

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

May 19, 2017

Pursuant to notification given May 17, 2017, the Members of the Illinois Housing Development Authority (the "Authority") met for a regularly scheduled meeting on May 19, 2017, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

Those present (unless otherwise noted below as absent):

BOARD:

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|---------------|------------------|
| King Harris | Chairman |
| Karen Davis | Vice Chairperson |
| Mary Kane | Member |
| Harlan Karp | Member (absent) |
| Luz Ramirez | Member |
| Alyssa Rapp | Member |
| Sam Tornatore | Member (absent) |

STAFF:

| | |
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| Audra Hamernik | Executive Director |
| Debbie Olson | Chief of Staff |
| Maureen Ohle | General Counsel |
| Nandini Natarajan | CFO |
| Colleen Synowiecki | Executive Coordinator |
| Michelle Adams | Director, Administrative Services |
| Vanessa Boykin | Comptroller |
| Cami Freeman | Director, Marketing & Communications |
| Christine Moran | Managing Director, Multifamily Financing |
| Neil O'Callaghan | Managing Director, Information Technology |
| Kevin O'Connor | Internal Auditor |
| Nicki Pecori Fioretti | Director, Community Affairs |
| Peter Selke | Director, Hardest Hit Fund |
| Patrick Sloan | Director, Operational Excellence |
| Peggy Torrens | Director, Loan and Portfolio Management |
| Tim Veenstra | Director, Asset Management |
| Mary Ellen Woods | Chief Information Officer |
| Tracy Wortham | Director, Human Resources |
| John Chung | Assistant Director, Structuring Finance |
| Gabriel Herrero | Multifamily Financing |
| Matthew Rangel | Multifamily Financing |
| Allison Roddy | Multifamily Financing |
| Jenna Hebert | Multifamily Financing |
| Derek Walvoord | Multifamily Financing |
| Keith Pryor | Multifamily Financing |
| Steve Gladden | Assistant Director, Asset Management |
| Sarah Robinson Torres | Asset Management |
| Megan Spitz | SPAR |

GUESTS:

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| Natalie Moretz | Citi |
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| John Janicik | Mayer Brown |
| Nicholas Vallorano | Mayer Brown |
| Eric Huffman | OTR |
| Norman Jeddeloh | Arnstein & Lehr LLP |
| Deborah Schwartz | LGG |
| Chris Block | LGG |
| Teresa Garate | AnixterCenter |
| Anne Kearns | Brush Hill Development |
| Laura Zumdahl | New Moms |

I. Call to Order & Roll Call

With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Ramirez and Ms. Rapp, Chairman Harris called the meeting to order at 11:03 a.m. A roll call was taken.

Chairman Harris announced the rapid results projects for the month of May. Kimberly Assarian and Jess Barriga were acknowledged for these project ideas.

Chairman Harris stated that he would like to take this opportunity to honor Mr. Malleris for his dedicated service as a member of the Illinois Housing Development Authority's Board of Directors from April 2011 through January 2017. He then stated that Mr. Malleris's passion for affordable and accessible housing started well before his tenure with IHDA. He then said: "As a developer, Mr. Malleris made it his mission to fight for barrier-free housing and brought visibility to the frustrating array of financial, legislative and structural obstacles persons with disabilities face as they look for a place to live. He further stated that Mr. Malleris fought in the Western Suburbs, Springfield and Washington, D.C. to create new opportunities for folks with disabilities, and was a relentless advocate during his nearly six years on the IHDA Board. Through his efforts and influence, IHDA funded over 3,350 units of accessible and adaptable housing during that time, and we cannot thank him enough."

Chairman Harris, on behalf of the IHDA Board of Directors, presented Mr. Malleris with a commendation on behalf of his tireless work advocating for accessible housing throughout Illinois.

