

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

October 20, 2017

Pursuant to notification given October 18, 2017, the Members of the Illinois Housing Development Authority (the "Authority") met for a regularly scheduled meeting on October 20, 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 (Absent)
Lorraine Hocker	Member
Mary Kane	Member/Treasurer
Luz Ramirez	Member (Absent)
Alyssa Rapp	Member
Sam Tornatore	Member/Secretary

STAFF:

Audra Hamernik	Executive Director
Maureen Ohle	General Counsel
Nandini Natarajan	CFO
Colleen Synowiecki	Executive Coordinator
Michelle Adams	Director, Administrative Services
Vanessa Boykin	Comptroller
James Clark	Director, External Relations
Deb Erickson	Director, Operational Excellence
Christine Moran	Managing Director, Multifamily Financing
Kevin O'Connor	Internal Auditor
Peter Sellke	Director, Hardest Hit Fund
Tim Veenstra	Director, Asset Management
Walden Swenson	Director, Communications
Michael Ansani	Asset Management
John Chung	Assistant Director, Structuring Finance
Brittiany Jones	Multifamily Financing
Amber Lockwood	Assistant Director, Homeownership Programs
Andrew Nestlehut	Senior Mgr. - Investments, Treasury Ops Finance
Allison Roddy	Multifamily Financing

GUESTS:

Jennifer Fredericks	BNYM
Susan Jun	Morgan Stanley
Geoff Proulx	Morgan Stanley
Kevin Murphy	Hawkins
Rachel Smith	Mayer Brown
Casey Williams	Mayer Brown
Paul Haley	Barclay
Phil Rooney	Barclays
Barbara Feldman	BABL

Jeff Gertz	JP Morgan
J Germain	Jefferies
Steve Abbey	Huntington
Michael Valo	Huntington
Allison Clements	IHC
David Mevis	Habitat

I. Opening

- A. With a physical quorum consisting of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore, Chairman Harris called the meeting to order at 11:00 a.m.
- B. A roll call was taken.
- C. Executive Director Hamernik announced the rapid results projects for the month of October. Brittiany Jones was acknowledged for her project idea.

Executive Director Hamernik announced the 2 awards received at the NCSHA Annual Conference. She stated that the awards were for External Affairs and Communications.

- D. Chairman Harris asked if anyone wanted to make any public comments. No one made any public comments.

II. Consent Agenda:

Chairman Harris noted that there were twelve (12) Resolutions on the consent agenda. He asked the Members if anyone had comments or wanted to remove any resolution from the consent agenda. The Members had no comments.

A motion to adopt the Consent Agenda Resolutions was made by Mr. Tornatore and seconded by Ms. Kane and the twelve (12) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore.

A. Minutes

2017-IHDA-368: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority held on September 29, 2017.

B. Procurement Contracts

- 1. 2017-IHDA-369: Resolution Authorizing the Renewal of an Agreement with ADFITECH, Inc. for Mortgage Loan Quality Control Services.
- 2. 2017-IHDA-370: Resolution Authorizing the Purchase of Office Supplies from Logsdon Stationers, Incorporated d/b/a Logsdon Office Supply.

C. General Administrative Matters

1. 2017-IHDA-371: Resolution Ratifying Permitted Financial Activities.

D. Multifamily Transactions

1. 2017-IHDA-372: Resolution Authorizing an Increase of the Trust Fund Loan and Extension of the Commitment Expiration Date for Evanston PSH.
2. 2017-IHDA-373: Resolution Authorizing a Reduction of Project Units and Amendment of the Loan Documents for Community Living Initiative.

3. PSH Extensions

- a. 2017-IHDA-374A: Resolution Authorizing an Extension of the Commitment Expiration Date for Pearl Street Apartments.
- b. 2017-IHDA-374B: Resolution Authorizing an Extension of the Commitment Expiration Date for New Moms Oak Park.
- c. 2017-IHDA-374C: Resolution Authorizing an Extension of the Commitment Expiration Date for Trinity Park Vista.
- d. 2017-IHDA-374D: Resolution Authorizing an Extension of the Commitment Expiration Date for Rogers Park PSH.
- e. 2017-IHDA-374E: Resolution Authorizing an Extension of the Commitment Expiration Date for Arboretum West.
- f. 2017-IHDA-374F: Resolution Authorizing an Extension of the Commitment Expiration Date for Lincoln Park Community Shelter.

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

A. Finance Transactions

1. Executive Director Hamernik introduced Resolution 2017-IHDA-375: Resolution Authorizing the Issuance of Not to Exceed \$30,000,000 Multifamily Revenue bonds 2017 Series B.

Mr. Chung stated that this Resolution authorizes the issuance by the Authority of not to exceed \$30,000,000 in aggregate principal amount of its Multifamily Housing Revenue Bonds, Series 2017 Series B (the "2017 Series B Bonds"). He then stated

that the 2017 Series B Bonds are to be issued on or before July 31, 2018 pursuant to certain provisions of the Multifamily Revenue Bond Trust Indenture, dated as of September 1, 2016 (the “General Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a Separately-Secured Indenture (as such term is defined in the General Indenture) to be entered into by and between the Authority and the Trustee (the “2017 Series B Indenture”). He further stated that the 2017 Series B Bonds will be Separately-Secured Bonds (as such term is defined in the General Indenture) that will not have a claim to payment from, or be secured by, property and revenues pledged under the General Indenture. The 2017 Series B Bonds will be special, limited obligations payable solely out of the property and revenues pledged, assigned or in which a lien or security interest is granted for such payment pursuant to the 2017 Series B Indenture, and shall not be a general liability of the Authority or a charge against its general credit. He then stated that the 2017 Series B Bonds authorized by this Resolution will be issued as fixed interest rate bonds. Proceeds of the 2017 Series B Bonds, along with other Authority funds as described in the resolution, may be used to (a) refund existing bonds with respect to existing mortgage loans pertaining to certain developments; (b) make a 2017 Series B Reserve Fund deposit or pay the cost of a Cash Equivalent for the 2017 Series B Reserve Fund; and/or (c) pay capitalized interest and accrued interest, if any, and pay costs of issuance of the 2017 Series B Bonds.

