



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Friday, December 19, 2025**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on Friday, December 19, 2025, at 10:00 a.m. at 111 East Wacker Drive, Chicago, IL. Attending the meeting were Finance Committee Chair, Mr. Sam Tornatore, Mr. King Harris, Ms. Sonia Berg, Mr. Daniel Hayes, Mr. Tom Morsch, Ms. Erika Poethig, and Ms. Claire Leopold. 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 10:30 a.m.

I.B. Ms. Davis called the roll. Finance Committee Chair Tornatore, Chairman Harris, Vice Chair Ramirez, Ms. Berg, Mr. Hayes, Mr. Morsch, Ms. Poethig, and Mr. Hutchcraft were present. Ms. Leopold was absent.

I.C. Mr. Tornatore called a motion for the approval of the November 21, 2025 minutes to be approved as presented. Motion carried.

II.A. Presentation of Consolidated Interim Financial Statements

Mr. Jalaluddin stated: We are examining fiscal YTD data covering 5 months of FY26. Operating Revenues YTD are \$27.9M, reflecting a favorable deviation of \$2.7 million over budget, mainly from interest and other income (\$2.1 million) due to higher investment yields earned compared to budget, and origination fees (\$0.9 million) from higher collections of federal 9% tax credit reservation fees. The Administrative reimbursements were \$13.6M, favorable to budget by \$625K.

Mr. Jalaluddin continued: Operating Expenses YTD are \$29.0M; \$5.8M under budget. Favorability is attributed to underspending in Salaries and Benefits (\$1.3 million) due to vacancies; Professional fees (\$760K) driven by a combination of favorable spend on Contractual Services & Consultants Fees. Additional favorability is due to Technology Management (\$1.1M) and Office Administration expenses (\$1.2M), largely due to timing of planned initiatives and deferred cost for liability insurance compared to budget.

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

Mr. Jalaluddin continued: In Governmental fund's operating revenues, which comprise Administrative Reimbursements for incurred authority expenses, FYTD reimbursements reached \$13.6M, favorable to budget by \$625K. This is largely due to higher volume of hours

worked and timing of expenses for the IL Affordable Housing Trust Fund, Emergency Rental Assistance Fund and National Housing Trust Fund, which was offset by HOME and State and Local Fiscal Recovery Fund. Overall, governmental reimbursements continue to track closely with operational activity levels and remain aligned with budget expectations.

Mr. Jalaluddin concluded: Operating Expenses for the Governmental Funds YTD are \$13.5M, unfavorable to budget by \$522K. This is primarily due to overspend in Salaries and Benefits (\$980K) for some programs with higher activity, offset by underspending in several other cost categories. Overall, expenses remain in line with budget and are supported by reimbursement revenue, resulting in near breakeven as reflected in the operating income figure.

II.B. Multifamily Update

Mr. Bannon stated: There are two items to be presented at the Board meeting. The first item is Building Bloomington FY26, sponsored by Habitat for Humanity of McLean County. This project involves the new construction of three single-family homes in Bloomington. The recommendation is to provide 231,549 in Illinois Affordable Housing Tax Credits. The second item is Ellis Lakeview Apartments, sponsored by Standard Communities. This project involves the rehabilitation of 105 non-elderly units in the Kenwood community of Chicago. The property is fully supported by a HUD HAP Section 8 contract. The recommendation is to issue a tax-exempt Conduit Loan in an amount not to exceed \$27 million.

Mr. Bannon continued: Upcoming dates for the 9% LIHTC and Permanent Supportive Housing rounds were reviewed. Approved Preliminary Project Assessments from this round, as well as from the 2024 and 2025 rounds, will be eligible to submit full applications in 2026.

Mr. Bannon concluded: Staff has begun preparations for the 2027–2028 Qualified Allocation Plan. Internal working groups have been assembled, and the timeline includes opportunities for public feedback. A draft QAP will be presented to the Board in May, with final publication scheduled for July 24, 2026.

II.C. Single Family/Homeownership Update

Mr. Nestlehut stated: Homeownership reservations for the month of November 2025 totaled over \$66 million in first mortgages. This represents a 12% decrease by loan count and a 14% decrease by loan volume compared to the same month in 2024.

Mr. Nestlehut continued: The breakdown of IHDA's Down Payment Assistance programs was as follows: Access 4%, the forgivable program, accounted for 13% of total production; Access 5%, the deferred program, made up 44%; and Access 10%, the repayable program, accounted for 43%. Chicagoland remained the largest region by loan count and volume, followed by Central, Northwest, and Southern regions.

