

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

September 16, 2016

Pursuant to notification given September 14, 2016, the Members of the Illinois Housing Development Authority (the "Authority") met for a regular scheduled meeting on September 16, 2016, at the offices of the Authority, 401 North Michigan Avenue, Suite 700, Chicago, Illinois.

Those present (unless otherwise noted below as absent):

BOARD:

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

STAFF:

Audra Hamernik	Executive Director
Debbie Olson	Chief of Staff
Maureen Ohle	General Counsel
Nandini Natarajan	Chief Financial Officer
Colleen Synowiecki	Executive Coordinator
Christine Moran	Director, Multifamily Financing
Michelle Adams	Director, Administrative Services
Neil O'Callaghan	Managing Director, Information Technology
Charlotte Flickinger	Director, External Relations
Vanessa Boykin	Comptroller
Nicki Pecori Fioretti	Director, Community Affairs
Tim Veenstra	Director, Asset Management
Sam Mordka	Sr. Policy and Strategic Initiatives Officer
John Chung	Assistant Director, Finance Structuring
Emmanuel Kinard	Multifamily Programs
Derek Walvoord	Multifamily Programs
Keith Pryor	Multifamily Programs
Michael Ansani	Asset Management

GUESTS:

John Janicik	Mayer Brown
Lawrence Dillard	BNYM
Susan Jun	Morgan Stanley
Michael Barbarino	Citigroup
Barbara Feldman	Bank of America
Scott Schmitt	US Bank
Merci Stahl	BNY
Cynthia Res	BNY

Ken Funk	DLEC
Warren Wenzloff	ATT
Steve Washington	Ice Miller
Matt Engler	Barclays
Natalie Monetz	Citi
Andrea Inouye	IHC
Emma Hermskurk	IHC
Steve Abbey	Ameritrust
Mike Lundy	SWIDA
John Langle	BiState Development
Arron Budisti	Bywaier Development
Susan Lencioni	Fox Meadows
Chuck Treach	PPD
Julie Attweys	Scott County Housing
Rodger Brown	NDNC
David Block	Evergreen
Jessica Poirier	HACC
Rich Monocchio	HACC
Alesic Hushan	HACC
Genie Calma	HACC
Chris Tritsis	CUBIT
Misty Elek	Pirhl
Brian Minton	Fox Meadows
Jim Bergman	Iceberg
Ann alsbaugh	Pullman Arts
Ciere Boatright	CNI
Wilk Woey	IRB
Jeremy Yost	Yost
Virginia Pace	LGG
Jeffrey Crane	GC Housing Dev.
Andrew Block	GC Housing Dev
Destini Lednicky	SWIDA
James Nations	SWIDA
Mary Ellen Tamasy	LCRDC
Mike Niehaus	Windsor Group
Amy George	SCHA
Hume An	Michaels Development
Eric Merger	Michaels Development
Brian Foreman	GCDC
Shane He Brown	LG
Kirk Albinson	TCB
Robert Sit	Site Design Group
John Cranin	LA Mancha
Brien Hagur	PIRHL
Michael Shywaski	Historic Pullman Foundsation
Angie Marky	CNI
David Doig	CNI

I. Call to Order & Roll Call

With a physical quorum consisting of Chairman Harris, Vice Chairperson Davis, Ms. Kane, Mr. Malleris, Mr. Karp and Mr. Tornatore, Chairman Harris called the meeting to order at 10:02 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 nine (9) Resolutions on the consent agenda. He asked the Members if anyone had comments or wanted to remove any resolution from the consent agenda. No one had any comments or wanted to remove any items from the consent agenda.

A motion to adopt the Consent Agenda Resolutions was made by Mr. Karp and seconded by Mr. Tornatore; voting was done by a roll vote and the nine (9) Resolutions noted below were adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Mr. Malleris, Ms. Rapp and Mr. Tornatore. Resolution No. 16-IHDA-115 was tabled at the request of Executive Director Hamernik and may be considered at a future meeting.

1. Minutes

A. 16-IHDA-108 Resolution Approving the Minutes of the Meeting of the Members of the Illinois Housing Development Authority held on July 15, 2016.

