

**MCALLEN HOUSING FINANCE CORPORATAION
JULY 20, 2007**

A meeting of the McAllen Housing Finance Corporation was held on Friday, July 20, 2007 at 12:00 noon at Palm View Golf Course Meeting Room, with the following present:

	Armando Martinez	President
	Margaret Rose Guerra	Vice President
	Donna Rodriguez	Member
	Mercedes Espinoza	Member
Staff:	Jim Darling	Corporation Attorney
	Annette Villarreal	Corporation Secretary
	Joe Castillo	Asst. Finance Director
Absent:	Peter Carney	Member
	Charles Cardenas	Member
	Paul Schwab	Member
Others Present:	Robert A. Calvillo	Ex. Director, McAllen Affordable Homes

CALL TO ORDER

President Martinez called the meeting to order.

1. ELECTION OF OFFICERS

The Election of Officers was deferred until the next meeting.

2. PRESENTATION ON HISTORY OF THE MCALLEN HOUSING FINANCE CORPORATION

Mr. Darling gave a presentation on the history of the MHFC.

3. APPROVAL OF MINUTES FOR MEETING HELD MAY 17, 2005

Ms. Rodriguez moved to approve the minutes of the meeting held May 17, 2005 with one correction. Vice President Guerra seconded the motion. The motion carried unanimously by those present.

4. CONSIDERATION AND ACTION ON A REQUEST BY MCALLEN AFFORDABLE HOMES, INC. FOR AN EXTENSION OF LOAN FUNDS FOR PHASE II OF LOS ENCINOS III SUBDIVISION

Mr. Calvillo reported that the \$500,000 loan made by the MHFC to McAllen Affordable Homes will be maturing August 1, 2007. He added that the loan was approved for infrastructure improvements to the new Los Encinos III Subdivision located in South McAllen. He noted that improvements to Los Encinos III Subdivision have now been completed and although MAHI is in a position to payoff the loan in full prior to the maturity date, the MAHI Board is requesting an 18 month extension to the current loan with the current 4% interest rate for the development of Phase II.

A discussion was held about interest rates. President Martinez reported that interest rates have gone up and hence the corporation should consider increasing the current 4% rate to 6% rate. A discussion was held.

After due consideration, President Martinez moved to approve the loan extension with a 5 ½ % interest rate for 18 months. Ms. Espinoza seconded the motion. The motion carried unanimously by those present.

5. STATUS REPORT BY MCALLEN HOUSING AUTHORITY RELATING TO THE DEMOLITION AND REBUILDING PROJECT OF THE RETAMA HOUSING COMPLEX

Mr. Darling gave a status report on the demotion and rebuilding project of the McAllen Housing Authority Retama Housing complex. He reported that the plans include the construction of a new 202 unit apartment complex with funding from an allocation of Housing Tax Credits (HTC) from the Texas Department of Housing and Community Affairs (TDHCA). The new apartment complex will be built in two phases; Phase I will include the demolition of 76 existing units and the construction of 128 new units. Phase II will include the demolition of 74 existing units and the construction of 74 new units.


No action required.

ADJOURNMENT

There being no further business to come before the Commission, the meeting was adjourned at 12:50 p.m.


Armando Martinez, President

Attest:


Annette Villarreal, TRMC
Corporation Secretary