

ILLINOIS HOUSING DEVELOPMENT AUTHORITY
October 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 October 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. Ms. Synowiecki took a roll call. With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Rapp and Mr. Tornatore, Chairman Harris called the meeting to order at 11:00 a.m. Ms. Ramirez did not participate in the meeting.
- C. Chairman Harris indicated the next item on the agenda was related to rapid results. Assistant Executive Director Olson announced the rapid results project winner for the month of October. Jenna Hebert from Multifamily Financing was acknowledged for her project idea.
- D. Chairman Harris indicated there was no one present intending to provide public comments.

Chairman Harris requested a motion to move agenda item VI. E. to I. E.

A motion to approve moving agenda item VI. E. to I. E was made by Mr. Tornatore and seconded by Chairman Harris; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Rapp and Mr. Tornatore.

- E. 2019-10-IHDA-224: Resolution Regarding the Authority’s Executive Director.

Chairman Harris introduced Kristin L. Faust and requested the members approval to appoint Ms. Faust as the Authority’s Executive Director.

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

Ms. Faust thanked the members and stated that she is looking forward to working with them and the Authority’s staff.

II. Committee Materials

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

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

III. Committee Minutes

- A. Finance Committee Minutes, Ms. Kane recommended the Members' approval of the minutes from the September 20, 2019 Finance Committee meeting.

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

IV. Consent Agenda

Chairman Harris noted that there were twenty-three (23) Resolutions on the consent agenda. He then proceeded to publicly recite the title of each of the Resolutions on the consent agenda.

A. Minutes

1. 2019-10-IHDA-191: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority Held on September 20, 2019.

B. Procurement Matters

1. 2019-10-IHDA-192: Resolution Authorizing Renewal and Amendment of Agreement with ADFITECH, Inc. for Mortgage Loan Quality Control Services.
2. 2019-10-IHDA-193: Resolution Authorizing an Agreement for the Stone Group – Additional Electric Work.
3. 2019-10-IHDA-194: Resolution Authorizing Agreement for Executive Search Firm.
4. 2019-10-IHDA-195: Resolution Authorizing an amendment to the Agreement with CDW Government, Inc. for Microsoft Office 365 License Subscriptions.

C. Multifamily Matters

1. 2019-10-IHDA-196: Resolution Authorizing a Loan Modification for Reclaiming Southwest Chicago.
2. 2019-10-IHDA-197: Resolution Authorizing the Return of 2018 Federal Tax Credits and the Extension of the Commitment Expiration Date for a HOME Loan and Section 811 Rental Assistance for Fifth Avenue Apartments.
3. 2019-10-IHDA-198: Resolution Authorizing Federal Tax Credit Increase for 5150 Northwest Highway.
4. 2019-10-IHDA-199: Resolution Authorizing a Change to the Financing Structure for

Parkside Four – Phase II.

5. 2019-10-IHDA-200: Resolution Authorizing Return of 2018 Federal Tax Credits and Allocation of 2019 Federal Tax Credits for Hope Manor Apartments.
6. 2019-10-IHDA-201: Resolution Authorizing Modification of Loan Term for TCB Oak Park I.
7. 2019-10-IHDA-202: Resolution Authorizing Return of 2019 Federal Tax Credits and Allocation of 2020 Federal Tax Credits for Southbridge Phase 1B.
8. 2019-10-IHDA-203: Resolution Authorizing Federal Tax Credit Increase for Rushville Homes.
9. 2019-10-IHDA-204: Resolution Authorizing an Extension of the Commitment Expiration Date for Tiger Senior Apartments.
10. 2019-10-IHDA-205: Resolution Regarding the Funding Source for Pinewood Place.
11. 2019-10-IHDA-219: Resolution Authorizing the Modification of Regulatory Agreement for Johnson & Butler-Lindon Apartments.

D. Asset Management Matters

1. 2019-10-IHDA-206: Resolution Authorizing the Assignment and Assumption of EUA and Regulatory Agreement and Change in property Management for Wood Glen Senior Apartments a.k.a. West Chicago Senior Apartments.
2. 2019-10-IHDA-207: Resolution Authorizing Change in General Partner and Change of Property Management for Eden's Garden Apartments.
3. 2019-10-IHDA-208: Resolution Authorizing Transfer of Physical Assets, Assignment and Assumption and Subordination of Extended Use Agreement and Regulatory Agreement, Prepayment of the HOME Loan and Change in Property Management for Finley Place Apartments.

