

## **ILLINOIS HOUSING DEVELOPMENT AUTHORITY FEBRUARY 17, 2023 – BOARD MEETING MINUTES**

Pursuant to notification given at least 48 hours prior to the start of the meeting, the Members of the Illinois Housing Development Authority (the “Authority”) met for a regularly scheduled meeting on February 17, 2023, at the offices of the Authority, 111 East Wacker Drive, Suite 1000, Chicago, Illinois.

### **I. Opening**

- A. Call to Order: Chairman Harris called the meeting to order at 11:00 a.m.
- B. Roll Call: Ms. Synowiecki took a roll call. Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore participated in the meeting in-person, being physically present at the Authority’s office at 111 E. Wacker.
- C. Chairman Harris made remarks about IHDA’s GFOA certificate of achievement and congratulated IHDA on a job well done in that regard.
- D. Chairman Harris indicated that no one had requested the opportunity to provide public comments.

### **II. Committee Minutes**

- A. Asset Management Committee Minutes, Chairman Harris recommended the Members’ approval of the minutes from the November 18, 2022, Asset Management Committee meeting.

A motion to approve the Asset Management Committee Minutes from November 18, 2022, was made by Vice Chairperson Ramirez and Seconded by Ms. Berg; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore.

- B. Finance Committee Minutes, Chairman Harris recommended the Members’ approval of the minutes from the January 20, 2023, Finance Committee meeting.

A motion to approve the Finance Committee Minutes from January 20, 2023, was made by Mr. Tornatore and seconded by Mr. Arbuckle; the motion was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore.

### **III. Consent Agenda**

Chairman Harris noted that there were nine (9) Resolutions on the consent agenda. He then proceeded to publicly recite the title of each of the Resolutions on the consent agenda.

**A. Minutes**

1. 2023-02-IHDA-011: Resolution Approving the Minutes of the Regular Meeting of the Members of the Illinois Housing Development Authority Held on January 20, 2023.

**B. Finance Matters**

1. 2023-02-IHDA-012: Resolution Ratifying Establishment of Loan Loss Reserve.

**C. Multifamily Matters**

1. 2023-02-IHDA-013: Resolution Authorizing a Legal Description Update for GRO Independent Housing (PID 52289)
2. 2023-02-IHDA-014: Resolution Authorizing a Legal Description Update and New Target Area for Kane County Dunham Duplex-Serenity House (PID 52292)

**D. Community Affairs Matters**

1. 2023-02-IHDA-015: Resolution Authorizing a Loan from the Authority's Administrative Fund for the NeighborWorks America Housing Stability Counseling Program

**E. Asset Management Matters**

1. 2023-02-IHDA-016: Resolution Authorizing a Change in Ownership, Assignment and Assumption of Extended Use Agreement and Change in Property Management for Meadow Green Apartments (PID#s 40-215 & 30-800)

**F. COVID-19 Rental Payment Program Matters**

1. Amendments to Intergovernmental Agreements with Counties
  - a. 2023-02-IHDA-017(a): Resolution Authorizing Further Amendments to Intergovernmental Agreements with DuPage and Will Counties.
  - b. 2023-02-IHDA-017(b): Resolution Authorizing Further Amendments to Intergovernmental Agreements with Kane County.

**G. General Administrative Matters**

1. 2023-02-IHDA-018: Resolution Appointing Members to Board Committees.

After the completion of the public recital of the Resolution titles, Chairman Harris asked the Members if anyone had any additional comments or wanted to remove any Resolutions from the consent agenda.

The Members had no additional comments or questions and none of the Members made a motion to remove any Resolution from the consent agenda. A motion to adopt the consent agenda Resolutions was made by Vice Chairperson Ramirez and seconded by Ms. Berg. The nine (9) Resolutions noted above were adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore.

**V. Chairman Harris indicated that the Additional Resolutions would now be discussed.**

**A. Multifamily Matters**

1. 2023-02-IHDA-019: Resolution Authorizing a Grant under the COVID-19 Affordable Housing Grant Program (Not to Exceed \$1,741,858.00) and a Site Location Change for Nehemiah Homes RMJ (PID-11943)

Ms. Foster stated that the Authority was allocated funds to establish the COVID-19 Affordable Housing Grant Program (“CAHGP”) to provide gap financing for eligible, qualified multi-family rental developments for low and moderate households within the State.

She then stated that pursuant to Resolution 2021-05-IHDA-136i, the Authority has previously allocated federal low income housing tax credits (“Federal Tax Credits”) to the Nehemiah Homes RMJ, however, due to increased construction costs, supply and labor shortages related to the COVID-19 pandemic, the Nehemiah Homes RMJ, LP (“Owner”) has a financing gap which would make the Development financially infeasible and the Hispanic Housing Development Corporation (“Sponsor”) has applied for a grant under the CAHGP in an amount not to exceed \$1,741,858.00 (the “Grant”), to address the financing gap in the acquisition, rehabilitation, construction and permanent financing the Development.