2. Procurement Contracts

- A. 16-IHDA-109 Resolution Authorizing Lease of Multi-Functional Devices from Xerox.
- B. 16-IHDA-110 Resolution Authorizing an Agreement with a Moving Company
- C. 16-IHDA-111 Resolution Authorizing the Purchase of Oracle Maintenance and Support Services
- D. 16-IHDA-112 Resolution Authorizing Purchase of Laptop Computers, Desktop Computers and Related Equipment
- E. 16-IHDA-113 Resolution Authorizing the Purchase of Monitor Arms
- F. 16-IHDA-114 Resolution Authorizing a Renewal of a Legislative Services Agreement.

3. General Administrative Matters

- A. Intentionally Omitted: 16-IHDA-115 Resolution Regarding Employee Signature Authority was tabled for consideration at a future meeting
- B. 16-IHDA-116 Resolution Amending Designations of a Portion of the Administrative Fund Net Assets
- C. 16-IHDA-117 Resolution Ratifying Establishment of Loan Loss Reserve

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

1. Grant Programs

A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-118 Resolution Authorizing the Draw of Funds from Fund No. 891 for the Foreclosure Prevention program.

Ms. Pecori Fioretti stated that the Authority is the administrator of the Foreclosure Prevention Program (Program).

She then stated that pursuant to the Program, as described in more detail in the Summary attached as Exhibit A to the Resolution, the Authority intends to provide funds in an amount not to exceed \$4,500,000.00 (collectively, the "Round 4 Funds") to housing counseling agencies and non-for-profit community based organizations ("Grant Recipients") to provide, among other eligible uses set out in the Rules, housing counseling and education about the foreclosure process, as well as training for counseling staff (collectively, "Counseling and Education Services"). She further stated that the Grant Recipients will be selected by the Authority through a competitive application process and in accordance with the requirements set forth in the Summary, and approval of the grant of any Round 4 Funds to any Grant Recipient will be subject to a future resolution passed by a majority of the Members of the Authority and that in addition to providing Round 4 Funds to Grant Recipients, 25% of the total Round 4 Funds (after deduction of administrative expenses as provided in the Rules) will be distributed to the City of Chicago for counseling agencies in Chicago or for foreclosure prevention counseling administered by the City of Chicago, as required by the Act and the Rules ("City Funds").

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

B. Executive Director Hamernik introduced the following agenda item: 16-IHDA-119 Resolution Authorizing the Draw of Funds from Fund No. 892 under the Abandoned Residential Property Municipality Relief Program.

Ms. Pecori Fioretti stated that the Authority is the administrator of the Abandoned Residential Property Municipality Relief Program (Program).

She then stated that municipalities and counties in Illinois ("Grant Recipients") will be selected by the Authority through a competitive application process for grants from the Program to cover costs of the Maintenance and Demolition in an aggregate maximum amount of \$15,000,000.00 ("Round 2 Funds"). She further stated that the grants of Round 2 Funds will be made in accordance with the requirements set forth in the Summary described in Exhibit A attached to the Resolution, and approval of Grant Recipients will be subject to a future resolution passed by a majority of the Members of the Authority. She also stated that as of the date of this Resolution the legislation establishing the Program

sunset as of January 1, 2018; therefore grant terms and reimbursement for expenditures to Grant Recipients will be limited accordingly.

Chairman Harris stated that this is a great program.

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

- C. 16-IHDA-120 Executive Director Hamernik introduced the following agenda item: Resolution Authorizing Increase of Funds and Household Maximum from the Trust Fund Program for the Single Family Rehab Program (Amending Resolution No. 2016-IHDA-065).

Ms. Pecori Fioretti stated that the Authority is the administrator of the Illinois Affordable Housing Trust Fund Program (“Trust Fund Program”).

She then stated that pursuant to Resolution No. 2016-IHDA-065 (“Prior Resolution”), the Authority established a rehabilitation assistance program that will offer grants (“Grants”) to units of local government and non-profit organizations (“Sponsors”) which will provide financing to low-income households for rehabilitation of properties located within the State of Illinois (“Single Family Rehab Program”); the Prior Resolution authorized the use of \$3,000,000.00 of funds (“Funds”) from the Trust Fund Program to carry out the purposes of the Single Family Rehab Program.

