



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Friday, September 19, 2025
10:00 a.m. – 11:00 a.m.**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on Friday, July 25, 2025, at 10:00 a.m. at 111 East Wacker Drive, Chicago, IL. Attending the meeting were Finance Committee Chair, Mr. Sam Tornatore, Ms. Sonia Berg, Mr. King Harris, Mr. Daniel Hayes, Mr. Brice Hutchcraft, Ms. Claire Leopold, Mr. Tom Morsch, Ms. Erika Poethig, and Ms. Luz Ramirez. Attending from IHDA's Executive team were Ms. Kristin Faust, Mr. Lawrence Grisham, Ms. Karen Davis, Mr. Seth Runkle, and Ms. Christina McClernon.

I.A. Mr. Tornatore called the meeting to order at 10:00 a.m.

I.B. Ms. Davis called the roll. Finance Committee Chair Tornatore, Ms. Berg, Chairman Harris, Mr. Hayes, Mr. Hutchcraft, Ms. Leopold, Mr. Morsch, Ms. Poethig, and Vice Chair Ramirez were present. No committee members were absent.

I.C. Mr. Tornatore called a motion for the approval of July 25, 2025, minutes to be approved as presented. Motion carried.

II.A. Presentation of Consolidated Interim Financial Statements

Mr. Jalaluddin presented the Financial Report for August 2025, which stated an operating revenue of \$14.4 million, reflecting a favorable deviation of \$4.5 million versus budget. This deviation is the result of origination fees of \$3.0 million resulting from higher loan originations, higher collection of federal 9% tax credit reservation and 4% determination fees. Higher ongoing fees are due to bond fees related to two conduit bond issuances. Favorability in interest and other incomes was \$1.3 million due to higher yield compared to budget. Average reimbursements were \$5.4 million, \$202,000 over budget.

Mr. Jalaluddin continued: Operating expenses were \$11.6 million, which is \$2.9 million under budget. This favorability is attributed to salaries and benefits of \$545,000 due to vacancies and open positions, office administration of \$900,000 associated with the timing of insurance payments and underspend in Technology Management related to the timing of projects.

Mr. Jalaluddin added: Focusing solely on the admin fund, we observe favorability in both operating revenues and expenses, reflective of the factors previously outlined. This fund analysis provides an isolated view of the administrative fund's financial performance, excluding reimbursements.

Mr. Jalaluddin continued: Shifting our attention to the Governmental fund, Operating Revenues, which are comprised of Administrative Reimbursements for authority expenses

incurred, FYTD reimbursements reached \$5.4 million, favorable to budget by \$202,000 due to timing of billings. Operating expenses are \$5.4 million, over budget by \$172,000, primarily due to salaries and benefits which came in at \$292,000 over budget, and professional fees coming in over budget by 93,000 due to overspend on some programs. Overall, operating income is relatively neutral, as would be expected.

II.B. Multifamily Update

Mr. Bannon stated: We will start with an update regarding Las Rosas sponsored by the Association for Individual Development, which will create 20 permanent supportive housing units in Aurora. The initial financial closing took place in July 2025. Staff recommended approval of an emergency rental assistance grant not to exceed \$500,000, to be funded through remaining ERA2 funds from Kane County. This support will be administered via an intergovernmental agreement, which is also listed separately on the agenda.

Mr. Bannon continued: Moving to the PIHCO 21st Place Properties project, sponsored by the Wilson Housing Cooperative. This proposal involves acquiring two buildings totaling 11 units in Chicago's Lower West Side. The development will be structured as a cooperative, allowing residents to purchase shares in exchange for occupancy rights. The acquisition is made possible through a \$3 million purchase and a \$560,000 cash donation. Staff recommended providing \$1,780,000 in Illinois Affordable Housing Tax Credit funds to support the project.

Mr. Bannon added: We now have Bloomingdale Horizon Senior Living project. This development proposes 91 elderly housing units in Bloomingdale. Staff recommended issuing a tax-exempt conduit loan not to exceed \$9,350,000, along with a risk-sharing loan of approximately \$4.3 million and a trust fund loan of \$2,044,623. As part of the recapitalization, the existing trust fund loan will be paid off, and the current HOME loan will remain in place.

