



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MEETING MINUTES  
February 20, 2026**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on Friday, February 20, 2026, at 10:00am at 111 East Wacker Drive, Chicago, IL. Attending the meeting were Finance Committee Chair Mr. Sam Tornatore, Mr. Brice Hutchcraft, Mr. King Harris, Ms. Luz Ramirez, Ms. Sonia Berg, Mr. Daniel Hayes, Ms. Claire Leopold, Mr. Tom Morsch, and Ms. Erika Poethig. Attending from IHDA's Executive team were Ms. Kristin Faust, Ms. Karen Davis, Mr. Seth Runkle, and Ms. Christina McClernon.

**I.A.** Mr. Tornatore called the meeting to order at 10:00am

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

**I.C.** Mr. Tornatore called a motion for the approval of the January 16, 2026 minutes to be approved as presented. Motion carried.

**II.A. Presentation of Consolidated Interim Financial Statements**

Mr. Jalaluddin stated: We are examining FYTD data covering seven months of FY26. Operating Revenues total \$40.3M, reflecting a favorable deviation of \$5.2 million over budget, driven by strong ongoing fee activity related to bond administration and compliance credit monitoring. Additional favorability is due to higher origination fees from federal 9% tax credit reservations and increased investment income supported by higher yields and a strong liquidity position. Administrative reimbursements totaled \$18.6M, favorable to budget by \$524K.

Mr. Jalaluddin continued: Operating Expenses FYTD are \$39.8M; \$7.7M under budget. Favorability is primarily attributed to vacancy savings, lower spending on professional services, and financing costs recorded within bond indentures. Additional favorability is due to timing-related factors in Technology Management and Office Administration, including deferred insurance costs.

Mr. Jalaluddin continued: Focusing solely on the Administrative Fund, we continue to observe favorability in both operating revenues and expenses, consistent with the previously outlined drivers. This fund view isolates the financial performance of the Administrative Fund, excluding reimbursements.

Mr. Jalaluddin continued: In the Governmental Fund's operating revenues, which comprise Administrative Reimbursements for Authority-incurred expenses, FYTD reimbursements totaled \$18.6M, favorable to budget by \$524K. This is largely driven by higher HTF activity, partially offset by slower activity in the State and Local Fiscal Recovery Fund and

the Illinois General Revenue Fund, which we expect to accelerate in the second half of the fiscal year. 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 FYTD are \$18.6M, unfavorable to budget by \$496K. This is primarily due to higher staffing costs supporting program activity, partially offset by underspending in other areas. Overall, expenses remain aligned with reimbursement revenues, resulting in near breakeven as reflected in the operating income figure

## **II.B. Multifamily Update**

Mr. Bannon stated: The Multifamily Monthly Update for February includes two items on the Board agenda. The first is Oak and Larrabee Phase I, a development consisting of 78 newly constructed non-elderly units in Chicago's Near Northside. Approximately half of the units will receive project-based rental assistance through the Chicago Housing Authority. The development previously received a 9% tax credit award and other financing approvals. Due to the suspension of the HUD-FFB loan program, we recommend an alternate IHDA Risk-Sharing loan with participation from the AFL-CIO Housing Investment Trust. Because this change increases borrowing costs and reduces project proceeds, we recommend an additional allocation of 9% credits to maintain feasibility.

Mr. Bannon continued: The second item is ReNew Communities Matthew Homeownership, which proposes four newly constructed single-family homes in North Chicago. These homes will be sold to eligible households earning up to 120% of area median income, with the possibility to serve families at lower income levels. I am recommending Illinois Affordable Housing Tax Credits through a cash-donation structure to support this initiative.

Mr. Bannon concluded: Department updates include receipt of nine applications for Round 12 of the Permanent Supportive Housing Program, with reviews underway and recommendations planned for the May Board meeting. Applications for the 2026 round of 9% tax credits are due next week. Work continues on the 2027–2028 Qualified Allocation Plan, with public-input summits scheduled in Springfield and Chicago in March. A draft QAP will be presented to the Board in May.

## **II.C. Single Family/Homeownership Update**

Mr. Nestlehut stated: Homeownership reservations for the month of January 2026 totaled over \$57 million in first mortgages. This represents a 49% decrease by loan count and a 52% decrease by loan volume compared to the same month in 2025.

Mr. Nestlehut continued: The breakdown of IHDA's Down Payment Assistance programs was as follows: Access 4%, the forgivable program, accounted for 9% of total production; Access 5%, the deferred program, made up 46%; and Access 10%, the repayable program, accounted for 45%. Chicagoland remained the largest region by loan count and volume, followed by Central, Northwest, and Southern regions.

Mr. Nestlehut continued: As of January 31, 2026, the total pipeline stood at over \$195 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. GNMA and conventional loan reservation histories over the past 13 months show IHDA's rates compared to FHA and Freddie Mac benchmark rates.

