

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
JULY 20 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 July 20, 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 11:00 a.m.
- B. A roll call was taken by Ms. Synowiecki. The following Members, consisting of a physical quorum were noted as present: Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Hocker, Ms. Ramirez and Mr. Tornatore. As noted below, Ms. Rapp joined the meeting at 11:03 a.m.
- 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 July. Randy McCall was acknowledged for his project idea.
- D. Chairman Harris then went over various elements of IHDA’s public comment rules. Ms. Rapp joined the meeting at 11:03 a.m. Immediately thereafter, four individuals provided public commentary, speaking for 3 minutes each. Dr. Bernadette Tucker, spoke first and during her commentary expressed concerns regarding the Pullman Art Space Development regarding the historic review process. Mr. Marc Korton, spoke second and during his commentary expressed concerns about the historic preservation of the Pullman neighborhood. Mr. Michael Duck, spoke third and expressed concerns regarding the Section 106 review with the Pullman Art Space Development. Mr. Arron Lee, from the Lawson House Tenants Association, spoke fourth and expressed concerns regarding the management and security at the Lawson House Development. The Members thanked Dr. Tucker, Mr. Korton and Mr. Duck for their comments and assured them that they would be reviewing the details they provided concerning the Pullman Art Space Development. Chairman Harris stated that he has visited the Lawson House and that IHDA is discussing a potential rehab with the owners.

**II. Consent Agenda**

Chairman Harris noted that there were seven (7) resolutions on the consent agenda (2018-IHDA-123 through and including 2018-IHDA-129). He 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 Ms. Davis; a roll call was taken and the seven (7) Resolutions noted above were adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

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

## A. Multifamily Matters

1. 2018-IHDA-130: Resolution Authorizing Rental Assistance for New Star Leavitt Apartments (PID-11293) Chicago, Illinois.

Mr. Brennan stated that Authority is the program administrator of the Long-Term Operating Support Program (“LTOS Program”) established under the Illinois Rental Housing Support Program for the state of Illinois.

He further stated that the Authority has previously provided funding to New Star Leavitt, LLC (“Owner”) from the BIBP Program in connection with the acquisition, construction and permanent financing of multi-family housing development known as New Star Leavitt Apartments, formerly known as New Hope Apartments (“Development”). He then stated that the Owner has requested that the Authority provide rental assistance to the Development from the LTOS Program in an amount not to exceed \$988,630.00 (the “Rental Assistance”).

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

2. 2018-IHDA-131: Resolution Authorizing State Tax Credits for Evanston PSH (PID-11599) Springfield, Illinois.

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

She then stated that 2215 Dempster, LLC (“Owner”) has applied to the Authority for FY18 State Tax Credits in the amount of 282,336 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 Evanston PSH (the “Development”).

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

3. 2018-IHDA-132: Resolution Authorizing Section 811 Rental Assistance for Hilliard Towers Phase I (PID-11456) Chicago, Illinois.

Ms. Roddy stated that the Authority 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 the Hilliard Homes I Limited Partnership (“Owner”) was selected for rental assistance from the Section 811 PRA Demo in the amount not to exceed \$662,760.00 (“Rental Assistance”) in connection with the Hilliard Towers Phase I Development described on Exhibit A attached to the Resolution.

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

4. 2018-IHDA-133: Resolution Authorizing Section 811 Rental Assistance for Hilliard Towers Phase II (PID-11456) Chicago, Illinois.

Ms. Roddy stated that the Hilliard Homes II Limited Partnership (“Owner”) was selected for rental assistance from the Section 811 PRA Demo in the amount not to exceed \$537,000.00 (“Rental Assistance”) in connection with the Hilliard Towers Phase II Development described on Exhibit A attached to the Resolution.

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

5. 2018-IHDA-134: Resolution Authorizing Section 811 Rental Assistance for Sheridan Gunnison Apartments (PID-11456) Chicago, Illinois.

Ms. Roddy stated that the Sheridan-Gunnison Joint Venture, LLC (“Owner”) was selected for rental assistance from the Section 811 PRA Demo in the amount not to exceed \$213,600.00 (“Rental Assistance”) in connection with the Sheridan Gunnison Apartments Development described on Exhibit A attached to the Resolution.

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

## **B. Multifamily/Finance Matters**

1. Willow Springs Apartments
  - a. 2018-IHDA-135: Resolution Authorizing a Conduit Bond Loan for Willow Springs Apartments (PID-11494) Willow Springs, Illinois.

Ms. Roddy stated that the Authority issues Multifamily Housing Revenue Notes 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.

She then stated that the Hampstead Willow Springs Partners, L.P. (“Owner”) has requested that the Authority make a Conduit Bond Loan in an amount not to exceed \$6,000,000.00 for the acquisition, rehabilitation and short term financing of a multifamily housing development described on Exhibit A attached to the Resolution and known as Willow Springs Apartments (“Development”).

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

- b. 2018-IHDA-136: Resolution Authorizing the Issuance of not to Exceed \$6,000,000 Aggregate Principal amount of Multifamily Housing Revenue Bonds, Series 2018.

