

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
DECEMBER 15, 2023 – 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 December 15, 2023, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

**I. Opening**

- A. Call to Order: Chairman Harris called the meeting to order at 11:00 a.m.
- B. Roll Call: Ms. Synowiecki took a roll call. Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore participated in the meeting in-person, being physically present at the Authority’s office at 111 E. Wacker.
- C. Chairman Harris indicated that Mr. Hightower requested the opportunity to provide public comments related to the Sunnybrook development. Mr. Hightower thanked the Board for its consideration of the development. Chairman Harris thanked Mr. Hightower for his dedication to affordable housing and diligence.

**II. Committee Minutes**

- A. Audit Committee Minutes, Chairman Harris recommended the Members’ approval of the minutes from the September 15, 2023, Audit Committee meeting.

A motion to approve the Audit Committee Minutes from September 15, 2023, was made by Mr. Morsch and seconded by Mr. Morsch; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

- B. Finance Committee Minutes, Chairman Harris recommended the Members’ approval of the minutes from the November 17, 2023, Finance Committee meeting.

A motion to approve the Finance Committee Minutes from November 17, 2023, was made by Mr. Tornatore and seconded by Mr. Morsch; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

### **III. Consent Agenda**

Chairman Harris noted that there were fifteen (15) 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. 2023-12-IHDA-317: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority Held on November 17, 2023.

#### **B. Procurement Matters**

1. 2023-12-IHDA-318: Resolution Authorizing Engagement of an Insurance Broker I Connection with Directors' and Officers' Liability Insurance in an Amount Not-to-Exceed \$322,408.00
2. 2023-12-IHDA-319: Resolution Authorizing Execution of Agreements and Expenditure of Funds in Connection with Directors' and Officers' Liability Insurance For an Aggregate Amount Not to Exceed \$322,408.00
3. 2023-12-IHDA-320: Resolution Authorizing Agreement for Mortgage Loan Quality Control Services in an Amount Not to Exceed \$1,740,528.00

#### **C. Multifamily Matters**

1. 2023-12-IHDA-323: Resolution Authorizing Section 811 Rental Assistance (Not to exceed \$1,099,800) for Villa Guadalupe (PID-12228)
2. 2023-12-IHDA-324: Resolution Authorizing an Extension of the Commitment Expiration Date for Five Permanent Supportive Housing Round IX Transactions
3. 2023-12-IHDA-325: Resolution Authorizing Return of 2022 Low Income Housing Tax Credits and Reallocation of 2023 Low Income Housing Tax Credits for Four Developments

#### **D. Asset Management Matters**

1. 2023-12-IHDA-326: Resolution Authorizing the Modification and Re-subordination of the Trust Fund Loan and Regulatory Agreement for Sanctuary Place (30-1553)
2. 2023-12-IHDA-327: Resolution Authorizing Release of the Extended Use Agreement for Oaks of Willow Hill (TC-336)
3. 2023-12-IHDA-328: Resolution Authorizing Release of the Extended Use Agreement for Pheasant Ridge Apartments (TC-2211-05)

4. 2023-12-IHDA-329: Resolution Approving an Extension of Maturity Date and Modification of Loan Documents for Peru Senior Housing Phase I (40-635-01)
5. 2023-12-IHDA-330: Resolution Approving an Extension of Maturity Date and Modification of Loan Documents for Princeton Senior Housing Phase I (40-267-01)
6. 2023-12-IHDA-331: Resolution Approving an Extension of Maturity Date and Modification of Loan Documents for Princeton Senior Housing Phase II (40-482-01)
7. 2023-12-IHDA-332 Resolution Approving an Extension of Maturity Date for Rebecca Walker Complex (30-10847 & 40-080)
8. 2023-12-IHDA-333: Resolution Authorizing Matters Related to Operating and/or Repair Expenses for certain Distressed Properties

After the completion of the public recital of the Resolution titles, Chairman Harris asked the Members if anyone had any additional comments or wanted to remove any Resolutions from the consent agenda.