She further stated that pursuant to the Summary attached to the Prior Resolution, the Authority established a maximum amount of \$40,000.00 (“Household Maximum”) to be provided to each household under the Single Family Rehab Program. The Authority has determined it is in its best interest to increase the total Funds to \$6,000,000.00 and to increase the Household Maximum to \$45,000.00.

Chairman Harris stated that this is a great program and it could use more funds because there is never enough.

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

- D. Executive Director Hamernik introduced the following agenda item: 16-IHDA-121 Resolution Authorizing the Draw of Funds from Fund No. 150 in connection with the Long Term Operating Support Program.

Mr. Mordka stated that the Authority is the administrator of the Rental Housing Support Program (“RHS Program”).

He then stated that the Authority may make grants under the RHS Program to provide long-term operating support to eligible developments (each a “LTOS Grant”) to enable the rent on units within the development to be affordable to households whose annual income is less than 30% of the median income for the area in which the household resides (the “LTOS Program”) as described in Exhibit A attached to the Resolution. He further stated that the Authority has established a competitive application process and desires to draw \$20,000,000 from Fund No. 150 in connection with the anticipated release of a request for applications (“RFA”) whereby development owners (“Applicants”) may apply on a rolling basis to the Authority for LTOS Grants. He also added that the Applicants will be selected by the Authority in accordance with the criteria set forth in the RFA and that approval of any LTOS Grant to any Applicant shall be subject to a future resolution passed by a majority of the Members of the Authority.

Mr. Malleris asked if scattered sites can apply for these funds. Mr. Mordka stated that they are eligible.

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

2. Chairman Harris indicated that the Multifamily Transactions would not be discussed. Executive Director Hamernik introduced Mr. Kinard and indicated he would be presenting the Round II 2016 LIHTC Resolutions.

A. LIHTC Awards

Mr. Kinard stated that the Authority is the low income housing tax credit agency for the State of Illinois (“Federal Tax Credit Agency”). He then presented the following projects for approval.

- (i) 16-IHDA-122 Resolution Authorizing Federal Tax Credits (FTC-11257-16) for The Marshall Hotel, Chicago, IL.

The Marshall LLC has applied to the Authority for Federal Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a housing development to be known as The Marshall Hotel (“Project”) in the amount of 1,461,250 as described in Exhibit A attached to the Resolution.

Chairman King stated that he had visited this site earlier this week and thought it to be very impressive. Mr. Malleris stated that it has good accessibility.

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

- (ii) 16-IHDA-123 Resolution Authorizing Federal Tax Credits (FTC-11333-16) for Pullman Artspace Lofts, Chicago, IL.

Pullman Artspace Lofts, LP has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction, rehabilitation and permanent financing of a housing development to be known as The Pullman Artspace Lofts (“Project”) in the amount of 1,083,000 as described in Exhibit A attached to the Resolution.

Ms. Davis stated that per unit costs were very high. The Sponsor stated that they are acquiring the site from a private developer and it is a National Park landmark so they are subject to the 106 review and the water costs are excessive, but on the other side, they have raised money to preserve the landmark status.

A motion to adopt the Resolution was made by Mr. Malleris and seconded by Ms. Kane; voting was done by a roll vote and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Malleris, Ms. Rapp and Mr. Tornatore. Mr. Karp voted against the project.

- (iii) 16-IHDA-124 Resolution Authorizing Federal Tax Credits (FTC-11337-16) for The Campana, Batavia, IL.

Campana Residential LP has applied to the Authority for Federal Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a housing development to be known as The Campana (“Project”) in the amount of 1,344,911 as described in Exhibit A attached to the Resolution.

Chairman Harris asked if public transportation was available. The sponsor replied that the Pace bus runs every 20-30 minutes. Mr. Malleris asked if dial rights for the disabled was available. The sponsor replied that it was.

