



**ILLINOIS HOUSING DEVELOPMENT AUTHORITY
FINANCE COMMITTEE MEETING MINUTES
Friday, July 24, 2026**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on Friday, July 24, 2026, at 10:00am at 111 East Wacker Drive, Chicago, IL.

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

I.B. Ms. Davis called the roll. Finance Committee Chair Sam Tornatore, Ms. Erika Poethig, Chairman King Harris, Mr. Brice Hutchcraft, Ms. Luz Ramirez, Ms. Sonia Berg, Mr. Daniel Hayes, and Mr. Tom Morsch were present. Ms. Claire Leopold was absent.

I.C. Mr. Tornatore called a motion for the approval of the June 24, 2026 minutes to be approved as presented. Motion carried.

II.A. Presentation of Consolidated Interim Financial Statements

Mr. Jalaluddin stated: June full year data for FY26 shows consolidated operating revenues of \$60.7M, which is \$2.4M favorable to budget. The results are driven by strong ongoing fee activity related to bond administration and compliance credit monitoring. Higher origination fees tied to federal 9 percent tax credit reservations contribute additional favorability, while lower assets under management fees partially offset that favorability. Administrative reimbursements total \$30.3M, which is \$0.7M unfavorable to budget.

Mr. Jalaluddin continued: Operating expenses for the year are \$67.6M, which is \$13.3M under budget. Expense favorability is attributed to vacancy savings, reduced professional services spending, and lower financing costs recorded within bond indentures. Technology management and office administration together account for \$2.9M of savings due to project timing that has shifted into FY27. Training, site visit, and travel categories also show savings due to underutilized budget authority. Overall expense results reflect disciplined management for the full fiscal year.

Mr. Jalaluddin continued: Governmental Fund operating revenues, which consist of administrative reimbursements, were \$30.3M for the year, which is \$0.7M unfavorable to budget. The variance is primarily driven by slower activity in the State and Local Fiscal Recovery Fund following delayed movement of CAHGP and Permanent Supportive Housing program items into early FY27. The Opioid Settlement Fund reflects lower reimbursement due to delayed execution of the FY26 agreement. Court Based Rental Assistance Program reimbursement is lower due to a delayed software implementation. These shortfalls are partially offset by higher activity in the Illinois Affordable Housing Trust Fund and higher program income in the HOME Fund. Reimbursement trends generally correspond with operational timing across programs, although several initiatives faced delays during the fiscal year.

Mr. Jalaluddin concluded: Governmental Fund operating expenses are \$30.3M for the year, which is \$0.7M favorable to budget. These expenses track directly with reimbursement revenue since they represent pass through program costs. As a result, operating performance for the Governmental Fund remains near breakeven, consistent with expectations for reimbursement driven activity. This concludes the June fiscal year to date financial results for FY26.

II.B. Multifamily Update

Ms. Pawlus stated: The Multifamily Update reflects fourth-quarter FY26 activity. The development pipeline includes 71 projects, a net decrease of two from the prior quarter, with 14 closings and 12 new additions. Pipeline levels remain consistent with FY25. In FY26, 63 developments closed, totaling 3,202 units, slightly below FY25 due to higher construction costs impacting average project size. There are 71 projects currently under construction, representing 5,201 units across 24 counties. Six projects completed construction this quarter, and 13 advanced into the construction phase, signaling continued strong development momentum.

Ms. Pawlus continued: Annual loan originations remain in the \$40–60M range, influenced by higher interest rates and limited soft-funding availability. The discontinuation of HUD-FFB further reduced FY26 originations. Multifamily and Finance teams are pursuing alternative lending partnerships and a revamped debt platform to support future volume. Tax-exempt bond issuance reached \$576M in FY24, followed by \$230M in FY25 due to project delays shifting closings into FY26. FY26 projections show stabilized issuance, with approximately \$132M expected in the first quarter of FY27.

Ms. Pawlus concluded: The Final 2027–2028 Qualified Allocation Plan will be presented to the Board today, with publication anticipated in early August. Following release, the Preliminary Project Assessment cycle begins, with applications due September 16, a clarification window October 23–30, and notifications issued November 24.