The Members had no additional comments or questions and none of the Members made a motion to remove any Resolution from the consent agenda. A motion to adopt the consent agenda Resolutions was made by Ms. Poethig and seconded by Mr. Morsch. The fifteen (15) Resolutions noted above were adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

**V. Chairman Harris indicated that the Additional Resolutions would now be discussed.**

**A. Multifamily Matters**

1. 2023-12-IHDA-333: Resolution Authorizing Return of 2024 Federal Tax Credits and Allocation of 2023 Federal Tax Credits (678,364) and a Grant under the COVID-19 Affordable Housing Grant Program (Not to Exceed \$3,686,963.00) for Timber Trails Apartments (PID-12118)

Ms. Pirvu stated that the Authority is authorized 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 and that the Authority was allocated funds to establish the COVID-19 Affordable Housing Grant Program (“CAHGP”) to provide gap financing for eligible, qualified multi-family rental developments for low and moderate households within the State.

She then stated that pursuant to Resolution No. 2023-06-IHDA-129q (“First Resolution”), the Authority was authorized to allocate 2023 Federal Tax Credits in the amount of 24,631 (“Original 2023 Credits”) and 2024 Federal Tax Credits in the amount of 1,360,847 (“2024 Credits”) in connection with the acquisition, construction and permanent financing of the multifamily housing development commonly known as Timber Trails Apartments (“Development”) and that the Authority has additional 2023 Credits available in the amount of 653,733 (“New 2023 Credits”) and pursuant to the QAP governing the allocation of Federal Tax Credits, the Budslick Investments LLC and Affordable Housing of Southern Illinois (“Sponsor”) is returning a portion of the 2024 Credits to the Authority and has requested that the Authority make an allocation of Federal Tax Credits in an amount equal to the New 2023 Credits for the Development from the 2023 Authority Credit Ceiling (as defined in the QAP) (“Return and Reallocation of Tax Credits”); and

She further stated pursuant to First Resolution, the Authority has previously allocated Federal Tax Credits to the Development; however, due to increased construction costs, supply and labor shortages related to the COVID-19 pandemic, the Owner has a financing gap which would make the Development financially infeasible and the Sponsor has applied for a grant under the CAHGP in an amount not to exceed \$3,686,963 (the “Grant”), to address the financing gap in permanent financing of the Development.

A motion to adopt the Resolution was made by Mr. Morsch and seconded by Vice Chairperson Ramirez. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

2. 2023-12-IHDA-334: Resolution Authorizing State Tax Credits (5,540,000) for Parkside Phase III (PID-12178)

Ms. Pirvu stated that the Authority is authorized to allocate Affordable Housing Tax Credits (“State Tax Credits”) and is also the Program Administrator for the Illinois Affordable Housing Trust Fund Program.

She then stated that Holsten Real Estate Development Corporation and Cabrini Green LAC CDC (“Sponsor”) has applied to the Authority for FY24 State Tax Credits in the amount of 5,540,000 (“FY24 State Tax Credit Reservation Amount”) for the acquisition, construction and permanent financing of a multifamily housing development, as described on Exhibit A attached to the Resolution and known as Parkside Phase III (the “Development”).

A motion to adopt the Resolution was made by Ms. Berg and seconded by Ms. Poethig. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

3. 2023-12-IHDA-335: Resolution Authorizing a Credit Advantage Loan (Not to exceed \$3,000,000) for Maywood Supportive Living Facility (PID-10545)

Ms. Matkom stated that the Authority had previously allocated state tax credits and made a Conduit Loan and a Risk Share Loan for the acquisition, rehabilitation and permanent financing of a multifamily housing development known as Maywood Supportive Living Facility (“Development”) and that the Development’s construction costs have significantly increased and the Maywood SLF I LP (“Owner”) the Owner has requested the Authority make a subordinate loan under the Credit Advantage Program in an amount not to exceed \$3,000,000.00 (“Loan”) to cover these additional costs.