Ms. Davis stated that per unit costs were very high. The Sponsor stated that this is a historic building. Mr. Karp agreed with Ms. Davis. Chairman Harris stated that there are other places, other than opportunity areas for less money. Mr. Tornatore stated that the Summary states that this is located in DuPage County, but it is in fact located in Kane County.

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Mr. Malleris; voting was done by a roll vote and the Resolution was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Mr. Malleris, Ms. Rapp and Mr. Tornatore. Vice-Chair Davis and Mr. Karp voted against the project.

- (iv) 16-IHDA-125 Resolution Authorizing Federal Tax Credits (FTC-11223-16) for Berwyn Apartments, Berwyn, IL.

Berwyn Apartments, L.P. has applied to the Authority for Federal Tax Credits in connection with the acquisition, rehabilitation and permanent financing of a housing development to be known as Berwyn Apartments (“Project”) in the amount of 771,533 as described in Exhibit A attached to the Resolution.

Mr. Malleris asked if the sponsor intended to increase the elevator to the top floor. The sponsor replied that the elevator will go from the basement to the top floor.

Chairman Harris stated that per unit costs are very high. The sponsor replied that the building is currently an SRO being converted into 1-2 bedroom units with private baths. A conversation ensued regarding the relocation of the current tenants and if they would have the first opportunity to move back into the building. The sponsor stated that the current tenants do have the first opportunity to qualify for the units.

A motion to adopt the Resolution was made by Mr. Malleris and seconded by Mr. Tornatore; voting was done by a roll vote and the Resolution was adopted by the affirmative votes of Chairman Harris, Ms. Kane, Mr. Karp, Mr. Malleris, Ms. Rapp and Mr. Tornatore. Vice-Chair Davis voted against the project.

- (v) 16-IHDA-126 Resolution Authorizing Federal Tax Credits (FTC-11229-16) for Huntington and Wheeling Tower, Niles, IL.

Cook County Suburban Redevelopment, LLC has applied to the Authority for Federal 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 1,500,000 as described in Exhibit A attached to the Resolution.

Mr. Malleris stated that the accessibility is good.

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

- (vi) 16-IHDA-127 Resolution Authorizing Federal Tax Credits (FTC-11250-16) for Aurora Downtown Revitalization, Aurora, IL.

TCB Aurora Downtown Revitalization, LLC has applied to the Authority for Federal 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 1,500,000 as described in Exhibit A attached to the Resolution.

Mr. Karp stated that per unit costs are very high for the percentage of 1-bedroom units. The sponsor stated that this is a historic structure and the energy efficiency rehab is very high.

Mr. Malleris stated the percentage of adaptable and accessible is excellent. Chairman Harris stated that the city of Aurora is doing a great job with the revitalization efforts.

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

- (vii) 16-IHDA-128 Resolution Authorizing Federal Tax Credits (FTC-11237-16) for Scott County Homes, Winchester, IL.

Scott County Homes, LC has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Scott County Homes (“Project”) in the amount of 451,626 as described in Exhibit A attached to the Resolution.

Mr. Malleris stated the integration mix with single family approach is good. Vice Chair Davis asked about the supportive housing populations. The sponsor replied that they go through the state referral system. Mr. Malleris stated that the outreach efforts are crucial to get started immediately. Ms. Kane asked how the SRN effects the costs. The sponsor stated that they have a 90 day waiting hold.

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

- (viii) 16-IHDA-129 Resolution Authorizing Federal Tax Credits (FTC-11251-16) for Fox Meadows Independent Living, McLeansboro IL.

McLeansboro Independent Living LP has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Fox Meadows Independent Living (“Project”) in the amount of 468,420 as described in Exhibit A attached to the Resolution.

Chairman Harris stated that the Authority is going to work on efforts to provide more units of accessibility in senior developments.

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

- (ix) 16-IHDA-130 Resolution Authorizing Federal Tax Credits (FTC-11288-16) Anthony Place Yorkville, Yorkville, IL.

GC Housing Development LLC and the Burton Foundation has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Anthony Place Yorkville (“Project”) in the amount of 1,216,510 as described in Exhibit A attached to the Resolution.

