

**ILLINOIS HOUSING DEVELOPMENT AUTHORITY  
FINANCE COMMITTEE MINUTES  
March 19, 2021**

The meeting of the Finance Committee of the Illinois Housing Development Authority took place virtually via Zoom on Friday, March 19, 2021 at 10:00 a.m. Attending the meeting were Acting Finance Committee Chair, Mr. Sam Tornatore, Mr. King Harris, Ms. Luz Ramirez, Ms. Aarti Kotak, Ms. Sonia Berg, Ms. Rita Ali, and Mr. Thomas Morsch.

Mr. Tornatore called the meeting to order at 10:01 a.m.

Mr. Tornatore motioned to approve the February 19, 2021 Finance Committee Meeting minutes as presented, motion carried.

**ONGOING ACTIVITIES**

**Discussion: Monthly Interim Financial Statements.**

Mr. Hicks stated: Operating Revenues for YTD are \$50.7M which is \$20.4M favorable to budget and Administrative Reimbursements YTD are \$17.8M which is \$8.0M favorable to budget. Key Drivers for the favorability in Operating Revenues is Investment Income \$18.2M and Origination Fees \$2.3M.

Mr. Hicks continued: Operating Expenses for the Admin Fund YTD are \$37.2M which is \$1.6M unfavorable to budget while the Operating Expenses for the Government Funds YTD are \$17.8M which is \$7.9M unfavorable to budget due to the CARES Fund being unbudgeted for FY21. For the Admin Fund the Key Drivers for being unfavorable to Budget are Professional Fees \$3.0M, Other Expenses related to the Temp Help for CARES of \$1.8M offset by favorable Salaries & Benefits of \$0.8M. For the Government Funds the key drivers predominantly related to the CARES Funds are Salaries and Benefits \$2.7M and Professional Fees \$4.6M.

Mr. Hicks continued: Operating Revenues for the Admin Fund and Administrative Reimbursements are favorable to prior year \$15.7M and \$7.3M respectively. For Operating Revenues, Investment Income is up \$14.1M and Origination Fees favorable \$2.1M. For Administrative Reimbursements, the CARES Funds \$10.6M offset by the Hardest Hit Fund which is down \$3.3M versus prior year.

Mr. Hicks concluded: Operating Expenses for the Admin Fund are \$8.6M unfavorable to prior year while the Expenses for the Governmental Funds are unfavorable to prior year by \$7.2M. Key Drivers for both the Admin Fund and Governmental Funds are Salaries and Benefits and Professional Fees related to expenditures for the CARES Fund.

**Discussion: Multifamily Update.**

Ms. Moran stated: We've received the 9% tax credit applications and they are currently under review. We are on target to bring the recommended developments to the May Board meeting. This week we kicked off our internal QAP task force for the 2022-2023 QAP. This task force is a combined effort

between multifamily, strategic planning, asset management, legal, and communications. In May we will conduct QAP summits across the state. In June we plan to present our priorities to the Board and will post the QAPs for public comment by July 1. After responding and incorporating the public comments into the QAP, we will present for Board approval in August. Some of the early themes for 2022-2023 are providing early communication and technical assistance for applicants. We are encouraging diversity and equity across the development team. Also, there is going to be an emphasis on access to internet services.

**Discussion: Homeownership Mortgage Program Update.**

Ms. Pavlik stated: Reservations for February 2021 were at 631 first mortgage loans or \$101.42 million, 329 or \$51.76 million for GNMA and 302 or \$49.66 million for Conventional. Prior year reservation comparisons for the month of February were at \$69.27 million, \$43.77 million for GNMA and \$25.50 million for Conventional.

Ms. Pavlik continued: For February 2021, IHDA Mortgage Program Statistics were as follows: Access 4% accounted for 17.0% or \$16.29 million, Access 5% accounted for 7.6% or \$9.58 million, and Access 10% accounted for 9.0% or 10.71 million, Opening Doors accounted for 56.0% or \$50.50 million, and SmartBuy accounted for 11% or \$14.34 million. Geographical percentages were 17% for the Central region, 63% for Chicago, 13% for the Northwest, and 7% for the Southern regions respectively. There are 1,899 loans in the pipeline at a total of \$300.60 million. Timing from reservation to approved for purchase is 51 days average, 59 days average from reservation to purchase.

Ms. Pavlik concluded: IHDA Demographic Analysis compared to State of IL year-to-date race comparisons were as follows: American Indian/Alaskan Native – 0.7% to 0.6%, Asian/Pacific Islander – 1.0% to 5.9%, Black – 23.0% to 14.6%, Hawaiian/Other Pacific Islander – 0.0% to 0.1%, White – 61.2% to 76.8%, Two or More Races – 0.5% to 2.0%, Information not Provided/Unknown – 13.7% to N/A. Ethnicity comparison for Hispanic or Latino is 27.6% for IHDA compared to 17.5% for State of Illinois.

**Discussion: Revenue Bonds 2021A.**

Mr. Nestlehut stated: In the Finance Committee package there were some materials relating to the summary of the Revenue Bonds 2021A issuance which closed in the middle of February. These materials are intended to serve as a written report for informational purposes. We wanted to highlight a few items. This was our first ESG transaction as well as the first single family ESG transaction in the state of Illinois. With this designation we were able to generate an additional \$20.5 million. In addition to the ESG orders, overall subscription levels were over 3.5 times in aggregate, not including any member or stock orders. At the time, the issuance was able to garner one of the lowest yields on a traditionally structured single family bond issuance. This transaction was run by Citibank as the Senior Manager.

**NEW BUSINESS**

**Resolution Regarding Extension of Investment Banking Services Agreements.**

Mr. Nestlehut stated: The Illinois Housing Development Authority (“Authority”) requires the services of Investment Bankers in connection with the implementation of its financing plans, through which the Authority’s securities are offered, placed, or sold to the investment community. Pursuant to

resolution 2018-IHDA-045, the Authority engaged for such investment banking firms to provide set services as outlined above. The awarded Investment Bankers and their respective expiration dates are set forth in Exhibit A to the Resolution.

Mr. Nestlehut continued: While the Authority intended to issue a Request for Proposal (“RFP”) for new Investment Bankers pursuant to the requirements of the Illinois Procurement Code, 30 ILCS 500/1 *et seq.*; however, as a result of the COVID-19 pandemic and resulting disaster proclamation issued by the Governor of the State of Illinois, the Authority will require additional time to issue the RFP, receive responses from Investment Banking firms that desire to provide the services, and evaluate the submitted proposals.

Mr. Nestlehut concluded: Pursuant to resolution 2020-04-IHDA-056 and resolution 2020-09-IHDA-183, the Authority was authorized to extend the terms of the existing agreements with the current Investment Bankers through and including October 31, 2020 and then subsequently March 31, 2021. At this time, the Authority desires to extend the terms of the existing agreements with the current Investment Bankers through and including October 29, 2021, upon the same terms and conditions set forth in the existing agreements, except as otherwise set forth in Exhibit A to the Board resolution, to avoid a lapse in services until a new set of investment bankers may be awarded.

Mr. Tornatore adjourned the meeting at 10:35 a.m.