Mr. Nestlehut continued: IHDA's demographic analysis of year-to-date purchased loans through January 31, 2026, shows that 21.4% of borrowers identified as Black or African American, compared to 13.6% of the State of Illinois population. Additionally, 28.2% of borrowers identified as Hispanic or Latino, compared to 18.8% of the State's population.

Mr. Nestlehut concluded: A year-to-date comparison from 2021 through 2026 shows current year activity tracking in line with prior-year trends. Capital Markets will present an update on Single-Family Mortgage Products following the Homeownership report.

### **III.A.1. New Qualified-Only Single-Family Mortgage Product**

Ms. Jacobson stated: AccessHome, a new single-family mortgage product developed by Finance and Homeownership, intends to expand affordability for homebuyers while strengthening long-term financial planning through a more flexible execution model. The product aligns with IHDA's mission and responds to current market challenges.

Ms. Jacobson continued: IHDA's single-family programs financed about \$1.1 billion in fiscal year 2025, with roughly 65% of borrowers eligible for tax-exempt financing, underscoring the need to direct limited tax-exempt resources more intentionally amid rising interest rates. A targeted expansion is needed to address current market and affordability pressures by introducing a structure that better supports eligible homebuyers and strengthens long-term program sustainability.

Ms. Jacobson continued: AccessHome consists of a 30-year fixed-rate first mortgage paired with a deferred second mortgage equal to 6% of the first mortgage amount, capped at \$15,000, for down payment or closing cost assistance. The second mortgage carries no interest, no monthly payments, and becomes due only upon sale, refinance, or payoff. Initial funding will come from reallocated down payment assistance resources, excess Single-Family indenture liquidity, and bond proceeds. Existing Access programs will remain in place. Rate comparisons show that AccessHome provides meaningful reductions compared to current Access products, with lower rates ranging between approximately 0.25% and 0.63%. Existing Access rates will stay the same at launch, with adjustments made as execution strategy evolves.

Ms. Jacobson concluded: Implementation will proceed pending Board approval, by discussing operational readiness and roll out approach with lenders.

### **III.A.2. Resolution Ratifying Establishment of Loan Loss Reserve**

Mr. Jalaluddin stated: The Loan Loss Reserve had an increase of \$4.5 million, bringing the total to \$127.2 million. The change is primarily driven by portfolio growth, including higher

disbursement activity across the HOME, Trust Fund, and bond programs. These adjustments follow our established reserve methodology and are reflective of ongoing portfolio activity.

### **III.B. Construction Costs Update**

Mr. Hall stated: This update focuses on current construction cost conditions and their impact on project delivery. While pandemic-era effects have eased, ongoing uncertainty continues to influence the construction industry. The presentation covers national and regional trends, IHDA project cost data, and initiatives supporting timely, cost-effective development.

Mr. Hall continued: National RLB Q4 2025 data shows Chicagoland construction costs rising 4.17% from October 2024 to October 2025, within the typical 3–5% escalation range. Early 2026 indicators reflect a softening design pipeline and a 1.8% decline in construction spending, although demand persists. Market progress depends on resolving labor shortages, lowering federal interest rates, and addressing procurement and backlog pressures.

Mr. Hall continued: Within the Central Region, Chicago's increase sits near the low end compared to cities like Dallas and Minneapolis. Regional growth is driven by infrastructure investment, industrial expansion, and population increases in high-growth metros. Tools such as design-build delivery, technology integration, and strategic partnerships help manage risk and control costs. Workforce housing and suburban development continue to support market stability.

Mr. Hall continued: IHDA's 2023–2025 9% LIHTC rounds include 44 new construction and 5 rehabilitation projects, totaling more than 2,400 units and nearly 2.4 million square feet. These all fall within construction-cost limits. PSH rounds include 20 new construction and 6 rehabilitations; while most stay within limits, higher-cost outliers occur in small-scale urban projects, developments requiring substantial accessibility features, or unique building formats such as tiny homes.

Mr. Hall continued: Construction cost trends from 2021 to 2025 show sharp increases during the pandemic followed by stabilization and mixed movement across regions. Chicago remains the most volatile, while Other Metro, Chicago Metro, and Non-Metro areas show steadier increases.

Mr. Hall continued: Efforts to support development center on clarifying requirements and strengthening processes. IHDA's Design and Construction requirements were overhauled in 2023 and are continuously improved through collaboration with the Illinois Housing Council. IHDA Connect enables a more efficient application, award, and closing process, reducing delays and improving overall project readiness.

Mr. Hall concluded: The project example highlights how a development can meet per-square-foot limits while having high total development costs due to elevated acquisition pricing in a high-cost neighborhood, adaptive reuse of a historic structure, and an unusually large amount of community and service space supporting specialized populations. The City of Chicago is contributing subordinate resources as part of a broader mixed-use initiative in a

high-opportunity area.

**IV.** Mr. Tornatore adjourned the meeting at 10:55am.