

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

February 17, 2017

Pursuant to notification given February 15, 2017, the Members of the Illinois Housing Development Authority (the "Authority") met for a regular scheduled meeting on February 17, 2017, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

Those present (unless otherwise noted below as absent):

BOARD:

King Harris	Chairman
Karen Davis	Vice Chairperson
Mary Kane	Member
Harlan Karp	Member
Alyssa Rapp	Member (telephonic participation)
Sam Tornatore	Member

STAFF:

Audra Hamernik	Executive Director
Debbie Olson	Chief of Staff
Maureen Ohle	General Counsel
Colleen Synowiecki	Executive Coordinator
Christine Moran	Director, Multifamily Financing
Michelle Adams	Director, Administrative Services
Neil O'Callaghan	Managing Director, Information Technology
Nicki Pecori Fioretti	Director, Community Affairs
Tim Veenstra	Director, Asset Management
Cami Freeman	Director, Marketing & Communications
Tara Pavlik	Director, Homeownership
Vanessa Boykin	Comptroller
John Chung	Assistant Director, Finance Structuring
Matthew Rangel	Multifamily Programs
Monica Enriquez	Community Affairs

GUESTS:

Jennifer Fredericks	BNYM
Heidi Bowers	BNYM
Richard Dillard	BNYM
John Janicik	Meyer Brown
Natalie Moretz	Citigroup
Mike Koessel	Citigroup
Tom Coomes	Citigroup
Barbara Feldman	
Rachel Smith	Meyer Brown
Bob Cafarelli	Zions Bank
Michael Baumrin	RBC
Susan Jun	
Mike Niehaus	WDG

David Petroni	Pirhl
Blair Minton	Fox Meadow
Jeffrey Crane	Crane
Andrew Block	Crane
Tammy Scott	McMahon
Beth Demes	Alden Foundation
Any George	Scott County Housing
Julie Hettinger	Scott County Housing
Kirk Alizonson	TCB
Will Woodley	TCB
Virginia Pace	LAA
Diane Lambert	ATT
Scott Putki	GCI
Genle Calmar	HACC
Jessica Poirer	HACC
Steven Washington	Ice
Nicole Clements	IACAA
Chuck Treath	PPD
Zachary Pollack	UP Development

I. Call to Order & Roll Call

With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Mr. Karp and Mr. Tornatore, Chairman Harris called the meeting to order at 10:04 a.m. Ms. Rapp joined the meeting via conference call via 847-612-****. A roll call was taken.

II. Consent Agenda: Chairman Harris noted that there were six (6) Resolutions on the consent agenda. He asked the Members if anyone had comments or wanted to remove any resolution from the consent agenda. Ms. Kane requested Resolution 2017-IHDA-214: Resolution Amending Resolution 2016-IHDA-070: Resolution Authorizing the Issuance of Not to Exceed \$55,000,000 Multifamily Housing Revenue Bond (University Village Apartments) from the Consent Agenda. A motion was made by Ms. Davis 2017-IHDA-214 be removed from the Consent Agenda and seconded by Mr. Karp; roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Mr. Karp, Ms. Rapp and Mr. Tornatore. Ms. Kane abstained from voting.

A motion to adopt the Consent Agenda Resolutions was made by Ms. Davis and seconded by Mr. Karp; a roll call was taken and the five (5) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

1. Minutes

2017-IHDA-212: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority held on January 20, 2017.

2. General Administrative Matters

A. 2017-IHDA-213: Resolution Ratifying Establishment of Loan Loss Reserve.

3. Other Matters

B. 2017-IHDA-215: Resolution Ratifying the Execution of an Agreement with the United States Department of Housing and Development Regarding Round Two Section 811 Funds.

C. 2017-IHDA-225: Resolution Authorizing a Return of 2015 Federal Tax Credits and an Extension of the Commitment Expiration Date for Spring Hill Senior Residences.

D. 2017-IHDA-226: Resolution Authorizing a Return of 2015 Federal Tax Credits for El Zocalo: LaComunidad de Brighton Park.

III. Chairman Harris indicated that the Additional Resolutions noted on the Agenda would now be discussed.

Resolution 2017-IHDA-214: Resolution Amending Resolution 2016-IHDA-070: Resolution Authorizing the Issuance of Not to Exceed \$55,000,000 Multifamily Housing Revenue Bond (University Village Apartments). A motion to approve the Resolution was made by Mr. Tornatore and seconded by Mr. Karp; roll call was taken and the motion was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Mr. Karp, Ms. Rapp and Mr. Tornatore.