II.C. Single Family/Homeownership Update

Mr. Nestlehut stated: Homeownership reservations for June 2026 totaled almost \$193M in first mortgages, reflecting a 68% increase by loan count and an 83% increase by loan volume compared to June 2025.

Mr. Nestlehut continued: AccessHome accounted for 81% of reservations. Access 4% represented 3%, Access 5% represented 5%, and Access 10% comprised 11% of total production. Chicagoland remained the largest region by loan count and volume, followed by the Central, Northwest, and Southern regions. As of June 30, 2026, the pipeline exceeded \$673M, and the average turn-time from reservation to purchase was 49 days. GNMA and Conventional reservation histories continued to show IHDA's rate trends relative to FHA and Freddie Mac benchmarks over the past 13 months.

Mr. Nestlehut concluded: Full fiscal year demographic data through June 30, 2026, shows 16.1% of purchased-loan borrowers identified as Black or African American and 34.5% as Hispanic or Latino, both above statewide levels. Performance remains consistent with trends across 2021–2026.

III.A.1. Resolution Ratifying Permitted Financial Activities

Mr. Bhimani stated: For the fourth quarter of Fiscal Year 2026, IHDA's investment portfolio remained stable. As of June 30, 2026, the portfolio held a book value of \$5.5B and a market value of \$5.5B, reflecting an unrealized gain of \$4.1M. During the quarter, IHDA purchased \$1.1B across 819 transactions at a weighted average yield of 4.08%. Sales and maturities totaled \$870M, driven largely by scheduled maturities and continued emphasis on liquidity.

Mr. Bhimani concluded: Yields on matured investments were generally consistent with benchmarks, slightly below average in April and outperforming market yields in May and June. IHDA processed \$27.5M in government program payouts and draws, with HOME program funds Fund comprising most outflows. Bond debt service payments totaled \$264M and were executed as scheduled. Total notional values for outstanding swaps were \$683.9M with a net positive market value of \$24.9M; IHDA maintained two active interest rate caps during this quarter.

Committee members engaged in discussion regarding treasury yields, with Mr. Runkle providing commentary.

III.A.2. Revenue Bonds, 2026 Series HIJK

Mr. Babcock stated: The Finance Department will be requesting approval for the issuance of Single-Family Revenue Bonds Series 2026 HIJK in an amount not to exceed \$500M. The Series will include tax-exempt and taxable new-money bonds in both short and long-term, fixed and variable rate structures, with a fixed-rate swap utilized if variable-rate debt is issued. The bonds may be used to strengthen the Indenture's net position, provide new-money capital for future obligations, and secure long-term spread, with stored zero-percent participations incorporated as market conditions allow. The Offered Bonds will be special limited obligations on parity with prior Revenue Bond issuances and are expected to be designated Social or Sustainable Bonds, potentially incorporating zeros and/or subsidies.

Committee members engaged in discussion regarding growth in deals, with Mr. Babcock providing commentary.

III.A.3. Resolution Authorizing Payment of Audit Invoices

Mr. Jalaluddin stated: Section 6Z-27 of the State Finance Act empowers the State Auditor General to bill entities for the cost of audits, studies, and investigations conducted on their behalf and subsequently request reimbursements for these expenses. This resolution will authorize payment for services rendered by the State's selected auditing firm for last fiscal year's audit,

totaling \$232,000. These services covered the annual financial audit and annual federal compliance audit, as mandated by the Federal Single Audit Act.

III.A.4. GFOA Certification

Mr. Runkle stated: For the fifth year in a row, IHDA was issued a Certificate of Achievement for Excellence in Financial Reporting for our FY25 Annual Comprehensive Financial Report from the Government Finance Officers Association or GFOA. This award is the represents the true spirit of accuracy, transparency, and full disclosure. This is the standard we hold ourselves to and expect to achieve. Appreciation goes to the accounting department for their continued high level of expertise and dedication, as well as the whole of the Authority for their work.

IV. Mr. Tornatore adjourned the meeting at 10:24am.