

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
JANUARY 18, 2019 – 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 January 18, 2019, 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 11:00 a.m.
- B. A roll call was taken by Ms. Synowiecki. With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Mr. Ramirez and Mr. Tornatore, Chairman Harris called the meeting to order at 11:00 a.m. Ms. Rapp joined the meeting via conference call via 847-612-****.
- 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 January, Samarra Jamerson was acknowledged for her project idea.
- D. Chairman Harris indicated there was no one present intending to provide public comments.

II. Committee Materials

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

- A. IHDA Finance Committee January 18, 2019 Meeting Agenda and Materials.

III. Committee Minutes

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

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

IV. Consent Agenda

- A. Chairman Harris noted that there were eight (8) Resolutions on the consent agenda. He then proceeded to publically recite the title of each of the Resolutions on the consent agenda.
- B. Minutes

1. 2019-IHDA-001: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority Held on December 14, 2018.

C. Procurement Matters

1. 2019-IHDA-002: Resolution Authorizing Agreement with Hewlett Packard Enterprise Company for Disaster Recovery Hardware and Various Services.
2. 2019-IHDA-003: Resolution Authorizing Agreement with CDW government, Inc. for Additional Microsoft SQL Server Licenses and Support.
3. 2019-IHDA-004: Resolution Authorizing Agreement for a Replacement Emergency Fire Suppression System.

D. Multifamily Matters

1. 2019-IHDA-005: Resolution Authorizing Extension of Grant Commitment Expiration Date for North Chicago Revitalization.

E. Community Affairs Matters

1. 2019-IHDA-006: Resolution Authorizing the Authority to Amend Grant Amounts to Sub-Grantees of Financial Counseling Grants under the NeighborWorks America for the Project Reinvest Financial Capability Program.

F. Asset Management Matters

1. 2019-IHDA-007: Resolution Authorizing Modification of HOME Loan for Shelbyville Apartments.

G. Finance Matters

1. 2019-IHDA-008: Resolution Ratifying Permitted Financial Activities.

After the completion of the public recital of the Resolution titles, Chairman Harris asked the Members if anyone had comments or wanted to remove any resolutions from the consent agenda. The Members had no comments and did not seek the removal of any resolutions. A motion to adopt the consent agenda resolutions was made by Mr. Tornatore and seconded by Vice-Chairperson Davis; a roll call was taken and the eight (8) Resolutions noted above were adopted by the affirmative votes of Chairman Harris, Vice-Chairperson Davis, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

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

A. Multifamily Matters

1. 2019-IHDA-009: Resolution Authorizing Federal Tax Credit Increase, HOME Loan and Section 811 Rental Assistance for Fifth Avenue Apartments (PID-11504) Maywood, Illinois.

Ms. Montoya stated that the Authority is designated as the low income housing tax credit agency for the State of Illinois (“Federal Tax Credits”), administers the HOME Investment Partnerships Program (“HOME Program”) in Illinois, and is authorized to administer a project rental assistance fund for extremely low-income persons with disabilities and which is known as the Section 811 Supportive Housing for Persons with Disabilities Project Rental Assistance Demonstration Program (the “Section 811 PRA Demo”) for the state of Illinois.

She then stated that pursuant to Resolution No. 2018-IHDA-075Q, 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 known as Fifth Avenue Apartments (“Development”) and the Interfaith Housing Development Corporation (“Sponsor”) has applied to the Authority for and is able to support 2019 Federal Tax Credits in the amount of 130,079 (“Tax Credit Increase”).

She further stated that the Sponsor has requested that the Authority make a loan under the HOME Program in an amount not to exceed \$1,700,000.00 (the “HOME Loan”) for the financing of Development.

She then stated that the Sponsor was selected for rental assistance from the Section 811 PRA Demo in the amount not to exceed \$605,472.00 (“Rental Assistance”) in connection with the Fifth Avenue Apartments, as described on Exhibit A attached to the Resolution.

A motion to approve the Resolution was made by Ms. Ramirez and seconded by vice Chairperson Davis; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

2. 2019-IHDA-010: Resolution Authorizing State Tax Credits for Miriam Apartments (PID-11522) Chicago, Illinois.

Ms. Hebert stated that the Authority is designated to allocate Affordable Housing Tax Credits for the State of Illinois (the “State Tax Credits”).

She then stated that Miriam Apartments LP (“Owner”) has applied to the Authority for FY19 State Tax Credits in the amount of 1,500,000 in connection with the acquisition, rehabilitation and permanent financing of a multifamily housing development and known as Miriam Apartments (the “Development”).

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

3. 2019-IHDA-011: Resolution Authorizing State Tax Credits for Parkside Four Phase II (PID-11621) Chicago, Illinois.