Mr. Malleris briefly addressed the Members, IHDA staff and others present at the meeting. He thanked the Members and the IHDA staff for their hard work. He specifically mentioned certain staff members as being particularly helpful including Michelle Adams and Jess Barriga. He then spoke about how it takes a team effort and that everyone must keep fighting for the mission. He gave thanks to his 94 year old mother and wished everyone well.

II. Consent Agenda: Chairman Harris noted that there were eleven (11) 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. Davis and seconded by Ms. Kane; a roll call was taken and the eleven (11) Resolutions noted below were adopted by

the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Ms. Ramirez and Ms. Rapp.

A. Minutes

2017-IHDA-256: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority held on April 21, 2017.

B. Procurement Contracts

1. 2017-IHDA-257: Resolution Authorizing Subscription with CoStar Group.
2. 2017-IHDA-258: Resolution Authorizing Execution of an Agreement for a Single Family Loan Servicer.
3. 2017-IHDA-259: Resolution Authorizing Renewal of an Intergovernmental Agreement in Connection with the Statewide Housing Locator.
4. 2017-IHDA-260: Resolution Authorizing a New Agreement for the Statewide Housing Locator.
5. 2017-IHDA-261: Resolution Authorizing Contract with Korn/Ferry International.
6. 2017-IHDA-262: Resolution Regarding the Services of Outside Counsel.

C. General Administrative Matters

1. 2017-IHDA-263: Resolution Ratifying Establishment of Loan Loss Reserve.

D. Other Matters

1. 2017-IHDA-265: Resolution Amending Funding Allocation for a Permanent Supportive Housing Development Program.
2. 2017-IHDA-266: Resolution Regarding the Voice-Over-Internet Protocol System.
3. 2017-IHDA-267: Resolution Authorizing a Memorandum of Understanding with the Illinois Housing Council.

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

A. Multifamily Transactions

Christine Moran stated: “the next seven projects for the Members’ consideration are from the Authority’s Request for Applications (“RFA”) targeting permanent supportive housing projects containing 25 units or less targeting persons with disabilities. This was the

Authority's 4th RFA targeting supportive housing development. Through previous rounds IHDA has created and/or preserved 364 units of permanent supportive housing."

She indicated that under the RFA, the Authority pursued projects that were 25 units or less and required that a minimum of 10% of the units be set-aside for the Statewide Referral Network. She said: "based on the Authority's experience as the administrator of the Low Income Housing Tax Credit ("LIHTC") program, it has been demonstrated that these smaller projects targeting 100% supportive housing population are not best suited for tax credit financing due to the additional cost and complexity associated with the program and on-going compliance requirements.

In addition to the aforementioned maximum 25 unit requirement, the RFA sets forth other certain mandatory criteria including site control, zoning, development team capacity and participation in the Statewide Referral Network. Each project was scored based on a 100 point scoring structure. The point structure is set up to encourage leveraging non-Authority resources, project based rental assistance to assist the supportive housing population long-term, access to transportation and proximity to neighborhood amenities, coordination with Veterans Administration and enhanced Universal Design and Green Building Initiatives.

In addition to Trust Fund dollars, the Authority is leveraging other state and federal resources including the Illinois Affordable Housing Tax Credit, FAF Funds, the HOME program and the National Housing Trust Fund program. Several projects are also receiving rental assistance in the form of Long Term operating Subsidy (the LTOS Program) or Section 811 Rental Assistance.

The Authority received 12 applications requesting funding in the amount of \$56 million dollars to create or preserve a total of 200 units. After the review and scoring of the applications, the Multifamily Finance department is recommending the next 7 projects for awards. These awards will be funded with a combination of Illinois Affordable Housing Trust Fund, FAF Funds, HOME and National Housing Trust Fund resources. The projects will help the State of Illinois to continue to provide much needed permanent supportive housing to our most vulnerable populations including: Williams, Colbert and Ligas consent decree class members, youth aging out of the DCFS system, persons experiencing homelessness, or extremely low income persons with disabilities."

1. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-268 Resolution Authorizing a Trust Fund Loan for Lincoln Park Community Shelter (11435).

Ms. Moran stated that the Lincoln Park Community Shelter and will provide 20 units of supportive housing in the Lincoln Park Neighborhood. She said all the units have rental assistance from the Chicago Housing Authority and 5 units are pledge to the statewide referral network. The Multifamily finance department recommended a Trust Fund award of \$4,500,000.

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

2. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-269 Resolution Authorizing a Trust Fund Loan for Rogers Park PSH (11433).

Ms. Moran stated that the Leater and Rosalie Anxiter Center is sponsoring the rehabilitation of two existing buildings of former CILA housing into 13 (1,2 and 3 bedroom units) of PSH located in Rogers Park. She said 10 of the units will have rental assistance from the Chicago Housing Authority and 3 units will be pledge to the Statewide Referral Network. The Multifamily Finance department recommended a Trust Fund Award of \$2,819,379.

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

3. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-270 Resolution Authorizing a Trust Fund Loan for Evanston PSH (11432).

Ms. Moran stated that the next project is Evanston PSH, sponsored by Housing Opportunities for Women. She said the new construction project will contain 8 one bedroom and 8 two bedroom units which will all have rental assistance. She said 4 units will be pledged to the Statewide Referral Network. The Multifamily Finance Department recommended a Trust Fund award of \$2,002,640, HOME award of \$2,847,360 and LTOS subsidy of \$650,993.

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

4. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-271 Resolution Authorizing a Trust Fund Loan, a National Housing Trust Fund Loan and Rental Assistance for Pearl Street Apartments (11286).

Ms. Moran stated that the Pearl Street Apartments sponsored by Full Circle Communities. She said the project will provide 25 units of supportive housing in the City of McHenry. And that the project will contain 22 one bedroom units and 3 two bedroom units. She said all units will have rental assistance and 6 units will be pledge to the Statewide Referral Network. The Multifamily Finance department recommended a Trust Fund award of \$2,813,173, National Housing Trust Fund in the amount of \$3,879,049 and Section 811 rental assistance in the amount of \$319,680.

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

5. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-272 Resolution Authorizing a Trust Fund Loan, FAF Loan and Rental Assistance for New Moms Oak Park (11405).

Ms. Moran stated: “the next project is 18, one bedroom units of new construction sponsored by New Moms, Inc. The project is located in Oak Park and will serve primarily poor and single parents. All of the units will have rental assistance and 4 of the units will be pledge to the Statewide Referral Network.” The Multifamily Finance Department is recommending a Trust Fund award of \$2.4 million, a FAF loan in the amount of \$3.5 million and LTOS in the amount of \$638,335.

Ms. Rapp stated that this is an excellent project and she would like to see more of this type of project in the future multifamily pipeline.

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

6. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-273 Resolution Authorizing a Trust Fund Loan, HOME Loan and Rental Assistance for Arboretum West (11434).

Ms. Moran stated: “Arboretum West, sponsored by Over the Rainbow, will transform an existing HUD owned building and an adjacent small school building in Lombard into 14 fully accessible studio apartments. All of the units will have rental assistance and 3 units will be pledged to the Statewide Referral Network.” The Multifamily Finance Department recommended a Trust Fund Award of \$1,747,493. Home funds in the amount of \$2,248,610 and LTOS in the amount of \$485,599.

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

7. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-274 Resolution Authorizing a Trust Fund Loan, State Tax Credits and Rental Assistance for Trinity Park Vista (11430).

Ms. Moran stated: “the last PSH project is Trinity Park Vista located in Northlake. The project, which is sponsored by Trinity Services, is a total of 16 units with 13 one bedroom units and 3-three bedroom units. All of the units will have rental assistance and 4 units will be pledged to the Statewide Referral Network. This project received tremendous support from the Village of Northlake. The Village is donating the land for this development through a 75 year ground lease to the sponsor for \$1 per year. The Multifamily Finance department is recommending a Trust Fund award of \$4,375,654, Illinois Affordable Housing Tax Credits in the amount of \$200,000 and LTOS in the amount of \$2,975,436.”