A motion to adopt the Resolution was made by Ms. Berg and seconded by Ms. Poethig. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

4. 2023-12-IHDA-334: Resolution Authorizing Return of 2022 Federal Tax Credit and Allocation of 2023 Federal Tax Credits (983,343), Authorizing Federal Tax Credit Increase (Not to exceed 516,657), and Authorizing a Grant under the COVID-19 Affordable Housing Grant Program (Not to Exceed \$6,741,004.00) for Community of Sunnybrook (PID 11459)

Ms. Spray stated that pursuant to Resolution No. 2022-12-IHDA-307 (“Prior Resolution”), the Authority was authorized to allocate 2022 Federal Tax Credits in the amount of 983,343 (“2022 Credits”) in connection with the acquisition, construction and permanent financing of the multifamily housing development commonly known as The Community of Sunnybrook (“Development”) and due to extenuating circumstances beyond the control of the EBJJ, LLC & Laborers’ Home Development Corporation (“Sponsor”), the Sponsor determined that the Development is in danger of not expending 10% of the property’s reasonably expected basis within twelve months of the carryover allocation as set forth in Section 42 (“10% Test”) by the date Development must meet the 10% Test pursuant to the 2022 Credits.

She further stated that the Sponsor has applied to the Authority for and is able to support an additional reservation of Federal Tax Credits for the Development from the 2023 Authority Credit Ceiling (as defined in the QAP) in the amount of 516,657 (“Federal Tax Credit Increase”) and the Sponsor has also applied for a grant under the CAHGP in an amount not to exceed \$6,741,004.00 (the “Grant”), to address the financing gap in Development.

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Vice Chairperson Ramirez. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

## **B. Multifamily Finance Matters**

### **1. Harvey II and III**

- a. 2023-12-IHDA-337a: Resolution Authorizing a Conduit Loan (not to Exceed an Aggregate \$26,520,000.00), a FFB Risk Sharing Permanent Loan (not to Exceed 90% LTV, approx. \$5,000,000), and an Affordable Housing Surplus Loan (not to Exceed \$2,280,000.00) and an Interest Rate Swap Agreement for Harvey II & III (PID-12289).
- b. 2023-12-IHDA-337b: Resolution Authorizing the Issuance of Not to Exceed \$26,520,000.00 Aggregate Principal Amount of Multifamily Housing Revenue Bonds, Series 2024A and Multifamily Housing Subordinate Revenue Bonds, Series 2024B (Harvey II & III)

Mr. Bannon stated that pursuant to Resolution No. 2022-01-IHDA-008c and 2022-06-IHDA-154, consecutively, the Authority has previously awarded a Trust Fund Loan in the amount of \$7,184,323.00 and allocated FY 2022 State Tax Credits in the amount of 1,999,999 for the acquisition, construction and permanent financing of the of a multifamily housing development known as Lakeview Landing located in Chicago (“Development”).

Preservation of Affordable Housing, Inc. (“Sponsor”) has requested the Authority make a first position construction Conduit Loan through the issuance of Bonds in an amount estimated to be \$14,500,000 (“Series A”) and second position construction Conduit Loan through the issuance of Bonds in an amount estimated to be \$7,750,000 (“Series B”) for the acquisition and rehabilitation of a multifamily housing development located on the real estate legally described on **Exhibit A** attached to this Resolution, which legal description may be updated as part of standard due diligence for closing, and known as Harvey II & III (“Development”); the Series A and Series B Bond amounts shall not exceed an aggregate amount of \$26,520,000.

She further stated that HUD and the Federal Financing Bank (“FFB”), have implemented a program pursuant to which FFB may acquire beneficial ownership of mortgage loans originated by the Authority and insured under the Risk Sharing Program (the “FFB/542(c) Risk Sharing Program”) and pursuant to Resolution No. 2021-10-IHDA-232, the Authority is reauthorized to participate in the FFB/542(c) Risk Sharing Program and that the Authority may enter into one or more risk management agreements, defined to include interest rate swaps, in order to reduce the risk of loss to the Authority or to protect, preserve or enhance the value of the Authority’s assets. She added that pursuant to Resolution No. 2017-IHDA-235, the Authority is authorized to enter into International Swaps and Derivatives Association, Inc. Master Agreements (“ISDA Master Agreements”) and such Schedules to such ISDA Master Agreements (“Schedules”).