Mr. Malleris stated that there is an excellent percentage of accessible units.

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

- (x) 16-IHDA-131 Resolution Authorizing Federal Tax Credits (FTC-11180-16) for Indian Trail Apartments of Lawrenceville Phase II, Lawrenceville, IL.

Indian Trail Apartments of Lawrenceville, LP has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Indian Trail Apartments of Lawrenceville Phase II (“Project”) in the amount of 696,735 as described in Exhibit A attached to the Resolution.

Mr. Malleris stated that there is an excellent percentage of permanent supportive units and 3 out 12 units are accessible.

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

- (xi) 16-IHDA-132 Resolution Authorizing Federal Tax Credits (FTC-11268-16) for Metro Landing of Swansea, Swansea, IL.

MLS Associates, LP has applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Metro Landings of Swansea (“Project”) in the amount of 848,411 as described in Exhibit A attached to the Resolution.

Chairman Harris stated that this is a good project. Mr. Malleris agreed. Ms. Kane stated that this is the first transient oriented project in Southern Illinois.

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

- (xii) 16-IHDA-133 Resolution Authorizing Federal Tax Credits (FTC-11263-16) for Senior Residences of Bradley, Bradley, IL.

Gardner Capital Development and Kankakee County Housing Authority have applied to the Authority for Federal Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Senior Residences of Bradley (“Project”) in the amount of 1,400,014 as described in Exhibit A attached to the Resolution.

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

B. Chairman Harris indicated that the Other Transactions would now be discussed.

- (i) Executive Director Hamernik introduced the following agenda item: 16-IHDA-134 Resolution Authorizing the Draw of Funds from Fund No 286 for Multifamily Developments.

Ms. Moran stated that in connection with the Trust Fund Program, the Authority is requesting approval to provide subordinate financing to borrowers that apply for such funds in connection with developments being financed through the federal low income housing tax credit program or to borrowers otherwise seeking financing from the Trust Fund Program in connection with the acquisition, construction, rehabilitation and/or permanent financing of affordable multifamily housing. She then stated that the Trust Fund Program borrowers will be selected by the Authority through an application process and in anticipation of awarding funds under the Trust Fund Program, the Authority has determined it is in its best interest to draw \$20,000,000 from Fund No. 286 and the Advisory Commission for the Trust Fund Program has concurred; approval of grants or loans to any borrower will be subject to the review of the Advisory Commission and a future resolution passed by a majority of the Members of the Authority.

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

- (ii) Executive Director Hamernik introduced the following agenda item: 16-IHDA-134 Resolution Authorizing a Trust fund Grant and State Tax Credits for North Chicago Revitalization (HTF-STC-11367) North Chicago, Illinois.

Mr. Walvoord stated that the Authority is the low income housing tax credit agency for the State of Illinois (“State Tax Credit Agency”).

He then stated that the Lake County Residential Development Corporation has requested that the Authority make a grant from the Trust Fund Program, in an amount not to exceed \$320,000.00 (“Grant”) and FY17 State Tax Credits in the amount of 101,250 in connection with the Project for the acquisition, construction and permanent financing of a multifamily housing development to be known as North Chicago Revitalization (“Project”), as described in Exhibit A attached to the Resolution.

He further stated that the Loan Committee has reviewed the Project and has recommended the Grant be made and that the State Tax Credits be allocated in the amount of the FY17 State Tax Credit Reservation Amount provided that the reservation letter be issued prior to December 31, 2016 and provided that the credit shall not be taken for any tax year ending after December 31, 2016.

Mr. Malleris stated that the percentage of employer assisted integrated with the Veterans units is good. Chairman Harris asked who was promoting for the employer assisted housing units. The sponsor stated that they would be working with the local businesses.

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

- (iii) Executive Director Hamernik introduced the following agenda item: 16-IHDA-136 Resolution Authorizing State Tax Credits (STC-11240) for Wind Mill Manor, Batavia, IL.

Mr. Pryor stated that JNB Batavia, LP has applied to the Authority for State Tax Credits in connection with the acquisition, construction and permanent financing of a housing development to be known as Wind Mill Manor (“Project”) in the amount of 800,000 as described in Exhibit A attached to the Resolution.