A motion to adopt the Resolution was made by Ms. Berg and seconded by Vice Chairperson Ramirez. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore.

2. 2023-02-IHDA-020: Resolution Authorizing a FBB Risk Sharing Permanent Loan (Not to Exceed 87% LTV, approx. \$3,480,000), a Grant under the COVID-19 Affordable Housing Grant Program (Not to Exceed \$4,428,000), and Affordable Housing Surplus Loan (Not to Exceed \$1,150,000), and an Interest Rate Swap Agreement for Beech St. Senior Lofts (PID-12114)

Mr. Ryan stated that the Authority administers a program known as the Risk Sharing Program wherein the Authority makes mortgage loans to borrowers (“Risk Sharing Loans”), which are credit enhanced through insurance provided by the United States Department of Housing and Urban Development (“HUD”) and that HUD and the Federal Financing Bank (“FFB”), have implemented a program pursuant to which FFB may acquire beneficial ownership of mortgage loans originated by the Authority and insured under the Risk Sharing Program (the “FFB/542(c) Risk Sharing Program”) and that pursuant to Resolution No. 2021-10-IHDA-232, the Authority is reauthorized to participate in the FFB/542(c) Risk Sharing Program.

He then stated that Beech St. Senior Lofts LP (the “Owner”) has requested the Authority make a first position permanent mortgage loan under the FFB/542(c) Risk Sharing Program from funds provided by FFB and credit enhanced under the FFB/542(c) Risk Sharing Program, in the approximate amount of \$3,480,000, but not to exceed 87% loan to value sized to maintain a debt service coverage ratio of 1.15:1.0 through year 20; (currently underwritten at \$3,480,000) (“FFB Risk Sharing Loan”) for the acquisition, construction and permanent financing of the multi-family housing development known as Beech St. Senior Lofts (“Development”).

He further stated that pursuant to Resolution No. 2020-07-147-IHDA, supplementing the Affordable Housing Program Trust Fund Bond General Resolution adopted on May 20, 1994 as amended and restated on July 15, 1994, the Authority may make a loan in an amount not to exceed \$1,150,000 (“AHS Loan”) to the Development, which may need additional financing to allow the Authority to maintain the debt service payment committed to as part of the FFB Risk Sharing Loan and that the Authority may enter into one or more risk management agreements, defined to include interest rate swaps, in order to reduce the risk of loss to the Authority or to protect, preserve or enhance the value of the Authority’s assets. Furthermore, pursuant to Resolution No. 2017-IHDA-235, the Authority is authorized to enter into International Swaps and Derivatives Association, Inc. Master Agreements (“ISDA Master Agreements”) and such Schedules to such ISDA Master Agreements (“Schedules”).

He then added that the Authority is now seeking authorization to enter into a confirmation (“Confirmation”, and collectively with the relevant ISDA Master Agreement and Schedule, an “Interest Rate Swap Agreement”) with an approved counterparty, and to use such Interest Rate Swap Agreement for the Project to protect the Authority’s risk with regard to the interest rate for the interest to be conveyed to the FFB.

He also stated that the Sponsor has applied for a grant under the CAHGP in an amount not to exceed \$4,428,000 (the “Grant”), to address the financing gap in the Development.

A motion to adopt the Resolution was made by Ms. Berg and seconded by Mr. Morsch. The Resolution was adopted by the affirmative votes of Chairman Harris, Vice

Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore.

## **B. Finance Matters**

1. 2023-02-IHDA-021: Resolution Authorizing the Issuance of Not to Exceed \$200,000,000 Revenue Bonds 2023 Series A, 2023 Series B, 2023 Series C and 2023 Series D.

Mr. Butler stated that this Resolution authorizes the issuance of not to exceed \$200,000,000 aggregate principal amount of Illinois Housing Development Authority Revenue Bonds, 2023 Series A (the “2023 Series A Bonds”), 2023 Series B (the “2023 Series B Bonds”), 2023 Series C (the “2023 Series C Bonds”) and 2023 Series D (the “2023 Series D Bonds” and, collectively with the 2023 Series A Bonds, the 2023 Series B Bonds and the 2023 Series C Bonds, the “2023 Series A, B, C and D Bonds”) in one or more series (including subseries within a series) at the same time or at different times.

He then stated that the Resolution is a delegation resolution and that the 2023 Series A, B, C and D Bonds are to be issued on or before June 30, 2023, pursuant to a Revenue Bonds General Indenture (the “General Indenture”) entered into by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), and a Series Indenture to be entered into by and between the Authority and the Trustee (the “Series Indenture”). The General Indenture authorized by Resolution 2016-IHDA-008 permits the issuance of multiple series of bonds from time to time (the “Bonds”), including the 2023 Series A, B, C and D Bonds, as special limited obligations.