She then stated that the Authority is now seeking authorization to enter into a confirmation (“Confirmation”, and collectively with the relevant ISDA Master Agreement and Schedule, an “Interest Rate Swap Agreement”) with an approved counterparty, and to use such Interest Rate Swap Agreement for the Development to protect the Authority’s risk with regard to the interest rate for the interest to be conveyed to the FFB and that the Owner and the Sponsor have requested the Authority make the following financing in connection with the Development:

1. a first position permanent mortgage loan under the FFB/542(c) Risk Sharing Program from funds provided by FFB and credit enhanced under the FFB/542(c) Risk Sharing Program, currently underwritten in the approximate amount of \$5,000,000.00, but not to exceed 90% loan to value sized to maintain a debt service coverage ratio of 1.11:1 through year 20 (“FFB Risk Sharing Loan”).
2. a loan in an amount not to exceed \$2,280,000.00 (“AHS Loan”; together with the Conduit Loan and the FFB Risk Sharing Loan, collectively, the “Financing”), if needed, to allow the Authority to maintain the debt service payment committed to Owner as part of the FFB Risk Sharing Loan

Ms. Hilmer noted that this Resolution authorizes the issuance by the Illinois Housing Development Authority (the “Authority”) not to exceed \$26,520,000 in aggregate principal amount of its Obligations (as defined below) consisting of (i) not to exceed \$17,000,000 in aggregate principal amount of Multifamily Housing Revenue Bonds, Series 2024A (Harvey II and III) (the “Bonds”) and (ii) not to exceed \$13,000,000 in aggregate principal amount of Multifamily Housing Subordinate Revenue Bonds, Series 2024B (Harvey II and III) (the “Subordinate Bonds,” together with the Bonds, the “Obligations”). The Obligations will be issued to provide funds to be applied to make new loans directly to Harvey II & III LLC for the Development. The Bonds will be underwritten by Stifel, Nicolaus & Company, Incorporated, or an affiliate thereof. The Bonds will be issued as fixed rate bonds, with an interest rate, mandatory tender date, and a final maturity date to be established in the Indenture, subject to adjustment of the interest rate in the event of a remarketing upon such mandatory tender. The interest rate and final maturity date for the Subordinate Bonds will be established pursuant to the Subordinate Indenture.

She further stated that this is a delegation Resolution. Issuance of the Bonds will require the use of volume cap in an aggregate amount not to exceed \$26,520,000.

A motion to adopt the Resolution Numbers.: 2023-12-337a and 2023-12-337b was made by Mr. Morsch and seconded by Ms. Berg. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

1. Zion Woods

- a. 2023-12-IHDA-338a: Resolution Authorizing a Trust Fund Loan (not to exceed \$3,792,308), a CAHGP Grant (not to exceed \$4,032,000), and a Conduit Loan (not to exceed \$9,790,000.00) for Zion Woods (PID-11196).
- b. 2023-12-IHDA-338b: Resolution Authorizing the Issuance of Not to Exceed \$9,790,000.00 Aggregate Principal Amount of Multifamily Housing Revenue Bonds, Series 2024 (Zion Woods)

Mr. Ryan stated that pursuant to Resolution No. 020-01-IHDA-012e (“Prior Resolution”), the Authority was authorized to provide Zion Woods Limited Partnership (“Sponsor”) with a Trust Fund Loan (not to exceed \$3,792,308) (“Trust Fund Loan”), a HOME Grant (not to exceed \$3,237,842) (“HOME Grant”), Section 811 Rental Assistance (not to exceed \$598,839) (“Rental Assistance”) and a make a reservation of FY20 State Tax Credits in the amount of \$567,500 (“State Tax Credits”) for the acquisition, construction and permanent financing of a multifamily housing development know as Zion Woods (“Development”) as part of the PSH Program; the authorizations to make the Trust Fund Loan and HOME Grant have expired as of September 30, 2020. Pursuant to increased construction costs, supply and labor shortages related to the COVID-19 pandemic, the Sponsor has a financing gap which would make the Development financially infeasible, and Sponsor has requested the Authority extend the authorizations to provide the Trust Fund Loan and the State Tax Credits, terminate the request for Rental Assistance and the HOME Grant, and provide a grant under the CAHGP in an amount not to exceed \$4,032,000 (“CAHGP Grant”), to address the financing gap in financing of the Development.

He then stated that the Authority acquires funds to make loans (individually, a “Conduit Loan”) for affordable housing developments through the issuance of notes (“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 and that the Authority intends to obtain the funds to make the Conduit Loan in an amount not to exceed \$49,500,000 for the Development.

He further stated that the Resolution authorizes the issuance by the Authority of not to exceed \$9,790,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds, Series 2024 (Zion Woods) (the “Bonds”). The Bonds will be issued as fixed rate bonds with an interest rate and a final maturity date to be

established in the Trust Indenture. The Bonds will be a special limited obligation and will not be a general obligation of the Authority.