Mr. Courtney stated that Parkside Four Phase II, LP (“Owner”) has applied to the Authority for FY19 State Tax Credits in the amount of 2,500,000 in connection with the acquisition, construction and permanent financing of a multifamily housing development described on Exhibit A attached to the Resolution and known as Parkside Four Phase II (the “Development”).

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

B. Finance Matters

1. 2019-IHDA-012: Resolution Authorizing the Issuance of Not to Exceed \$100,000,000 Revenue Bonds 2019 Series A and Series B.

Mr. Nestlehut stated that this Resolution authorizes the issuance of not to exceed \$100,000,000 aggregate principal amount of Illinois Housing Development Authority Multifamily Resolution Revenue Bonds, 2019 Series A (the “2019 Series A Bonds”) and 2019 Series B (the “2019 Series B Bonds”) and, collectively with the 2019 Series A Bonds, the “2019 Series A and B Bonds”) in one or more series at the same time or at different

He then stated that the proceeds of the sale of the 2019 Series A and B Bonds, together with other available funds, may be used (i) to finance qualifying mortgage loans through the purchase of Mortgage-Backed Securities (or participation interests in such Mortgage-Backed Securities), (ii) to pay the costs of issuing the 2019 Series A and B Bonds, (iii) to pay accrued interest and capitalized interest on the 2019 Series A and B Bonds, if required, and/or (iv) to finance second-lien loans for down payment assistance or closing cost assistance that will not be subject to the lien and pledge of the General Indenture. The 2019 Series A and B Bonds, if issued on a tax-exempt basis, would be expected to use volume cap from the Authority’s 2016 and/or 2017, as applicable, carryforward in an amount not exceeding \$100,000,000. The 2019 Series A and B Bonds are not general obligations of the Authority. He further stated that Issuance of additional Bonds under the General Indenture subsequent to the 2019 Series A and B Bonds would require a future resolution of the Authority

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

C. Community Affairs Matters

1. 2019-IHDA-013: Resolution Authorizing Grants under the Affordable Housing Trust Fund Single Family Rehab Program Round 2 with Roof Only Option (Amending Resolution No. 2018-IDA-173).

Ms. Enriquez stated Authority has previously determined in a prior resolution to establish a homeowner rehabilitation assistance program (“Single Family Rehab Program”) to allocate grants (“Grants”) to units of local governments and nonprofit organizations (“Sponsors”) to make forgivable loans, subject to the terms and conditions described in Exhibit A attached to the Resolution.

She then stated that pursuant to Resolution No. 2018-IHDA-173, the Authority approved the use of \$6,000,000.00 of funds from the Trust Fund Program to carry out the purposes of the Single Family Rehab Program and that after review of the applications and with the approval of the Advisory Commission for the Trust Fund Program, the Authority desires to increase the total funding amount to \$10,000,000.00 (“Increased Funding Amount”). She further stated that the Sponsors listed on Exhibit B attached to the Resolution have applied to the Authority for Grants from the Single Family Rehab Program to provide the Financing to eligible households.

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

2. 2019-IHDA-014: Resolution Authorizing a Community Impact Fund Round 4 from the Trust Fund Program with Habitat for Humanity of Illinois.

Ms. Williams stated that the Authority desires to partner with Habitat for Humanity of Illinois (“HFH Illinois”) and establish a fund (“Habitat for Humanity Community Impact Fund Round 4”) that will use, to the extent available, up to \$2,000,000.00 of funds from the Trust Fund Program (“Funds”) to carry out the purposes of the Habitat for Humanity Community Impact Fund Round 4.

She then stated that the Authority will grant the Funds for the Habitat for Humanity Community Impact Fund Round 4 to HFH Illinois (“Grant”) and, through HFH Illinois, the Authority will offer assistance to low and moderate income households as an affordability subsidy to be structured as 5 year forgivable loans to buy down the sales price to ensure the monthly payments for the mortgage loan for the acquisition of the

home do not exceed 30% of the household's gross monthly income; the terms of the Habitat for Humanity Community Impact Fund Round 4 and the Grant are described in Exhibit A attached to the Resolution.

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

D. Asset Management Matters

1. 2019-IHDA-015: Resolution Authorizing the Extension of the Maturity Date and Subordination of a Trust Fund Loan for Midwest Athletic Club aka Midwest Apartments (PID-410) Chicago, Illinois.