He also stated that the 2023 Series A Bonds, 2023 Series B Bonds and 2023 Series C Bonds may be issued in one or more series (including subseries within a series). The 2023 Series A, B, C and D Bonds may be issued as fixed rate bonds or as variable rate bonds, or in part fixed rate bonds and in part variable rate bonds. If any of the 2023 Series A, B, C and D Bonds are issued as variable rate bonds, the delegated officers of the Authority are authorized to provide for the Authority to acquire one or more letters of credit or other credit enhancement and/or to obtain one or more liquidity facilities or similar instruments, in each case with respect to the variable rate bonds. A conversion of variable rate bonds from one interest rate mode to another (i.e., variable to fixed) may be made upon a written Subsequent Determination of the delegated officers of the Authority, without further action by the Members of the Authority.

He further added that the proceeds of the 2023 Series A, B, C and D Bonds, along with other Authority funds as described in this resolution, may be used (i) to finance qualifying mortgage loans on residences located in the State of Illinois (the “State”) through the purchase of, or reimbursement of the prior purchase of, mortgage backed securities owned and held by the Authority in its Administrative Fund or other

Authority funds (or participation interests in such mortgage backed securities), (ii) to pay the costs of issuing the 2023 Series A, B, C and D Bonds, (iii) to pay accrued interest and capitalized interest on the 2023 Series A, B, C and D Bonds, if required, (iv) to finance second-lien loans for down payment assistance or closing cost assistance that will not be subject to the lien and pledge of the General Indenture pursuant to which the 2023 Series A, B, C and D Bonds will be issued, (v) to fund reserve funds, (vi) to redeem and refund certain prior series of Bonds issued under the General Indenture or refund other obligations of the Authority, (vii) to acquire, or reimburse the acquisition of mortgage backed securities or which were used to refund certain prior obligations of the Authority, (viii) to finance servicing release premiums and payments to lenders, and/or (ix) to finance deemed termination payments on qualified hedges related to Bonds issued under the General Indenture. The 2023 Series A, B, C and D Bonds, if issued on a tax-exempt basis, would be expected to use volume cap from the Authority's 2021 carryforward in an amount not exceeding \$200,000,000. A cash flow projection made by the Authority will demonstrate that expected revenues will be sufficient to meet debt service on the 2023 Series A, B, C and D Bonds and related expenses under a variety of scenarios.

He then added that the 2023 Series A, B, C and D Bonds are not general obligations of the Authority. Issuance of additional Bonds under the General Indenture subsequent to the 2023 Series A, B, C and D Bonds would require a future resolution of the Authority authorizing such additional Bonds, a similar cash flow projection with respect to the 2023 Series A, B, C and D Bonds and such additional Bonds, and confirmation that such issuance will not reduce the rating on the 2023 Series A, B, C and D Bonds.

A motion to adopt the Resolution was made by Mr. Tornatore and seconded by Ms. Berg. The affirmative votes of Chairman Harris, Vice Chairperson Ramirez, Mr. Arbuckle, Ms. Berg, Mr. Hayes, Mr. Hutchcraft, Mr. Morsch and Mr. Tornatore adopted the Resolution.

## **VI. Brief Recess**

Chairman Harris called a recess at 11:13am.

The meeting resumed at 11:25am

## **Presentation**

### **A. Asset Management Department Orientation**

Ms. Weaver presented an overview of the Asset Management Department.

Mr. Hayes asked if the Asset Management Department worked closely with the underwriting team in the Multifamily Department. Ms. Weaver stated that the Authority

has working groups and that the Multifamily, Asset Management and SPAR departments all work collaboratively.

Mr. Hayes then asked how often the properties are inspected and how are they assessed. Ms. Weaver stated they are inspected a minimum of 3 years, depending on the financing.

#### B. Strategic Response Department Orientation

Mr. Carrillo presented an overview of the Strategic Response Department.

The members asked about the staff and what was planned for the future. Mr. Carrillo stated that the court based rental assistance program, asylum seekers rental assistance program and homeownership assistance programs remain ongoing. He indicated that the number of temporary staff working on the programs has decreased over time as certain assistance programs have ended.

#### C. SPAR Department Orientation

Mr. Quick presented an overview of the SPAR Department.

Chairman Harris stated that the Consolidated Plan that the SPAR team created is a great resource. Ms. Davis stated that there is a report in the works which will show exactly how much the programs administered by IHDA contribute to economy of the State of Illinois.

### **VII. New Business**

No new business was raised.

### **VIII. Written Reports**

Chairman Harris referred the Members to the written reports in the Board book: Authority Financial Statements, Accounting Payments Report, Investment Holdings, Communications Report, External Relations Report, and the COVID-19 Housing Assistance Programs Report.

### **IX. Adjournment**

A motion to adjourn was made by Ms. Berg and seconded by Mr. Arbuckle. The motion was unanimously approved and the meeting adjourned at 12:23 pm.