

**MCALLEN HOUSING FINANCE CORPORATION MEETING
OCTOBER 25, 1994**

A meeting of the McAllen Housing Finance Corporation was held on **October 25, 1994** at 12:00 noon at The Tower Club with the following present:

	Morgan Talbot	President
	Lynda Moore	Vice-President
	Wilfred Dean	Member
	Carlos Garza	Member
Staff:	Jim Darling	City Attorney
	Leticia Vacek	City Secretary
Also Present:	Jose Gonzalez	American Agape Foundation

1. CALL TO ORDER

President Talbot called the meeting to order.

2. APPROVAL OF THE MAY 5, 1994 MINUTES

Ms. Moore moved to approve the minutes of May 5, 1994 as submitted. Mr. Garza seconded the motion. Motion carried unanimously.

3. RESOLUTION RELATING TO THE ACQUISITION AND REHABILITATION OF EL CAMINO REAL APARTMENTS IN THE APPROXIMATE AMOUNT OF \$3,100,000.00

Mr. Darling explained the Notice of Intent to issue bonds in the amount of \$3,100,000. He noted that the bonds will be issued and the board will be reimbursed with the proceeds.

Mr. Gonzalez spoke of the 501(C)3 issue as permanent financing for the project. The packaging thereof and the Income qualifier was explained at this time.

Mr. Garza asked how much money will be spent on rehabilitation. Mr. Gonzalez stated that there will be some painting done. Mr. Darling asked if the bonds are secured by a Deed of Trust. Mr. Gonzalez replied yes.

Mr. Gonzalez explained that the Bonds cannot have equity partners. He added that the McAllen Housing Finance Corporation serves as a conduit. He added that bonds are addressed to the issuer.

Mr. Gonzalez mentioned that Agape is a non-profit organization and mentioned that they own a project in Raymondville.

Mr. Garza asked of Agape's mission statement. Mr. Gonzalez answered that the organization's goal is to provide affordable housing. He added that the profits from the projects are put back into the maintenance of projects and invested in other projects. Mr. Talbot asked how their Board of Directors are appointed and compensated. Mr. Gonzalez replied that he did not know. Mr. Gonzalez mentioned that Agape has a portfolio of 42 projects; 3/4 of the projects are outside

of San Antonio.

The Board asked for additional information from the Agape Foundation be made available for review. Information requested included their 990 form, management contract, the Corporate Limits Resolution, a copy of an Offering Statement and the Uses and Sources of Cash. Mr. Gonzalez noted that he would provide the requested information.

Mr. Talbot commented that he was reluctant to get involved in financing from someone in San Antonio that the Board knows nothing about.

Mr. Garza asked of the equity. Mr. Gonzalez replied that the equity is 10 to 15% and the purchase price is \$2.3 million for the 136 units.

RECESSED

Mr. Talbot recessed the meeting at 1:40 pm to be able to review the information requested until Tuesday, November 1, 1994 at 12:00 noon at the Tower Club.

RECONVENED

Mr. Talbot reconvened the meeting at 12:00 noon on November 1, 1994 with the following present: Morgan Talbot, Lynda Moore, Carlos Garza, Charles Cardenas, Richard Cortez and Wilfred Dean. Staff members present were Jim Darling and Leticia Vacek.

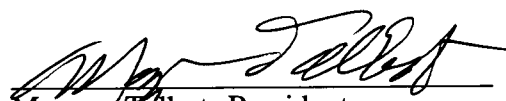
Mr. Talbot reported that he received a letter from Mr. Jose Gonzalez withdrawing their resolution for the acquisition and rehabilitation of El Camino Real Apartments in the approximate amount of \$3,100,000.00. He added that the reason for the withdrawal of the resolution was unclear.

Mr. Darling reported a balance of \$135,945.00 for the McAllen Housing Finance Corporation.

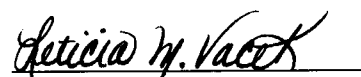
A discussion ensued regarding the need for public housing in McAllen. It was noted that a single family residential are more detailed. Mr. Darling reported that the County has always received the Corporation's allotment. It was commented that there is a real need for intermediate housing. It was the consensus of the board to schedule a joint meeting with the McAllen Housing Authority Commission.

ADJOURNMENT

There being no further business to come before the board, the meeting was unanimously adjourned at 1:25 pm.


Morgan Talbot, President

Respectfully submitted,


Leticia M. Vacek
Corporation Secretary