Ms. Kane abstained from voting.

1. Grant Programs

A. Executive Director Hamernik introduced the following agenda item: 17-IHDA-216 Resolution Authorizing Grant under the Affordable Housing Trust Fund Single Family Rehab Program.

Ms. Enriquez stated that the Authority has been designated the program administrator of the Illinois Affordable Housing Program (“Trust Fund Program”) and that the Authority has developed a homeowner rehabilitation assistance program (“Single Family Rehab Program”) to offer grants (“Grants”) on the terms and conditions described in the Exhibit A (“Summary”) attached to the Resolution, to units of local government and non-profit organizations (“Sponsors”) for low-income households for rehabilitation of properties located within the State of Illinois (“Financing”).

She then stated that pursuant to Resolution No. 2016-IHDA-065, as amended by Resolution No. 2016-IHDA-120, the Authority approved the use of \$6,000,000.00 of funds from the Trust Fund Program to carry out the purposes of the Single Family Rehab Program and that the Sponsors listed in Exhibit B attached to the Resolution, have applied to the Authority for Grants from the Single Family Rehab Program to provide the Financing to eligible households.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- B. Executive Director Hamernik introduced the following agenda item: 17-IHDA-217 Resolution Authorizing Grants under the Abandoned Residential property Municipality Relief Program-Round 2.

Ms. Enriquez stated that the Authority administers of Abandoned Residential Property Municipality Relief Program (“Program”) to provide funds to municipalities and counties in Illinois for the maintenance and demolition of abandoned properties. She then stated the municipalities and counties in Illinois listed on Exhibit A attached to the Resolution, (“Recipients”) have applied to the Authority for grants from the Program to cover costs of the Maintenance and Demolition. She further stated that the total amount of grants to be awarded is \$9,549,065.00 and that the Grants will have a term of up to 2 years.

Ms. Kane asked Ms. Enriquez to clarify any issues related to deposits and geographic distributions. Ms. Pecori-Fioretti made some remarks about the provisions of the Program statute.

Chairman Harris indicated that the Authority should consider addressing geographic inequity issues with other resources such as Trust Funds.

Chairman Harris noted that out of an abundance of caution Ms. Olson did not participate in the portion of the loan committee meeting wherein the loan committee discussed selecting DuPage County to receive an award of funds under the APP. Screening precautions exist to ensure that she was and will remain isolated from any such award.

A motion to adopt the Resolution was made by Mr. Karp and seconded by Ms. Kane; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp and Ms. Rapp.

Mr. Tornatore abstained from voting.

2. Multifamily Transactions

Christine Moran provided an update on the state of the low income housing tax credit equity market. She indicated that with the uncertainty surrounding potential tax reform under the new presidential administration, including a reduction in corporate tax rates, investors and syndicators have been re-negotiating previously quoted pricing. She went on to say that the reduction in pricing has created financing gaps in projects previously awarded federal low income housing tax credits. Many of the projects being presented at the February board meeting are requesting resources to help fill those gaps and are ready to proceed to initial financial closing.

- A. Executive Director Hamernik introduced the following agenda item: 17-IHDA-218 Resolution Authorizing State Tax Credits and an Increase in Federal Tax Credits for New Lenox Horizon Senior Living Community.

Mr. Rangel stated that the Authority is the low income housing tax credit agency for the State of Illinois (“State Tax Credit Agency”) and the IHDA Act designates the Authority as the low income housing tax credit agency for the State of Illinois (“Federal Tax Credit Agency”) to allocate federal low income housing tax credits (“Federal Tax Credits”).

He then stated that the Alden Foundation (“Sponsor”) has applied to the Authority for FY17 State Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as New Lenox Horizon Senior Living Community (“Project”) in the amount of 97,142, as described in Exhibit A attached to the Resolution.

He further stated that pursuant to Resolution No. 2016-IHDA-033D (“Prior Resolution”), the Authority was authorized to allocate 2016 Federal Tax Credits in the amount of 1,120,584 in connection with the acquisition, construction and permanent financing of the Project and that the Owner has determined that the Project is able to support additional Federal Tax Credits and has requested additional Federal Tax Credits in the amount of 34,509 (“Tax Credit Increase”).

A motion to adopt the Resolution was made by Ms. Davis and seconded by Ms. Kane; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- B. Executive Director Hamernik introduced the following agenda item: 17-IHDA-219 Resolution Authorizing State Tax Credits, Rental Assistance and an Increase in Federal Tax Credits for Aurora Downtown Revitalization.

