ILLINOIS HOUSING DEVELOPMENT AUTHORITY

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FINANCE COMMITTEE MEETING MINUTES
October 16, 2026

The meeting of the Finance Committee of the Illinois Housing Development Authority took place on October 16, 2026, at 9:30am at 225 N Michigan Ave, Chicago, IL.

I.A. Mr. Tornatore called the meeting to order at 9:30am.

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

I.C. Mr. Tornatore called a motion for the approval of the September 18, 2026 minutes to be approved as presented. Motion carried.

II.A. IT Update and II.B. Security Update

Mr. Ghauri stated: The IT update highlights IHDA's technology strategy focused on modernization, automation, AI, and data standardization. The data center relocation to the 225 office was completed in September, with AI initiatives including Co-Pilot rollout, policy adoption, and staff training.

Mr. Ghauri continued: The move required significant planning, preparation of hoteling and audio-visual systems, and maintenance of a hybrid hosting model with cloud backup and disaster recovery capabilities. The AI assessment is in procurement and expected to conclude early next calendar year.

Mr. Ghauri concluded: FY27 efforts include seven enterprise projects, with the CBRAP System replacement and IHDA on the Move completed. Other initiatives include CAMRA, DLSCP, HRIS, ILHousingSearch.org, and the IHDA.org launch. IT has completed 15 projects since April and continues work on more than 25 others. Most move-related work is complete, with modernization efforts continuing to focus on ROI and collaboration with internal teams.

Mr. Jalaluddin stated: Since Oracle Fusion went live on July 1, 2024, month-end close has been reduced from 13 days to 6, vendor and grant payments from 9 days to 4, FY25 audits and regulatory filings have been completed on time, and reporting is now available in minutes through a live dashboard. Oracle provides real-time KPI monitoring and tracking of financial operations, including payments, turnover, journal entries, filing timeliness, audit findings, and process automation. The system has delivered the expected benefits and continues to improve efficiency and effectiveness.

Ms. Hardrick stated: The cybersecurity update highlights increasing threats, including 2025 losses, ransomware breaches, rising AI-driven attacks, and growing risks for housing

agencies due to sensitive data and financial transactions. IHDA's defense-in-depth strategy includes Zscaler, Sophos, Microsoft security tools, KnowBe4 training, CISA testing, and Upguard monitoring. In FY26, Zscaler inspected approximately 1.8B transactions, KnowBe4 maintained a low-risk rating, Upguard scored 875, and the cybersecurity team completed about 250 hours of advanced training.

Ms. Hardrick concluded: Priorities for the next 12 months include faster vulnerability patching, stronger identity and access controls, enhanced vendor security reviews, and AI usage monitoring. While threats and reporting requirements continue to increase, IHDA maintains strong layered defenses to protect agency systems and data.

Committee members engaged in discussions related to various areas of information technology, with Mr. Ghauri, Mr. Jalaluddin, Ms. Hardrick, Ms. Christina McClernon, Ms. Kristin Faust and Mr. Seth Runkle providing commentary.

III.A. Presentation of Consolidated Interim Financial Statements

Mr. Jalaluddin stated: The financial review covers September fiscal YTD results for the first three months of FY27. Consolidated operating revenues total $19.6M, reflecting a favorable variance of $1.5M to budget, primarily from origination fees tied to multifamily activity, including federal 4% determination fees and State and Federal 9% Tax Credit Reservations. Administrative reimbursements total $6.4M, unfavorable to budget by $0.7M.

Mr. Jalaluddin continued: Consolidated operating expenses total $16.1M, $4.8M favorable to budget. Favorability is driven by vacancy savings, reduced professional services spending, deferred liability insurance, and contingency savings associated with the new office space. The Administrative Fund continues to reflect favorable operating revenues and expenses consistent with these drivers, providing a clear view of operating performance separate from reimbursements.

Mr. Jalaluddin continued: Governmental Fund operating revenues, consisting of administrative reimbursements for Authority expenses, total $6.4M and are $0.7M unfavorable due to timing. The HOME award will be recognized in January, and CBRAP costs were lower-than-planned. Governmental Fund operating expenses also total $6.4M, $0.7M favorable, moving in parallel with reimbursement activity and maintaining the fund near breakeven.

Mr. Jalaluddin concluded: September FYTD results show continued expense favorability and timing-based impacts in reimbursements, with overall performance remaining aligned with operational activity levels.

Committee members engaged in discussion regarding program funding and payments, with Mr. Jalaluddin and Mr. Seth Runkle providing commentary.

III.B. Multifamily Update

Mr. Bannon stated: The Multifamily Quarterly Update for Q1 FY2027 covers July through

September. The underwriting pipeline includes 93 projects, a net increase of 22 from the prior quarter, driven largely by 9% LIHTC awards entering underwriting. Twenty-one projects closed and 44 were added, exceeding the first-quarter pipeline level of FY2026.

Mr. Bannon continued: Production activity for the quarter totals 21 developments with 1,398 units, the highest in five quarters. Of these, 976 units, or 70%, are associated with 4% LIHTC transactions. The average development size rises to 67 units, compared to 51 in FY2026. Construction activity includes 77 projects representing 5,901 units across 27 counties. Eleven projects complete construction and move to lease-up, while 14 move into construction, reflecting higher activity than the same period in FY2026.

Mr. Bannon continued: FY2026 multifamily lending originations total $42.8M. Volume has declined due to the sunset of the junior loan program for Section 8 properties, the closure of the HUD-FFB program, and the end of gap financing for 4% LIHTC bond deals. Rising interest rates add pressure, but the Multifamily and Finance teams are pursuing additional funding tools, with expectations to meet the FY2027 origination budget of $50M. Tax-exempt bond issuance totals $112.3MM in Q1 FY2027, representing 30% of the $375M fiscal year budget. Issuance levels reflect the updated bond threshold test of 25% for bonds issued after December 31, 2025.