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

Chairman King stated: “all of the Permanent Supportive Housing Projects are in opportunity neighborhoods. He thanked the Mayor of Northlake for donating the land and for his continued support of the development of Northlake.”

Ms. Davis asked that the staff continue to pursue opportunities in downstate Illinois. Ms. Moran stated that they are working with some of the communities.

8. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-275 Resolution Authorizing a Trust Fund Loan and Rental Assistance for Berwyn Apartments (11223).

Mr. Rangel stated that New Directions Housing Corporation has requested that Authority provide a mortgage loan under the Trust Fund Program in an amount not to exceed \$2,243,313.00 (the “Trust Fund Loan”) and rental assistance from the 811 PRA Demo in an amount not to exceed \$246,300.00 (the “Rental Assistance”) for the acquisition, rehabilitation, and permanent financing of the development described in Exhibit A attached to the Resolution and known as Berwyn Apartments (“Project”). He then stated that the Trust Fund Loan will be in second position during construction, once construction is completed and the construction loan is paid off, the Trust Fund Loan becomes a first position mortgage loan.

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

9. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-276 Resolution Authorizing State Tax Credits for Pierce House (11483).

Mr. Rangel stated that LaCasa Norte has applied to the Authority for FY17 State Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a multifamily housing development described in Exhibit A attached to the Resolution and to be known as Pierce House (“Project”).

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-Chair Davis, Ms. Kane, Ms. Ramirez and Ms. Rapp.

B. Multifamily/Finance Transactions

1. West Town

- a. Ms. Hamernik presented the following agenda item: 2017-IHDA-277 Resolution Authorizing Conduit Loans and State Tax Credits for West Town Housing Preservation (11375).

Mr. Pryor stated that the Authority administers a program known as the Multifamily Housing Revenue Bond Program whereby the Authority acquires funds to make loans (individually, a “Conduit Loan”) for affordable housing developments through

the issuance of tax exempt multifamily housing Bonds (“Bonds”); 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 the West Town Housing Preservation, LP (“Owner”) has requested the Authority make two Conduit Loans in an amount not to exceed \$80,000,000.00 and allocate FY17 State Tax Credits in the amount of 2,500,000 for the acquisition, rehabilitation and permanent financing of a multifamily housing development described in Exhibit A attached to the Resolution and known as West Town Housing Preservation (“Project”).

Chairman Harris stated that is project was discussed during Finance Committee.

Ms. Kane stated that this is a lot of funding being allocated to the Chicago area and that she would like to see more funds being used in downstate Illinois. Ms. Hamernik stated that the Authority is trying to do more projects downstate and will continue to work with local authorities and the developers.

Ms. Rapp stated that goals of the Authority need to be considered carefully in order to make sure we are preserving as many affordable housing units as possible.

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

- b. Ms. Hamernik presented the following agenda item: 2017-IHDA-278 Resolution Authorizing the Issuance of Not to Exceed \$80,000,000 Aggregate Principal Amount of Multifamily Mortgage Revenue Bonds, 2017 Series A and Multifamily Mortgage Revenue Bonds, 2017 Series B (West Town).

Mr. Chung stated that the resolution authorizes the issuance by the Authority of not to exceed \$80,000,000 in aggregate principal amount of its (i) Multifamily Housing Revenue Bonds, Series 2017A (West Town Housing Preservation) (FHA Insured/GNMA) (the “Series 2017A Bonds”) and (ii) Multifamily Housing Revenue Bond, Series 2017B (West Town Housing Preservation) (the “Series 2017B Bond”) and, collectively with the Series 2017A Bonds, the “Bonds”). This Resolution also authorizes the Authority to enter into an Indenture, Financing Agreement, [Bond Purchase Contract,] Regulatory Agreement, Bond and Loan Agreement and Paying Agent Agreement in substantially the forms attached to this Resolution, setting forth the terms of the Bonds, subject to completion in accordance with the Determination discussed below.