Mr. Rangel stated that The Community Builders, Inc. (“Sponsor”) has applied to the Authority for FY17 State Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a housing development to be known as Aurora Downtown Revitalization (“Project”) in the amount of 1,649,298, as described in Exhibit A attached to the Resolution.

He then stated that pursuant to Resolution No. 2012-IHDA-109, the Authority was authorized to accept rental assistance funds in the amount of \$12,000,000.00 and enter into an agreement with the United States Department of Housing and Urban Development (“HUD”) to administer the Section 811 PRA Demo for Illinois and that the Sponsor was selected for rental assistance from the Section 811 PRA Demo in the amount not to exceed \$586,200.00 (“Rental Assistance”) in connection with the Project.

He further stated that pursuant to Resolution No. 2016-IHDA-127 (“Prior Resolution”), the Authority was authorized to allocate 2016 Federal Tax Credits in the amount of 1,500,000

in connection with the Project and that the Owner has determined that the Project is able to support additional Federal Tax Credits and has requested additional Federal Tax Credits in the amount of 119,314 (“Tax Credit Increase”).

Chairman Harris stated that the City of Aurora has worked very hard to transform the City Aurora and it is a terrific transformation.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- C. Executive Director Hamernik introduced the following agenda item: 17-IHDA-220 Resolution Authorizing an Increase in Federal Tax Credits (FTC-11251) for Fox Meadows Independent Living.

Mr. Rangel stated that that pursuant to Resolution Nos. 2016-IHDA-129 and 2016-IHDA-147 (“Prior Resolutions”), the Authority was authorized to allocate 2016 Federal Tax Credits in the amount of 468,400 in connection with the acquisition, construction and permanent financing of the Fox Meadows Independent Living (“Project”) and that the Fox Meadows NFP (“Sponsor”) has determined that the Project is able to support additional Federal Tax Credits and has requested additional Federal Tax Credits in the amount of 117,178 (“Tax Credit Increase”).

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Karp; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- D. Executive Director Hamernik introduced the following agenda item: 17-IHDA-221 Resolution Authorizing State Tax Credits for Huntington and Wheeling Tower.

Mr. Rangel stated that the Housing Authority of Cook County (“Sponsor”) has applied to the Authority for FY17 State Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a housing development to be known as Huntington and Wheeling Tower (“Project”) in the amount of 1,164,325, as described in Exhibit A attached to the Resolution.

Chairman Harris remarked that former member Bill Malleris would be pleased.

Mr. Karp noted that developers are doing well improving with the per unit costs.

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Mr. Karp; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- E. Executive Director Hamernik introduced the following agenda item: 17-IHDA-222 Resolution Authorizing an Increase in Federal Tax Credits (FTC-11237-16/17) for Scott County Homes.

Mr. Rangel stated that that pursuant to Resolution No. 2016-IHDA-128 (“Prior Resolution”), the Authority was authorized to allocate 2016 Federal Tax Credits in the amount of 451,626 in connection with the acquisition, construction and permanent financing of the Scott County Homes (“Project”) and that the Scott County Housing Authority (“Sponsor”) has determined that the Project is able to support additional Federal Tax Credits and has requested additional Federal Tax Credits in the amount of 131,000 (“Tax Credit Increase”).

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Karp; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- F. Executive Director Hamernik introduced the following agenda item: 17-IHDA-223 Resolution Authorizing a FAF Loan (11288) for Anthony Place Yorkville.

Mr. Rangel stated that the Authority has entered into four Financing Adjustment Factor Refunding Agreements (the “FAF Agreements”) with HUD, which provide that that the Authority is entitled to receive fifty percent (50%) of the proceeds recaptured through the refunding of certain bonds originally issued by the Authority to provide financing for certain multifamily residential housing developments (the “FAF Program”).

He then stated that the GC Housing Development LLC and The Burton Foundation (“Sponsor”) has applied to the Authority for a second position loan under the FAF Program in an amount not to exceed \$1,645,520.00 (“FAF Loan”) in connection with the acquisition, construction and permanent financing of Anthony Place Yorkville.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- G. Executive Director Hamernik introduced the following agenda item: 17-IHDA-224 Resolution Authorizing an Increase in Federal Tax Credits (FTC-11241-17) for Prairie Meadows Phase II.