Mr. Bannon concluded: The October Board agenda includes Pheasant Ridge and Hunter Apartments, a 176-unit acquisition and rehabilitation proposal serving households at or below 50% AMI and 30% AMI, supported by a long-term HUD Section 8 contract and recommended for a Conduit Loan not to exceed $51,500,000. Multifamily continues reviewing Preliminary Project Assessments for the 2027 9% LIHTC round, with notifications scheduled for November 24, 2026.

III.C. Single Family/Homeownership Update

Mr. Nestlehut stated: Homeownership reservations for September 2026 total just over $136M in first mortgages, reflecting a 47% increase by loan count and a 64% increase by loan volume compared to September 2025.

Mr. Nestlehut continued: Program activity shows AccessHome accounting for 79% of reservations, Access 4% for 2%, Access 5% for 6%, and Access 10% for 13%. By geography, Chicagoland remains the largest region by loan count, followed by Central, Northwest, and Southern. As of September 30, the pipeline exceeds $482M, and the average turn-time from reservation to purchase is 48 days. GNMA and Conventional reservation histories over the past 13 months show IHDA's rates trending against FHA and Freddie Mac benchmarks.

Mr. Nestlehut concluded: Year-to-date demographic data through September 30 indicates that 15.4% of purchased-loan borrowers identify as Black or African American compared to 13.6% statewide, and 35.7% identify as Hispanic or Latino compared to 18.8% statewide. A year-to-date comparison for 2021–2026 shows 2026 production tracking against the prior five calendar years.

IV.A.1. Resolution Ratifying Permitted Financial Activities

Mr. Bhimani stated: For the first quarter of Fiscal Year 2027, IHDA's investment portfolio remained well-positioned despite market volatility. As of September 30, 2026, the portfolio held a book value of $5.8B and a market value of $5.5B, reflecting an unrealized loss of approximately $238M due primarily to rising interest rates. During the quarter, IHDA purchased $1.4B across 664 transactions at a weighted average yield of 4.47%, with commercial paper representing the majority of purchases. Sales and maturities totaled $1.0B, consisting entirely of mortgage-backed securities, with reinvestment activity focused on liquidity and capital preservation.

Mr. Bhimani concluded: Yields on matured investments outperformed relevant benchmarks, supporting continued portfolio stability and strong credit quality. IHDA processed $25.1M in government program payouts and draws, with HOME Program Funds accounting for the largest share of activity. Bond debt service payments totaled $135M and were executed as scheduled. Total notional values for outstanding swaps were $768.5M with a net positive market value of $75.4M; IHDA maintained two active interest rate caps during the quarter.

Committee members engaged in discussion regarding the Authority's loan portfolio, with Mr. Runkle providing commentary.

IV.A.2. SBPA Amendment/Extension for Housing Bonds Series 2017 A-2

Mr. Babcock stated: The Finance Department seeks approval to amend and extend the Standby Bond Purchase Agreement with the Federal Home Loan Bank of Chicago for Housing Bonds Series 2017 A-2, adding a five-year extension to the agreement. The bonds are variable-rate obligations remarketed weekly, and the Standby Bond Purchase Agreement provides a liquidity backstop to mitigate remarketing and liquidity risk. If the VRDO bonds cannot be remarketed, the Federal Home Loan Bank of Chicago purchases the obligations under the terms of the agreement. The extension maintains the existing liquidity protections supporting the bond structure, and questions were invited at the close of the item.

IV.A.3. Resolution Authorizing Revenue Bonds, 2026 Series LMNO

Mr. Babcock stated: The finance department seeks approval for issuing Single-Family Revenue Bonds Series 2026 LMNO in an amount not to exceed $500M. The structure mirrors the Series 2026 HIJK transaction, with both fixed-rate and variable-rate components. Variable-rate issuance would be paired with a fixed-rate swap, and all bonds would be special limited obligations on parity with prior Revenue Bond issuances.

Mr. Babcock continued: The issuance may support increasing the indenture's net position, providing new-money capital, locking in long-term spread, or refunding prior issuances. Series 2026 L will be fixed-rate tax-exempt bonds, Series 2026 M fixed-rate taxable bonds, and Series 2026 N and O taxable and tax-exempt variable-rate bonds. The Authority's hedged variable-rate debt level is expected to remain near 12%.

Mr. Babcock concluded: The request authorizes issuance up to $500M with final maturity not later than 35 years and interest rate caps of 6% or 11% on fixed-rate series and 12% or 15% on variable-rate series, depending on tax status. Estimated pricing is November 16 and closing December 8, with Morgan Stanley serving as senior underwriter.

IV.B.1. Pheasant Ridge

Bannon stated: The Multifamily Housing Revenue Note, Series 2026, supports the 176-unit Pheasant Ridge / Hunter Apartments development in Orland Hills. Proceeds of the note finance the acquisition and rehabilitation of the property, with the notes privately placed with Greystone Servicing Company LLC or an affiliate as long-term, fixed-rate, tax-exempt conduit financing.

Mr. Bannon continued: The request authorizes issuance of the Multifamily Housing Revenue Note, Series 2026, in an amount not to exceed $51.5M, with a final maturity no later than December 1, 2047, and an interest rate cap of 8.5% per annum. The projected transaction schedule targets a December 17, 2026 closing, with Standard Central LLC serving as the project sponsor.

V. Mr. Tornatore adjourned the meeting at 10:36am.