Mr. Nestlehut continued: As of November 30, 2025, the total pipeline stood at over \$222 million, which includes loans reserved but not yet purchased and loans purchased but not yet pooled. The average time from reservation to purchase by the master servicer was 50 days.

Mr. Nestlehut continued: GNMA and conventional loan reservation histories over the past 13 months were reviewed, showing IHDA's rates compared to FHA and Freddie Mac benchmarks.

Mr. Nestlehut continued: IHDA's demographic analysis of year-to-date purchased loans through November 30, 2025, shows that 15.8% of borrowers identified as Black or African American, compared to 14.6% of the State of Illinois population. Additionally, 29.4% of borrowers identified as Hispanic or Latino, compared to 19.0% of the State's population.

Mr. Nestlehut concluded: A year-to-date comparison from 2021 through 2025 shows current year activity tracking more closely with traditional volume flows following elevated activity in prior years.

III.A.1. FMP Update – Amendment to Exhibit C

Ms. Jacobson stated: The Finance Department recommended updating Exhibit C of the Financial Management Policy to include Northland Securities, Inc. as part of the Authority's Selling Group. This update reflects routine governance practices and ensures the policy remains aligned with market conditions.

Ms. Jacobson continued: Selling Group members differ from senior and co-managers because they do not structure or price transactions. Their role is to expand investor reach and improve distribution, particularly for smaller or less liquid maturities. Compensation is limited to bonds sold, and IHDA has no obligation to use these firms, making the arrangement low-risk.

Ms. Jacobson concluded: Northland has demonstrated strong distribution capabilities and meets IHDA's criteria for an authorized counterparty. Adding them is expected to enhance overall market access and pricing outcomes.

III.A.2. Single-Family Revenue Bonds, Series 2026 ABCD

Mr. Lindsey stated: The Finance Department presented a request for approval to issue Revenue Bonds Series 2026 ABCD in an aggregate principal amount not to exceed \$350 million. The proposed structure includes both tax-exempt and taxable bonds, with fixed and variable rate components: Series A tax-exempt fixed rate, Series B taxable fixed rate, Series C taxable variable rate, and Series D tax-exempt variable rate. The bonds will be secured by mortgage-backed securities and issued under the Revenue Bonds indenture.

Mr. Lindsey continued: The purposes of the issuance are to redeploy capital for future single-family originations, refund previously issued revenue bonds, and lock in long-term spread for the Authority. The transaction will maintain compliance with the Financial Management Policy, with variable rate debt projected at approximately 12%; below the 15% policy limit.

Mr. Lindsey continued: The bonds will have a final maturity no later than 35 years after issuance. Interest rates for the fixed rate series will not exceed 11% per annum, and variable rate series will not exceed 15% per annum. The estimated closing date for the transaction is January 21, 2026.

Mr. Lindsey concluded: Morgan Stanley will serve as senior underwriter for this transaction, the first of several single-family transactions planned for calendar year 2026.

III.B.1. Resolution Amending the Issuance of Multifamily Housing Revenue Bonds, Series 2023 (Island Terrace)

Mr. Babcock stated: Island Terrace is a rehabilitation project for an 180-unit property in Chicago's Woodlawn community. In September 2023, the Board authorized short-term and long-term tax-exempt conduit bonds in an amount not to exceed \$49.5 million and a COVID Affordable Housing Grant Program award of up to \$11,175,000.

Mr. Babcock continued: The transaction closed in December 2023 with an initial mandatory tender date of February 1, 2026, and a maturity date of February 1, 2028. In July 2025, these dates were extended to August 1, 2027, and August 1, 2028.

Mr. Babcock concluded: The current amendment updates the schedule so that both the mandatory tender and maturity dates are coterminous on February 1, 2028 to accommodate a longer construction timeline.

III.B.2. Ellis-Lakeview Apartments

Mr. Ess stated: The Finance Department presented a request to authorize the issuance of Multifamily Housing Revenue Note, Series 2026 (Ellis Lakeview) to finance the acquisition and rehabilitation of the property. The Notes will be privately placed with Citibank, N.A. or an affiliate. This is conduit financing, and the Notes will be tax-exempt, fixed rate, and long-term. The obligation is limited, with no IHDA general obligation.

Mr. Ess concluded: The request is for an amount not to exceed \$27 million, with a final maturity no later than December 31, 2065 and an interest rate not to exceed 10% per annum. The projected schedule and transaction participants were provided.

Additional Comments

Chairman Tornatore questioned the number of temporary employees IHDA has employed, with Kristen confirming that total for the peak of the rental assistance period in comparison to now.

Mr. Runkle also noted that IHDA has completed the financial audit, and there were no findings this year, something that has not occurred since 2006.

IV. Mr. Tornatore adjourned the meeting at 10:20 a.m.