Mr. Bannon concluded: A few additional updates from the Multifamily Department: the universal Preliminary Project Assessment (PPA) deadline for the 2026 9% Low-Income Housing Tax Credit round and Round 12 of the Permanent Supportive Housing Development Program occurred on Wednesday, September 17. A total of 103 new PPA submissions were received, including 18 for permanent supportive housing. Notifications regarding PPA outcomes will be issued on Tuesday, November 25, 2025. Projects with approved PPAs from the 2024–2025 cycle will remain eligible to apply for resources in 2026.

II.C. Single Family/Homeownership Update

Ms. Pavlik stated: Homeownership reservations for the month exceeded \$93 million, reflecting a 1% increase by loan count and a 7% increase in volume compared to August 2024. Breakdown of IHDA DPA offerings were as follows: Access 4%, our forgivable program, accounted for 9% of total volume, Access 5%, our deferred program, made up 41%, and Access 10%, our repayable program, made up the remaining 50%.

Ms Pavlik continued: A regional analysis of mortgage lending programs indicated that the Chicagoland area led in loan count, followed by Central, Northwest, and Southern regions. As of August 31, 2025, the total pipeline stood at over \$326 million, which includes loans reserved but not yet purchased, and loans purchased but not yet pooled. The 60-day reservation window remains in effect.

Ms Pavlik concluded with reservation history for IHDA programs over the past 13 months and a year-to-date comparison of purchase loans through August 31. Among those served, 15.1% of homebuyers identified as Black or African American, compared to 14.6% statewide. Additionally, 29.5% identified as Hispanic or Latino, compared to 19% statewide. She noted year-to-date reservation comparison from 2021 through 2025 reflecting a return to normalized levels.

III.A.1. Resolution Ratifying Establishment of Loan Loss Reserve

Mr. Jalaluddin presented for approval the Quarterly Resolution Ratifying the Establishment of Loan Loss Reserves for June 2025. The total loan loss reserve decreased by \$4.2 million, from \$125.0 million to \$120.8 million. This reduction was primarily attributed to a \$2.6 million decrease in the risk overlay, along with decreases of \$700,000 each in the Housing Bonds and Illinois Affordable Housing Trust Fund, and a \$600,000 decrease in ARRA reserves. These reductions were partially offset by a \$400,000 increase in the Multi-Family Revenue Bond Reserve, which was driven by lower property valuations. The overall decrease in reserves reflects a stabilizing macroeconomic environment, which led to a reduction in the management overlay.

III.B.1. Multifamily Housing Revenue Bonds, Series 2025 (Bloomington Horizon)

Mr. Babcock presented the request for approval to issue Multifamily Housing Revenue Bonds in 2025, in an amount not to exceed \$9.35 million. These tax-exempt, short-term bonds will finance the acquisition and rehabilitation of the 91-unit elderly housing development known as Bloomington Horizon. The bonds are limited obligations and not general obligations of the agency. Permanent financing will include a \$4,295,000 loan from the Federal Financing Bank (FFB), which will be rate-locked through a forward-starting interest rate swap. Additionally, an Affordable Housing Surplus Loan of up to \$998,000 is proposed to provide supplemental funding if needed.

Mr Babcock continued: The estimated interest rate on the FFB loan is 5.92%. To mitigate interest rate risk, the agency will purchase an interest rate cap to protect against rate increases of up to 125 basis points. If rates rise beyond this threshold between initial and final closing, the permanent loan amount would decrease, but the shortfall would be covered by the surplus loan. The board will be asked to consider four key actions: (1) authorization to issue the Series 2025 Multifamily Housing Revenue Bonds not to exceed \$9.35 million, with an interest rate cap of 8.5% and maturity no later than November 1, 2030; (2) authorization to enter into a risk-sharing loan with the Federal Financing Bank, not to

exceed 87% of value and maintaining a 1.15x stress test in year 20, currently estimated at \$4,295,000; (3) authorization to enter into an interest rate agreement with an approved counterparty to hedge interest rate risk; and (4) authorization to enter into an Affordable Housing Surplus Loan agreement not to exceed \$998,000. The projected closing date for the transaction is October 10, 2025.

IV. Executive Closed Session

Committee Chair Tornatore called for a break in order to begin the Executive Closed Session.

Ms. Davis conducted roll call to confirm attendance. Following this, the executive members entered the closed session for a private discussion

V. Adjournment

Mr. Tornatore adjourned the meeting at 11:00 a.m.