Mr. Padgitt stated that on September 1, 1995, the Authority made a fourth position mortgage loan from the Trust Fund Program in the original principal amount of \$500,000.00 (the "Loan") to LaSalle National Trust, N.A. as Trustee under Trust Agreement No. 119238 (the "Trust") and Midwest Limited Partnership as Sole Beneficiary to the Trust (the "Owner") for the rehabilitation and permanent financing of a multifamily housing development, known as Midwest Athletic Club aka Midwest Apartments (the "Development"). He then stated that the Loan is subordinate to a first position loan held by US Bank in the approximate amount of \$1,000,000.00 (the "Senior Loan"), a second position loan held by the City of Chicago (the "City Loan") and a third position loan held by the Chicago Trust Fund and that the Owner is requesting to refinance the Senior Loan by obtaining a new loan from Community Investment Corporation in an amount not to exceed \$570,000.00 (the "New Senior Loan") and the New Senior Loan will mature on August 1, 2028.

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

2. 2019-IHDA-016: Resolution Authorizing Assignment and Assumption and Resubordination of Extended Use Agreement and Change in Property Management for Morton Grove Senior Apartments (PID-344-03) Morton Grove, Illinois.

Mr. Padgitt stated that the Authority has previously allocated federal tax credits ("Credits") to Morton Grove Senior Housing, L.P. ("Owner") for the acquisition, rehabilitation and permanent financing of the housing development commonly known as Morton Grove Senior Apartments ("Development") and that the Credits are governed by a Low Income Housing Tax Credit Extended Use Agreement ("EUA")

He then stated that the Owner desires to transfer 100% of its ownership interest in the Development to Morton Grove Affordable LLC ("New Owner"), and the New Owner

desires to assume the obligations of the Owner under the Credits and the EUA (“Transfer and Assumption”), as more fully described in the summary of the Development (“Summary”) attached to the Resolution.

He further stated that the New Owner desires to re-finance with a new senior mortgage lender and has requested that the Authority consent to resubordinate the EUA to the refinanced senior mortgage loan (“Resubordination”) and that the New Owner desires to engage Arco Management Corp. to be the new property manager for the Development (“Change in Property Management”).

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

E. Procurement Matters

1. 2019-IHDA-017: Resolution Authorizing Agreement for Commercial Banking Services (Previously Presented and Tabled as Resolution No. 2018-IHDA-216).

Mr. Nestlehut stated that the Authority requires the services of a commercial bank for two existing and established bank accounts as well as the opening of new accounts, if and/or when applicable (“Services”). He then stated that the Authority issued a Request for Proposal for commercial banking services, received responses from a number of commercial banks who desire to provide the Services, has evaluated the submitted proposals and, in accordance with the Procurement Code, it has been determined that Wells Fargo Bank NA (“New Commercial Bank”) is best able to provide the Services to the Authority.

He further stated that the Authority wishes to enter into an agreement with the New Commercial Bank for a ten-year term from approximately March 1, 2019 through February 28, 2029 in the not-to-exceed amount of \$750,000.00 (“Agreement”).

A motion to approve the Resolution was made by Ms. Rapp and seconded by Ms. Ramirez; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Ramirez, Ms. Rapp and Mr. Tornatore. Ms. Kane voted not to approve the resolution.

VI. Executive Closed Session

At 11:24 a.m. Chairman Harris made a motion that the Board retire immediately to closed session pursuant to Sections 2(c)(11) of the Open Meetings Act to discuss potential litigation 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, Vice Chairperson Davis, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

At 11:24 a.m. Ms. Rapp dropped off the line and did not participate further in the meeting.

Closed Session began at 11:30 a.m.

Closed session adjourned at 11:49 a.m. Open session reconvened at 11:50 a.m. Chairman Harris stated that no action had been taken during the closed session.

2019-IHDA-018: Resolution Authorizing Property Management Agreement for Lake Shore Plaza (Amending Resolution No. 2018-IHDA-213).

At approximately 11:51 a.m. a motion to approve the Resolution was made by Mr. Tornatore and seconded by Ms. Ramirez; a roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Ramirez and Mr. Tornatore.

VII. Presentations

Chairman Harris left the meeting at 11:54 a.m.

A. Citibank Presentation

1. Commencing at approximately 11:55 a.m. Mike Koessel discussed Citibank's perspective on the most significant market events of the last 15 to 20 years as related to HFAs.

Ms. Kane left the meeting at 12:15 p.m.

VIII. Written Reports:

The electronic Board book contains the following reports: Hardest Hit Fund, Authority Financial Statements, Accounting Payments Report, Investment Holdings, Communications, External Relations and Operational Excellence.

IX. Adjournment:

After the conclusion of the Citibank Presentation Vice-Chairperson Davis then asked for a motion to adjourn the meeting. A motion to adjourn was made by Vice Chairperson Davis and seconded by Mr. Tornatore. All Members present affirmed such motion.

The meeting adjourned at 12:34 p.m.