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

- (iv) Executive Director Hamernik introduced the following agenda item: 16-IHDA-137 Resolution Authorizing a Loan for Hillcrest Apartments (CDT-11312) McHenry, IL.

Mr. Pryor stated that the Authority is the administrator of the Multifamily Housing Revenue Bond Program whereby the Authority acquires funds to make loans (individually, a “Conduit Loan” and collectively, “Conduit Loans”).

He then stated that Hillcrest Cornucopia, LP has requested the Authority make two Conduit Loans for the acquisition, rehabilitation and permanent financing of a housing development to be known as Hillcrest Apartments (“Project”) in an aggregate principal amount not to exceed \$11,500,000.00, which may be issued in two tranches: with (i) a tranche in the approximate amount of \$8,000,000.00; and (ii) a tranche in the approximate amount of \$1,000,000.00, as described in Exhibit A attached to the Resolution.

There was a brief discussion regarding the location of the electrical panels and the tubs.

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

3. Bond Transactions

- A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-138 Resolution Authorizing the issuance of Not to Exceed \$11,500,000 Aggregate Principal Amount of Multifamily Housing Revenue Bonds, Series 2016A and Series 2016B (Hillcrest Apartments).

Mr. Chung stated that this Resolution authorizes the issuance of not to exceed \$11,500,000 aggregate principal amount of its (i) Multifamily Housing Revenue Bonds, Series 2016A (Hillcrest Apartments) (the “**Series 2016A Bonds**”) and (ii) Multifamily Housing Revenue Bonds, Series 2016B (Hillcrest Apartments) (the “**Series 2016B Bonds**”) and together with the Series 2016A Bonds, the “**Bonds**”). He then stated that this Resolution also authorizes the Authority to enter into the Indenture, the Loan Agreement, the Bond and Loan Agreement, the Paying Agent Agreement, the Bond Purchase Contract, the Official Statement, the Funding Agreement and the Regulatory Agreement, in substantially the forms attached to the Resolution.

He further stated that the Bonds would be issued to provide funds to be applied to make one or more new loans to Hillcrest Cornucopia Limited Partnership, for the purpose of financing the acquisition, rehabilitation and equipping of an 88-unit multifamily residential development known as Hillcrest Apartments. The Bonds will be a special limited obligation and will not be a general obligation of the Authority. This is a delegation Resolution. Issuance of the Bonds will require the use of volume cap in an aggregate amount not to exceed \$11,500,000.

Ms. Kane thanked the Finance and Multifamily departments for all of their hard work to get this deal completed.

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

4. Chairman Harris indicated that the Asset Management Transactions would now be discussed.
 - A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-139 Resolution Authorizing a Loan Modification, Re-subordination and Transfer of Physical Assets for Lawn Terrace Apartments (HTF-505) Chicago, IL.

Mr. Ansani stated that on June 27, 1996, the Authority made a third position mortgage loan under the Illinois Affordable Housing Act in the original principal amount of \$357,500.00 (“Loan”) to Kedzie Limited Partnership (“Owner”) for the construction and permanent financing of a multifamily housing development commonly known as Lawn Terrace Apartments (“Development”) and that the Loan is evidenced by a Mortgage Note (“Note”), secured by a Third Mortgage, Security Agreement 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”). He then stated that the Loan matured on June 1, 2016 (“Original Maturity Date”) and the full principal amount of the Loan was due upon the Original Maturity Date.

He further stated that the Owner has requested that the Authority modify the Loan and the Authority has proposed to do so on the following conditions: (i) extend the Original Maturity Date to June 1, 2046 (“New Maturity Date”); (ii) increase the interest rate from 0% to 2.2%; (iii) beginning June 1, 2016 through approximately June 1, 2018, require a monthly interest-only payment of \$655.42; (iv) on June 1, 2018, require a one-time lump sum principal payment of \$100,000.00; (v) beginning July 1, 2018 through the New Maturity Date, require monthly principal and interest payments in the amount of \$1,037.46 as well as 50% of net cash flow to the Development; and (vi) fully amortize the Loan as of June 1, 2018 (collectively, the “Loan Modification”), all as more fully described in the summary of the Development (“Summary”) attached to the Resolution.

