

**Minutes
Operating Board of Directors
DeKalb County Rehab & Nursing Center
January 18, 2006**

Present: Directors Tobias, Heinisch, Dubin, Ubl, Daugherty

Absent Directors: Kloster

Also Present: Scavotto, Bockman, Blair Minton

Chair Heinisch called the meeting to order at 8:35 am at Heritage Woods of Batavia.

A quorum was established and the agenda was approved as submitted (Motion by Dubin (second Daugherty). Minutes of the previous meeting were reviewed and approved by unanimous consent.

Old Business: None

New Business

Supportive Living: Blair Minton led a detailed discussion and updated the Board on the progress of the SLF project. There are 2 types of Assisted Living – Private Pay and Supportive Living. Supportive Living should be considered in the context of independent living with assistance. The policy considerations unfolding at the State level indicate that the Medicaid program will make more use of SLFs in the years ahead and move residents from more costly SNFs to lower-cost SLFs. Illinois is not the only State experimenting with such a program. Minton reviewed how residents are assessed and scored for admission.

The size of the DeKalb project is 74 units and represents an investment of \$11 million.

The financing for the project will involve the 4 percent tax credit available for affordable housing. The financing will be credit-enhanced. Negotiations have been between Harris Bank and Old Second to issue tax exempt bonds. Both banks have a keen interest in the DeKalb project. Once the bond issuer has been identified, the Minton group will approach the tax credit issuers. The tax credits are virtually automatic and it appears that the National Equity Fund will be the purchaser of the tax credits.

The design process is moving ahead. Once the financing arrangements are known, the deal focus will shift to the partnership agreement and the involvement of the Operating Board will accelerate. The best estimate of the Minton group is that ground-breaking will be in June/July; construction will be about 12 months.

The exit strategy is for the limited partners, i.e., the holders of the tax credits, to exit after the required 15 years. At that point, there are three options: 1) the County takes over by buying out the Minton; 2) the Minton group buys out the County; or the 3) the project continues, which is the preferred option.

Next Meeting

March 22, 2006. Meeting adjourned at 9:45AM. (motion Tobias, second Dubin) and concluded with a tour of Heritage Woods of Batavia.

Respectfully submitted.

Michael Scavotto
Recording Secretary