E. Finance Matters

1. 2019-10-IHDA-209: Resolution Amending Designations of a Portion of Administrative Fund net Assets for Various Programs and Expenditures.
2. 2019-10-IHDA-210: Resolution Ratifying Permitted Financial Activities.
3. 2019-10-IHDA-211: Resolution amending Financial Management Policy.

F. General Administrative Matters

1. 2019-10-IHDA-213: Resolution Electing Officers of the Authority

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 Ms. Rapp and seconded by Mr. Tornatore; the twenty-three (23) Resolutions noted above were adopted by the affirmative votes of Chairman Harris, Vice-Chairperson Davis, Vice Chairperson Davis, Ms. Kane, 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. 2019-10-IHDA-214: Resolution Approving 2020/2021 Low-Income Housing Tax Credit Qualified Allocation Plan.

Ms. Hebert stated that The Multifamily Finance Department is requesting the approval of the 2020/2021 Qualified Allocation Plan (“QAP”). She said the QAP defines the Authorities housing policy goals and objectives for the next two years. She said drafting the QAP is a long and arduous process, requiring collaboration between many departments at the Authority.

She then stated that the Authority engaged stakeholders throughout the state at various QAP Summits held in Chicago, Springfield, Rockford and Belleville. Based on the feedback from our partners, we published the Draft QAP on July 1st. We held a public hearing in mid-July and incorporated some valuable feedback into the final document before you today for approval.

Some of the significant changes for 2020-2021 QAP include the following:

- Added Average Income minimum set aside election;
 - Expanded Preliminary Project Assessment criteria.
 - Required owners waive Qualified Contract, which keeps the property affordable for 30 years.
 - Required that non-elderly projects pledge 10% of total development units to the Statewide Referral Network;
 - Increased requirement for Universal Design elements
 - Required preference for veterans;
 - Added non-smoking requirement for all new construction projects.
 - Increased minimum rehab standards from \$25,000 per unit to \$40,000 per unit;
- AND

- Aligned underwriting criteria with equity syndicators' requirements to create consistency in best practices.

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

2. 2019-10-IHDA-215: Resolution Authorizing Return of 2018 Federal Tax Credits, Allocation of 2019 Federal Tax Credits and Increase in HOME Loan for East Bluff Housing (PID-11458) Peoria, Illinois (Amending Resolution Nos 2018-IHDA-075S and 2019-IHDA-037).

Ms. Hebert stated that the Illinois Housing Development Authority ("Authority") has been designated as the low-income housing tax credit agency for the State of Illinois ("Federal Tax Credit Agency") to allocate federal low-income housing tax credits ("Federal Tax Credits") to housing projects.

She then stated that pursuant to Resolution No. 2018-IHDA-075S ("Initial Resolution"), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 763,125 in connection with the construction and permanent financing of a multifamily development commonly known as East Bluff Housing (the "Development"). She further stated that due to extenuating circumstances beyond the control of the East Bluff Homes, LP (the "Owner"), the Development and its financing has been delayed, and the Authority has determined that the Development is in danger of not being completed by the date the Development must be placed in service, as more fully described on the transaction summary ("Summary") attached to the Resolution. Therefore, the Sponsor is returning the 2018 Credits to the Authority and has requested that the Authority make a new allocation reservation of Federal Tax Credits for the Development from the 2019 Authority Housing Credit Ceiling (as defined in the 2018-2019 QAP) in the amount of 763,125.

She also stated that the Authority administers the HOME Investment Partnerships Program. ("HOME Program") in Illinois.

Ms. Hebert then stated that pursuant to Resolution No. 2019-IHDA-037 (the "Loan Resolution"), the Authority was authorized to make a loan under the HOME Program to the Owner in an amount not to exceed \$1,000,000.00 (the "HOME Loan") for the construction and permanent financing of Development and that the Owner has requested that the Authority increase the amount of the HOME Loan in an amount not to exceed \$380,560.00 (the "HOME Loan Increase").

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

3. 2019-10-IHDA-216: Resolution Authorizing Return of 2018 Federal Tax Credits, Allocation of 2019 Federal Tax Credits, Increase of 2020 Federal Tax Credits and HOME Loan for Lofts on the Square (PID-11471) Belleville, Illinois (Amending Resolution 2018-IHDA-075M).