This is a delegation Resolution. He added that this is a delegation Resolution. Issuance of the Bonds will require the use of volume cap in an aggregate amount not to exceed \$49,500,000.

A motion to adopt the Resolution Numbers.: 2023-12-338a and 2023-12-338b was made by Ms. Berg and seconded by Ms. Poethig. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

### **C. Asset Management Matters**

1. 2023-12-IHDA-340: Resolution Authorizing a Change in Ownership and Assignment, Assumption, and Re-Subordination of Regulatory Agreements for Brookstone Apartments (2737).

Ms. Thompson stated that the Authority previously allocated federal Tax Credits (“Tax Credits”) and provided a Trust Fund loan (“Loan”) in the original amount of \$395,500 to Normal Parkway Housing Group, LP (“Current Owner”) for the acquisition, rehabilitation, and permanent financing of the housing development commonly known as Normal Parkway Homes (1295) (“Development”) and the Current Owner desires to obtain the Authority’s consent to (i) prepayment of the Loan (“Prepayment”), and (ii) transfer 100% of its ownership interest in the Development to Longwood Development LLC (the “New Owner”), as more fully described in the project summary (“Summary”) attached to the Resolution.

She then stated that the Loan has a current balance of \$395,500.00 and the Current Owner intends to payoff the balance as part of the proposed sale transaction and that the Development is governed by and subject to a Regulatory and Land Use Restriction Agreement (“Regulatory Agreement”) and, pursuant to the issuance of Tax Credits, a Low-Income Housing Tax Credit Extended Use Agreement (“EUA”).

She further stated that the Owner has requested that the Authority consent to the Prepayment, Transfer, and Assumption (“Consent”).

A motion to adopt the Resolution was made by Ms. Berg and seconded by Mr. Hayes. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

## **D. Strategic Response Matters**

### **1. 2023-12-IHDA-340: Resolution Authorizing Grants for Housing Stability Services**

Ms. Sepka stated that The American Rescue Plan Act of 2021, (“ARPA”) established the “ERA2” Federal Emergency Rental Assistance Program and that ERA2 funds made available to the State of Illinois have been appropriated to the Illinois Department of Human Services (“IDHS”) and IHDA to administer for eligible uses.

She then stated that pursuant to Resolution No. 2021-08-IHDA-167, as amended by Resolution No. 2022-08-IHDA-215, and pursuant to Resolution No. 2023-06-IHDA-134 and 2023-10-IHDA-289, the Authority established an ERA2 funded court based rental assistance program that is presently available to eligible residents of the State (“CBRAP”) and that in connection with the CBRAP, the Authority wishes to use a portion of the ERA2 funds to provide housing stability services (“HSS”) to CBRAP applicants, which assistance will include marketing and outreach, intake, and equipment (collectively, the “Services”).

She added that the HSS providers identified on Exhibit A attached to the Resolution have been identified to receive HSS grants (“Grants”) in the amounts identified on Exhibit A to provide the Services (collectively, “Grantees”), however, some of the identified Grantees may not receive Grants, and the Grants allocated on Exhibit A may be increased or decreased by the Authority, in its sole discretion, without further approval required by the Members of the Authority, in the event any Grantee(s) cannot timely meet the requirements for initial closing or have not expended grant funds in a timely fashion on dates established by the Authority. She further added that the Authority desires to make the Grants to the Grantees in the aggregate amount of \$2,274,635.00.

A motion to adopt the Resolution was made by Mr. Morsch and seconded by Mr. Tornatore. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch, Ms. Poethig and Mr. Tornatore.

Out of an abundance of caution, Ms. Berg abstained from voting.

## **VIII. Written Reports**

Chairman Harris referred the Members to the written reports in the Board book: Authority Financial Statements, Accounting Payments Report, Investment Holdings, Communications Report, External Relations Report, COVID-19 Housing Assistance Programs Report and Quarterly Diversity, Equity and Inclusion Report.

## **IX. Adjournment**

A motion to adjourn was made by Ms. Berg and seconded by Vice Chairperson Ramirez. The motion was unanimously approved, and the meeting adjourned at 11:25 am.