Mr. Ansani also stated that the Loan is subordinate to a first position mortgage loan held by Marquette Bank in the current outstanding amount of \$1,052,303.00 (“Existing First Position Loan”) and a second position mortgage held by the City of Chicago in the current outstanding amount of \$6,213,004.00 (“Existing Second Position Loan”), and both the Existing First Position Loan and the Existing Second Position Loan matured on June 1, 2016 and that the Owner desires to refinance the Existing First Position Loan with a new first position loan from a new lender, BMO Harris Bank, N.A., (“New First Position Loan”) in an amount not to exceed \$7,500,000.00 in order to (i) pay in full the Existing First Position Loan and (ii) make needed capital improvements to the Development; as of January 31, 2018, the New First Position Loan will have been paid down to a balance of \$3,150,000.00 for permanent financing, all as more fully described in the Summary. The Owner also desires to modify the Existing Second Position Loan by (i) extending the maturity date to September 30, 2047 and (ii) increasing the interest rate from 0% to 2.2%. Therefore, the Owner has requested that the Authority re-subordinate the Loan Documents to both the New First Position Loan and the modified Existing Second Position Loan (“Re-subordination”).

He then stated that the Owner is also requesting to transfer 100% of its ownership interests in the Development to Lawn Terrace Preservation, L.P. (“New Owner”) and the New Owner desires to assume the obligations of the Owner under the Loan and the Loan Documents

(“Ownership Transfer”). Kedzie Apartments Corporation (“Current General Partner”) and GSW Residential Corporation (“Current Limited Partner”) desire to transfer 100% of their collective ownership interests in the Development to Lawn Terrace Preservation, NFP (“New General Partner”) and Cinnaire Fund for Housing Limited Partnership 31 (“New Limited Partner”), and the New General Partner and the New Limited Partner desire to assume the obligations of the Current General Partner and the Current Limited Partner under the Loan and the Loan Documents (together with the Ownership Transfer, the “Transfer”). Mr. Ansani requested the Members approval of the Resolution.

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

5. Chairman Harris indicated that final resolution on the Agenda would now be discussed.

A. Executive Director Hamernik introduced the following agenda item: 16-IHDA-140 Resolution Authorizing the Authority to Become an Authorized Fannie Mae Servicer (Amending Resolution 2014-IHDA-013).

Ms. Natarajan stated that pursuant to Resolution 2014-IHDA-013, the Authority entered into a contract with Fannie Mae in order to:

- (i) establish the Authority as an approved seller of mortgages and participation interests to Fannie Mae; and
- (ii) to provide the terms and conditions of the sales.

She then stated that the Authority desires the approval of the Members to execute an addendum to the contract in order to:

- (i) establish the Authority as an approved servicer of the mortgages Fannie Mae has purchased or in which Fannie Mae has purchased a participation interest; and
- (ii) to provide the terms and conditions of servicing.

A motion to adopt the Resolution was made by Mr. Malleris and seconded by Mr. Tornatore; voting was done by a roll vote and the Resolution was adopted by the affirmative votes of Chairman Harris, Vice-Chair Davis, Ms. Kane, Mr. Karp, Mr. Malleris, 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 September 16, 2016 meeting. Ms. Kane recommended the Members' approval of the minutes from the August 19, 2016 Finance Committee meeting.

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

2. Audit Committee Report, Vice Chair Davis presented the Audit Committee Report from the September 16, 2016 meeting. Mr. Tornatore recommended the Members' approval of the minutes from the June 17, 2016 Audit Committee meeting.

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

V. Chairman Harris indicated that the Electronic Board Book training would take place after a brief break.

VI. Written Reports:

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

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

Ms. Rapp left the meeting and was no longer on the telephone.

The Board Members participated in a training webinar led by the BoardEffects representative.

VIII. Adjournment: Chairman Harris adjourned the meeting at 11:25.