for the month of June 2017. Reservations in June 2016 were \$46.8 million for GNMA and \$49.9 million for Fannie for a total of \$96.7 million.

Ms. Pavlik continued: Through June 2017 and over the life of the program, 99.29% of all borrowers have been utilizing our Down Payment Assistant Program; we have a 21.10% fallout rate and our current pipeline is \$135.88 million.

Overall 46% of our borrowers are using an FHA product, 1% for VA, 1% for USDA which is also in that GNMA bucket; 52% are Conventional.

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.

NEW BUSINESS

Resolution Amending Financial Management Policy.

Mr. Nestlehut stated: The resolution is for the authorization to add three new counterparty brokers; Robert W. Baird & Co., Incorporated, BB&T Securities, LLC and First Empire Securities, Inc.

Resolution Ratifying Permitted Financial Activities.

Mr. Nestlehut provided a summary for the Fourth Quarter Fiscal Year 2017 Permitted Financial Activities.

The first slide is the IHDA Portfolio Allocation showing a breakdown of our portfolio at 22.08% in Money Market Funds or a market value at \$295.5 million; 32.37% in Mortgage Backed Securities or a market value just over \$432 million; 38.75% in US Agencies or a market value at \$518.42 million; 3.36% in US Treasuries or a market value at \$48.36 million and 3.44% in Investment Agreements or a market value just over \$46 million bringing the total market value to just over \$1.34 billion.

A fourth quarter summary shows total Purchases at \$406.29 million, total Sales at \$227.49 million and total Maturities at \$259.88 million.

Two additional slides show total Payouts and Draws just over \$28 million and total Bond Debt Service just over \$23 million.

The last slide shows our Interest Rate Management Agreement broken down by Interest Rate Caps and Swaps.

Resolution Authorizing the Issuance of Not to Exceed \$7,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Note, 2017 Series A (Concord at Sheridan); \$5,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Note, 2017 Series B (Concord at Sheridan) and \$13,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Note, 2017 Series C (Concord at Sheridan).

Mr. Chung stated: This resolution is for Multifamily Housing Revenue Note, Series ABC (Concord at Sheridan).

IHDA will issue Series ABC Notes Series A, B and C for the acquisition and construction of Concord at Sheridan, containing 111 units located at 6438 North Sheridan Road in Chicago.

Series A note to be issued by IHDA will be tax-exempt, fixed rate and long term to provide funds during the construction and permanent period of the transaction. Takeout financing is expected to be provided by either (i) IHDA risk share loan or (ii) Citibank permanent loan. Series B and C notes to be issued by IHDA will be tax-exempt, variable rate, and short term to provide funds during the construction period of the transaction. Takeout financing will be provided by a permanent loan from the Chicago Housing Authority. It is a conduit financing – Limited obligation with no IHDA general obligation. All series of notes will be purchased directly by Citibank

The resolution request is for the authorization of Series A note amount not to exceed \$7 million, maturity not to exceed October 1, 2061 and interest rate not to exceed 7%. Series B not amount not to exceed \$5 million, maturity not to exceed October 1, 2022 and interest rate not to exceed 12% or the maximum rate allowed under Illinois law. Series C not amount not to exceed \$13 million, maturity not exceed October 1, 2022 and interest rate not to exceed 12% or the maximum rate allowed under Illinois law.

Projected closing is September 15, 2017.

Ms. Kane adjourned the meeting at 10:30 a.m.