Mr. Chung stated that the Resolution authorizes the issuance by the Authority of not to exceed \$6,000,000 aggregate principal amount of Multifamily Housing Revenue Bonds, Series 2018 (Willow Springs), to be issued in one or more series (the “Bonds”). The proceeds of the Bonds will be lent to Hampstead Willow Springs Partners, L.P., (the “**Borrower**”) pursuant to a Loan Agreement (the “**Loan Agreement**”), and the Borrower will issue a promissory note (the “**Note**”), the aggregate principal amount of which shall equal the aggregate principal amount of the Bonds, requiring payments corresponding to principal and interest coming due on the Bonds. The proceeds of the Bonds will be used to finance or reimburse a portion of the cost of acquiring, rehabilitating and equipping a 100-unit multifamily residential property located at Willow Springs described on Exhibit A attached to the Resolution known as Willow Springs Apartments (“Development”).

He then stated that the terms of the Bonds will be set forth in a Trust Indenture (the “**Indenture**”) entered into between the Authority and ZB, National Association dba Zions Bank, as trustee (the “**Trustee**”) and that the issuance of the Bonds is a conduit financing, not part of the multi-family pooled financing programs of the Authority. He indicated that the Bonds will be special limited obligations (and not general obligations) of the Authority.

He further stated that the Bonds will be issued with a fixed interest rate not to exceed 5.00% per annum, and with a maturity date not later than August 1, 2022.

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

### C. Asset Management Matters

1. 2018-IHDA-137: Resolution Authorizing a Loan Modification for C. Ezra West Townhomes (HTF-927) Chicago, Illinois.

Mr. Gladden stated that the Authority made a mortgage loan in the original principal amount of \$1,207,619.00 (“Authority Loan”) to Neighborhood Housing Development Corporation, (“Original Owner”), for the acquisition, construction and permanent financing a multifamily housing development known as C. Ezra West Townhomes (f/k/a Franklin Street Apartments) (“Development”). He further stated a portion of the Authority Loan in the amount of \$423,936.00 was funded under the FAF Program (“FAF Portion”); the remaining portion of the Authority Loan in the amount of \$783,683.00 was funded under the Trust Program (“Trust Fund Portion”) and that the Authority Loan bears no interest and matures on May 1, 2043 (“Maturity Date”).

He then stated that the Original Owner transferred its interest in the Development to Ezra West Town Homes LLC, an Illinois limited liability company (“Current Owner”) Under the terms of that certain Loan Modification Agreement between Current Owner and the Authority dated as of February 22, 2013 (the “Modification Agreement”), the Current Owner agreed to pay reduced equal monthly installments of principal in the amount of \$100.00 for a period of 5 years (“Reduced Payment Period”), after which, the Current Owner agreed to again pay equal monthly installments of principal in the amount of \$1,050.00 until the Maturity Date.

Mr. Gladden then stated that the Current Owner has requested that the Authority further modify the terms of the Authority Loan by extending the Reduced Payment Period until the Maturity Date and continue to defer all unpaid principal payments until the Maturity Date in connection with the Trust Fund Portion of the Authority Loan (the “Second Loan Modification”).

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

2. 2018-IHDA-138: Resolution Authorizing a Change of General Partner for Fox View Apartments (PID-ML290) Champaign, Illinois.

Mr. Gladden stated that on December 1, 2008, the Authority issued Variable Rate Demand Multi-Family Housing Revenue Bonds, Series 2008 (“Bonds”) and Low Income Housing Tax Credits (“Tax Credits”) to Steadfast Foxview, L.P. (“Owner”), for the acquisition, construction and permanent financing of a multifamily housing development described on Exhibit A attached to the Resolution known as Fox View Apartments (“Development”).

He then stated that Steadfast FVA, LLC, a Delaware Limited Liability Company is the general partner of the Owner (“General Partner”) and that the General Partner desires to transfer its partnership interest in the Owner to Foxview CRG GP LLC (“New General Partner”). The New General Partner will assume the obligations of the General Partner (“General Partner Change”).

Mr. Gladden further stated that the Owner has requested that the Authority consent to the General Partner Change substantially in accordance with the terms set forth in the project summary (“Summary”) attached to this Resolution.

A motion to approve the Resolution was made by Ms. Kane and seconded by Vice Chairperson Davis; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, 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 July 20, 2018 meeting. Ms. Kane recommended the Members’ approval of the minutes from the June 15, 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, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

**V.** Chairman Harris requested a motion to move to Closed Session pursuant to Section 2(c)(21) of the Open Meetings Act.

A motion to move to Closed Session was made at 11:30 a.m. 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. Hocker, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

Closed session adjourned at 11:45 a.m. Open session reconvened at 11:48 a.m.

**VI.** 2018-IHDA-139: Resolution Authorizing Closed Session Minutes

A motion to table the Resolution was made by Mr. Tornatore and seconded by Ms. Ramirez the motion to table was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Hocker, Ms. Kane, Ms. Ramirez, Ms. Rapp and Mr. Tornatore.

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

A. IHDA Finance Committee July 20, 2018 Meeting Agenda and Materials.

**VIII.** 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.

**IX.** IT Presentation

Mr. Berkey gave a presentation to the members about the status of IHDA's IT transformation efforts.

At 12:15 p.m., Ms. Ramirez left the meeting.

At 12:26 p.m., Ms. Kane left the meeting.

**X.** Adjournment:

Chairman Harris 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 12:31 p.m.