Ms. Herbert stated that pursuant to Resolution No 2018-IHDA-075M (“Prior Resolution”), the Authority was authorized to allocate 2018 Federal Tax Credits in the amount of 747,973 in connection with the construction and permanent financing of a multifamily development commonly known as Lofts on the Square (the “Development”). She further stated that due to extenuating circumstances beyond the control of the MH Belleville Associates, LP (the “Owner”), the Development and its financing has been delayed, and the Authority has determined that the Development is in danger of not being completed by the date the Development must be placed in service, as more fully described on the transaction summary (“Summary”) attached to the Resolution. Therefore, the Sponsor is returning the 2018 Credits to the Authority and has requested that the Authority make a new allocation reservation of Federal Tax Credits for the Development from the 2019 Authority Housing Credit Ceiling (as defined in the 2018-2019 QAP) in the amount of 747,973. She further stated that she has applied to the Authority for and is able to support additional 2020 Federal Tax Credits in the amount of 182,819 (“Tax Credit Increase”).

She then stated that the Owner has requested that the Authority make a loan under the HOME Program in the amount of \$1,300,000.00 (the “HOME Loan”).

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. Kane, Ms. Rapp and Mr. Tornatore.

4. 2019-10-IHDA-217: Resolution Authorizing a Grant Modification for Kane County (PID-75022) Kane County, Illinois.

Mr. Wambach stated that the Authority is the designated administrator of the NSP Funds for the State.

He then stated that the Authority previously provided a NSP grant (“Grant”) to Kane County (“Grantee”) for NSP-eligible acquisition and rehabilitation activities throughout Kane County, Illinois (“Development”) and that the Grantee has requested that the Authority modify the Grant by extending the expiration date from December 14, 2018 to December 31, 2020 (“Grant Modification”).

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

5. 2019-10-IHDA-218: Resolution Authorizing State Tax Credits for Framing Hope 2019 (PID-11760) Rockford, Illinois.

Ms. Yool stated that the Authority is designated to allocate Affordable Housing Tax Credits (the “State Tax Credits”).

She then stated that the Rockford Area Habitat for Humanity (“Sponsor”) has applied to the Authority for FY20 State Tax Credits in the amount of 150,037 in connection with the acquisition, rehabilitation and permanent financing of a multifamily housing development described on **Exhibit A** attached to this Resolution and known as Framing Hope 2019 (the “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. Kane, Ms. Rapp and Mr. Tornatore.

B. Multifamily Financing Matters

Chairman Harris introduced Resolutions 2019-10-IHDA-220, 2019-10-IHDA-221 A and 221B and Mr. Carney proceeded to discuss all three resolutions.

1. Barwell Manor

- a. 2019-10-IHDA-220: Resolution Authorizing a Risk Sharing Loan, a Conduit Loan, a HOME Loan and State Tax Credits for Barwell Manor (PID-11624) Waukegan, Illinois.

Mr. Carney stated that the Authority administers Risk Sharing Programs wherein the Authority makes mortgage loans to borrowers (“Risk Sharing Loans”), which are credit enhanced through insurance provided by the United States Department of Housing and Urban Development (“HUD”) and that the Authority issues Multifamily Revenue Bonds whereby the Authority acquires funds to make loans for affordable housing developments through the issuance of tax exempt multifamily housing bonds and that the Authority intends to obtain the funds to make the Risk Sharing Loan through the issuance of its bonds and the Risk Sharing Loan will be credit enhanced under the Risk Sharing Program.

He then stated that the Authority acquires funds to make loans (individually, a “Conduit Loan”) for affordable housing developments through the issuance of 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 further stated that Barwell Rehabilitation LLC (the “Owner”) has requested the Authority make the following loans for the acquisition, construction, rehabilitation and/or permanent financing of a multifamily housing development located on the real estate legally described on Exhibit A attached to the Resolution and known as Barwell Manor (“Development”):

- Two co-first position construction Conduit Loans in an aggregate amount not to exceed \$26,000,000.00; and
 - A first position permanent Risk Sharing Loan in an amount not to exceed the lesser of \$12,150,000.00 or 90% loan to value; and
 - A second position construction to permanent loan under the HOME Program in an amount not to exceed \$2,235,000.00 (“HOME Loan”); and
 - CDA Housing, Inc. (“STC Sponsor”) has applied to the Authority for FY20 State Tax Credits in the amount of 3,590,590.
- b. 2019-10-IHDA-221A: Resolution Authorizing the Issuance of Not to Exceed \$13,500,000 Aggregate Principal amount of Multifamily Housing Revenue Note, Series 2019A (Barwell Manor) and \$12,500,000 Aggregate Principal Amount of Multifamily Housing Revenue Note, Series 2019B (Barwell Manor).