He also stated that the Bonds would be issued to provide funds to be applied to make loans to West Town Housing Preservation, LP, (the “Borrower”), to finance the acquisition and rehabilitation of West Town Housing Preservation, containing 318 units located in Chicago. The Series 2017A Bonds will be placed pursuant to a Placement Memorandum by Universal Structured Finance Group, Inc. as placement agent (the “Placement Agent”) to American Federation of Labor and Congress of

Industrial Organizations Housing Investment Trust (the “AFL-CIO Housing Investment Trust” or the “Series 2017A Purchaser”). The Bonds will be issued as fixed rate bonds with an interest rate and a final maturity date to be established in the Indenture, The Series 2017A Bonds will be secured by Ginnie Mae securities. The Series 2017B Bonds will be placed with the Seller of the project pursuant to the Bond and Loan Agreement. The Bonds will be special limited obligations and will not be a general obligation of the Authority.

He also stated that this is a delegation Resolution and issuance of the Bonds will require the use of volume cap in an aggregate amount not to exceed \$80,000,000. Such volume cap will be allocated to the Bonds by the Authority.

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

C. Asset Management Transactions

1. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-279 Resolution Authorizing Subordination of Trust Fund Loan for Renaissance North (1340).

Mr. Gladden stated that by Resolution No. 2001-IHDA-HTF-002, the Authority had previously authorized the making of a loan (the “Loan”) from the Trust Fund Program in the amount of \$750,000.00 to the North Larrabee Limited Partnership (“Owner”) in connection with a multi-family housing development known as Renaissance North. He then stated that the Authority previously subordinated the Loan to the existing senior mortgage loan which Owner desires to re-finance with a new senior mortgage loan and has requested that the Authority consent to subordinate the Loan to the refinanced senior mortgage loan .

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

D. Other Matters

1. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-280 Resolution Adopting Operating Budget for Fiscal Year 2018.

Ms. Natarajan stated that the proposed budget was discussed at length during Finance Committee and asked the Members if they would like her to review it again for them or if they had any questions. Chairman Harris stated that Ms. Natarajan had presented and answered all questions at the Finance Committee meeting and that the Members were satisfied.

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

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

- A. Finance Committee Report, Ms. Kane presented the Finance Committee Report from the May 19, 2017 meeting. Ms. Kane recommended the Members' approval of the minutes from the April 21, 2017 Finance Committee meeting.

Ms. Kane stated that there were two modifications to the minutes which were discussed at Finance Committee meeting.

A motion to approve the Minutes as so revised was made by Ms. Kane and seconded by Ms. Davis and the motion was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Ms. Ramirez and Ms. Rapp.

- B. Asset Management Committee Report, Ms. Davis presented the Asset Management Committee Report from the May 19, 2017 meeting. Ms. Davis recommended the Members' approval of the minutes from the February 17, 2017 Asset Management Committee meeting.

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

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 – Mr. Dan Holla from the Lincoln Park Community Shelter thanked the Authority staff and members. No other public comments were made.

VII. Executive Closed Session

Ms. Kane made a motion at 11:54am that the Board retire immediately to closed session pursuant to Section 2(c)(7) of the Open Meetings Act to discuss the sale or purchase of securities, investments, or investment contracts. Authority staff present at the meeting were Audra Hamernik, Maureen Ohle, Nandini Natarajan, Tracy Grimm, Tara Pavlik and Debbie Olson.

Chairman Harris left the meeting at 12:39pm

Closed session adjourned and open session began at 12:40pm.

- VIII. Adjournment: The meeting was adjourned at 12:42 p.m.