He also stated that this Resolution authorizes the use of amounts from the Administrative Fund of the Authority and other sources available to the Authority to pay costs of issuance of the 2017 Series B Bonds and to make contributions to the various funds and accounts held under the 2017 Series B Indenture, including contributions to fund reserves and to pay costs of issuance of, and accrued interest and capitalized interest on, the 2017 Series B Bonds, and other necessary costs and expenses relating thereto. He indicated this is a delegation Resolution.

A motion to approve the Resolution was made by Ms. Kane and seconded by Mr. Tornatore; and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore.

B. Asset Management Transactions

2. Executive Director Hamernik introduced Resolution 2017-IHDA-376: Resolution Authorizing a Transfer of Physical Assets and Other Matters Related to Louis Joliet Apartments.

Mr. Ansani stated that on June 27, 2002, the Authority made a second position mortgage loan in the original principal amount of \$750,000.00 (“Loan”) to Joliet Apartments, L.P. (the “Owner”) for the rehabilitation, construction and permanent financing of a multifamily housing development known as Louis Joliet Hotel (“Project”). He then stated that the Loan is evidenced by an Amended and Restated Mortgage Note (“Note”), secured by a Second Mortgage and Assignment of Rents and Leases (“Mortgage”) and governed by a Regulatory and Land Use Restriction Agreement (“Regulatory Agreement”, together with the Note and the Mortgage, “Loan

Documents”) and that the Project is also governed by a Low Income Housing Tax Credit Extended Use Agreement dated June 27, 2002 (“EUA”).

He further indicated that the Owner desires to transfer 100% of its ownership interests in the Project to Historic Louis Joliet Apartments, LLC (“New Owner”) and the New Owner desires to assume the obligations of the Owner under the Loan, the Loan Documents and the EUA (“Transfers and Assumptions”), all as more fully described in the summary of the Project (“Summary”) attached to the Resolution.

A motion to approve the Resolution was made by Mr. Tornatore and seconded by Ms. Kane; and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore.

C. Other Matters

1. Executive Director Hamernik introduced Resolution 2017-IHDA-377: Resolution Approving 2018/2019 Qualified Allocation Plan.

Ms. Moran stated that The Multifamily Finance Department is requesting the approval of the 2018-2019 Qualified Allocation Plan (“QAP”). She said the QAP defines the Authority’s housing policy goals and objectives for the next two years. She said drafting the QAP is a long and arduous process, requiring collaboration between many departments at the Authority. She then thanked everyone involved for their patience and hard work through the process on the very important policy document.

She further stated that the Authority engaged the stakeholders through various QAP Summits, which were held over the summer in Chicago, Springfield, Rockford and Belleville. She said essentially staff was on a listening tour with our development partners. She said in September, based on feedback staff received at the Summits, the Authority published the Draft QAP. She said the Authority then held a public hearing at IHDA’s offices at the end of September and incorporated some valuable feedback into the final document.

She also stated that in addition to streamlining the document and eliminating 11 pages of redundancy, some of the significant changes proposed for 2018-2019 include:

- The Authority will accept 9% applications one time per year via the on-line MF Portal, which was rolled out in June 2017. 4% Applications will continue to be accepted on a rolling basis
- Enhanced Preliminary Project Assessment process to include upfront development team review and preliminary financial feasibility review. with four possible outcomes:
- Combined Chicago Metro into one set aside, allowing two (2) points for true AHPAA communities with less than 10% affordable rental stock.
- Construction Monitoring for tax credit only projects.

- Improved design and sustainability criteria, including a new sustainability checklist, which will allow projects to earn points outside of formalized Green Certification.
- Improved Cost containment – evaluating hard construction costs in addition to total development cost.

Ms. Moran then requested the Members' approval of the 2018-2019 Qualified Allocation Plan.

A motion to approve the Resolution was made by Ms. Kane and seconded by Ms. Rapp; and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore.

Chairman Harris stated that he attended one of the meetings held by staff, which gave the public an opportunity to submit comments on the QAP. He stated that there were many interesting and good comments and staff did incorporate many of the comments.

- IV. Chairman Harris indicated that the Committee minutes would now be considered.
- A. Finance Committee Report, Ms. Kane introduced the Finance Committee Report from the, October 20, 2017 meeting. Ms. Kane recommended the Members' approval of the minutes from the September 29, 2017 Finance Committee meeting.

A motion to approve the Minutes was made by Ms. Kane and seconded by Mr. Tornatore and the motion was adopted by the affirmative votes of Chairman Harris, Ms. Hocker, Ms. Kane, Ms. Rapp and Mr. Tornatore.

- V. Chairman Harris referred the Members to the electronic Board book material for the Committee Materials:
- A. IHDA Finance Committee, October 20, 2017 Meeting Agenda & Materials.

- VI. 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.

- VII. Adjournment: The meeting was adjourned at 11:10 a.m.