Mr. Carney stated that the Resolution authorizes the issuance by the Authority of its Multifamily Housing Revenue Note, Series 2019A (Barwell Manor) in an original maximum principal amount not to exceed \$13,500,000 (the “Series 2019A Note”) and Series 2019B (Barwell Manor) in an original maximum principal amount not to exceed \$12,500,000 (the “Series 2019B Note” and, together with the Series A Note, the “Notes”). He further stated that The Notes would be issued to provide funds to be applied to make a loan to Barwell Rehabilitation LLC (the “Borrower”), for the purpose to finance the acquisition, demolition of certain existing buildings, rehabilitation, construction and equipping of a total of 120 units of multifamily rental housing in 13 multifamily buildings and two community buildings (the “Development”).

The Notes will be issued directly to Citibank, N.A., or an affiliate thereof. The Series A Note will be issued as a fixed rate note. The Series B Note will be issued as a variable rate note. The Notes will be special limited obligations and will not be general or moral obligations of the Authority.

This is a delegation Resolution. Issuance of the Notes will require the use of volume cap in an aggregate amount not to exceed \$26,000,000. Such volume cap will be allocated to the Notes by the Authority.

- c. 2019-10-IHDA-221B: Resolution Authorizing the Issuance of Not to Exceed \$13,500,000 Multifamily Housing Revenue Bonds.

Mr. Carney stated that the resolution authorizes the future issuance of not to exceed \$13,500,000 aggregate principal amount of Illinois Housing Development Authority Multifamily Revenue Bonds (the “Refunding Bonds”) for the purpose of

refunding the Series A Note upon the satisfaction of certain conditions provided for in the Forward Bond Purchase Agreement, by and between the Authority and Citibank, N.A., or an affiliate thereof (the “Purchaser”), dated as of date of issuance of the Series A Note (the “Forward Bond Purchase Agreement”). The Refunding Bonds will be purchased by Purchaser pursuant to the Forward Bond Purchase Agreement.

The Refunding Bonds authorized by this Resolution will be issued as fixed interest rate bonds. Proceeds of the Refunding Bonds may be used to (a) finance a mortgage loan, the proceeds of which will be used to refund the Series A Note, (b) pay capitalized interest or accrued interest, if any, on the Refunding Bonds and (c) pay costs of issuance of the Refunding Bonds. This is a delegation Resolution.

A motion to approve the Resolution numbers 2019-10-IHDA-220, 2019-10-IHDA-221 A and 221B was made by Ms. Rapp and seconded by Vice Chairperson Davis; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Rapp and Mr. Tornatore.

C. Asset Management Matters

1. 2019-10-IHDA-223: Resolution Authorizing Agreements Related to Re-Entry Special Demonstration Program.

Mr. Fifer stated that the Authority has been designated the program administrator of the Rental Housing Support Program (the “RHS Program”) for the State of Illinois. The RHS Program is designed to provide rental subsidies (“Rental Subsidies”) for households whose annual income is less than 30% of the median income for the area in which the households reside and that each year the Authority receives an appropriation (the “Appropriation”) from the Illinois General Assembly for the RHS Program. He then stated that the Authority issued a Rental Housing Support Program Re-Entry Special Demonstration Program Local Administering Agencies RFA (“Re-Entry Demo Program”) to provide funding to local administering agencies to provide rental units to tenants that are leaving prisons.

He further stated that Community Partners For Affordable Housing, (“LAA”) has applied to the Authority for a grant in the total amount of \$411,642.00, under the Re-Entry Demo Program to provide rental subsidies to 10 units of housing for a period of 3 years to assist Extremely Low-Income and Severely Low-Income Households (both as defined in the Re-Entry Demo Program) and serve individuals who are being released from prisons, all as more fully described in the summary of the Re-Entry Demo Program attached to the Resolution.

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

VI. Executive Director Matters

Chairman Harris made a motion that Agenda Items VI. A. through VI. D. be omitted from the agenda and seconded by Mr. Tornatore; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Ms. Rapp and Mr. Tornatore.

VII. Written Reports:

Hardest Hit Fund, Authority Financial Statements, Accounting Payments Report, Investment Holdings, Communications, External Relations and Operational Excellence.

VIII. Adjournment:

Chairman Harris then asked for a motion to adjourn the meeting. A motion to adjourn was made by Ms. Rapp and seconded by Ms. Kane. All Members present affirmed such motion. The meeting adjourned at 11:22 a.m.