Mr. Rangel stated that that pursuant to Resolution Nos. 2016-IHDA-033H and 2016-IHDA-149 (“Prior Resolutions”), the Authority was authorized to allocate 2016 Federal Tax Credits in the amounts of 698,232 and 44,588 in connection with the acquisition, construction and permanent financing of the Prairie Meadows Phase II (“Project”) and that the Illinois Community Action Development Corporation (“Sponsor”) has determined that the Project

is able to support additional Federal Tax Credits and has requested additional Federal Tax Credits in the amount of 144,252 (“Tax Credit Increase”).

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Mr. Karp; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

- H. Executive Director Hamernik introduced the following agenda item: 17-IHDA-227 Resolution Authorizing a Loan for Sage Crest Hills Apartment.

Mr. Rangel stated that the Authority administers a program known as the Multifamily Housing Revenue Bond Program whereby the Authority acquires funds to make loans (individually, a “Conduit Loan” and collectively “Conduit Loans”) for affordable housing developments through the issuance of tax-exempt multifamily housing bonds (“Bonds”); immediately upon the closing of a Conduit Loan, such Conduit Loan is assigned to a third party, to be determined on or before the closing date of such Conduit Loan.

He then stated that the Sage Crest Cornucopia Limited Partnership (“Owner”) has requested that the Authority make two Conduit Loans for the acquisition, rehabilitation and permanent financing of the Sage Crest Hill Apartments (“Project”) in an aggregate principal amount not to exceed \$13,000,000.00, which may be issued in two tranches: with (i) a tranche in the approximate amount of \$10,000,000.00; and (ii) a tranche in the approximate amount of \$1,000,000.00.

A motion to adopt the Resolution was made by Ms. Davis and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

3. Bond Transactions

- A. Executive Director Hamernik introduced the following agenda item: 2017-IHDA-228 Resolution Authorizing the Issuance of Not to Exceed \$13,000,000 Aggregate Principal Amount of Multifamily Housing Revenue Bonds, Series 2017A and Series 2017B (Sage Crest Hills Apartments).

Mr. Chung stated that this Resolution authorizes the issuance by the Authority of not to exceed \$13,000,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds, Series 2017A and 2017B (Sage Crest Hill Apartments) (the “Bonds”). He said this Resolution also authorizes the Authority to enter into a Bond Issuance Agreement, Loan Agreement and Tax Regulatory Agreement in substantially the forms attached to the Resolution, setting forth the terms of the Bonds.

He then stated that the Bonds would be issued to provide funds to be applied to make one or more new loans to Sage Crest Cornucopia Limited Partnership, to finance the acquisition,

rehabilitation and equipping of the Sage Crest Hill Apartments which will then be issued as fixed rate Bonds with interest rates and a final maturity date to be established in the Indenture. The Bonds will be a special limited obligation and will not be a general obligation of the Authority. She further stated that issuance of the Bonds will require the use of volume cap in an aggregate amount not to exceed \$13,000,000.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

IV. Chairman Harris indicated that the Committee Minutes would now be considered.

1. Finance Committee Report, Ms. Kane presented the Finance Committee Report from the February 17, 2017 meeting. Ms. Kane recommended the Members' approval of the minutes from the January 20, 2017 Finance Committee meeting.

A motion to adopt the Resolution was made by Ms. Kane and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

2. Asset Management Committee Report, Mr. Karp presented the Asset Management Committee Report from the February 17, 2017 meeting. Mr. Karp recommended the Members' approval of the minutes from the November 18, 2016 Committee meeting.

A motion to adopt the Resolution was made by Mr. Karp and seconded by Mr. Tornatore; a roll call was taken and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Ms. Rapp and Mr. Tornatore.

V. Written Reports:

Chairman Harris referred the Members to the electronic Board book material for the following reports: Hardest Hit Fund, Authority Financial Statements, Contract List, and IHDA Investment Portfolio.

- VI. Public Comments – other than responses to Member questions during the course of the meeting, no public comments were made.

VII. Executive Closed Session

At 10:37 a.m., Chairman King moved that the Board retire immediately to a Closed Session pursuant to the exception noted under Section 2(c) (1) of the Open Meetings Act to discuss personnel matters (the appointment, employment, compensation, discipline, performance or dismissal of specific employees). Vice Chair Davis seconded the motion; a roll was taken and the Board approved the motion by the affirmative votes of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Mr. Malleris, Mr. Tornatore and Ms. Rapp.

The Board reconvened in open session at 12:25 p.m. Chairman Harris stated that no action had been taken at the closed session.

VIII. Adjournment: Chairman Harris adjourned the meeting at 12:25 p.m.